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[LB240 LB243 LB243A LB292 LB292A LB360 LB360A LB414 LB468 LB554 LB599 LB643]

SENATOR COASH PRESIDING

SENATOR COASH: GOOD MORNING, LADIES AND GENTLEMEN. WELCOME TO THE GEORGE W. NORRIS LEGISLATIVE CHAMBER FOR THE SEVENTY-THIRD DAY OF THE ONE HUNDRED FOURTH LEGISLATURE, FIRST SESSION. OUR CHAPLAIN FOR TODAY IS SENATOR BLOOMFIELD. PLEASE RISE.

SENATOR BLOOMFIELD: (PRAYER OFFERED.)

SENATOR COASH: THANK YOU, SENATOR BLOOMFIELD. I CALL TO ORDER THE SEVENTY-THIRD DAY OF THE ONE HUNDRED FOURTH LEGISLATURE, FIRST SESSION. SENATORS, PLEASE RECORD YOUR PRESENCE. MR. CLERK, PLEASE RECORD.

CLERK: I HAVE A QUORUM PRESENT, MR. PRESIDENT.

SENATOR COASH: THANK YOU, MR. CLERK. ANY CORRECTIONS FOR THE JOURNAL?

CLERK: NO CORRECTIONS, MR. PRESIDENT.

SENATOR COASH: MESSAGES, REPORTS, OR ANNOUNCEMENTS?

CLERK: ENROLLMENT AND REVIEW REPORTS LB414 AS CORRECTLY ENGROSSED. I HAVE THE REPORT OF REGISTERED LOBBYISTS FOR THIS WEEK REQUIRED PER STATUTE TO BE INSERTED INTO THE JOURNAL, AND A LISTING OF AGENCY REPORTS THAT ARE AVAILABLE ON THE LEGISLATIVE WEB SITE. THAT'S ALL THAT I HAVE, MR. PRESIDENT. (LEGISLATIVE JOURNAL PAGES 1351-1352.) [LB414]

SENATOR COASH: THANK YOU, MR. CLERK. WE WILL NOW PROCEED TO THE FIRST ITEM ON THE AGENDA.

CLERK: MR. PRESIDENT, LB554 WAS INTRODUCED BY THE BUSINESS AND LABOR COMMITTEE AND SIGNED BY ITS MEMBERS. (READ TITLE.) INTRODUCED ON

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JANUARY 21, REFERRED TO BUSINESS LABOR, ADVANCED TO GENERAL FILE. THERE ARE COMMITTEE AMENDMENTS. (AM744, LEGISLATIVE JOURNAL PAGE 896.) [LB554]

SENATOR COASH: SENATOR HARR, AS CHAIR OF THE BUSINESS AND LABOR COMMITTEE, YOU'RE RECOGNIZED TO OPEN ON LB554. [LB554]

SENATOR HARR: THANK YOU, MR. PRESIDENT, MEMBERS OF THE BODY. LB554 IS THE CLAIMS BILL THAT WE ARE REQUIRED TO INTRODUCE EVERY YEAR. TYPICALLY. WE HAVE TWO BILLS THAT COME FROM BUSINESS AND LABOR COMMITTEE. ONE IS THE APPROVED CLAIMS AND THE OTHER IS CLAIMS THAT ARE NOT APPROVED. WE HAVE NO UNAPPROVED CLAIMS AT THIS TIME, SO WE ONLY HAVE ONE BILL, THE APPROVED CLAIMS BILL, AND THAT IS LB554. IT WAS INTRODUCED BY THE BUSINESS AND LABOR COMMITTEE AS A COMMITTEE BILL AT THE REQUEST OF THE DEPARTMENT OF ADMINISTRATIVE SERVICES' RISK MANAGEMENT DIVISION. THIS BILL CONTAINS MISCELLANEOUS CLAIMS, TORT CLAIMS, AND SOME AGENCY WRITE-OFF REQUESTS. THE FIRST SIX CLAIMS IN SECTION 1 TOTAL \$477,087.50 AND REFLECT A SETTLEMENT BETWEEN THE STATE OF NEBRASKA AND NAMED DEPARTMENT OF CORRECTIONS EMPLOYEES WHO ALLEGED RACIAL DISCRIMINATION WHILE WORKING AT DEPARTMENT OF CORRECTIONAL SERVICES BY OTHER STAFF. PARTIAL PAYMENT WAS MADE TO EACH PARTY UPON APPROVAL BY THE STATE CLAIMS BOARD LEAVING A BALANCE OF THE \$477,087.50 TO REMAIN TO BE PAID. AND HOW THAT WORKS, FOLKS, IS THAT IF THERE IS A TORT CLAIM AGAINST THE STATE AND THE CLAIMS BOARD AGREES TO PAY IT, THE FIRST \$50,000 IS PAID OFF AUTOMATICALLY, ASSUMING THERE'S MONEY IN THE FUND, AND THEN THE REMAINING PORTION IS PAID OUT AFTER APPROVAL FROM US, THE LEGISLATURE, WHICH IS WHY WE'RE HERE TODAY. THE SEVENTH CLAIM IS FOR \$79,070.98. THIS CLAIM IS FOR ADDITIONAL PROPERTY TAX CREDIT MONIES FOR TAX CORRECTIONS. LANCASTER COUNTY CLAIMED THAT IN 2011 AND 2012 PROPERTY TAX CREDIT WAS INCORRECTLY CALCULATED ON PARCELS THAT HAD OUALIFYING PARTIAL HOMESTEAD EXEMPTIONS. THE EIGHTH CLAIM IS FOR \$25,326.65 AND IS A CLAIM FOR THE NEBRASKA PRESS ADVERTISING SERVICES. THESE ARE THE COST OF PUBLICATION OF CONSTITUTIONAL AMENDMENTS PLACED ON THE NOVEMBER 2014 GENERAL ELECTION BALLOT BY THE LEGISLATURE. PUBLICATION OF THESE AMENDMENTS IS REQUIRED BY THE STATE'S CONSTITUTION AND BY STATUTES. THE LAST TWO CLAIMS IN SECTION 1 INVOLVE THE CASE WHEN FORMER ATTORNEY GENERAL JON BRUNING SENT A CEASE AND DESIST LETTER TO MPHJ'S COUNSEL, FARNEY DANIELS, REQUESTING MPHJ CEASE THEIR LETTER CAMPAIGN TO NEBRASKA CONSUMERS ALLEGING

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PATENT INFRINGEMENT AND DEMANDING LICENSING FEES. TWO OF DANIELS' CLIENTS, MPHJ AND ACTIVE LIGHT (SIC--ACTIVISION), SUED IN FEDERAL COURT FOR THE ALLEGED VIOLATION OF THEIR FIRST AMENDMENT RIGHT. THE DISTRICT COURT AGREED WITH THE PLAINTIFF AND AWARDED \$750,000 IN ATTORNEY'S FEES IN THIS CASE, \$50,000 OF WHICH HAS BEEN PAID TO ... EACH TO THE TWO CLAIMS LEAVING A REMAINING BALANCE OF \$275,000 IN ONE CLAIM AND \$350,000 IN THE OTHER. THE THREE TORT CLAIMS IN SECTION 2 OF THE BILL RELATE TO THE BEATRICE SIX CASE AND THE WRONGFUL CONVICTION OF MR. DEAN, MS. TAYLOR, MS. SHELDEN, AND OTHERS, BUT THE SETTLEMENT IS FOR THOSE THREE. MR. DEAN WAS AWARDED \$300,000; MS. TAYLOR WAS AWARDED \$500,000; AND MS. SHELDEN SETTLED FOR \$250,000; \$50,000 WAS PAID FOR EACH OF THE CLAIMS BY THE STATE CLAIMS BOARD, HOWEVER, INTEREST ACCRUES THROUGH PAYMENT OF THE BALANCE WHEN APPROVED BY THE LEGISLATURE. SO THE AMOUNT LISTED REFLECTS THE REMAINING BALANCE. SECTION 3 CLAIMS INVOLVE TORT CLAIMS. THE FIRST IS \$213,750 SETTLEMENT WHERE A CLAIMANT WAS INJURED BY A STATE EMPLOYEE WITH THE GAME AND PARKS IN A CAR COLLISION. THE SECOND AND THIRD CLAIMS ARE RELATED TO THE SAME INCIDENT WHERE CLAIMANT ALLEGED HIS CAR WAS STRUCK BY AN EMPLOYEE IN A STATE-DRIVEN VEHICLE WHILE STOPPED AT A TRAFFIC LIGHT. THE SECOND CLAIM OF THE BILL IS AN \$80,000 SETTLEMENT AND THE THIRD CLAIM IS A \$10,000 SETTLEMENT FOR PROPERTY DAMAGE. SECTION 5 CLAIMS CONCERN AGENCY WRITE-OFF REQUESTS. AGENCIES ARE REQUIRED TO SEEK CLAIMS BOARD APPROVAL FOR DEBT WRITE-OFFS. THE BOARD APPROVED ALL OF THE REQUESTS WHICH ARE FOUND IN LB554. THE BOARD DETERMINED THAT THE DEBTS WERE UNCOLLECTIBLE EITHER BECAUSE THE DEBTOR IS DECEASED, THE DEBT HAS BEEN DISCHARGED THROUGH BANKRUPTCY, OR THE BOARD WAS SATISFIED WITH THE DEPARTMENT'S EFFORTS TO COLLECT WHICH WERE UNSUCCESSFUL. THE SUPREME COURT REQUESTS A WRITE-OFF OF \$152.59. THE DEBTS ARE FOR UNPAID FAX SERVICES, POSTAGE, COPIES, AND CERTIFICATES OF GOOD STANDING. THE NEBRASKA EMPLOYEE RETIREMENT SERVICE OR, EXCUSE ME, SYSTEM REQUESTS A WRITE-OFF OF \$17,232.44. THE DEBT RELATES TO OVERPAYMENTS OF RETIREMENT BENEFITS THAT WERE OVERPAID DUE TO NPERS, N-P-E-R-S, NOT BEING NOTIFIED OF THE DEATH OF PAYEES IN A TIMELY MANNER. THE DEPARTMENT OF ROADS REQUESTS A WRITE-OFF FOR \$142,101.68 RELATING TO DAMAGE TO STATE PROPERTY DUE TO AUTOMOBILE ACCIDENTS. THESE TYPICALLY INVOLVE GUARDRAIL, SIGNAGE, AND STATE-OWNED VEHICLE DAMAGE. HEALTH AND HUMAN SERVICES REQUESTS A \$538,469.40 WRITE OFF. THE OVERWHELMING MAJORITY OF THE DEBT PRESENTED FOR WRITE OFF INVOLVES DEBT EITHER INVOLVED...EITHER REFERRED TO A COLLECTION AGENCY OR RETURNED AS UNCOLLECTIBLE OR INVOLVES DEBTORS WHO

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CONTINUE TO BE ON NEED-BASED ASSISTANCE PAST THE APPLICABLE STATUTE OF LIMITATION PERIOD. THE DEPARTMENT OF CORRECTION REQUESTS \$6,702.30. THIS REQUEST COVERS THREE FUNDS: THE CORRECTIONS FACILITIES CASH FUND, CORNHUSKER STATE INDUSTRY, AND THE PAROLE PROGRAM. THE THREE DEBTS ARE UNCOLLECTIBLE IN THE CORRECTIONAL FACILITY CASH FUND DUE TO AN INMATE DEATH OR BANKRUPTCY DISCHARGE. DCS REQUESTS AN ADDITIONAL \$78 BE WRITTEN OFF UNDER THE CORNHUSKER STATE INDUSTRY FUND AS THE DIFFERENCE BETWEEN THE PREVIOUSLY APPROVED AMOUNT TO BE WRITTEN OFF AND THE ACTUAL AMOUNT NECESSARY. FINALLY, DCS REQUESTS WRITE OFF FOR INMATE DEBTS FOR PAROLE PROGRAM FOR PAROLE PROGRAMMING FEES. THE MILITARY DEPARTMENT REQUESTS \$2,613.61 FOR COURSE FEES UNDER THE NATIONAL GUARD TUITION ASSISTANCE PROGRAM THAT PARTICIPANTS FAILED TO REPAY WHEN THEY WITHDREW FROM CLASSES. THE STATE TREASURER REQUESTS \$99,675.70. OF THOSE DEBTS, THE STATE DISBURSEMENT UNIT REQUESTS \$3,875.24 BE WRITTEN OFF DUE TO INDIVIDUAL DEBT BALANCE OF LESS THAN \$50: \$18.929.58 OF THE DEBT WAS PAID OUT IN ERROR; \$8,292.61 REFLECT DEBT IN WHICH THE DEBTOR IS DECEASED; \$353.85 IS DUE TO BANKRUPTCY; AND THE REMAINING PORTION, WHICH IS \$68,223.82, IS WHEN A CHILD SUPPORT ORDER IS COMPLETED. [LB554]

SENATOR COASH: ONE MINUTE. [LB554]

SENATOR HARR: THANK YOU. THE DMV REQUESTS WRITE-OFF...LET'S SEE, WE'RE RUNNING OUT OF TIME, SO I'LL...AND I'M NOT FILIBUSTERING MY OWN BILL. I'LL END IT WITH THE STATE PATROL REQUESTS \$58,348.38 FOR DAMAGES TO VEHICLES DUE TO VEHICLE PURSUITS, COLLISIONS, AND VANDALISM. THIS IS THE FULL INTRODUCTION OF THE BILL AND I WOULD ASK FOR YOUR SUPPORT. I PROBABLY RAN OUT OF TIME. THERE ARE A COUPLE OF OTHER CLAIMS, ALL OF THEM LESS THAN \$12,000, THAT I'D BE MORE THAN WILLING TO DISCUSS. THANK YOU, MR. PRESIDENT. [LB554]

SENATOR COASH: THANK YOU, SENATOR HARR. SENATOR WATERMEIER, FOR WHAT PURPOSE DO YOU RISE? [LB554]

SENATOR WATERMEIER: POINT OF PRIVILEGE. I JUST WANTED TO MAKE AN ANNOUNCEMENT HERE AS THE PERFORMANCE AND AUDIT CHAIRMAN, ON A MONDAY MORNING REMIND EVERYBODY YOU SHOULD HAVE RECEIVED AN E-MAIL. WE HAVE A LATE START ON MONDAY MORNING AT 9:00 A.M. WE HAVE A PRESENTATION BY THE PERFORMANCE AUDIT. I ASKED THEM TO PUT ON A

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LITTLE PRESENTATION FOR...ORIGINALLY THE IDEA STARTED THAT WE WOULD HAVE NEW MEMBERS AND BE AN EDUCATION PROCESS, BUT WE OPENED IT UP TO EVERYBODY. I THINK THERE WILL BE GOOD DISCUSSION. WE'LL TALK ABOUT THE HISTORY OF PERFORMANCE AUDIT, WHAT WE'VE DONE IN THE PAST, AND WHERE WE'RE HEADING. SO IT'S JUST A REMINDER THAT YOU SHOULD HAVE AN E-MAIL AND IT'S IN ROOM 1510, 9:00 A.M., MONDAY MORNING.

SENATOR COASH: THANK YOU, SENATOR WATERMEIER. RETURNING TO DISCUSSION ON LB554. AS THE CLERK HAS STATED, THERE IS AN AMENDMENT FROM THE BUSINESS AND LABOR COMMITTEE. SENATOR HARR, AS CHAIR OF THE COMMITTEE, YOU ARE RECOGNIZED TO OPEN ON THE COMMITTEE AMENDMENT. [LB554]

SENATOR HARR: THANK YOU, MR. PRESIDENT. SINCE I HAVE A LITTLE TIME, I'M GOING TO GO OVER WHAT I DIDN'T TALK ABOUT BEFORE, AND THEN I'LL DISCUSS THE AMENDMENTS TO LB554 WITH AM744. THE STATE ENERGY OFFICE REQUESTS \$48,471.58. THIS DEBT IS DOLLAR AND ENERGY SAVINGS LOANS WHICH WERE UNCOLLECTIBLE DUE TO DEATH, BANKRUPTCY, OR DETERMINED BY THE ATTORNEY GENERAL THAT THEY WERE UNCOLLECTIBLE. THE DEPARTMENT OF INSURANCE REQUESTS \$4,079 FOR UNPAID FEES FOR INSOLVENT COMPANIES OR CHECKS WITH INSUFFICIENT FUNDS. THE BOARD OF EDUCATIONAL LANDS AND FUNDS REQUESTS \$12,796.78. THE BOARD LEASES SCHOOL TRUST LAND TO FARMERS AND RANCHERS AND CHARGES RENT SEMIANNUALLY. THESE LESSEES FAILED TO PAY RENT AND THEIR LEASES WERE FORFEITED. THE BOARD TOOK OWNERSHIP OF ANY LEASE IMPROVEMENTS AND SOLD IT AT AUCTION WITH A NEW LEASE. THE VALUE OF ANY IMPROVEMENT WAS APPLIED AGAINST THE TOTAL AMOUNT OWED, BUT THERE IS STILL A SHORTAGE OF THE \$12,796.78. ON TO AM744: THE AMENDMENT BECOMES NECESSARY BECAUSE BETWEEN THE TIME THE BILL IS DRAFTED AND THE TIME THE BUSINESS AND LABOR COMMITTEE MET THERE ARE ADDITIONAL CLAIMS BROUGHT TO US BY THE CLAIMS BOARD, AND THOSE TWO CLAIMS ARE FOUND IN AM744. THESE TWO CLAIMS ARE RELATED TO THE SAME INCIDENT. THEY ARE SETTLING FOR \$95,000 EACH, TOTALING \$190,000. A CONTRACTOR EMPLOYEE DIED WHEN, DURING A CONSTRUCTION PROJECT, HE WAS TRAPPED BY THE COLLAPSE OF AN EXCAVATION AND THE TWO CLAIMANTS ALLEGED HIS PASSING WAS THE RESULT OF STATE'S NEGLIGENCE. THE ATTORNEY GENERAL'S OFFICE REACHED A SETTLEMENT WHICH YOU'LL FIND IN AM744. THANK YOU, AND I'D ASK FOR YOUR SUPPORT ON AM744. [LB554]

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SENATOR COASH: THANK YOU, SENATOR HARR. (DOCTOR OF THE DAY INTRODUCED.) MR. CLERK. [LB554]

CLERK: MR. PRESIDENT, SENATOR HARR WOULD MOVE TO AMEND THE COMMITTEE AMENDMENT WITH AM1182. (LEGISLATIVE JOURNAL PAGE 1118.) [LB554]

SENATOR COASH: SENATOR HARR, YOU ARE RECOGNIZED TO OPEN ON THE AMENDMENT TO THE COMMITTEE AMENDMENT. [LB554]

SENATOR HARR: THANK YOU, MR. PRESIDENT. AM1182 MAKES TWO CHANGES THAT WERE FOUND AS DAS WAS REVIEWING THEIR FILES. FIRST, IT CHANGES THE CLAIMS FOUND IN THE COMMITTEE AMENDMENT TO BE PAID OUT OF THE ROAD OPERATION CASH FUND RATHER THAN GENERAL FUND. SECONDLY, IT INCLUDES THE NAMES OF THE TWO CLAIMS FOUND IN SECTION 3. THANK YOU, AND I WOULD ASK FOR YOUR SUPPORT ON THIS AMENDMENT AS WELL. [LB554]

SENATOR COASH: THANK YOU, SENATOR HARR. MEMBERS, YOU'VE HEARD THE OPENING TO THE BUSINESS AND...TO LB554, THE COMMITTEE AMENDMENT, AND THE AMENDMENT TO THE COMMITTEE AMENDMENT. FLOOR IS NOW OPEN FOR DISCUSSION. SENATOR PANSING BROOKS, YOU'RE RECOGNIZED. [LB554]

SENATOR PANSING BROOKS: THANK YOU, MR. PRESIDENT. I JUST HAVE SOME QUESTIONS AS A NEWBIE AND I WONDER IF SENATOR HARR WILL YIELD. [LB554]

SENATOR COASH: SENATOR HARR, WILL YOU YIELD? [LB554]

SENATOR HARR: YES. [LB554]

SENATOR PANSING BROOKS: OKAY. PART OF THIS THAT I'M INTERESTED IN IS I'M UNDERSTANDING THAT THESE ARE CLAIMS, AND SO THEY'VE GONE TO COURT, I PRESUME, IS THAT CORRECT? AND MANY OF THESE HAVE BEEN ADJUDICATED? [LB554]

SENATOR HARR: THEY'VE BEEN...GONE IN FRONT OF THE CLAIMS BOARD, YES. IS THAT THE QUESTION? [LB554]

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SENATOR PANSING BROOKS: OKAY. BUT SOME OF THEM, LIKE THE BEATRICE SIX, HAVE HAD FULL TRIALS AND CASES AND DETERMINATIONS BY A COURT OF LAW. [LB554]

SENATOR HARR: YES, SOME ARE COURT ORDERS AS WELL, YES. [LB554]

SENATOR PANSING BROOKS: OKAY. SO I GUESS WHAT I'M INTERESTED IN THEN IS THESE ARE ORDERS BY THE COURT, AND THEY MUST BE PAID. SO I'M WONDERING, NUMBER ONE, WHY DON'T THEY COME OUT OF THIS COMMITTEE PRIORITIZED? AND WHAT IF THEY WEREN'T PASSED? WHAT IF WE DON'T PASS THIS ON GENERAL? [LB554]

SENATOR HARR: WELL, I MEAN, THEY COME OUT OF...SO THIS BILL, THE CLAIMS BILL, HAS AN AUTOMATIC PRIORITY. SO IT DOES HAVE A PRIORITY ON IT. [LB554]

SENATOR PANSING BROOKS: IT DOES? OKAY. I DIDN'T SEE... [LB554]

SENATOR HARR: YEAH. SO...AND THAT'S AN AUTOMATIC. IT'S IN THE RULES THAT WE GET A...BUSINESS AND LABOR, THE CLAIMS AND THE DISPUTED CLAIMS HAVE AUTOMATIC PRIORITIES. SO IT DOES HAVE A PRIORITY, BUT WITHIN THE BILL IT DOESN'T HAVE ANY PRIORITY. AND THE ANSWER, OF COURSE, IS THERE ARE A NUMBER OF REMEDIES. FIRST THING, YOU COULD WAIT AND THERE'S INTEREST THAT ACCRUES OR YOU COULD GET A COLLECTION PAYMENT AND THE LAW FIRM COULD COME IN AND... [LB554]

SENATOR PANSING BROOKS: SUE THE STATE. [LB554]

SENATOR HARR: ...START TAKING STUFF LITERALLY FROM THE STATE WITH A SHERIFF AND THEN MARK, HEY, THAT TELEPHONE IS WORTH \$5 UNTIL YOU GET UP TO THE \$750,000. [LB554]

SENATOR PANSING BROOKS: THAT'S WHAT I WAS WONDERING. THANK YOU. ALSO, IN SECTIONS 1 THROUGH, LET'S SEE, WELL, IN SECTION 1 THERE ARE A NUMBER OF THEM THAT RELATE TO EMPLOYEES DUE TO RACIAL DISCRIMINATION, IS THAT CORRECT? [LB554]

SENATOR HARR: THAT IS CORRECT WITH THE DEPARTMENT OF CORRECTIONAL SERVICES. [LB554]

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SENATOR PANSING BROOKS: OKAY. SO MY POINT BEING THERE IS THAT I'VE TALKED TO A NUMBER OF SENATORS ABOUT NOT WANTING TO CREATE SEPARATE CLASSES FOR PEOPLE AND WE SHOULD JUST TREAT ALL PEOPLE EQUALLY. AGAIN, WE HAVE CASE AFTER CASE WHERE PEOPLE ARE NOT BEING TREATED EQUALLY, AND I JUST THINK IT'S IMPORTANT TO GET ON THE RECORD THAT IT IS IMPORTANT TO PROTECT PEOPLE FROM ALL TYPES OF DISCRIMINATION. IT EVEN HAPPENS WITHIN THE STATE. OKAY. MY SECOND COMMENT IS I WAS...OR QUESTION, I'M TRYING TO FIGURE OUT ABOUT SPECIFICALLY CLAIM NUMBER 2015-14059 AGAINST THE STATE OF NEBRASKA PAYABLE TO ANDY STEBBING, LANCASTER COUNTY TREASURER. I DON'T SEE ANY OTHER COUNTY TREASURERS LISTED, SO I WAS JUST INTERESTED HOW THAT HAPPENED AND WHAT THAT WAS ABOUT. [LB554]

SENATOR HARR: WELL, THAT WAS DUE TO A MISTAKE WITHIN THE TREASURER'S OFFICE. SO WHAT GENERALLY HAPPENS IS YOU HAVE LAND VALUED AT 100 PERCENT OF THE APPRAISAL VALUE, AND THEN 90 PERCENT OF THE VALUE IS TAXED ON THE HOMESTEAD CREDIT. IT SHOULD HAVE BEEN 100, SO LANCASTER WAS NOT RECEIVING THE AMOUNT OF REFUND FOR THE HOMESTEAD EXEMPTIONS THAT IT SHOULD HAVE. THE DEPARTMENT OF REVENUE CAUGHT THIS MISTAKE AND ALERTED THE TREASURER'S OFFICE OF THIS MISTAKE. UNFORTUNATELY, YOU CAN ONLY LOOK BACK...STATUTE OF LIMITATION IS THREE YEARS. [LB554]

SENATOR PANSING BROOKS: OKAY. [LB554]

SENATOR HARR: SO I DON'T KNOW HOW LONG THIS MISTAKE HAD BEEN GOING ON WITHIN THE OFFICE, BUT CLEARLY THERE WAS AND WE OWED MORE THAN WHAT WAS BEING PAID TO LANCASTER COUNTY. SO... [LB554]

SENATOR PANSING BROOKS: OKAY. SO THIS ISN'T HAPPENING IN ANY OF THE OTHER COUNTIES. WE DON'T HAVE TO EXPECT THIS PAYMENT AS WELL. IS THAT CORRECT? [LB554]

SENATOR HARR: AS I UNDERSTAND IT, THAT IS CORRECT. [LB554]

SENATOR COASH: ONE MINUTE. [LB554]

SENATOR PANSING BROOKS: THANK YOU. [LB554]

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SENATOR HARR: THIS WAS FOUND BY THE DEPARTMENT OF REVENUE AND THEY ONLY FOUND IT IN LANCASTER COUNTY. [LB554]

SENATOR PANSING BROOKS: OKAY. AND MY NEXT QUESTION IS WHEN YOU GO TO THE BEATRICE SIX CASES, THERE WERE SIX BEATRICE SIX PEOPLE THAT WERE WRONGFULLY INCARCERATED BY THE STATE, SO WHY ARE AREN'T THERE SIX? [LB554]

SENATOR HARR: YEAH. THIS IS THE LAST THREE CLAIMS. THE FIRST THREE WERE PAID IN LB585 IN 2011. THERE WAS WHITE WHO RECEIVED \$475,000, GONZALEZ, \$325,000, AND WINSLOW WHO CREATED \$180,000. [LB554]

SENATOR PANSING BROOKS: OKAY, WONDER...THANK YOU VERY MUCH. AND, AGAIN, THAT'S PART OF BEING SMART ON CRIME AND NOT NECESSARILY TOUGH ON CRIME BECAUSE THAT'S WHY THE DNA BILL WAS SO GOOD THAT WE ALL PASSED BECAUSE WE HAVE TO BE ABLE TO LET PEOPLE THAT ARE WRONGFULLY INCARCERATED... [LB554]

SENATOR COASH: TIME, SENATORS. [LB554]

SENATOR PANSING BROOKS: ...TO BE ABLE TO HAVE A CHANCE TO PLEAD THEIR CASE. THANK YOU. THANK YOU, SENATOR HARR. [LB554]

SENATOR COASH: THANK YOU, SENATORS. SENATOR BLOOMFIELD, YOU'RE RECOGNIZED. [LB554]

SENATOR BLOOMFIELD: THANK YOU, MR. PRESIDENT. GOOD MORNING, COLLEAGUES. AS VICE CHAIR OF BUSINESS AND LABOR, I'D LIKE TO THANK SENATOR HARR FOR LEADING US THROUGH THIS PROCESS THAT BRINGS THIS TO US. IT'S NOT A BILL WE ALL WANT TO PAY. IT'S SIMPLY ONE OF THOSE BILLS THAT HAS TO BE PAID. IT IS MONEY THAT THE STATE OWES AND, LIKE IT OR NOT, WE HAVE TO COUGH UP THE MONEY. AGAIN, I'D LIKE TO THANK SENATOR HARR FOR HIS LEADERSHIP NOT ONLY ON THIS ISSUE BUT THROUGHOUT THE SESSION IN BUSINESS AND LABOR, AND I WOULD YIELD HIM THE REMAINDER OF MY TIME IF HE HAS ANYTHING FURTHER HE'D LIKE TO SAY ON THIS BILL. THANK YOU. [LB554]

SENATOR COASH: SENATOR HARR, YOU'VE BEEN YIELDED 4:10. [LB554]

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SENATOR HARR: THANK YOU, AND I WILL RECIPROCATE. I WANT TO THANK SENATOR BLOOMFIELD FOR THOSE KIND WORDS. I DON'T KNOW IF THEY'RE ALWAYS JUSTIFIED, BUT I APPRECIATE IT. AND I WOULD SAY HE'S BEEN A GREAT VICE CHAIR, PROBABLY BETTER THAN I EVER WAS WHEN I WAS VICE CHAIR. SO I APPRECIATE IT AND I WOULD WAIVE THE REMAINDER OF MY TIME. THANK YOU. [LB554]

SENATOR COASH: THANK YOU, SENATORS. SENATOR CHAMBERS, YOU'RE RECOGNIZED. [LB554]

SENATOR CHAMBERS: THANK YOU. MR. PRESIDENT, MEMBERS OF THE LEGISLATURE, I WANT SOME THINGS ON THE RECORD BECAUSE AS WE PAY THESE CLAIMS THERE ARE SOME VERY IMPORTANT POLICY ISSUES INVOLVED HERE. SO I'M GOING TO GET ASSISTANCE FROM THE CHAIRMAN OF THE LABOR COMMITTEE, ON WHICH I SIT. SO IF I REFER TO HIM AS MY CHAIRMAN, I'M NOT TALKING ABOUT IN THE SENSE OF MAO AND FELLOW TRAVELERS AND SO FORTH, BUT AS CHAIRMAN OF A LEGISLATIVE COMMITTEE. I HAVE TO, SENATOR FRIESEN, BE VERY CAREFUL OF MY LANGUAGE THAT PEOPLE UNDERSTAND THAT WHEN I USE WORDS I MEAN THEM IN THE WAY THAT I INTEND. MR. CHAIRMAN, ONE OF THESE CLAIMS INVOLVES CORRECTIONS DEPARTMENT EMPLOYEES WHO WERE PLACED IN A DISCRIMINATORY-TYPE SITUATION ON THE JOB. WHICH...WHAT WAS THE NUMBER OF THAT CLAIM AND WHAT WAS THE TOTAL AMOUNT? [LB554]

SENATOR COASH: SENATOR HARR? [LB554]

SENATOR HARR: THANK YOU, MR. SPEAKER. YES, SENATOR CHAMBERS. ACTUALLY IT WASN'T A DISCRIMINATORY TYPE; IT WAS DISCRIMINATION, OR AT LEAST THE STATE AGREED TO PAY IT OUT. AND IT'S IN SECTION 1, AND IT'S LINE 6 THROUGH...LOOKS LIKE THROUGH LINE 29 ON PAGE 2 OF THE GREEN COPY, AND THE TOTAL AMOUNT WAS \$477,087.50, SO NEARLY HALF A MILLION DOLLARS. [LB554]

SENATOR CHAMBERS: THANK YOU. MEMBERS OF THE LEGISLATURE, WHEN I STAND ON THIS FLOOR AND TELL YOU ALL WHAT HAPPENS TO BLACK PEOPLE YOU WANT TO ACT LIKE IT DOESN'T HAPPEN. THIS IS A HALF-MILLION DOLLARS THAT THE STATE COULD NOT GET OUT OF PAYING BECAUSE THEY SAW FIT TO ALLOW BLACK EMPLOYEES TO BE DISCRIMINATED AGAINST AND THESE EMPLOYEES MADE COMPLAINTS. THEY TALKED ABOUT IT. BUT THE ATTITUDE

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WAS, YOU DON'T COUNT IN THE STATE. LOOK AT CHAMBERS OVER THERE IN THE LEGISLATURE. SHOW ME ANY PLACE IN THIS STATE WHERE BLACK PEOPLE COUNT FOR ANYTHING. WE ARE MERELY REFLECTING THE RACISM OF THE SOCIETY, WHICH IS WHAT THEY SAY WHEN COPS KILL BLACK PEOPLE, THAT THEY ARE MERELY REFLECTING THE RACISM IN SOCIETY AND, THEREFORE, THEY HAVE NO INDIVIDUAL PERSONAL RESPONSIBILITY. FORTUNATELY, THESE PEOPLE GOT LAWYERS AND THE LAWYERS MADE THE STATE PAY AND THE STATE RESISTED. THIS STATE BELIEVES IN RACIAL SEGREGATION AND DISCRIMINATION. FORTUNATELY, ON OCCASION SOMETHING LIKE THIS HAPPENS AND PEOPLE LOOK SHAMEFACED, ACT LIKE THEY'RE NOT PAYING ATTENTION, IT'S SOMEBODY ELSE, IT HAPPENS SOMEWHERE ELSE, AND CHAMBERS SHOULDN'T TALK ABOUT IT. WELL, YOUR WHITE PEOPLE REPRESENTING YOU SHOULD NOT DO IT. THERE ARE POLICIES THAT COULD BE PUT IN PLACE THAT WOULD LET THESE PEOPLE KNOW WHEN YOU OFFEND IN THIS WAY YOU ARE OUT OF HERE. THAT'S IT. BUT THEY KNOW THAT'S NOT GOING TO HAPPEN. IT'LL BE ENDORSED. IT'LL BE RATIFIED. IT'LL BE RATIONALIZED. THEY'LL TRY TO MAKE THE BLACK PEOPLE LOOK LIKE THEY'RE CRAZY OR THAT THEY'RE DISGRUNTLED OR THEY'RE STILL MAD ABOUT SLAVERY, WHICH I AM. AND WHEN I SAY MAD, I MEAN IN THE SENSE OF ANGRY AND SOMEWHAT UNBALANCED MENTALLY. WHEN WE WERE TALKING THE OTHER DAY, YESTERDAY, SOME PEOPLE THOUGHT THAT BECAUSE...WELL, I'LL GO AHEAD AND MENTION IT. SENATOR NORDQUIST HAD FELT THAT BECAUSE A CERTAIN PROGRAM HAD BEEN IN PLACE FOR DECADES, THAT'S AN ARGUMENT FOR KEEPING IT IN PLACE. [LB554]

SENATOR COASH: ONE MINUTE. [LB554]

SENATOR CHAMBERS: AND I LET THAT GO AT THAT POINT BECAUSE WE'D HAD SOME PRETTY HEATED EXCHANGES, BUT MILD COMPARED TO WHAT OTHERS HAVE BEEN. BUT THE POINT I WANTED TO MAKE THEN THAT I KNEW I COULD MAKE TODAY IS THAT AMERICA WAS A SLAVE COUNTRY FAR LONGER THAN IT HAS BEEN WITHOUT SLAVERY. IN AMERICAN HISTORY, THIS COUNTRY WAS A SLAVE COUNTRY LONGER THAN IT HAS BEEN A NONSLAVE COUNTRY. YOU NOTICE I DON'T SAY FREE BECAUSE WE ARE STILL NOT FREE. I WILL CONTINUE WHEN I'M RECOGNIZED. THANK YOU, MR. PRESIDENT. [LB554]

SENATOR COASH: THANK YOU, SENATOR CHAMBERS. SENATOR PANSING BROOKS, YOU ARE RECOGNIZED. [LB554]

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SENATOR PANSING BROOKS: THANK YOU, MR. PRESIDENT. I GUESS I WANTED TO JUST CONTINUE A LITTLE QUESTIONING REGARDING PAGE 6 ON THE CLAIM FOR DEPARTMENT OF HEALTH AND HUMAN SERVICES. AND I THINK I WAS GOING TO ASK, SENATOR HARR, DID YOU SAY THAT THESE ARE COLLECTION AGENCY UNCOLLECTIBLES? [LB554]

SENATOR COASH: SENATOR HARR? [LB554]

SENATOR HARR: THANK YOU, MR. PRESIDENT. THE ANSWER IS THEY'RE UNCOLLECTIBLE EITHER DUE TO BANKRUPTCY, THE PERSON IS INDIGENT, OR HAS PASSED AWAY, YES. [LB554]

SENATOR PANSING BROOKS: OKAY. SO DO WE HAVE TO COUNT ON ABOUT A HALF A MILLION EVERY YEAR FOR UNCOLLECTIBLES? [LB554]

SENATOR HARR: WELL, TO BE HONEST... [LB554]

SENATOR PANSING BROOKS: BECAUSE THAT'S REALLY GOOD MONEY THAT COULD GO TO PROVIDING HEALTHCARE TO PEOPLE RATHER THAN, I DON'T KNOW, TRYING TO COLLECT ERRANT FEES. [LB554]

SENATOR HARR: YEAH. WELL, TO BE HONEST WITH YOU, THIS AMOUNT IS LOWER THAN NORMAL. [LB554]

SENATOR PANSING BROOKS: PARDON ME? [LB554]

SENATOR HARR: IT'S LOWER THAN IT USUALLY IS. [LB554]

SENATOR PANSING BROOKS: OH, MY GOSH. THAT'S SORT OF DISAPPOINTING. OKAY, WELL, I JUST...IT SEEMS LIKE THAT IS SOMETHING THAT WE MIGHT HOPE TO IMPROVE FOR THE STATE OF NEBRASKA IN SOME WAY OR ANOTHER. AND I JUST WANT TO POINT THE HUMOROUS \$3.87 FOR OUR CLERK OF THE LEGISLATURE ON LINE 17. AND NOW I WILL GIVE THE REST OF MY TIME TO SENATOR CHAMBERS WHO IS CORRECTLY DISCUSSING THE RACISM AND THE ISMS THAT WE HAVE IN OUR COMMUNITIES STILL. [LB554]

SENATOR COASH: SENATOR CHAMBERS, YOU'VE BEEN YIELDED 3:25. [LB554]

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SENATOR CHAMBERS: THANK YOU, MR. PRESIDENT. THANK YOU, SENATOR PANSING BROOKS. AND, MEMBERS, I'M SAYING THIS FOR THE RECORD AND I'M SAYING IT FOR WHAT I'VE FOUND OUT: MULTITUDES OF PEOPLE WHO LISTEN AND WATCH WHAT WE DO. SO IN THE SAME WAY THAT SENATOR KRIST AND OTHERS SAY GOOD MORNING, NEBRASKA, I'M SAYING GOOD MORNING TO THOSE PEOPLE WHO PAY ATTENTION TO SENATOR CHAMBERS AND UNDERSTAND WHAT IT IS THAT I'M TALKING ABOUT, HOW SERIOUS IT IS THAT THIS IS MY FORUM, MY PLATFORM. AND AS PROBABLY IT WAS TEDDY ROOSEVELT SAID, I'M GOING TO USE IT AS A BULLY PULPIT. AND I'M RIGHT ON POINT THIS MORNING BECAUSE THE STATE, THE TAXPAYERS OF THIS STATE, THE TAXPAYERS SENATOR GROENE ALWAYS GROANS ABOUT ARE PAYING A HALF-MILLION DOLLARS FOR THE RACIST ACTIVITIES AGAINST BLACK EMPLOYEES AT THE DEPARTMENT OF CORRECTIONS. AND YOU KNOW WHAT THAT LEADS ME TO? IF THE EMPLOYEES WHO ARE BLACK ARE MISTREATED IN THIS FASHION, YOU KNOW WHAT IS GOING TO HAPPEN TO THE BLACK INMATES, AND THEIR COMPLAINTS ARE DISREGARDED ALSO. AND THEY DON'T HAVE THE WHEREWITHAL TO HIRE HIGH-PRICED ATTORNEYS TO VINDICATE THEIR RIGHTS. SO I GET LETTERS, AND BY THE WAY, THE LETTERS I GET FROM INMATES ARE NOT JUST FROM BLACK INMATES, NOT JUST FROM MALES, NOT JUST FROM TECUMSEH, NOT JUST FROM THE PENITENTIARY HERE, NOT JUST YORK, NOT JUST THE STATE FACILITIES, BUT COUNTY JAILS AND CITY JAILS. PEOPLE SEE ME AS THEIR ONLY HOPE, AND THAT'S NOT VERY MUCH BECAUSE I CANNOT SOLVE ALL OF THOSE ISSUES. BUT I'M GOING TO LIMIT MY COMMENTS THIS MORNING TO THE SUBJECT OF THIS CLAIM THAT THE LEGISLATURE, ACTING ON BEHALF OF THE STATE, MUST APPROVE. BUT BEFORE I GO INTO THAT, SENATOR PANSING BROOKS HAD WONDERED WHAT WOULD HAPPEN IF THESE CLAIMS WERE NOT PAID. THERE HAVE BEEN SITUATIONS IN OTHER STATES WHERE A COUNTY OR POLITICAL SUBDIVISION CHOSE NOT TO PAY WHAT A COURT HAD ORDERED. AND THE COURT SIGNED AN ORDER IN ONE CASE TO TAKE POSSESSION OF THE COURTHOUSE, BECAUSE THE COURT'S ORDER IS NOT GOING TO BE DISOBEYED, BECAUSE INHERENT IN THE OFFICE OF JUDICIAL, OF THE JUDICIAL OFFICE IS THE POWER TO ENFORCE ITS ORDERS. AND THE COURT CAN MAKE USE OF WHATEVER ENFORCEMENT AGENTS AND AGENCIES ARE AVAILABLE AND THE SHERIFF WAS DIRECTED TO SEIZE POSSESSION OF THAT COURTHOUSE AND TURN OWNERSHIP OVER TO THE ONE WHO HAD THE CLAIM WHICH WAS NOT TO BE PAID. AND GUESS WHAT HAPPENED? THE EMBARRASSMENT AND HUMILIATION THAT CAME FROM PUBLIC DISCLOSURE AND EXPOSURE MADE THOSE OFFICIALS DO WHAT A COURT ORDER COULD NOT. OFTEN IN THIS SOCIETY SHAMING ACCOMPLISHES MORE, EXPOSURE ACCOMPLISHES MORE THAN ANYTHING THAT

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YOU FIND IN THE BIBLE, IN THE CONSTITUTION, IN THE FEDERAL LAWS, IN THE COURT DECISIONS, IN PRESIDENTIAL... [LB554]

SENATOR COASH: TIME, SENATOR. YOU MAY CONTINUE. [LB554]

SENATOR CHAMBERS: ...PROCLAMATIONS. EMBARRASSING THEM WILL MAKE THEM DO THE RIGHT THING, NOT BECAUSE IT'S RIGHT, BUT EMBARRASSMENT AFFECTS THEM MORE THAN ANYTHING ELSE. SO I KNOW WHAT I'M SAYING IS NOT GOING TO EMBARRASS ANYBODY ON THIS FLOOR ENOUGH TO SAY WE OUGHT TO MAKE SURE THAT THESE KINDS OF THINGS DON'T HAPPEN AGAIN. BUT I GET ALL OF THESE LETTERS, AND IF THOSE WORDS COULD BE TRANSMOGRIFIED INTO SALTWATER TEARS, I WOULD FLOW OUT OF MY OFFICE ON A TIDAL WAVE OF BITTER, ANGUISHED TEARS OF PEOPLE WHO HAVE GENUINE GRIEVANCES BECAUSE THEY ARE UNDER THE CUSTODY OF THIS STATE AND THEY ARE NOT TREATED LIKE HUMAN BEINGS. I HAVE ASSISTED INDIVIDUALS WHO WERE SENT TO PRISON FROM MY COMMUNITY AS BAD DRUG DEALERS, AND I DID WHAT I COULD TO HELP GET THEM LOCKED UP. AND BEFORE ISIS, YOU KNOW WHAT I TOLD ONE GUY? I USED TO TRADE COMIC BOOKS WITH HIM. AND WHEN I FOUND OUT HE WAS A DRUG DEALER, I WENT TO HIM. HE HAS SINCE DIED AND HE MAY HAVE BEEN IN PRISON AT THE TIME BECAUSE HE FELL INTO BAD HEALTH. BUT I HAD NOTHING TO DO WITH THAT. I TOLD HIM, IF YOU DON'T STOP SELLING DRUGS IN THIS COMMUNITY, YOUR WIFE IS GOING TO GET YOUR HEAD IN A HATBOX. I WOULDN'T HAVE DONE THAT, BUT HE DIDN'T KNOW IT. AND THERE WERE OTHER THINGS IMPLICIT IN THAT THREAT, AND THAT'S WHAT IT WAS DESIGNED TO BE. BUT WHEN HE WENT TO PRISON THEY WERE MISTREATING HIM. AND OTHER INMATES ASKED, WHY DON'T YOU CONTACT ERNIE? YOU GUYS GREW UP TOGETHER. HE SAID, ERNIE CAN'T STAND ME. AND THE INMATES TOLD HIM, WELL, HE BELIEVES WE HAVE PRISONER RIGHTS, YOU'RE WHERE HE FEELS YOU OUGHT TO BE, BUT HIS BELIEF IS THAT WHEN YOU COME HERE, THEY TAKE AWAY YOUR FREEDOM, THAT'S WHAT YOUR PUNISHMENT IS, AND WHEN THEY DO THINGS TO YOU THAT THEY'RE DOING, HE'LL TRY TO HELP YOU. AND I DID AND I HELPED HIM. ANOTHER DRUG DEALER HAD VERY BAD FEET. HE COULD BARELY WALK, SENATOR HILKEMANN, COULD BARELY WALK. AND THEY WOULD NOT GIVE HIM ORTHOPEDIC SHOES. AND IT WAS DOCUMENTED THAT THAT'S WHAT HE NEEDED. SO I INTERVENED ON BEHALF OF THIS DRUG DEALER BECAUSE HIS PRISONER RIGHTS WERE BEING VIOLATED. THERE ARE WHITE INMATES THAT I'VE HELPED. I'LL GIVE THE NAME OF THIS ONE. HIS NAME WAS DANNY HART. IT WAS SO MANY YEARS AGO NOTHING CAN BE DONE TO HIM AND NOTHING WAS DONE AT THE TIME. HE WAS ALLOWED TO MAKE A VISIT OUTSIDE THE WALLS. BUT

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INSTEAD OF MAKING THAT VISIT, HE DROVE FROM LINCOLN TO THE BARBERSHOP WHERE I OFTEN WAS AVAILABLE LATE AT NIGHT. AND I WON'T MENTION THE PERSON WHO ACTUALLY DROVE THE CAR. AND HE MENTIONED THE PROBLEMS HE WAS HAVING IN THE PENITENTIARY, THAT OTHER INMATES WERE HAVING IN THE PENITENTIARY. AND I ASKED HIM. HOW DID YOU GET HERE? AND WHEN HE TOLD ME, I SAID, DO YOU REALIZE THAT MY TALKING TO YOU CAN MAKE ME AN ACCESSORY TO WHAT AMOUNTS TO AN ESCAPE IF THEY WANT TO MAKE IT THAT HIGH AN OFFENSE? WHAT MAKES YOU THINK I WON'T LOCK THIS DOOR AND CALL THE SHERIFF TO COME AND GET YOU RIGHT THIS MINUTE? HE SAID, BECAUSE I KNOW THE KIND OF MAN YOU ARE. AND HE WAS RIGHT. THOSE MEN KNOW MORE ABOUT ME THAN ANY OF YOU KNOW, AND THEY HAVE SEEN WHAT I WILL DO TO HELP THOSE THAT I HELP GET PUT IN THE PENITENTIARY, BUT YOU ALL DON'T CARE ABOUT THAT. YOU DON'T UNDERSTAND IT AND YOU WOULD NOT DO IT, SO IT WILL BE A WASTE OF MY TIME TO BRING IT UP. BUT I'M DOING IT IN THE CONTEXT OF WHAT I'M TALKING ABOUT HERE. [LB554]

SENATOR COASH: ONE MINUTE. [LB554]

SENATOR CHAMBERS: THOSE MEN THAT I'M TALKING ABOUT WHO WERE LOCKED UP COULD NOT GET PROPER TREATMENT. SINCE I CANNOT EVEN IN A TIMELY FASHION OPEN ALL THE INMATE LETTERS I GET, I SEND THEM TO THE OMBUDSMAN'S OFFICE WHO ALSO IS OVERWORKED AND WILL HAVE TO GET AROUND TO THESE MATTERS WHEN THEY CAN. SO IF THE INMATES CAN LOOK AT BLACK EMPLOYEES AND SEE THEM DISCRIMINATED AGAINST, AND THERE IS NO RESOLUTION OF THEIR PROBLEM, THEY WILL ACKNOWLEDGE TO ME, ERNIE, I KNOW YOU CAN'T DO ANYTHING. THESE PEOPLE WON'T EVEN LISTEN WHEN THEIR OWN GUARDS ARE DISCRIMINATED AGAINST. THAT HAPPENS IN THIS STATE, AND YOU ALL DON'T EVEN CARE. YOU WOULDN'T EVEN BE AWARE OF THIS IF THEY HADN'T MANAGED TO GET LAWYERS WHO WOULD GO TO COURT AND WIN THE CASE. AND YOU WON'T CARE AFTER TODAY EITHER. [LB554]

SENATOR COASH: TIME, SENATOR. [LB554]

SENATOR CHAMBERS: BUT I WANT TO PUT IT IN THE RECORD. THANK YOU, MR. PRESIDENT. [LB554]

SENATOR COASH: THANK YOU, SENATOR CHAMBERS. SENATOR PANSING BROOKS, YOU'RE RECOGNIZED. [LB554]

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SENATOR PANSING BROOKS: THANK YOU, MR. PRESIDENT. I JUST WANTED TO GO BACK TO ONE MORE THING. I HAD ASKED SENATOR HARR ABOUT THE DEPARTMENT OF HEALTH AND HUMAN SERVICES' WRITE-OFF REQUEST. AND, AGAIN, AS A NEWBIE, I HAD A QUESTION FOR SENATOR HARR IF HE'LL YIELD. [LB554]

SENATOR COASH: SENATOR HARR, WILL YOU YIELD? [LB554]

SENATOR HARR: I BELIEVE SO, YES. I WILL, YES. [LB554]

SENATOR PANSING BROOKS: OKAY. THANK YOU, SENATOR HARR. YOU HANDED ME A LETTER FROM THE DEPARTMENT OF HEALTH AND HUMAN SERVICES THAT DESCRIBES THE REQUEST, AND SO I JUST WANTED TO ASK YOU A COUPLE QUESTIONS ABOUT THAT. IN A PARAGRAPH ON THE LETTER FROM DAVID McMANAMAN, THE ATTORNEY FOR THE NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES, IT TALKS ABOUT ALSO AVAILABLE...IT LISTS THE TWO CLAIMS, CLAIM OR DAMAGE...CLAIM FOR INJURY OR DAMAGE FORM SIGNED BY NDHHS CEO KERRY WINTERER, AND, NUMBER TWO, A REQUEST FOR WRITING OFF STATE UNCOLLECTIBLE DEBT FORM SIGNED ALSO BY KERRY WINTERER. AND I HAD JUST WONDERED, DO YOU GET...THE NEXT PARAGRAPH TALKS ABOUT ALSO AVAILABLE ARE FIVE FILE BOXES CONTAINING THE INDIVIDUAL FILES FOR EACH DEBT. SO DO THOSE...WHAT COMES TO YOU IN YOUR COMMITTEE MEETING? DO YOU SEE AN EXCEL SPREADSHEET OF ALL OF THIS SO THAT YOU CAN SEE WHERE THE COSTS WERE, HOW IT WAS PAID, WHAT WAS...HOW DOES THAT HAPPEN IN COMMITTEE? I MEAN, OVER HALF A MILLION DOLLARS SEEMS LIKE A LOT IN OUR BUDGET TO BE NOT PRECISELY STATING WHAT THE CLAIMS WERE AND WHAT HAPPENED. [LB554]

SENATOR HARR: YEAH. WELL, THANK YOU FOR THAT. WHAT I'D SAY IS I MEET WITH THE DEPARTMENT OF ADMINISTRATIVE SERVICES TWICE, AND WE GO OVER THESE LINE BY LINE, AND I APOLOGIZE. I KNOW WE WENT OVER THESE AND I CAN'T REMEMBER. AND THEN WHAT WE DO IN COMMITTEE IS WE HAVE THE BILL AND WE ALLOW THE INDIVIDUALS TO GO OVER IT AT THAT TIME. AND I DON'T HAVE AN ANSWER FOR YOU REGARDING THE QUESTIONS OR THE ISSUES SPECIFICALLY. I CAN GET A COPY OF THOSE FOR YOU. [LB554]

SENATOR PANSING BROOKS: BUT YOU GET SOME SORT OF SPREADSHEET THAT EXPLAINS FROM HHS EXACTLY WHAT THE CLAIMS WERE, NOT JUST A LUMP SUM FIGURE OF OVER HALF A MILLION, NOT THAT I'M NOT TRUSTING SOMEBODY BUT

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IT'S JUST TO BE ABLE TO...GOOD FOR THAT MUCH MONEY TO BE ABLE TO LOOK AT THE SPECIFICS OF WHAT THE CLAIMS ARE, WHETHER THEY'RE REASONABLE, AND WHETHER OR NOT IT'S JUST...I MEAN, BECAUSE OBVIOUSLY IF THEY'RE BRINGING IT TO A COMMITTEE THERE'S A CHANCE YOU WOULDN'T ACCEPT ALL OF IT OR SOMETHING. SO I JUST...I'M INTERESTED IN HOW THAT ALL WORKS. [LB554]

SENATOR HARR: WELL, SENATOR GROENE... [LB554]

SENATOR PANSING BROOKS: OH, FUNNY. [LB554]

SENATOR HARR: ...I MEAN, SENATOR PANSING BROOKS, YOU'RE RIGHT. THESE ARE THE TAXPAYERS' DOLLARS AND YOU'RE RIGHT, WE DO NEED TO LOOK IT OVER VERY CAREFULLY. YOU KNOW, AND I DID LOOK AT THEM, AND I THINK BETWEEN GENERAL AND SELECT I WOULD LIKE TO GET TOGETHER WITH YOU AND HHS AND DAS AND WE CAN GO THROUGH THESE SO THAT WE HAVE A BETTER IDEA. THANK YOU. [LB554]

SENATOR PANSING BROOKS: OKAY. ALL RIGHT. THANK YOU VERY MUCH. I JUST...THERE WAS NOTHING ATTACHED TO THIS LETTER SO I JUST WONDERED HOW THAT ALL WORKED AS A NEWBIE. AND LAST I KNEW, SENATOR GROENE WAS TALKING ABOUT BECOMING A DEMOCRAT BUT NOT A WOMAN. SO THANK YOU VERY MUCH, MR. PRESIDENT. [LB554]

SENATOR COASH: THANK YOU, SENATOR PANSING BROOKS AND SENATOR HARR. SENATOR CHAMBERS, YOU'RE RECOGNIZED. THIS IS YOUR THIRD TIME. [LB554]

SENATOR CHAMBERS: THANK...ON MY OWN TIME? [LB554]

SENATOR COASH: THIS IS YOUR THIRD TIME. [LB554]

SENATOR CHAMBERS: OKAY. I THOUGHT SOME OF THAT WAS TIME GIVEN TO ME, BUT MAYBE TIME HAS PASSED FASTER THAN I REALIZED. BUT AT ANY RATE, BEFORE I PROCEED, AND MY TIME CAN BE RUNNING, I WANT TO ASK SENATOR HARR A QUESTION OFF THE MIKE SO I WON'T MAKE A MISTAKE. I'M LOOKING AT SOMETHING AND I WANT TO BE SURE THAT I'M SEEING WHAT I THINK. MEMBERS OF THE LEGISLATURE, I THINK I AM CORRECT IN MY SURMISE. IF YOU LOOK ON PAGE 2 AT A LAW FIRM, IT'S THE LAW FIRM THAT THE CURRENT ATTORNEY

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GENERAL CAME OUT OF AND HIS LAW FIRM IS THE ONE THAT WON THE JUDGMENT AGAINST THE STATE. SO HE IS WELL AWARE OF HOW WRONGFUL SOME PEOPLE WHO WORK FOR THE STATE BEHAVE. AND YET I SEE THINGS HE'S DOING WHICH CAUSE SUCH GRAVE CONCERN ON MY PART THAT BEFORE I HAD TO COME UP HERE I WAS DRAFTING THE LETTER THAT I HAD MENTIONED YESTERDAY I WAS GOING TO SEND TO HIM WITHDRAWING MY REQUEST FOR AN ATTORNEY GENERAL'S OPINION ON THE STATUS OF MECA, WHETHER OR NOT IT IS A PUBLIC ENTITY. BUT BECAUSE OF MY CONCERNS ABOUT HIS POSSIBLE LACK OF OBJECTIVITY, LACK OF IMPARTIALITY, AND THE EXISTENCE OF RAMPANT PARTISANSHIP, I WILL NOT BE THE INSTRUMENTALITY TO GIVE HIM THE OPPORTUNITY TO REFLECT ALL OF THESE THINGS IN A FORMAL OPINION. SOMEBODY ELSE IS GOING TO HAVE TO SEEK THAT OPINION FROM HIM, AND I'LL FORMULATE MY OWN IN TERMS OF WHAT I THINK OUGHT TO BE DONE ABOUT THE QUESTION THAT I PUT TO HIM. BUT, ANYWAY, I'M TALKING NOW, AND THIS WOULD BE MY THIRD TIME APPARENTLY, ON AN AMENDMENT TO THE AMENDMENT. SO I WILL NOT OFFER ANY OF THE MOTIONS THAT I HAVE DRAFTED IN ORDER TO GIVE TIME ENOUGH FOR ME TO SAY WHAT I HAVE TO SAY. AFTER I FINISH SPEAKING THIS TIME, I WILL KNOW THAT I DON'T HAVE ANOTHER OPPORTUNITY ON THIS ONE. BUT THERE IS MUCH THAT I INTEND TO SAY AND I WILL TAKE ALL THE TIME I NEED TODAY TO SAY IT. YOU ALL WON'T HAVE TO WORRY ABOUT GOING FAR INTO THE NIGHT BECAUSE THIS IS THE LAST DAY OF THE WEEK AND MID-AFTERNOON IS THE FARTHEST YOU HAVE TO WORRY ABOUT GOING AT WORST. BUT I HAVE NO INTENTION OF TAKING THAT MUCH TIME BECAUSE I HAVE THINGS I REALLY WANT TO SAY RATHER THAN JUST CONSUME TIME. THANK YOU, MR. PRESIDENT. [LB554]

SENATOR COASH: THANK YOU, SENATOR CHAMBERS. SENATOR BURKE HARR...OR EXCUSE ME, MR. CLERK FOR AN ANNOUNCEMENT. [LB554]

CLERK: VERY QUICKLY, MR. PRESIDENT. THANK YOU. HEALTH COMMITTEE WILL MEET UNDER THE NORTH BALCONY AT 10:00. HEALTH COMMITTEE, NORTH BALCONY, 10:00. [LB554]

SENATOR COASH: THANK YOU, MR. CLERK. SENATOR BURKE HARR, YOU'RE RECOGNIZED. [LB554]

SENATOR HARR: THANK YOU, MR. PRESIDENT. I WANT TO CLARIFY THE RECORD. EARLIER I HAD SAID THAT THE SETTLEMENT AGAINST THE DEPARTMENT OF CORRECTIONS WAS \$477,000 AND SOME ODD DOLLARS AND CENTS. THAT WAS

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AFTER THE STATE CLAIMS BOARD PAID \$50,000. SO THE ACTUAL SETTLEMENT WAS OVER HALF A MILLION DOLLARS. I WANT TO JUST...FOR CLARIFICATION. AND WITH THAT, I WOULD YIELD THE REMAINDER OF MY TIME TO SENATOR CHAMBERS IF HE WISHES TO AVAIL HIMSELF TO THAT TIME. [LB554]

SENATOR COASH: SENATOR CHAMBERS, 4:30. [LB554]

SENATOR CHAMBERS: THANK YOU, MR. PRESIDENT. THANK YOU, SENATOR HARR. THERE ARE OTHER CLAIMS IN THIS BILL THAT MERIT DISCUSSION, BUT I'M NOT GOING TO TALK ON ALL THOSE. THERE ARE THREE THAT I WANT TO TALK ABOUT: THIS ONE, THE BEATRICE SIX, AND WHAT FORMER GENERAL BRUNING DID IN KNOWINGLY RUNNING UP LAWYER FEES THAT THE STATE WAS GOING TO HAVE TO PASS BECAUSE HE WAS TRYING TO LINE HIMSELF UP FOR A JOB AFTER HE GOT OUT OF THE ATTORNEY GENERAL'S OFFICE. AND I'LL GO INTO THAT, BUT THOSE ARE THE THREE ITEMS I INTEND TO TALK ABOUT TODAY. SO THE REST OF THE CLAIMS BILL I HAVE NO INTEREST IN. I'M GOING TO SUPPORT IT. I THINK WHEN A DEBT IS OWED IT OUGHT TO BE PAID. AND SINCE, SENATOR BLOOMFIELD, THE PEOPLE IN THE LEGISLATURE REPRESENT THE STATE, AND I KNOW YOU'RE A MAN OF FAITH BECAUSE I HEARD THAT PRAYER THIS MORNING, I ALMOST CAME UP HERE BECAUSE I DIDN'T REALIZE HE WAS PRAYING. I THOUGHT THERE WAS A BILL BEFORE US, AND I WAS MISSING IT BECAUSE I HAD COME OUT OF AN EXEC BOARD HEARING. AND SENATOR BLOOMFIELD CERTAINLY...IN FACT, NOBODY WOULD BE ALLOWED TO SAY THAT IN A PRAYER. HE WAS DISCUSSING BILLS. HE DISCUSSED ME. HE DISCUSSED SENATOR HANSEN, AND I'M NOT SAYING ANYTHING HE SAID WAS UNTRUE. BUT WHEN IT CAME CLEAR TO ME THAT HE WAS PRAYING, MY MIND HASTENED BACK TO A PROGRAM CALLED THE GONG SHOW. AND WHEN YOU WERE PRESENTING SOMETHING AND IT WAS SO BAD, THEY HAD A LONG HOOK THAT WOULD APPEAR FROM STAGE LEFT AND YOU WOULD BE CORRALLED BY THAT HOOK AND YOU WOULD DISAPPEAR FROM THE STAGE. SO BEFORE I REALIZED THAT WE'RE IN THIS CIVIL SETTING OF THE LEGISLATURE, I WAS LOOKING FOR THAT HOOK AT ANY MOMENT TO PULL SENATOR BLOOMFIELD, FROM NOW ON IT MIGHT BE "REVEREND" BLOOMFIELD, BUT SINCE I DON'T USE THE TERM "REVEREND," MAYBE "PARSON," "DR." BLOOMFIELD. BUT AT ANY RATE, SOME OF THE THINGS THAT HE WAS TALKING ABOUT ARE MATTERS OF GRAVE CONCERN. AND I DON'T FAULT HIM FOR HAVING BROUGHT THAT UP BECAUSE HE'S NOT AN OUTSIDER INVITED HERE. HE IS ONE OF THE GROUP, ONE OF THE PACK, IF YOU WILL. SO HE WAS CALLING ATTENTION TO ALL OF US THINGS THAT NEED TO BE CONSIDERED VERY SERIOUSLY. AND ALTHOUGH THESE SPECIFIC ITEMS THAT I'M MENTIONING WERE NOT EMBRACED IN HIS HOMILY, IF THAT'S WHAT THE

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CHURCH PEOPLE CALL IT, IT FALLS, IF NOT IN THE SAME PEW, "BROTHER" BLOOMFIELD, AT LEAST IN THE SAME CHURCH. SO TO WRAP UP WHAT I WAS GOING TO SAY ON THIS ASPECT OF THIS PARTICULAR CLAIM, WHEN EMPLOYEES HAVE NO RECOURSE, THEN IT CAN BECOME UNBEARABLE. THEY COULD HAVE JUST QUIT. THEY HAD CALLED ME AND I TOLD THEM, YOU KNOW, FILE THESE COMPLAINTS, BECAUSE WHAT THEY TALKED ABOUT WAS SO BLATANT... [LB554]

SENATOR COASH: ONE MINUTE. [LB554]

SENATOR CHAMBERS: ...I THOUGHT FOR SURE THE PRISON OFFICIALS WOULD HAVE TO RESPOND BUT THEY CHOSE NOT TO. SO HERE WE ARE PAYING MORE THAN A HALF-MILLION DOLLARS. NOW WHAT I EXPECTED WAS TO HEAR SENATOR GROENE STAND UP AND ACTUALLY FULMINATE BECAUSE THIS IS TAXPAYERS' DOLLARS AND THEY SHOULD NOT BE SPENT AND WE HAVE EMPLOYEES WHO ARE DOING THINGS THAT ARE COSTING THE STATE AND WE SHOULD NOT DO THIS. BUT HE'S QUIET AS A MOUSE BECAUSE SENATOR GROENE'S INTERESTS ARE NOT CONNECTED TO THE REAL WORLD. THEY'RE CONNECTED TO PROMISES THAT HE MADE WHICH HE KNEW COULDN'T BE KEPT WHEN HE WAS CAMPAIGNING, AND I HOPE HE'S SOMEPLACE WHERE HE CAN HEAR WHAT I'M SAYING BECAUSE I TIE ALL OF THIS TOGETHER, AND THIS DOES HAVE TO DO WITH AN INAPPROPRIATE PAYOUT OF TAXPAYER MONEY. IT'S NOT INAPPROPRIATE BECAUSE WE'RE PAYING IT. IT'S INAPPROPRIATE BECAUSE CONDUCT OF STATE EMPLOYEES RESULTED IN THIS. AND HE SHOULD BE UP HERE SAYING, LOUDER THAN I AM, WE'VE GOT TO DO SOMETHING THAT THIS IS NOT REPEATED. [LB554]

SENATOR COASH: TIME, SENATOR. [LB554]

SENATOR CHAMBERS: THANK YOU, MR. PRESIDENT. [LB554]

SENATOR COASH: THANK YOU, SENATOR CHAMBERS. SENATOR KEN HAAR, YOU'RE RECOGNIZED. [LB554]

SENATOR HAAR: MR. PRESIDENT, MEMBERS OF THE BODY, SENATOR CHAMBERS, I'M GOING TO GIVE YOU MY THREE TIME SLOTS, SO I WOULD LIKE TO GIVE MY TIME TO YOU. THANK YOU. [LB554]

SENATOR COASH: SENATOR CHAMBERS, YOU'VE BEEN YIELDED 4:45. [LB554]

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SENATOR CHAMBERS: THANK YOU, SENATOR HAAR. THANK YOU, MR. PRESIDENT. IT'S IMPOSSIBLE FOR ME TO FUNCTION IN HERE LIKE YOU ALL DO. YOU CAN COMPARTMENTALIZE WHAT YOU DO. YOU CAN PIGEONHOLE YOUR LIFE. YOU TAKE THIS LITTLE THING, YOU TAKE THAT LITTLE THING, AND WHEN YOU TAKE A WHOLE AND YOU BREAK IT INTO PARTS THAT'S CALLED ANALYSIS. WHEN YOU TAKE ALL OF THESE PARTS AND PUT THEM TOGETHER, THAT'S CALLED SYNTHESIS. THIS SYNTHETIC MARIJUANA EXISTS BECAUSE PARTS WERE BROUGHT TOGETHER TO CREATE WHAT CONSTITUTES A DIFFERENT WHOLE. BUT THINGS ARE BEING PUT TOGETHER. WHEN YOU TAKE IT TO THE LABORATORY AND YOU BREAK IT DOWN INTO ITS COMPONENT PARTS, THAT IS ANALYSIS. I HAVE TO BE THE ANALYZER AND THE SYNTHESIZER AND SEE A TOTALITY WHICH YOU ALL, BECAUSE OF YOUR WHITE PRIVILEGE, DON'T HAVE TO WORRY ABOUT. AND I MEAN WHAT I SAID ABOUT WHITE PRIVILEGE. WHITE MEN PRIMARILY ARE THE ONLY ONES WITH THAT LUXURY, WHERE ALL KIND OF WRONGFUL THINGS HURTING PEOPLE CAN GO ON AROUND THEM AND THEY CAN IGNORE IT. THEY'RE NOT TOUCHED BY IT AT ALL. BUT YOU LET THE PARTICULAR SPECIAL INTEREST GROUP THAT HAS THE HOLD ON THEM RUN INTO A DIFFICULTY, THEN HERE THEY COME. YOU COULDN'T SHUT SENATOR GROENE UP YESTERDAY AND THE DAY BEFORE AND WHEN WE GET TO THE BUDGET BILL AGAIN. BUT WHEN IT COMES TO MISTREATMENT OF HUMAN BEINGS, THERE'S NO GREAT AMOUNT OF CONCERN. SO IT'S A GOOD THING THAT I'M HERE TO AT LEAST SAY FOR THE RECORD WHAT IT IS WE SHOULD BE ABOUT AS A LEGISLATURE. AND I CANNOT SAY THAT BECAUSE THIS IS NOT ONE OF THE MAIN AREAS IN WHICH I HAVE AN INTEREST, INTEREST IN THE SENSE OF GETTING ENJOYMENT AND A SENSE OF FULFILLMENT OUT OF PURSUING IT. IT, NEVERTHELESS, IS SO SERIOUS THAT IT CATCHES MY ATTENTION AND I FEEL AN OBLIGATION TO DO SOMETHING ABOUT IT. AND THAT'S WHY I WORK HARDER THAN ANYBODY IN THIS LEGISLATURE. IT'S WHY I COME DOWN HERE WHEN WE'RE NOT IN SESSION WHERE I SPEND TIME IN THE LAW LIBRARY, WHERE I COPY CASES, I CLIP NEWSPAPERS. I DON'T HAVE TO DO THAT TO HOLD THIS JOB. I DON'T HAVE TO DO ANYTHING, AND I DON'T HAVE TO DO MUCH OF ANYTHING TO GET THIS JOB, JUST BE THE AGE I HAVE TO BE, LIVED IN THE DISTRICT LONG ENOUGH, AND OUTSIDE THE PENITENTIARY. AND MAYBE IF I'D HAD TO SPEND SOME TIME IN THE PENITENTIARY, I'D BE A LITTLE MORE ATTUNED TO WHAT'S HAPPENING IN THE REAL WORLD AND I WOULDN'T HAVE TO HAVE SOMEBODY SMASH MY HAND WITH A HAMMER BEFORE I KNOW THAT IF YOUR HAND IS SMASHED WITH A HAMMER IT HURTS. BUT YOU KNOW WHAT HURTS YOU ONLY? I CAN TELL WHAT WILL MAKE YOU JUMP UP. PARDON ME, SENATOR SCHEER, FOR USING YOU AS AN EXAMPLE, BUT I HAPPEN TO KNOW YOU'RE FROM NORFOLK, I THINK. SO WHEN AN ISSUE INVOLVING NORFOLK AND VARIOUS ISSUES COME UP,

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AS HE SHOULD BECAUSE HE REPRESENTS THAT AREA, HE TAKES A GREAT INTEREST IN IT. AND SENATOR SCHNOOR, I THINK HE'S FROM FREMONT, I THINK. OH, HE'S NOT. SEE, THAT'S WHY I DON'T NEED TO BE GUESSING AT WHEREVER...BUT HE'S FROM SOME LITTLE TOWN. ANYWAY, IF I WERE AWARE OF THE TOWN OR THE NEIGHBORHOOD FROM WHICH SOMEBODY COMES, I'D EXPECT AND NOT BE SURPRISED WHEN THE MATTERS PERTAINING TO THAT TOWN OR THAT AREA COME UP TO SEE THAT INDIVIDUAL TAKE AN INTEREST IN IT. I DON'T LIVE WHERE ANY OF YOU ALL LIVE. BUT I'D VENTURE TO SAY IN MANY OF THE ISSUES YOU ALL BRING UP, I TAKE MORE INTEREST IN IT... [LB554]

SENATOR COASH: ONE MINUTE. [LB554]

SENATOR CHAMBERS: ...THAN YOU ALL DO BECAUSE I GIVE EXTRA TIME TO IT. AND IT'S NOT ENOUGH FOR ME TO JUST SAY SOMETHING ABOUT IT. I HAVE TO TRY IF I CAN TO FIND A WAY TO DO SOMETHING ABOUT IT. BEFORE IT'S OVER, I MAY BE AT ODDS WITH THE SPEAKER ON FRACKING AND THAT BAD WATER THAT'S GOING TO BE PUMPED INTO THE GROUND IN THIS STATE. I DON'T WANT TO BE AT CROSS PURPOSES WITH THE SPEAKER. I DON'T WANT TO REALLY BE AT CROSS PURPOSES WITH ANYBODY IN HERE. BUT IF WHAT I THINK IS RIGHT LEADS TO THAT, THEN I HAVE TO TURN IT AROUND LIKE THIS AND SAY THAT PERSON IS REALLY AT CROSS PURPOSES WITH ME. BUT WHAT I'M TALKING ABOUT IS SOMETHING WE ALL SHOULD BE ABLE TO TAKE AN INTEREST IN AND INSIST THAT THE CONDITIONS THAT LED TO THIS SHOULD NOT BE ALLOWED TO EXIST. AND IF THEY COME UP AGAIN, THE ONES RESPONSIBLE SHOULD BE FIRED. THANK YOU, MR. PRESIDENT. [LB554]

SENATOR COASH: THANK YOU, SENATOR CHAMBERS. MR. CLERK FOR AN ANNOUNCEMENT. [LB554]

CLERK: MR. PRESIDENT, A REMINDER. HEALTH COMMITTEE, NORTH BALCONY, NOW. HEALTH COMMITTEE, NORTH BALCONY.

SENATOR COASH: THANK YOU, MR. CLERK. SENATOR BLOOMFIELD, YOU'RE RECOGNIZED. [LB554]

SENATOR BLOOMFIELD: THANK YOU, MR. PRESIDENT. GOOD MORNING, COLLEAGUES. "BROTHER" CHAMBERS, SINCE YOU TOOK NOTICE OF MY BRIEF BESEECHMENT TO MY CREATOR AND MY SAVIOR, I WOULD LIKE TO YIELD YOU THE REMAINDER OF MY TIME. [LB554]

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SENATOR COASH: SENATOR CHAMBERS, 4:40. [LB554]

SENATOR CHAMBERS: THANK YOU, MR. PRESIDENT. AND I DON'T KNOW IF "BROTHER" BLOOMFIELD HAS SHOWN ME ENOUGH FOR ME TO ELEVATE HIM TO THE LEVEL OF PARSON, SO I WILL SAY, THANK YOU, "DEACON" BLOOMFIELD. MEMBERS OF THE LEGISLATURE, WE DO DEAL WITH VERY SERIOUS MATTERS HERE AND IF YOU LET THEM GET INSIDE OF YOU, THEY WOULD EAT YOU UP. IT'S ONE THING TO FEEL OTHER PEOPLE'S PAIN. BUT DON'T FEEL IT ALL THE TIME SO THAT YOU'RE PARALYZED AND CAN'T DO ANYTHING ABOUT IT. SOMETIMES IT'S WISE TO MERELY SYMPATHIZE AND NOT EMPATHIZE. IF WE WERE CLIMBING UP A MOUNTAIN AND "DEACON" BLOOMFIELD WAS ON THE END OF A ROPE THAT WE USE FOR SAFETY PURPOSES, AND I'M HOLDING THE OTHER END OF THE ROPE AND I MAKE IT OVER THE TOP OF THE CLIFF, OVER THE LIP, AND "BROTHER" BLOOMFIELD LOSES HIS FOOTING AND THE ROPE BREAKS, HE WANTS ME TO SYMPATHIZE, NOT EMPATHIZE. BECAUSE IF I EMPATHIZE, I'D JUMP OVER THE CLIFF SO I'D BE JUST WHERE HE IS. HE WANTS ME TO SYMPATHIZE, MEANING I'M AWARE OF HIS PERIL, BUT FIND A WAY TO HELP EXTRICATE HIM. IF YOU HAPPEN TO HAVE TO GET AN OPERATION, YOU WANT THE SURGEON TO SYMPATHIZE BUT NOT EMPATHIZE BECAUSE IF THE SURGEON EMPATHIZES, THE SIGHT OF BLOOD MAY CAUSE THE SURGEON TO FAINT. YOU DON'T WANT THAT. SO WHAT WE HAVE TO DO NO MATTER WHAT THE ISSUE IS, KEEP OUR WITS ABOUT US AND UNDERTAKE TO DO THE WORK THAT NEEDS TO BE DONE. WE ALL KNOW WHAT WE OUGHT TO DO. "BROTHER" BLOOMFIELD MADE THAT CRYSTAL CLEAR WHEN HE SPOKE. THESE VARIOUS MISCELLANEOUS PREACHERS AND WHATNOT WHO COME HERE TELL YOU ALL WHAT IT IS YOU OUGHT TO DO. AND IF THEY WEREN'T AFRAID OF THAT HOOK DRAGGING THEM OFF FROM UP THERE AND SOMEBODY KICKING THEM OUT THE DOOR, THEY WOULD ADD, "IN THE WAY THAT THAT REPROBATE CHAMBERS DOES." BUT THEY'RE NOT GOING SAY THAT. BUT THEY KNOW IT'S TRUE. I SAY THAT EVEN THE EXHORTATIONS THAT "BROTHER" BLOOMFIELD GAVE THIS MORNING, EVERYTHING HE MENTIONED, WE ARE ABLE TO DO OURSELVES. EVEN WHEN HE MENTIONED ABOUT GIVING US WISDOM, WE DON'T HAVE TO BE GIVEN WISDOM. WE CAN TAKE THE STEPS TO OBTAIN WISDOM. SOMETIMES I'LL SAY THIS IS A TEACHING MOMENT AND I'M TEACHING. I'M NOT TEACHING. I DON'T WANT TO TEACH. WHAT I'D RATHER DO IS HELP PEOPLE LEARN, STIR THEIR INTELLECT TO THE POINT WHERE THEY REACH OUT AND GRASP THE MEANING OF THINGS ON THEIR OWN INSTEAD OF RECEIVING WHAT I SAY, SEEING THE VALUE OF IT, INCORPORATING IT INTO THEIR MEMORY BANK. AND THAT'S THE END OF IT. WHEN WE PUT FORTH AN EFFORT TO OBTAIN SOMETHING, IT MEANS A LOT MORE TO US. IF YOUNG SENATOR LINDSTROM WENT TO LINOMA BEACH, AND FOR YOU ALL WHO DON'T

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KNOW OF SOME OF THE GREAT SIGHTS IN THIS STATE BECAUSE THERE ARE NOT TICKY-TACKY SIGNS TELLING YOU, THAT'S MIDWAY BETWEEN LINCOLN AND OMAHA, SO THEY PUT THE TWO TOGETHER; SHOWING THAT WIT OF NEBRASKANS AND THEIR IMAGINATION, THEY CALL IT LINOMA. [LB554]

SENATOR COASH: ONE MINUTE. [LB554]

SENATOR CHAMBERS: PART FOR LINCOLN, PART FOR OMAHA, AND YOU PUT THEM TOGETHER AND GET LINOMA. IF SENATOR LINDSTROM WALKED ON THAT BEACH THEY HAVE, HE WOULDN'T PICK UP THAT SAND AND PUT IT IN A CONTAINER AND CARRY IT HOME WITH HIM BECAUSE SAND IS PLENTIFUL AND, THEREFORE, IT HAS NO GREAT VALUE. BUT YOU LET THERE BE ONE NUGGET THAT HE KNOWS IS GOLD, AND HE WOULD PICK THAT UP. AND IF YOU TRIED TO TAKE IT, YOU'D COME BACK WITH A NUB IF THAT'S ALL THAT HE DID TO YOU. DON'T LET IT BE THE HOPE DIAMOND. THE MORE PRECIOUS SOMETHING IS, AND SCARCITY CREATES PRECIOUSNESS, THE MORE VALUE IS ATTRIBUTED TO IT. SO THE HARDER WE HAVE TO WORK TO ACQUIRE SOMETHING, THE MORE VALUE IT HAS FOR US AND THE BETTER WE REMEMBER IT. THANK YOU, MR. PRESIDENT. [LB554]

SENATOR COASH: THANK YOU, SENATOR CHAMBERS. (VISITORS INTRODUCED.) SENATOR KEN HAAR, YOU'RE RECOGNIZED. [LB554]

SENATOR HAAR: MR. PRESIDENT, I WOULD LIKE TO GIVE MY TIME TO SENATOR CHAMBERS. [LB554]

SENATOR COASH: SENATOR CHAMBERS, 5:00. [LB554]

SENATOR CHAMBERS: THANK YOU, MR. PRESIDENT. THANK YOU, SENATOR HAAR. MEMBERS OF THE LEGISLATURE, I THINK I'VE DESCRIBED THE PARTICULAR ISSUES THAT THIS CLAIM IS ADDRESSING. NOW I WANT TO TRY TO IMPRESS ON YOUR MIND WHAT AMOUNT OF MONEY WE'RE TALKING ABOUT, \$500,000, MORE THAN \$500,000. I'D LIKE TO INTERRUPT SENATOR GROENE AND ASK HIM A QUESTION OR TWO. [LB554]

SENATOR COASH: SENATOR GROENE, WILL YOU YIELD? [LB554]

SENATOR GROENE: YES, I WILL. [LB554]

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SENATOR CHAMBERS: AND AS SENATOR GROENE YIELDS, I CAN HEAR HIM GROANING IN THE SPIRIT. SENATOR GROENE, IF I COULD REDUCE THIS CLAIM, IT'S MORE THAN \$500,000, TO \$1 BILLS AND LAY THOSE \$1 BILLS END TO END, HOW FAR WOULD THEY STRETCH? [LB554]

SENATOR GROENE: I HAVE NO IDEA. I DON'T HAVE THAT CALCULATION IN FRONT OF ME. [LB554]

SENATOR CHAMBERS: HOW LONG DO YOU THINK A \$1 BILL IS IN TERMS OF INCHES ROUGHLY? [LB554]

SENATOR GROENE: WELL, YOU TAKE A HALF A FOOT TIMES 500,000, YOU GOT 2,500 SQUARE FEET, ABOUT A HALF A MILE I'D GUESS. [LB554]

SENATOR CHAMBERS: AND THAT'S HOW...WHAT DOES THAT HALF-MILE REFER TO, HOW LONG THOSE DOLLAR BILLS WOULD STRETCH? [LB554]

SENATOR GROENE: YEAH. I WOULD...QUICK CALCULATION. [LB554]

SENATOR CHAMBERS: THANK YOU. THAT'S ALL I HAVE. THANK YOU. MEMBERS OF THE LEGISLATURE. I DIDN'T TEACH SENATOR GROENE THAT. SENATOR GROENE KNEW IT ALREADY. THAT'S THE WAY SOCRATES OPERATED. PEOPLE KNEW THINGS. AND SOCRATES WOULD ASK QUESTIONS. THAT'S WHAT THE SOCRATIC METHOD MEANS. HE KNEW THAT IN THE COURSE OF LIVING, PEOPLE HAD ACCUMULATED A TREMENDOUS AMOUNT OF KNOWLEDGE, BUT IT WAS UNDIFFERENTIATED. SO IF SOMEBODY ASKED HIM A QUESTION, HE WOULD QUESTION THAT PERSON UNTIL HE ELICITED FROM THAT PERSON AN ANSWER TO THE QUESTION THAT HAD BEEN POSED. BUT HERE'S WHY THE INSTRUCTOR, THE MENTOR, THE TEACHER WAS NEEDED. EVEN THOUGH THAT ANSWER HAD BEEN ELICITED, THE PERSON DID NOT REALIZE THAT THE QUESTION HAD BEEN ANSWERED. SO THAT'S WHY SOCRATES HAD TO DO AS I DID SENATOR GROENE. THAT'S THE ANSWER TO THE QUESTION THAT WAS ASKED. SEE HOW QUICKLY HE GAVE UP. HE HAD NO IDEA. BUT NOT ONLY DID HE HAVE AN IDEA, HE KNEW THE ANSWER. SO SOME PEOPLE WILL LOOK AT A CERTAIN TYPE OF EARTH AND SAY. IN THAT GROUND, I CAN'T SAY FOR SURE, BUT IF IT'S LIKE OTHER GROUND OF THIS KIND, THERE IS A VEIN OF GOLD, I'M JUST GOING TO HAVE TO DIG LONG ENOUGH AND DEEP ENOUGH AND I'LL FIND IT. IN EVERY HUMAN BEING, THERE IS GREAT WEALTH WHEN IT COMES TO VALUE, KNOWLEDGE, UNDERSTANDING. BUT PEOPLE ARE TAUGHT TO FEEL SO LACKING IN CONFIDENCE THAT THEY

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DON'T APPRECIATE THE VALUE OF WHAT THEY ARE AND WHAT THEY HAVE. SO EVEN THE WORST PERSON HAS A BASIC HUMAN DIGNITY THAT SHOULD NOT BE DEGRADED, AND THAT HUMAN DIGNITY IS DEGRADED IF WHEN THE STATE TAKES UPON ITSELF TO PUNISH IT TREATS THAT PERSON IN A WAY UNWORTHY OF HUMAN DIGNITY. AND IF YOU WANT TO SAY YOU DON'T OWE THAT PERSON ANYTHING BECAUSE OF WHAT HE OR SHE DID, THEN THE CONCEPT THAT YOU HAVE OF YOUR OWN DIGNITY, YOUR OWN SENSE OF DECENCY, IS SUPPOSED TO COME INTO PLAY AND STAY YOUR HAND SO THAT YOU DON'T DROP TO THE LEVEL OF WHAT MIGHT BE CALLED A BEAST. THIS PARTICULAR ISSUE, HAD IT NOT TAKEN PLACE, WOULD NOT HAVE BEEN THE SOURCE OF ONE OF THESE CLAIMS THAT WE'RE PAYING. HAD A CLAIM OF THIS KIND NOT BEEN PAID, WE'RE GOING TO PAY IT, I WOULDN'T BE SAYING WHAT I'M SAYING. THINGS HAPPEN. [LB554]

SENATOR COASH: ONE MINUTE. [LB554]

SENATOR CHAMBERS: AND IF WE PAY ATTENTION TO THEM, THERE ARE THINGS THAT WE IN TURN OUGHT TO DO IN ORDER TO MAKE USE OF THOSE BAD OCCURRENCES TO SHOW PEOPLE WHAT CAN HAPPEN, THAT IT WAS WRONG THEN. IT WOULD BE EVEN WRONG NOW AND MORE SO BECAUSE WE HAVE THAT BAD EXAMPLE, SO WHAT WE SHOULD DO IS AVOID THIS. AND IF WE DON'T AVOID IT, THERE'S A PRICE TO PAY. AND WE SHOULD NOT ALLOW THESE OFFICIALS WHO MISBEHAVE IN THIS FASHION TO SIMPLY RUN UP A BIG BILL, LAWYER FEES, AND TO PAY THE DAMAGES DONE TO THE COMPLAINANTS, AND KEEP HIS OR HER JOB. YOU HAVE PAID THAT PERSON TO BEAT THE TAXPAYERS OUT OF OVER HALF A MILLION DOLLARS. AND I CAN SEE SENATOR GROENE, I CAN SEE THAT HE'S CHEWING FROM BACK HERE AND HIS MASTICATION MIMICS THAT OF THESE LITTLE CHIPMUNKS. YOU KNOW, THESE...IF THEY GO WHEN THEY'RE CHEWING... [LB554]

SENATOR COASH: TIME, SENATOR. [LB554]

SENATOR CHAMBERS: SENATOR GROENE THANKS YOU. (LAUGHTER) [LB554]

SENATOR COASH: THANK YOU, SENATOR CHAMBERS. SENATOR SCHUMACHER, YOU'RE RECOGNIZED. [LB554]

SENATOR SCHUMACHER: THANK YOU, MR. PRESIDENT, MEMBERS OF THE BODY. SINCE SENATOR CHAMBERS IS BRINGING OUT THINGS ABOUT THINGS, I THINK IT

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WAS 47 MILES OF DOLLAR BILLS BECAUSE IF YOU TAKE \$500,000, YOU GET TWO TO A FOOT, YOU GET 250,000 FEET DIVIDED BY 5,280, YOU GET 47 MILES OF DOLLAR BILLS. YOU KNOW HOW I KNEW THAT, SENATOR CHAMBERS? BECAUSE I DID THE MATH ON \$400 MILLION THAT WE LOSE IN GAMBLING REVENUE AND MEDICAID REVENUE AND ALL OF THESE OTHER GREAT THINGS THAT WE JUST PASS AWAY HERE ON THE FLOOR BECAUSE WE HAVE SO MUCH MONEY. SENATOR HARR, WOULD YOU PLEASE YIELD TO A QUESTION? [LB554]

SENATOR COASH: SENATOR HARR, WILL YOU YIELD? [LB554]

SENATOR HARR: ME? [LB554]

SENATOR SCHUMACHER: YOU. [LB554]

SENATOR HARR: YES. [LB554]

SENATOR SCHUMACHER: THANK YOU, SENATOR BURKE HARR. SENATOR HARR, IN TALKING ABOUT OUR 47 MILES' WORTH OF MONEY HERE, DO YOU KNOW WHAT DISCIPLINARY ACTION WAS TAKEN AS TO THE PEOPLE WHO WERE DOING THE DISCRIMINATION AND SUPERVISING THE PEOPLE DOING THE DISCRIMINATION? [LB554]

SENATOR HARR: I DO NOT KNOW THAT. I KNOW WE HAVE A NEW DIRECTOR AND I KNOW HE'S COMING UP FOR APPOINTMENT, SO MAYBE WE CAN FIND THAT OUT. [LB554]

SENATOR SCHUMACHER: OKAY, BECAUSE, YOU KNOW, PART OF I THINK WHAT WE OBSERVED IN THOSE PRISON HEARINGS WAS THAT THERE WAS A TOTAL LACK OF ACCOUNTABILITY. SO IT'S REAL EASY, YOU JUST WRITE A CHECK AT THIS PARTICULAR POINT FOR 47 MILES' WORTH OF MONEY. AND, YOU KNOW, AT SOME POINT OUR OVERSIGHT DUTIES HAVE GOT TO KICK IN AND THOSE PEOPLE WHO ARE COSTING US THIS MONEY SHOULD NOT BE WORKING FOR US ANYMORE. THANK YOU, SENATOR HARR. [LB554]

SENATOR HARR: THANK YOU. [LB554]

SENATOR SCHUMACHER: AND I YIELD THE REST OF MY TIME TO SENATOR CHAMBERS. [LB554]

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SENATOR COASH: SENATOR CHAMBERS, 3:00. [LB554]

SENATOR CHAMBERS: THANK YOU, MR. PRESIDENT. THANK YOU, "MENTOR" SCHUMACHER. AND I'M GOING TO TELL YOU THAT ALTHOUGH I DIDN'T KNOW WHAT THAT ANSWER WAS GOING TO BE. BUT I HAVE SAT BESIDE YOU FOR THIS SESSION. YOU WERE NOT TOO FAR AWAY FROM ME BEFORE YOU TOOK YOUR SEAT WHERE YOU DO SIT NOW. BUT ON MANY OCCASIONS WHEN THE CIRCUMSTANCES ARE RIGHT, WHEN THE MOON IS IN ITS SEVENTH HOUSE AND JUPITER ALIGNS WITH MARS, THEN SENATOR SCHUMACHER IS GOING TO STAND UP AND BRING UP THE ISSUE OF GAMBLING AND HOW MUCH MONEY COULD BE PROCURED IF NEBRASKA WOULD SIMPLY WAVE THE FLAG AND ALLOW THE GAMBLING HERE THAT GOES ON EVERYWHERE ELSE. SO I WASN'T SURE EXACTLY HOW HE WAS GOING TO BRING WHAT WE WERE TALKING ABOUT INTO THE GAMBLING CORRAL, BUT YOU ALL SHOULD NEVER BE SURPRISED WHEN HE DOES THAT. AND HE DOES MAKE A POINT, WHICH UNDER OTHER CIRCUMSTANCES I WOULD GIVE CONSIDERATION TO. BUT I'VE SEEN THE DAMAGE THAT CAN OCCUR FROM CASINO-TYPE GAMBLING, AND THAT'S THE TYPE MOST PEOPLE ARE TALKING ABOUT. HE MADE, WHEN I SAY HE, I MEAN "MENTOR" SCHUMACHER, A GOOD POINT THROUGH HIS QUESTION, ARE THESE PEOPLE WHO COST THE STATE THIS MONEY STILL WORKING THERE? USUALLY THE INTEREST AND CONCERN DOES NOT GO THAT FAR. I HAVE TRIED TO HAVE PROSECUTIONS UNDERTAKEN. RECENTLY A JUDGE APPOINTED A LAWYER NAMED STOLER TO DETERMINE WHETHER OR NOT A COP WHO SMASHED A GUY'S HEAD AGAINST A WALL WHILE THE GUY WAS HANDCUFFED COMMITTED AN OFFENSE THAT VIOLATED THE LAW. AND HE SAID NO BECAUSE HE COULDN'T PROVE IT TO A JURY. THAT WASN'T HIS POINT. THAT WASN'T HIS JOB. THE FIRST THING HE WAS TO DETERMINE WAS HAD A LAW BEEN BROKEN. BUT WHAT HE CONCLUDED AND SHERIFF WAGNER,... [LB554]

SENATOR COASH: ONE MINUTE. [LB554]

SENATOR CHAMBERS: ...A MAN WHO'S THE LANCASTER COUNTY SHERIFF FOR WHOM I USED TO HAVE SOME RESPECT, GLOATED AND SAID, SEE, I KNEW NOTHING WRONG, I KNEW NOTHING CRIMINAL HAD HAPPENED, BECAUSE HE HIRED A WRONGDOER. HE HIRED HIM KNOWING THAT THE INTERNAL AFFAIRS DEPARTMENT OF LINCOLN POLICE DEPARTMENT HAD FOUND HIM GUILTY OF THE USE OF EXCESSIVE FORCE. AND THIS MISCREANT QUIT BEFORE HE WOULD BE FIRED. TERRY WAGNER, THE SHERIFF, SAID, THAT'S MY KIND OF MAN, AND HIRED HIM. NOW IF THIS GUY WINDS UP SHOOTING SOMEBODY, WHAT WILL HAPPEN WITH THE PEOPLE IN THIS SOCIETY IS WHILE THE PERSON WHO WAS

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SHOT SHOULDN'T HAVE HAD HIS BACK TURNED TO THE SHERIFF AND HE SHOULDN'T HAVE BEEN BORN, REALLY, THEN HE WOULDN'T HAVE BEEN KILLED. WHEN YOU HAVE PEOPLE WHO ENDORSE WRONGFUL CONDUCT BY POLICE OFFICERS, YOU ENCOURAGE THEM TO DO BAD THINGS. [LB554]

SENATOR COASH: TIME, SENATOR. [LB554]

SENATOR CHAMBERS: THANK YOU, MR. PRESIDENT. [LB554]

SENATOR COASH: THANK YOU, SENATOR CHAMBERS. SEEING NO OTHER MEMBERS WISHING TO SPEAK, SENATOR BURKE HARR, YOU'RE RECOGNIZED TO CLOSE ON THE AMENDMENT TO THE COMMITTEE AMENDMENT. [LB554]

SENATOR HARR: THANK YOU, MR. PRESIDENT. AS I STATED EARLIER, THIS IS A CLEANUP AMENDMENT ON THE ORIGINAL. IT MAKES TWO CHANGES THAT WERE FOUND BY DAS. I WOULD APPRECIATE YOUR SUPPORT ON AM1182. THANK YOU, MR. PRESIDENT. [LB554]

SENATOR COASH: THANK YOU, SENATOR HARR. MEMBERS, YOU'VE HEARD THE CLOSING TO AM11...YOU'VE HEARD CLOSING OF AM1182 TO THE COMMITTEE AMENDMENT. THE QUESTION FOR THE BODY IS, SHALL THE AMENDMENT BE ADOPTED? ALL THOSE IN FAVOR VOTE AYE; ALL THOSE OPPOSED VOTE NAY. HAVE ALL VOTED WHO WISH? RECORD, MR. CLERK. [LB554]

CLERK: 32 AYES, 0 NAYS ON ADOPTION OF THE AMENDMENT TO THE COMMITTEE AMENDMENTS. [LB554]

SENATOR COASH: THE AMENDMENT IS ADOPTED. RETURN TO DISCUSSION ON THE COMMITTEE AMENDMENT. SENATOR CHAMBERS, YOU'RE RECOGNIZED. [LB554]

SENATOR CHAMBERS: THANK YOU. AND, MR. PRESIDENT, IF I'M NOT MISTAKEN, THIS IS THE FIRST TIME I'M SPEAKING ON THE COMMITTEE AMENDMENT. THANK YOU. THAT'S WHAT CONFUSED ME LAST TIME. I'M GOING TO MOVE NOW TO THE CASE OF THE SO-CALLED BEATRICE SIX. MORE THAN A MILLION DOLLARS WAS PAID OUT TO THESE INDIVIDUALS. AND IF THERE HAD NOT BEEN A CAP, AN ARTIFICIAL CAP, THEY SHOULD HAVE GOTTEN A LOT MORE THAN THAT. HOW CAN YOU COMPENSATE SOMEBODY FOR YEARS OF LIFE LOST AND ESPECIALLY

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IN A PENAL SETTING? I HAVE SOMETHING THAT I'M GOING TO READ IN THE RECORD HERE AND I WAS GOING TO DO IT WHEN WE WERE DISCUSSING THE DEATH PENALTY. THIS SHOWS THE CORRUPTING INFLUENCE OF THE DEATH PENALTY. IT SHOWS HOW CORRUPT PROSECUTORS ARE, HOW CORRUPT POLICE ARE BECAUSE THEY WILL COLLABORATE TO LIE. TO HIDE EVIDENCE. TO TAKE ADVANTAGE OF MENTALLY ILL PEOPLE, TO CONVICT PEOPLE FOR A CRIME THEY DIDN'T COMMIT WHICH ALLOWED THE TRUE PERPETRATOR TO CONTINUE TO GO FREE. SO BEFORE YOU ALL STAND UP HERE AND SAY I SHOULD APOLOGIZE TO EVERY COP, YOU NEED TO FIND SOMETHING OUT ABOUT THEM LIKE I DO. THIS IS TESTIMONY OF JEFFRY PATTERSON, J-E-F-F-R-Y PATTERSON, BEFORE THE JUDICIARY COMMITTEE ON MARCH 4th OF THIS YEAR AND WE WERE DISCUSSING THE DEATH PENALTY. MR. PATTERSON SAID THE FOLLOWING: MY NAME IS JEFF PATTERSON, WHICH HE SPELLED. I'M A LOCAL ATTORNEY AND I REPRESENT FOUR OF THE INDIVIDUALS KNOWN AS THE BEATRICE SIX. MY CLIENTS ARE JOE WHITE, TOM WINSLOW, KATHY GONZALEZ, AND ADA JOANN TAYLOR. I WAS ASKED TO SHARE WITH YOU SOME OF MY OBSERVATIONS ON HOW THE THREAT OF THE DEATH PENALTY CONTRIBUTED TO SIX PEOPLE SPENDING A TOTAL OF 77 YEARS IN PRISON FOR CRIMES THEY DID NOT COMMIT. THREE OF THE BEATRICE SIX HAD SIGNIFICANT HISTORIES OF PSYCHOSIS, HYSTERICAL ANXIETY, AND THE INABILITY TO COPE WITH STRESSFUL SITUATIONS. SOME WERE INTELLECTUALLY LOW FUNCTIONING. THEY WERE ALL UNSOPHISTICATED IN THE CRIMINAL JUSTICE SYSTEM. THEY WERE ALL FINANCIALLY INDIGENT. WHEN THEY WERE ARRESTED, THEY WERE SUBJECTED TO REPEATED INTERROGATIONS, SOME LASTING AS LONG AS FIVE HOURS--THIS IS THE LAW; THESE ARE THE BLUE PEOPLE THAT YOU ALL LOVE--INTERROGATIONS AS LONG AS FIVE HOURS ABOUT A MURDER AND A RAPE THEY KNEW NOTHING ABOUT IT. THEIR INTERROGATORS WOULD TELL THEM THERE WAS NO DOUBT THEY WERE INVOLVED IN MS. WILSON'S MURDER AND UNLESS THEY STARTED COOPERATING, THEY WOULD BE CONVICTED AT TRIAL AND SENTENCED TO DIE IN THE ELECTRIC CHAIR. THE THREAT OF BEING EXECUTED FOR A CRIME THEY HAD NO MEMORY OF WAS TERRIFYING. JAMES DEAN WAS SO TERRIFIED THAT DURING THE 22-DAY PERIOD BETWEEN THE DAY OF HIS ARREST AND WHEN HE FIRST STARTED HAVING DREAMS ABOUT MS. WILSON'S MURDER, A POLICE PSYCHOLOGIST WAS CALLED TO THE JAIL ON AT LEAST FOUR OCCASIONS TO TALK JAMES DOWN FROM HYSTERICALLY SCREAMING INCOHERENTLY IN HIS CELL. MY CLIENT, JOANN TAYLOR, WAS EXTRAORDINARILY VULNERABLE. THE COUNTY ATTORNEY AND SHERIFF, THE COUNTY ATTORNEYS, AND I'M DIGRESSING, A COUNTY ATTORNEY, ONE OF THOSE WITH WHOM SOME OF MY COLLEAGUES HAVE BEEN MEETING ON VARIOUS LEGISLATION, THEY...MY COLLEAGUES HAVE BEEN TRICKED, THEY'VE

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BEEN DUPED, THEY'VE BEEN LIED TO, BUT THEY CONTINUE TO WORK WITH HIM. THEN HERE'S THE SHERIFF, ONE OF THE LAW ENFORCEMENT OFFICERS WHOM YOU ALL FEEL SHOULD NEVER BE CRITICIZED BECAUSE THEY CANNOT DO ANY WRONG. AND I'M SAYING THIS FOR THE RECORD AND THOSE OUT THERE LISTENING SO YOU ALL WILL KNOW THAT I GIVE TO THESE... [LB554]

SENATOR COASH: ONE MINUTE. [LB554]

SENATOR CHAMBERS: ...MEMBERS OF THE LEGISLATURE CONCRETE INFORMATION AND FACT. I DON'T NEED THAT, MR. PRESIDENT, I APPRECIATE IT. BUT LET THEM DO WHAT THEY WANT TO DO BECAUSE I'M NOT TALKING TO THEM. THOSE FOR WHOM IT'S INTENDED WILL HEAR, EXCEPT SENATOR SCHNOOR BECAUSE HE NEEDS IT MORE THAN ANYBODY ELSE. YOU CALL ME UP HERE ON CALLS OF THE HOUSE, DON'T YOU? YOU DIDN'T KNOW I'D GET EVEN WITH YOU THIS QUICKLY, DID YOU? WELL, NOW THE RECORD IS SQUARE. YOU'RE FREE TO LEAVE. MR. PRESIDENT, I WILL TURN ON MY LIGHT AND COMPLETE WHAT I'M DOING AT THAT TIME. [LB554]

SENATOR COASH: SENATOR CHAMBERS, YOU ARE RECOGNIZED. [LB554]

SENATOR CHAMBERS: CONTINUING MR. PATTERSON'S TESTIMONY: MY CLIENT, JOANN TAYLOR, WAS EXTRAORDINARY VULNERABLE. THE COUNTY ATTORNEY AND SHERIFF BOTH KNEW THAT JOANN WAS A HIGH RISK FOR PSYCHOTIC LAPSES WHEN THEY STRESS, BUT THAT DIDN'T PARTICULARLY MATTER TO THEM. WHILE SHE WAS IN COUNTY JAIL, THE SHERIFF, HIS DEPUTIES, AND THE COUNTY ATTORNEY WOULD FREQUENTLY COME BACK TO THE JAIL AND TELL JOANN IF SHE DIDN'T START COOPERATING. SHE WOULD BE THE FIRST WOMAN TO DIE IN NEBRASKA'S ELECTRIC CHAIR. LET ME DIGRESS. THE SHERIFF, HIS DEPUTIES, AND THE COUNTY ATTORNEY CAME TO THIS WOMAN LOCKED UP, ACCUSED OF A CRIME SHE KNEW NOTHING ABOUT, HAD MENTAL PROBLEMS, AND WERE PRESSURING THIS WOMAN TO CONFESS AND IF SHE DIDN'T, THEY WOULD MAKE SURE SHE GOES TO THE ELECTRIC CHAIR. THOSE ARE THE PEOPLE YOU ALL LOVE. THEY'RE THE ONES YOU HAVE THOSE HASH TAG SIGNS OUT THERE FOR, HUH? BECAUSE YOU DON'T KNOW WHAT THEY DO AND YOU WON'T BELIEVE IT WHEN YOU HEAR IT. BUT THERE ARE PEOPLE OUT THERE WATCHING WHO KNOW, WHOSE FAMILY MEMBERS ARE FAMILIAR WITH THE KIND OF THING I'M TALKING ABOUT. AND ALTHOUGH I DON'T TAKE OFFENSE, BUT THEY TELL ME THANK GOD FOR SENATOR CHAMBERS, I TELL THEM, WELL, YOU DON'T HAVE TO DO THAT BECAUSE I'M NOT WORTHY OF THANKS. I GET PAID

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FOR WHAT I DO. CONTINUING MR. PATTERSON'S TESTIMONY: THE THREAT OF EXECUTION WAS INSTRUMENTAL IN JOANN LATER DEVELOPING THE PSYCHOTIC DELUSION THAT SHE ACTUALLY WAS THE PERSON WHO SUFFOCATED MS. WILSON. JOANN'S LAWYER AT THE TIME, HER CRIMINAL DEFENSE LAWYER, TOLD ME THAT HE KNEW THERE WERE SIGNIFICANT PROBLEMS WITH THE CASE AGAINST JOANN. BUT WHEN THE PLEA DEAL WAS OFFERED THAT TOOK THE DEATH PENALTY OFF OF THE TABLE, IT WAS JUST TOO RISKY TO GO TO TRIAL. THAT'S HOW THEY USED YOU ALL'S DEATH PENALTY AND YOU ALL LOVE IT AND YOU THINK IT'S GREAT BECAUSE THAT'S WHAT THE COUNTY ATTORNEYS CAN DO WITH IT. CONTINUING WITH THE TESTIMONY. KATHY GONZALEZ KNEW SHE HAD NOTHING TO DO WITH MS. WILSON'S MURDER. AFTER SHE WAS ARRESTED AND HELD IN JAIL, THE SHERIFF FREQUENTLY TOLD KATHY THAT SHE WAS A DAMN LIAR AND THAT IF SHE DIDN'T START COOPERATING, SHE WOULD BE LUCKY IF SHE MADE IT TO THE ELECTRIC CHAIR GIVEN THE NUMBER OF DEATH THREATS THAT THEY HAD RECEIVED. KATHY PLED NO CONTEST BECAUSE SHE KNEW SHE WAS NOT GUILTY. BUT SHE ALSO KNEW THE EVIDENCE THEY WERE GOING TO USE TO CONVICT JOE WHITE WOULD LIKELY CONVICT HER. SHE TOLD ME THAT HER ONLY GOAL WAS TO NOT DIE IN PRISON FOR A CRIME SHE DID NOT COMMIT. TOM WINSLOW ALSO KNEW HE WAS NOT GUILTY, BUT HE KNEW THAT THE SAME EVIDENCE THAT WAS ACTUALLY USED TO CONVICT JOE WHITE WOULD CONVICT HIM TOO. AND HE DID NOT WANT TO DIE IN PRISON. LIKE KATHY, TOM PLED NO CONTEST, DENYING HIS GUILT BUT ACKNOWLEDGING THAT IF HE WENT TO TRIAL, HE WOULD BE CONVICTED. THERE WAS NO DOUBT IN TOM'S MIND THAT IF HE WERE CONVICTED AT THAT TRIAL, HE WOULD BE SENTENCED TO DEATH. THEN THE MAN ASKED, MAY I CONTINUE? SENATOR PANSING BROOKS, A MEMBER OF THE COMMITTEE, SAID, PLEASE DO. AND I'M GOING TO MAKE SOME ASIDES NOW AND THEN I'LL FINISH READING IT ON MY THIRD TIME. HOW CAN PEOPLE ON THIS FLOOR CALL THEMSELVES CHRISTIANS AND LISTEN TO THIS KIND OF BRUTAL, DEHUMANIZING, LYING, VICIOUS ACTIVITY BY LAW ENFORCEMENT PERSONS? SHERIFFS, DEPUTIES, AND THE COUNTY ATTORNEY GANGING UP ON A SICK WOMAN? WHAT KIND OF MEN ARE YOU? I'LL LEAVE THE WOMEN OUT OF THIS. WHAT KIND OF MEN ARE YOU? DO YOU BEAT YOUR WIFE IF YOU'VE GOT A WIFE? MAYBE I'LL ASK YOU, HAVE YOU STOPPED BEATING YOUR WIFE? YOU ALL CAN HEAR THIS AND YOU DON'T TURN A HAIR. THIS HAPPENED IN THE STATE OF NEBRASKA AND IT MEANS NOTHING TO YOU. [LB554]

SENATOR COASH: ONE MINUTE. [LB554]

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SENATOR CHAMBERS: IT HAS NO IMPACT ON YOU. AND YOU'LL COME HERE MONDAY WHEN THE PRAYER IS SAID, THE FEW OF YOU WHO COME HERE, AND ACT AS IF IT MEANS SOMETHING TO YOU. I WANT THE PEOPLE WHO WATCH THIS ACTION TO KNOW WHAT I'M READING FROM THE TESTIMONY THAT THE JUDICIARY COMMITTEE HEARD. TO THE COMMITTEE'S CREDIT, AFTER ALL THE TESTIMONY WAS GIVEN, THAT BILL TO ABOLISH THE DEATH PENALTY WAS ADVANCED TO THE FLOOR ON AN 8 TO 0 VOTE. THERE ARE PEOPLE WHO ARE NOT MEMBERS OF THE JUDICIARY COMMITTEE WHO HAVE SUBSEQUENTLY SIGNED ONTO THAT BILL AS COSPONSORS. THERE ARE SOME PEOPLE WHO ARE SENSITIVE TO WHAT THE ISSUES ARE. SO I WANT TO MAKE IT CRYSTAL CLEAR THAT WHAT I'M SAYING APPLIES TO THOSE TO WHOM IT APPLIES AND CERTAINLY NOT TO EVERYBODY ON THE FLOOR OF THIS LEGISLATURE. BUT WHAT IS TROUBLING TO ME IS THAT THERE ARE PEOPLE ON THE FLOOR OF THE LEGISLATURE WHO WILL NOT BE TROUBLED BY WHAT I'M READING. AND I'M NOT MAKING IT UP. THIS WAS A MATTER OF RECORD. [LB554]

SENATOR COASH: TIME, SENATOR. [LB554]

SENATOR CHAMBERS: THANK YOU, MR. PRESIDENT. [LB554]

SENATOR COASH: SENATOR PANSING BROOKS, YOU'RE RECOGNIZED. [LB554]

SENATOR PANSING BROOKS: THANK YOU, MR. PRESIDENT. I JUST WANT TO ADD A COUPLE MORE COMMENTS ABOUT THE BEATRICE SIX AND THE FACT THAT WE'VE SPENT OVER \$2 MILLION IN PAYING...PAYING THESE PEOPLE THAT WERE WRONGLY INCARCERATED BACK. AND ONE OF THE PEOPLE, JOANN TAYLOR, WAS IN PRISON FOR 19.5 YEARS, JUST IMAGINE, 19.5 YEARS, SHE GOT THE ULTIMATE PAYMENT AND THAT'S \$500,000, AND \$500,000 DIVIDED BY 20...20 YEARS IS JUST ABOUT, WHAT, \$25,000 A YEAR, I BELIEVE. SO THAT'S BARELY EVEN MINIMUM WAGE FOR 20 YEARS OF A LIFE LOST, A CHILD AT HOME. SHE PLED BECAUSE THEY TOLD HER, WELL, THERE'S NO WAY THAT SHE'LL EVER SEE HER CHILD AGAIN. WELL, SHE SAW HIM AGAIN 20 YEARS LATER. THINK OF THAT. THINK OF WHAT HAS HAPPENED. AGAIN, WE NEED TO BE SMART ON CRIME. WE HAVE LEARNED AND PAID FOR, TERRIBLY, FOR SOME OF THE ACTIONS OF JUST THROWING...THROWING AWAY THE KEY. WE DON'T...WE AREN'T GOING TO WORRY ABOUT PEOPLE'S RIGHTS. WE AREN'T GOING TO WORRY ABOUT JUSTICE. THIS WAS THE EPITOME OF INJUSTICE, NOT...NOT ALLOWING SOMEBODY TO HAVE THEIR DNA TESTED. FORTUNATELY, ONE OF THE BEATRICE SIX DID NOT PLEAD GUILTY. IF THAT PERSON HAD PLED GUILTY, THAT ONE OF THE SIX, THEY

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WOULD ALL STILL BE IN JAIL BECAUSE THEY WOULD NOT HAVE HAD THE RIGHT TO GO AHEAD AND HAVE THEIR DNA TESTED. BUT BECAUSE THAT MAN DID NOT PLEAD GUILTY, THEN FINALLY THEY DECIDED THEY HAD TO TEST HIS DNA. AND LO AND BEHOLD, THE TRUE MURDERER WAS IN ANOTHER PRISON, HAD ALREADY COMMITTED OTHER CRIMES, AND HE ENDED UP DYING IN PRISON. AND, OF COURSE, THINK OF THAT LIFE. MANY OF US HAVE GONE TO SEE THE PRISON, AND TO SEE THE...THE HORRIBLE CONDITIONS, AND ALL OF US SAID TO EACH OTHER, WE COULD NEVER GO THERE, WE COULD NEVER BE THERE BECAUSE IT WOULD TAKE AWAY ALL OF OUR HUMANITY, IT WOULD TAKE AWAY EVERYTHING WE HAD TO LIVE FOR. AND YET, WE'RE PAYING SOMEBODY \$25,000 PER YEAR FOR EACH YEAR THAT THAT WOMAN WAS IN PRISON. THAT'S JUST...IT'S HEART WRENCHING. IT'S INEXCUSABLE. AND, AGAIN, WE NEED TO BE LOOKING AT OUR...AT OUR JUDICIAL REFORM. NOT ONLY DID WE PAY FOR 20 YEARS OF A WOMAN TO BE HELD IN PRISON, AND NOT TO MENTION THE OTHER FIVE, BUT WE ALSO PAID DAMAGES BECAUSE WE RUINED SIX PEOPLES' LIVES. AGAIN, WE NEED TO SEEK JUSTICE. WE NEED TO MAKE SURE THAT OUR LAWS AND OUR PRISONS ARE SEEKING JUSTICE AS WELL AS SAFETY FOR OUR PUBLIC. THEY GO HAND IN HAND. THEY ARE NOT MUTUALLY EXCLUSIVE. SO, AGAIN, I'LL GIVE THE MINUSCULE AMOUNT OF MY TIME TO SENATOR CHAMBERS AND BE DONE. BUT HOPE THAT YOU SUPPORT BOTH THE UNDERLYING AMENDMENT, AM744, AND LB554. THANK YOU VERY MUCH. [LB554]

SENATOR COASH: SENATOR CHAMBERS, 1:30, AND YOU'RE NEXT IN THE QUEUE. YOU MAY CONTINUE ON THAT TIME. [LB554]

SENATOR CHAMBERS: THANK YOU, MR. PRESIDENT. THANK YOU, SENATOR PANSING BROOKS. AND I THINK THIS DOES NEED TO BE IN THE RECORD BECAUSE THERE'S NO WAY THESE PEOPLE, WHOSE CASE I'M TALKING ABOUT, WOULD HAVE AN OPPORTUNITY TO HAVE IN THE OFFICIAL RECORD OF THE LEGISLATURE WHAT HAPPENED TO THEM, OTHER THAN THROUGH SOME OF US TALKING ABOUT IT. THEIR HAVING HAD THEIR CASE PRESENTED THROUGH THEIR LAWYER AT THE COMMITTEE HEARING WAS NOT THE SAME BECAUSE A LOT OF YOU...MOST OF YOU WERE NOT HERE. AND IT'S ONE THING TO LISTEN TO THESE THINGS HAPPENING, AND IN THE BRIEF TIME THAT I HAVE LEFT, I'M GOING TO FINISH READING THIS ON THE BEATRICE SIX, THEN MENTION THE SMALL ROLE THAT I PLAYED IN IT EVEN BEFORE I KNEW THE SIGNIFICANCE OF WHAT HAD BEEN DONE. THANK YOU, MR. PRESIDENT. [LB554]

SENATOR COASH: THANK YOU, SENATOR CHAMBERS. YOU MAY CONTINUE ON YOUR THIRD TIME. [LB554]

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SENATOR CHAMBERS: I'M GOING TO FINISH MR. PATTERSON'S TESTIMONY SO THAT WHAT HE TOLD THE COMMITTEE IS HERE AND YOU'LL SEE WHAT HAPPENED TO THESE PEOPLE. IN THE FINAL...SAYS MR. PATTERSON: IN THE FINAL ANALYSIS, THE THREAT OF EXECUTION WAS A SIGNIFICANT FACTOR IN CAUSING TWO OF THE BEATRICE SIX TO START DREAMING AND HAVING PSYCHOTIC DELUSIONS THAT THEY WERE INVOLVED IN MS. WILSON'S MURDER. I'M DIGRESSING. THIS IS WHAT BRAINWASHING USED TO DO TO PEOPLE AND IT WAS DEEMED TO BE A HORRIBLE THING WHEN THE SUPPOSED COMMUNISTS WERE DOING IT TO AMERICAN PRISONERS AND HAVING THEM CONFESS TO HAVING DONE THINGS AND SAID THINGS, WHICH UPON FURTHER REVIEW THEY HAD NOT ANY INVOLVEMENT WITH WHATSOEVER. BUT WHEN YOU'RE COMPLETELY BROKEN DOWN MENTALLY, YOU'RE LIKE A RECEPTACLE THAT ANYBODY WHO CHOOSES CAN PUT WHAT THEY WANT INTO IT. AND IT BECOMES A PART OF THAT RECEPTACLE. WE'RE WATCHING NOT ONLY HORRENDOUS BRAINWASHING, BUT THE DEVASTATING CONSEQUENCES OF IT. AND SENATOR PANSING BROOKS MENTIONED ONE WOMAN WHO SPENT 19 YEARS IN PRISON. AND SOME OF YOU HAVE TROUBLE LISTENING TO ME FOR 19 MINUTES AND YOU CAN GET UP AND LEAVE WHEN YOU WANT TO. BUT BACK TO MR. PATTERSON'S TESTIMONY: THE RISK OF TRIAL WAS JUST TOO GREAT AND THEY DID NOT WANT TO DIE IN PRISON FOR CRIMES THEY DID NOT COMMIT. THE IRONY IN THIS, THOUGH, IS THAT ALTHOUGH THE COUNTY ATTORNEY SOUGHT TO HAVE JOE WHITE SENTENCED TO DEATH, THE TRIAL JUDGE SENTENCED JOE TO LIFE IN PRISON BECAUSE OF ALL THE FAVORABLE PLEA DEALS THAT THE COUNTY ATTORNEY HAD MADE WITH THE OTHERS. IF SOMEONE FROM LAW ENFORCEMENT WERE TO TELL YOU THAT THE THREAT OF THE DEATH PENALTY WAS A GOOD THING BECAUSE IT ENCOURAGED PLEAS, THEY'D BE ONLY HALF RIGHT. FOR THE BEATRICE SIX IT CERTAINLY ENCOURAGED PLEAS, BUT IT ENCOURAGED INNOCENT PEOPLE TO PLEAD TO CRIMES THEY DID NOT COMMIT AND THAT IS CLEARLY NOT A GOOD THING. THE OBJECT LESSON THAT WE CAN TAKE FROM THE BEATRICE SIX CASE IS THAT THE THREAT OF THE DEATH PENALTY DID NOT SERVE THE INTEREST OF JUSTICE; IT RESULTED IN FOUR PEOPLE PLEADING GUILTY OR NO CONTEST TO CRIMES THEY KNEW NOTHING ABOUT. AND THE ONE PERSON WHO COULD HAVE BEEN SENTENCED TO DEATH. THANKFULLY, WAS NOT, BECAUSE THAT'S JUST HOW CLOSE WE AS NEBRASKANS CAME TO HAVING THE BLOOD OF AN INNOCENT MAN ON OUR HANDS IN THE INTEREST OF JUSTICE. I THINK YOU...I ASK YOU TO SUPPORT LB268. MEMBERS OF THE LEGISLATURE, THESE COUNTY ATTORNEYS ARE SO BLATANT AND BRAZEN IN THEIR INHUMANITY, THEY TELL YOU THAT THAT'S WHAT THEY WANT THE DEATH PENALTY FOR. THEY CAN MAKE PEOPLE PLEAD GUILTY, PLEAD GUILTY TO CRIMES THEY DIDN'T COMMIT, AND THE COUNTY ATTORNEY KNOWS IT.

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THEY'RE NOT INTERESTED IN JUSTICE. THEY'RE INTERESTED IN CONVICTIONS. WHEN THE TIME CAME FOR THESE PEOPLE TO RECEIVE THEIR PARDON, BASED ON ABSOLUTE INNOCENCE, GUESS WHO INVITED ME TO THE PARDONS BOARD AFFAIR, BECAUSE I DIDN'T EVEN KNOW WHEN IT WAS GOING TO HAPPEN, FORMER ATTORNEY GENERAL JON BRUNING. AND HE SAID THAT IF IT HADN'T BEEN FOR THE LEGISLATION I'D GOTTEN ALL THOSE YEARS AGO, NONE OF THIS WOULD HAVE HAPPENED. THERE WOULDN'T HAVE BEEN ANY DNA TESTING OF THESE PEOPLE, NONE OF IT. THE LAWYERS FOR THE PEOPLE HAD GIVEN ME CREDIT. BUT I POINTED OUT THAT, NO, THEY WERE THE ONES ENTITLED TO THE CREDIT BECAUSE THESE WERE PEOPLE WHO WERE TOTALLY DISCREDITED THEMSELVES. THEY WERE MURDERERS. THEY WERE MURDERERS WHO PLEADED GUILTY TO MURDER. BUT THESE LAWYERS KNEW THAT THERE WAS SOMETHING ROTTEN IN DENMARK, SO TO SPEAK, AND THEY TOOK THOSE CASES. THEY HANDLED THEM ALL THOSE YEARS. AND AS A RESULT, WE'RE STANDING HERE TODAY... [LB554 LB268]

SENATOR COASH: ONE MINUTE. [LB554]

SENATOR CHAMBERS: ...PAYING THE LAST OF A \$2 MILLION DEBT, WHICH DOESN'T EVEN COME CLOSE TO DOING JUSTICE, NOT EVEN ACCORDING TO THE STANDARDS WHERE MONEY BECOMES THE MEASURE OF DAMAGE ENTITLEMENT FOR PEOPLE. BUT YOU ALL WANT THAT DEATH PENALTY. YOU WANT COPS WHO LIE AND BADGER MENTALLY ILL PEOPLE UNTIL THEY PLEAD GUILTY. YOU HAVE COUNTY ATTORNEYS WHO SEEK THE DEATH PENALTY ACTUALLY ON A MAN HE KNOWS IS INNOCENT. THAT'S YOUR SYSTEM. THEN YOU HAVE THE GOVERNOR, THE MAYOR OF OMAHA, COUNTY ATTORNEYS, AND ALL THESE OTHER PEOPLE TELLING YOU, DO NOT REFORM THE WAY THINGS HAVE BEEN DONE BECAUSE COPS CAN'T GET WHAT THEY WANT, PROSECUTORS CAN'T GET WHAT THEY WANT, AND THE EXECUTIONER MAY EVEN BE ROBBED OF HIS PREY, WHICH IF IT'S AN INNOCENT PERSON MAKES HIM NO DIFFERENCE. THANK YOU, MR. PRESIDENT. [LB554]

SENATOR COASH: THANK YOU, SENATOR CHAMBERS. SENATOR SCHUMACHER, YOU'RE RECOGNIZED. [LB554]

SENATOR SCHUMACHER: THANK YOU, MR. PRESIDENT, A LITTLE FUN WITH NUMBERS. SENATOR CHAMBERS POINTED OUT SOMETHING YESTERDAY AND PROBABLY COMES FROM THE 40 YEARS OF WISDOM HE'S GATHERED HERE. HE PICKED UP THE BUDGET AND HE SAID, THIS IS THE MONEY. THAT'S THE MEAT OF

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IT. AND WE DID THE LITTLE GAME WITH NUMBERS BEFORE, TALKING ABOUT \$400 MILLION, WHICH IS 200 MILLION FEET OF MONEY. DIVIDE THAT BY 5,280 IS 37,878 MILES OF MONEY. THE INTERSTATE IS 455 MILES THROUGH NEBRASKA. WHICH MEANS 83 TIMES ON THE INTERSTATE, 41.5 TIMES UP AND BACK, THAT WOULD BE COVERED BY JUST \$400 MILLION. THAT'S THE AMOUNT OF MONEY THAT CORRELATES WITH GAMBLING AND MEDICAID. BUT IMAGINE WHAT WE DID YESTERDAY, TEN TIMES THAT. WE LAID DOWN AND AUTHORIZED THE SPENDING OF MONEY THAT BASICALLY PAVED THE INTERSTATE FROM BORDER TO BORDER IN DOLLAR BILLS. THINK OF THE POWER THIS BODY HAS AND WHEN WE MAKE DECISIONS, THE INFLUENCE THAT WE HAVE, OR COULD HAVE IN THE ECONOMY. WELL, COULD YOU EVER IMAGINE US SEEING A CONVOY OF THAT KIND OF MONEY COMING IN FEDERAL TRUCKS TO THE IOWA BORDER AND WE DEPLOYING THE PATROL NOT TO LET THEM COME ACROSS AND DUMP THAT MONEY ON OUR SIDE OF THE RIVER? CAN YOU IMAGINE, ON THE OTHER HAND, WE STARTING WITH A STREET SWEEPER ON THAT...BASICALLY 17-FEET-WIDE PATH OF MONEY ON THE WYOMING BORDER. SWEEPING IT UP IN THAT STREET SWEEPER ALL THE WAY ACROSS THE STATE, DRIVING ACROSS THE BRIDGE AND DUMPING IT THERE? THAT'S THE KIND OF POWER WE HAVE HERE. WE PROBABLY DON'T APPRECIATE THE KIND OF THINGS WE COULD DO AND THE KIND OF THINGS PEOPLE COULD DO WITH THAT KIND OF MONEY, SO A LITTLE FUN WITH NUMBERS. I'M A LITTLE DISAPPOINTED THERE WAS NO KIDS UP THERE BECAUSE THEY MIGHT GO BACK AND START PLAYING WITH THEIR CALCULATOR AND MAYBE, IF WE WERE LUCKY, THEY WOULDN'T NEED A CALCULATOR. I YIELD THE REST OF MY TIME TO SENATOR CHAMBERS. [LB554]

SENATOR COASH: SENATOR CHAMBERS, 2:30. [LB554]

SENATOR CHAMBERS: THANK YOU, MR. PRESIDENT. THANK YOU, "PROFESSOR" SCHUMACHER. WHAT I'M GOING TO SPEAK ON VERY BRIEFLY IS THIS MATTER WITH JON BRUNING. HE WANTED HIS LAW OFFICE THAT HE WAS GOING TO OPEN TO BE WHAT HE CALLED THE PREMIER BUSINESS OFFICE OR SOMETHING, YOU KNOW, HANDLING BUSINESS CASES. SO HE HAD TO PAY HIS DEVOIR TO THEM, SHOW THEM WHAT HE'S GOING TO DO. SO HE KEPT FIGHTING THIS SO-CALLED TROLL ACTIVITY AND WANTED TO TRY TO MAKE THESE PEOPLE STOP SENDING LETTERS. AND HE'D MAKE MOTIONS ALONG THE WAY AND THE JUDGE...FEDERAL JUDGE WOULD TELL HIM, NO, NO, NO, AND KEEP KNOCKING HIM DOWN AND BEGAN TO WONDER OUT LOUD WHAT HE WAS TRYING TO DO BECAUSE HE WAS NOT WINNING. HE WAS RUNNING UP THOSE HIGH LEGAL FEES FOR THE LAWYERS REPRESENTING THE ONES THAT BRUNING WAS SUPPOSED TO BE AGAINST. BUT WHAT DID HE CARE? IT WAS GOOD PROMOTION FOR HIM. LOOK

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HOW HE'LL TAKE CARE OF BUSINESS AND IT WILL BE UNDERWRITTEN BY THE TAXPAYERS OF THIS STATE. THAT'S WHAT THE ATTORNEY GENERAL DID WHEN BRUNING WAS HERE. I THINK THIS MAN, PETERSON, HAS CAUGHT ON TO WHAT BRUNING DID AND HE'S GOING TO FOLLOW A SIMILAR PATH. HE'S GOING TO POLITICIZE THAT OFFICE. HE'S GOING CORRUPT IT AND HE'S GOING TO BOONDOGGLE THE MEMBERS OF THE LEGISLATURE, BUT HE'S GOING TO HAVE ME TO CONTEND WITH AND I INTEND TO DO THAT. [LB554]

SENATOR COASH: ONE MINUTE. [LB554]

SENATOR CHAMBERS: THIS, THAT WE'RE PAYING OFF, UNDER THIS CLAIM, WE HAVE AN OBLIGATION TO PAY. BUT IT'S ONE WE SHOULD NOT HAVE TO PAY. ONCE AGAIN, YOU HAVE AN ATTORNEY GENERAL WHO TOOK AN OATH OF OFFICE AND AS A LAWYER, BUT HE GETS AWAY SCOT-FREE, NOTHING IN THE WAY OF DISCIPLINE AT ALL. AND YOU ALL ARE PAYING HUNDREDS OF THOUSANDS OF DOLLARS AND THIS ISN'T THE ONLY CLAIM THAT HAS BEEN PAID DURING JON BRUNING'S TENURE. BUT IT MADE HIM NO DIFFERENCE. AND I WONDER IF IT'S GOING TO MAKE A DIFFERENCE TO THE CURRENT CROP OF SENATORS WHERE WE PAY MORE ATTENTION TO WHAT THESE OTHER PEOPLE ARE DOING THAT ARE GOING TO RESULT IN OUR, WHO ARE LEGISLATORS, HAVING TO APPROPRIATE MONEY TO PAY FOR THEIR WRONGDOING AND THEY WILL BE CALLED TO ACCOUNT NOWHERE BY ANYBODY. THANK YOU, MR. PRESIDENT. [LB554]

SENATOR COASH: THANK YOU, SENATOR CHAMBERS. MR. CLERK, FOR AN ANNOUNCEMENT. [LB554]

CLERK: MR. PRESIDENT, THE GOVERNMENT COMMITTEE...GOVERNMENT, MILITARY, AND VETERANS AFFAIRS WILL HAVE AN EXECUTIVE SESSION IN 2022 AT 11:00; THAT'S GOVERNMENT COMMITTEE AT 11:00 IN ROOM 2022.

SENATOR COASH: THANK YOU, MR. CLERK. SEEING NO OTHER MEMBERS WISHING TO SPEAK, SENATOR HARR, YOU'RE RECOGNIZED TO CLOSE ON THE COMMITTEE AMENDMENT. [LB554]

SENATOR HARR: THANK YOU, MR. PRESIDENT. AM744 TO LB554 DEALS WITH ADDITIONAL CLAIMS THAT WERE BROUGHT TO THE CLAIMS BOARD AND THAT THEY SETTLED BETWEEN THE TIME THAT WE FILED THE BILL AND THE TIME THAT THE...TODAY. AS I SAID, IT'S A TOTAL OF \$190,000. I'D APPRECIATE YOUR SUPPORT. THANK YOU. [LB554]

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SENATOR COASH: THANK YOU, SENATOR HARR. MEMBERS, YOU'VE HEARD THE CLOSING TO THE COMMITTEE AMENDMENT. THE QUESTION FOR THE BODY IS, SHALL THE COMMITTEE AMENDMENT BE ADOPTED? ALL THOSE IN FAVOR VOTE AYE; OPPOSED VOTE NAY. RECORD, MR. CLERK. [LB554]

CLERK: 35 AYES, 0 NAYS, MR. PRESIDENT, ON THE ADOPTION OF COMMITTEE AMENDMENTS. [LB554]

SENATOR COASH: COMMITTEE AMENDMENTS ARE ADOPTED. SEEING NO OTHER MEMBERS WISHING TO SPEAK, SENATOR HARR, YOU'RE RECOGNIZED TO CLOSE ON THE ADVANCEMENT OF LB554. [LB554]

SENATOR HARR: THANK YOU, MR. PRESIDENT, AGAIN, FOR THE PRIVILEGE. LB554 IS THE CLAIMS BILL FOR THE YEAR. WE HAVE A DUTY TO PASS THIS BILL TO PAY THOSE CLAIMS THAT HAVE BEEN MADE AGAINST THE STATE AND TO WRITE OFF THOSE THAT WE ARE UNABLE TO COLLECT ON. WE DO THIS EVERY YEAR AND I WOULD ASK FOR YOUR SUPPORT ON LB554. THANK YOU. [LB554]

SENATOR COASH: THANK YOU, SENATOR HARR. MEMBERS, YOU'VE HEARD THE CLOSING ON THE ADVANCEMENT OF LB554. THE QUESTION FOR THE BODY IS, SHALL LB554 ADVANCE? ALL THOSE IN FAVOR VOTE AYE; OPPOSED VOTE NAY. RECORD, MR. CLERK. [LB554]

CLERK: 38 AYES, 0 NAYS, MR. PRESIDENT, ON THE ADVANCEMENT OF LB554. [LB554]

SENATOR COASH: LB554 DOES ADVANCE. ITEMS, MR. CLERK? [LB554]

CLERK: MR. PRESIDENT, THANK YOU. YOUR COMMITTEE ON NATURAL RESOURCES HAS A PUBLIC HEARING SCHEDULED FOR TWO GUBERNATORIAL APPOINTEES, SIGNED BY SENATOR SCHILZ AS CHAIR. ENROLLMENT AND REVIEW REPORTS LB360A TO SELECT FILE. I HAVE APPOINTMENT LETTERS FROM THE GOVERNOR, APPOINTMENT TO THE ACCOUNTABILITY AND DISCLOSURE COMMISSION; TO THE BOARD OF PUBLIC ROADS CLASSIFICATIONS AND STANDARDS; AND TO THE MOTOR VEHICLE INDUSTRY LICENSING BOARD. THOSE WILL BE REFERRED TO REFERENCE FOR REFERRAL TO STANDING COMMITTEE FOR CONFIRMATION HEARING PURPOSES. THAT'S ALL THAT I HAVE, MR. PRESIDENT. THANK YOU. (LEGISLATIVE JOURNAL PAGES 1352-1354.) [LB360A]

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#### SENATOR SCHEER PRESIDING

SENATOR SCHEER: THANK YOU, MR. CLERK. WE'LL NOW PROCEED TO GENERAL FILE, LB468. [LB468]

CLERK: MR. PRESIDENT, LB468 IS A BILL BY SENATOR NORDQUIST. (READ TITLE.) INTRODUCED ON JANUARY 20, REFERRED TO THE RETIREMENT SYSTEMS COMMITTEE FOR PUBLIC HEARING. THE BILL WAS ADVANCED TO GENERAL FILE. THERE ARE COMMITTEE AMENDMENTS PENDING. (AM1172, LEGISLATIVE JOURNAL PAGE 1121.) [LB468]

SENATOR SCHEER: THANK YOU, MR. CLERK. SENATOR NORDQUIST, YOU'RE RECOGNIZED TO OPEN ON LB468. [LB468]

SENATOR NORDQUIST: THANK YOU, MR. PRESIDENT AND MEMBERS. LB468, THE FOCUS OF THIS BILL IS TO ADDRESS FUNDING NEEDS IN OUR JUDGES RETIREMENT PLAN AND TO CREATE LONG-TERM SUSTAINABILITY WITHIN THE JUDGES RETIREMENT SYSTEM. JUST A REMINDER, THE STATE OPERATES THREE DEFINED-BENEFIT RETIREMENT PLANS: ONE FOR SCHOOL EMPLOYEES THAT ARE NOT PART OF OMAHA PUBLIC SCHOOLS, FOR ALL OTHER SCHOOL DISTRICTS: ONE FOR STATE PATROL OFFICERS; AND ONE FOR JUDGES. I INTRODUCED TWO BILLS THIS YEAR TO ADDRESS THE JUDGES RETIREMENT PLAN. RIGHT NOW. ACCORDING TO ACTUARIAL REPORTS, THE JUDGES RETIREMENT FUND IS 93 PERCENT FUNDED, WHICH IS CONSIDERED AS WELL ABOVE THE KIND OF ACCEPTED THRESHOLD OF 80 PERCENT. IF YOU'RE ABOVE 80 PERCENT FUNDED. YOU'RE CONSIDERED A HEALTHY RETIREMENT PLAN. SO THIS PLAN IS NOT CERTAINLY IN DIRE STRAITS. BUT WE DO WANT TO MAKE SURE THAT WE ARE LOOKING FORWARD AND MAKING SURE THAT THE PLAN IS SUSTAINABLE. SO, IF YOU LOOK ON THE HANDOUT THAT'S COMING AROUND, ON EXHIBIT 1, THERE ARE A COUPLE OF COLUMNS HERE UNDER FUNDING REQUIREMENTS. IF YOU LOOK AT THE LAST COLUMN UNDER APPROPRIATIONS, THOUGH, THIS IS THE AMOUNT OF FUNDING THAT WOULD BE REQUIRED TO KEEP THE PLAN FUNDED LONG TERM. OVER A 30-YEAR PERIOD, MEETING ALL PROJECTIONS, THE JUDGES RETIREMENT PLAN WITH NO CHANGES WOULD NEED \$110 MILLION COMBINED OVER THAT TIME PERIOD OF ADDITIONAL GENERAL FUND APPROPRIATIONS. NOW ONE OF THE BIGGEST ISSUES WITH THIS PLAN, UNLIKE THE OTHER TWO PLANS, IS THE EMPLOYER CONTRIBUTION IS NOT BASED ON A PERCENTAGE OF SALARY. MOST PLANS. MOST DEFINED-BENEFIT PLANS AND THE OTHER TWO IN OUR STATE AND ALL OTHERS, USUALLY HAVE AN EMPLOYER

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CONTRIBUTION...EMPLOYEE CONTRIBUTION AND THEN THE EMPLOYER MATCHES SOME PERCENT OF THAT, USUALLY 100, 150 PERCENT. AND AS SALARIES GO UP, BOTH THE EMPLOYER AND EMPLOYEE CONTRIBUTION GO UP. THE JUDGES PLAN HAS AN EMPLOYEE CONTRIBUTION, BUT THE EMPLOYER CONTRIBUTION IS NOT STATE GENERAL FUNDS. IT'S FROM A COURT FEE AND IT'S A FLAT DOLLAR AMOUNT COURT FEE AND AS THAT COURT FEE STAYS FLAT AT \$6 PER COURT CASE, IT DOESN'T GROW WITH INFLATION TO KEEP UP WITH THE GROWING NEEDS OF THE PLAN. THE OTHER ISSUE IS, WE'VE ACTUALLY SEEN A DECLINE IN THE NUMBER OF COURT CASES FOR A COUPLE OF REASONS, ONE...YOU KNOW, ONE IS WE'VE SEEN LESS TRAFFIC TICKETS BEING WRITTEN, LARGELY BECAUSE OUR STATE PATROL FORCE HAS BEEN DOWN AT ONE OF ITS LOWEST NUMBERS IN LONG TERM, IN A LONG TIME, BUT ALSO BECAUSE WE'VE SEEN AN INCREASING NUMBER OF CASES DIVERTED TO PRETRIAL DIVERSION PROGRAMS. SO, FOR THOSE REASONS, WE'VE ACTUALLY SEEN OUR COURT FEE COLLECTION DECREASE IN RECENT YEARS. SO THAT'S WHY WE'RE AT THE POINT WHERE WE'RE AT. SO I INTRODUCED TWO BILLS. THE FIRST BILL IS LB468 AND IT'S THE BILL THAT EVERYTHING WILL BE AMENDED INTO. THE SECOND BILL WAS LB602 AND THAT WENT TO THE JUDICIARY COMMITTEE TO ADDRESS THE COURT FEE ISSUE. I PROPOSED IN THAT BILL TWO THINGS, FIRST, TO INCREASE THE \$6 COURT FEE TO \$8. THAT WOULD HAVE GENERATED ABOUT A MILLION DOLLARS A YEAR OF NEW REVENUE TO THE PLAN, WHICH IT IS...WHICH IS NEEDED ALONG WITH THE BENEFIT REDUCTIONS THAT WE'RE MAKING IN LB468. THE SECOND COMPONENT OF LB602 WAS TO PUT THE COURT FEE ON PRETRIAL DIVERSION. THERE ARE A SIGNIFICANT NUMBER OF PRETRIAL DIVERSION CASES. OUR BEST ESTIMATE RIGHT NOW IS PROBABLY 30,000, BUT IT'S AN ESTIMATE MY STAFF, KATE ALLEN, LEGAL COUNSEL, WORKED EXTENSIVELY WITH THE COURTS AND OTHER ENTITIES ON COLLECTING THAT INFORMATION. SO WE HAVE ABOUT 30,000 PRETRIAL DIVERSION CASES. THE JUDICIARY COMMITTEE CHOSE NOT TO INCREASE THE COURT FEE GOING INTO THE JUDGES RETIREMENT PLAN. THAT IS THEIR PREROGATIVE AND I RESPECT THE JUDICIARY COMMITTEE'S DECISION ON THAT. SO ... BUT THEY DID ADVANCE THE ... PUTTING THE \$6 COURT FEE ON THE 30,000 PRETRIAL DIVERSION CASES WHICH WILL GENERATE ABOUT \$180,000 A YEAR, BUT WE STILL NEED ADDITIONAL REVENUE FOR THE PLAN. SO WHAT WE'RE GOING TO DO IN THE COMMITTEE AMENDMENT IS REDUCE BENEFITS AND WHEN WE GET TO THE COMMITTEE AMENDMENT, I'LL GO INTO DETAILS. BUT WE ALSO DO TWO OTHER THINGS. WE PUT THE \$6 COURT FEE ON PRETRIAL DIVERSION AND REDIRECT SOME DOLLARS THAT ARE GOING FROM CURRENT COURT FEES THAT GO TO THE GENERAL FUND TO THE JUDGES RETIREMENT PLAN. NOW, IF WE DON'T ACT, AS YOU CAN SEE ON EXHIBIT 1, THE FIRST TWO YEARS OF THAT, THE \$750,000 APPROPRIATION AND \$623,000

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APPROPRIATION, IF WE TAKE NO ACTION, WE HAVE TO PUT THAT MONEY IN OUR BUDGET. IT WAS IN THE GOVERNOR'S BUDGET; IT WAS IN OUR PRELIMINARY BUDGET. THE APPROPRIATIONS COMMITTEE PULLED THAT MONEY OUT OF THE BUDGET BECAUSE WE THINK THAT LB468 IS THE WAY TO GO AND WE'RE HOPEFUL THAT THIS BODY WILL MOVE FORWARD WITH IT. AND, AGAIN, IF WE TAKE NO ACTION, THAT APPROPRIATIONS COLUMN WILL HAVE TO BE INCLUDED IN FUTURE BUDGETS GOING FORWARD. SO THAT WILL BE MY OPENING ON LB468 AND THEN I WILL TALK MORE ABOUT THE COMMITTEE AMENDMENT. THANK YOU. [LB468 LB602]

SENATOR SCHEER: THANK YOU, SENATOR NORDQUIST. AS THE CLERK STATED, THERE ARE AMENDMENTS FROM THE REVENUE...RETIREMENT COMMITTEE. SENATOR NORDQUIST, AS CHAIR OF THE COMMITTEE, YOU'RE RECOGNIZED TO OPEN ON THE COMMITTEE AMENDMENT. [LB468]

SENATOR NORDQUIST: THANK YOU, MR. PRESIDENT AND MEMBERS. COMMITTEE AMENDMENT, AM1172, STRIKES THE ORIGINAL SECTIONS OF THE BILL, AND DEALS WITH, AS I SAID, BOTH THE BENEFIT CHANGES THAT WE'RE GOING TO BE PROPOSING AND THE FUNDING NEEDS OF THE PLAN. LET ME GET TO THE POINT OF THE ACTUAL BENEFIT CHANGES HERE. SO FOR...AGAIN, AND THIS IS A POINT I PROBABLY SHOULD HAVE MADE IN THE OPENING AS WELL THAT WITH OUR RETIREMENT PLANS, OUR SUPREME COURT HAS HELD THAT WE HAVE A CONTRACTUAL AGREEMENT WITH ALL CURRENT EMPLOYEES THAT YOUR BENEFITS...AFTER YOU START, YOUR BENEFITS CAN'T BE IMPAIRED, YOUR CONTRIBUTIONS CAN'T BE INCREASED, WITHOUT SOME OFFSETTING BENEFIT. SO FOR CURRENT EMPLOYEES, OUR HANDS ARE SOMEWHAT TIED. BUT FOR NEW EMPLOYEES, WE, OBVIOUSLY, CAN MAKE BENEFIT CHANGES AND THAT'S WHAT WE'RE DOING UNDER THIS BILL IN THIS COMMITTEE AMENDMENT. BEGINNING...FOR ALL NEW JUDGES WHO ARE HIRED AFTER JULY 1, 2015, WE MAKE THE FOLLOWING CHANGES TO THE BENEFIT...TO THEIR BENEFIT CALCULATION. FIRST OF ALL, THE BENEFIT IS DETERMINED BY YOUR YEARS OF SERVICE TIMES A MULTIPLIER TIMES YOUR FINAL AVERAGE SALARY, WELL, YOUR FINAL AVERAGE SALARY CURRENTLY IN THE JUDGES RETIREMENT PLAN IS BASED ON YOUR THREE HIGHEST YEARS OF SALARY. WE EXTEND THAT TO FIVE YEARS. SO, OBVIOUSLY, IF YOU'RE ADDING TWO YEARS LOWER THAN YOUR THREE HIGHEST, THE AVERAGE OF YOUR FINAL AVERAGE SALARY COMES DOWN. THIS IS A...MOST OF THESE PROVISIONS I'M TALKING ABOUT WE INCLUDED IN A REFORMED PACKAGE OF OUR SCHOOL PLAN TWO YEARS AGO. AND IT ISN'T AS BIG A PROBLEM IN THE JUDGES PLAN BECAUSE JUDGES' SALARIES...JUDGES DON'T REALLY HAVE THE ABILITY UNLESS THEY GET MOVED

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FROM ONE COURT TO THE NEXT TO REALLY SEE A BIG JUMP IN THEIR SALARY AT THE END. WE SAW IT A LITTLE MORE IN THE SCHOOL PLAN WHERE SOME TEACHER WOULD BECOME AN ADMINISTRATOR IN THEIR FINAL FEW YEARS, GET A BIG SALARY BUMP, AND NOT HAVE PAID IN THROUGHOUT THEIR ENTIRE CAREER FOR THAT, THE VALUE OF THE BENEFITS THAT THEY WOULD BE EARNING. SO THIS HAS A LITTLE IMPACT ON THE PLAN, BUT NOT AS BIG OF AN IMPACT ON THE JUDGES PLAN. SO WE GO TO FIVE YEARS RATHER THAN THREE. IN THE SCHOOL PLAN, WE REDUCE THE COST OF LIVING ADJUSTMENT, THE COLA, FROM 2.5 PERCENT...A MAXIMUM OF 2.5 PERCENT TO 1 PERCENT. SO WE REALLY CONTROLLED THE GROWTH OF THE COLA. IN THIS PLAN, WE HAVE A BASE 1 PERCENT, BUT WE ADDED A LITTLE DIFFERENT PROVISION HERE. WE SAID, OKAY, IT'S A 1 PERCENT MAXIMUM COLA UNLESS THE PLAN EXCEEDS 100 PERCENT FUNDED, UNLESS IT'S FULLY FUNDED, AND AT THAT TIME THE PUBLIC EMPLOYEES RETIREMENT BOARD HAS THE DISCRETION TO GRANT ADDITIONAL COST OF LIVING UP TO THE CURRENT 2.5 PERCENT LIMIT. THIS IS A SUPPLEMENTAL COLA AND IT WOULD BE DONE ON AN ANNUAL ONE-TIME LUMP SUM PAYMENT. IT'S NOT AN ONGOING BENEFIT. IT WOULD REALLY DEPEND YEAR TO YEAR HOW THE PLAN IS FUNDED. THE OTHER COMPONENT WE MADE IN THE JUDGES PLAN, AFTER 20 YEARS OF SERVICE, YOUR CONTRIBUTION RATE FALLS OFF. ACTUALLY FOR PEOPLE HIRED A SIGNIFICANT TIME AGO, BEFORE 2004, THEY CONTRIBUTE 7 PERCENT OF PAY FOR 20 YEARS OF SERVICE AND THEN IT FALLS TO 1 PERCENT AFTER THAT. WE ELIMINATE THAT PROVISION FOR NEW EMPLOYEES SO THEY PAY THEIR CONTRIBUTION RATE ALL THE WAY THROUGH. AND FOR NEW EMPLOYEES, THE CONTRIBUTION RATE WILL GO UP FROM 9 PERCENT FOR THE EMPLOYEE TO 10 PERCENT. SO THOSE ARE THE BENEFIT AND THE MEMBER CONTRIBUTION RATE CHANGES FOR NEW EMPLOYEES. THEY ARE SIGNIFICANT. THEN WE BRING IN NEW FUNDING...OR NEW FUNDING ASPECTS. THE FIRST, AS I MENTIONED, THE PRETRIAL DIVERSION AND THEN THE SECOND COMPONENT IS WE REDIRECT FOR TWO YEARS. STARTING JULY 1, 2015, \$2 FROM EACH CIVIL, CRIMINAL, TRAFFIC, AND PROBATE CASE DOCKET FEE. THAT WILL GENERATE ABOUT \$660,000 A YEAR, REDIRECT IT. THAT MONEY WAS GOING TO THE GENERAL FUND. IT WILL NOW GO TO THE JUDGES RETIREMENT FUND. AND THEN THAT GOES TO \$3 STARTING JULY 1, 2017. SO THAT WOULD GENERATE ABOUT \$990,000, COMBINED WITH THE \$180,000 OF PRETRIAL DIVERSION GETS US TO ABOUT A MILLION DOLLARS OF NEW FUNDING ANNUALLY INTO THE JUDGES RETIREMENT PLAN. THAT COMBINED WITH THE BENEFIT CHANGES, IF YOU FLIP THE SHEET OVER THAT I GAVE YOU TO EXHIBIT 2, YOU CAN SEE THE 30-YEAR PROJECTION ON THIS NEW MODEL. IT TAKES US FROM A COMBINED \$110 MILLION OF REQUIRED CONTRIBUTION DOWN TO \$17 MILLION. NOW YOU MAY SAY, WELL, WHY CAN'T WE ELIMINATE IT AT

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ALL? THE ISSUE IS THE COURT FEE. IF WE KEEP...THE ACTUARY ASSUMES THE COURT FEES ARE FLAT. SO IF YOU LOOK AT THE FIRST COLUMN UNDER THE FUNDING REQUIREMENTS, YOU CAN SEE THE MEMBER CONTRIBUTIONS TO THE PLAN GROWS FROM \$1.5 MILLION IN 2014 TO \$6.7 MILLION BY 2044. THE COURT FEES. WE BUMP IT UP A MILLION DOLLARS WITH THE INCREASED REDIRECTION AND PRETRIAL DIVERSION, BUT THEN IT STAYS STAGNANT AT \$4.1 MILLION FOR 30 YEARS. THIS ASSUMES THAT COURT FEES WILL STAY FLAT FOR 30 YEARS. IF WE ARE GOING TO CONTINUE FUNDING THE JUDGES RETIREMENT PLAN WITH COURT FEES, THAT CAN'T HAPPEN. SO AT SOME POINT, FIVE YEARS DOWN THE ROAD, FUTURE LEGISLATURE WILL HAVE TO SAY, YEAH, WE NEED TO BUMP UP THE COURT FEES \$1, \$2 OR SOMETHING. BUT THAT WILL TAKE AWAY THOSE FUTURE OBLIGATIONS AND PUT THE PLAN IN GOOD HEALTH. AS YOU CAN SEE IN THE VERY LAST COLUMN UNDER THE FUNDED RATIO, WE GO FROM 93 PERCENT FUNDED, AND WITHIN A FEW YEARS, WE ARE BACK TO 100 PERCENT FUNDED, AND WE STAY ABOVE 100 PERCENT FUNDED BEYOND. SO, EVEN IF WE DON'T MEET OUR ASSUMPTIONS, THE PROPOSAL...THE COMMITTEE AMENDMENT TO THE BILL, ALL OF THE COMBINATION HERE PUTS THIS PLAN IN A GOOD POSITION TO BE SUSTAINABLE LONG TERM. WHEN WE TALK ABOUT DEFINED-BENEFIT PLANS, THE EQUATION IS FAIRLY SIMPLE. THE BENEFITS WE HAND OUT AND THE EXPENSES TO HAND OUT THOSE BENEFITS HAVE TO EQUAL THE CONTRIBUTIONS GOING INTO THE PLAN AND THE INTEREST EARNED ON THOSE CONTRIBUTIONS. OBVIOUSLY, WE CAN FOR NEW HIRES AFFECT THE BENEFITS. WE DO A GOOD JOB IN OUR PUBLIC EMPLOYEES RETIREMENT SYSTEM OF CONTROLLING THE EXPENSES OF ADMINISTERING THOSE BENEFITS. WE CAN SET CONTRIBUTION RATES. THE X FACTOR IS ALWAYS, WHAT ARE WE GOING TO RETURN ON OUR INVESTMENT? AND WE JUST NEED TO DO OUR BEST WITH THE ASSUMPTIONS WE MAKE TO PUT FORWARD A STRUCTURE OF A PLAN THAT IS SUSTAINABLE, THAT DOES BUILD IN A CUSHION FOR THE DOWN YEARS, AND I THINK THIS BILL, LIKE WE DID WITH THE SCHOOL PLAN, PUTS US ON THAT PATHWAY. OBVIOUSLY, I'D LIKE TO THANK THE COMMITTEE STAFF, KATE ALLEN AND LAURIE VOLLERTSEN, WHO HELP OUT THE RETIREMENT COMMITTEE AND OUR MEMBERS ON THIS BILL. IT WAS UNANIMOUSLY ADVANCED AND I WOULD APPRECIATE THE LEGISLATURE'S SUPPORT OF THIS. I WILL ADD ONE MORE THING. IT'S MY UNDERSTANDING THROUGH THE JUDGES ASSOCIATIONS, THE DISTRICT AND COUNTY COURT JUDGES, AND CONVERSATIONS HAVE BEEN HAD WITH SENATORS SEILER AND HADLEY, THIS IS...THE GOVERNOR WOULD LIKE...BASICALLY MADE THE CASE THAT FOR THE JUDGE SALARY BILL THAT WAS ADVANCED LAST NIGHT, THAT THIS WAS PART OF THE AGREEMENT THAT THE JUDGES ACCEPTED THESE REDUCED BENEFITS FOR NEW HIRES AS PART OF

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AN AGREEMENT FOR THE SALARY BILL. SO IT IS SEEN AS A COMBINED PACKAGE HERE. THANK YOU, MR. PRESIDENT. [LB468]

SENATOR SCHEER: THANK YOU, SENATOR NORDQUIST. SENATOR KRIST, FOR AN ANNOUNCEMENT. [LB468]

SENATOR KRIST: THANK YOU, MR. PRESIDENT. AND GOOD MORNING, COLLEAGUES. GOOD MORNING, NEBRASKA. IT WOULD BE OUR INTENTION TODAY TO END AT NOON AND I WOULD ASK YOU, PLEASE, TO SEE, AND WITHOUT LIMITING DEBATE, IF WE CAN GET THROUGH THIS SECTION ON THE SCHEDULE. THAT WOULD BE WONDERFUL. BUT WE WILL QUIT AT NOON, PLUS OR MINUS A FEW MINUTES. HAVE A NICE WEEKEND.

SENATOR SCHEER: THANK YOU, SENATOR KRIST. (VISITORS INTRODUCED.) THOSE WAITING IN THE QUEUE TO SPEAK: SENATORS MELLO, SCHUMACHER, CHAMBERS, JOHNSON, KOLTERMAN, AND DAVIS. SENATOR MELLO. [LB468]

SENATOR MELLO: THANK YOU, MR. PRESIDENT AND MEMBERS OF THE LEGISLATURE. I STAND IN SUPPORT OF AM1172 WHICH BECOMES THE NEW UNDERLYING BILL, LB468. I APPRECIATE THE HARD WORK SENATOR NORDQUIST AND THE RETIREMENT COMMITTEE STAFF DID IN REGARDS TO HELPING ADDRESS WHAT WE KNOW IS SOME STRUCTURAL REFORMS NEEDED IN OUR JUDGES DEFINED-BENEFIT RETIREMENT SYSTEM. ESSENTIALLY, ONE COMPONENT I WANTED TO TALK ABOUT WAS PART OF OUR COMMITTEE'S DISCUSSION IN REGARDS TO HOW WE ADDRESSED THE PENSION SHORTFALL OF THIS PLAN WAS THE UNIQUE NATURE OF HOW THIS PLAN IS FUNDED WITH COURT FEES, PRIMARILY, COURT FEES AND EMPLOYER MEMBER CONTRIBUTIONS. ONLY ONE TIME IN ANYONE'S RECENT HISTORY, AND IT WAS IN THE EARLY 2000s, HAS THE STATE HAD TO USE A GENERAL FUND APPROPRIATION TO MAKE UP FOR THE ACTUARIALLY REQUIRED CONTRIBUTION SHORTFALL OF THE JUDGES RETIREMENT PLAN. THAT WAS INITIALLY PROPOSED IN GOVERNOR RICKETTS' BUDGET RECOMMENDATIONS AT THE BEGINNING OF THE SESSION WAS TO SIMPLY USE A GENERAL FUND APPROPRIATION. IN THE CONVERSATIONS WITHIN THE RETIREMENT COMMITTEE, I FELT THAT IT WAS PROBABLY A GOOD PRECEDENT NOT TO SET FOR THE STATE MOVING FORWARD FOR US TO DO A GENERAL FUND APPROPRIATION ON A PLAN THAT HAS HISTORICALLY ALWAYS BEEN FUNDED WITH COURT FEES. AND THROUGH OUR CONVERSATIONS, ULTIMATELY WHAT THE COMMITTEE HAD DECIDED TO DO WAS REDIRECT COURT FEES RIGHT NOW THAT ARE GOING TO THE GENERAL FUND AND

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REDIRECT THOSE COURT FEES TO THE JUDGES RETIREMENT PLAN. THE REALITY IS, COLLEAGUES, IT STILL HAS THE SAME FISCAL IMPACT. AND THE MAIN LINE BUDGET PROPOSAL YESTERDAY THAT THE BODY ADVANCED, WE HAD REDUCED THE GENERAL FUND APPROPRIATION THAT WAS INITIALLY PLACED IN OUR PRELIMINARY BUDGET TO GIVE TIME TO THE RETIREMENT COMMITTEE TO MAKE A DECISION ON HOW THE ARC WAS GOING TO BE FUNDED MOVING FORWARD. WE REMOVED THAT APPROPRIATION IN THE RETIREMENT BOARD...THE PUBLIC EMPLOYEES RETIREMENT BOARD, BETTER KNOWN AS PERB, BECAUSE THE RETIREMENT COMMITTEE WAS ABLE TO INSTEAD CHANGE THE FUNDING STREAM AND SIMPLY REDIRECT COURT FEES THAT OTHERWISE WERE GOING TO THE GENERAL FUND. THE DOLLAR AMOUNT IS THE SAME AS IT WAS IN THE PRELIMINARY, AS IT IS WITH THE ADOPTION OF AM1172. IT'S ROUGHLY \$1.3 MILLION OVER THE BIENNIUM. INSTEAD OF SEEING THE \$1.3 MILLION APPROPRIATION IN YESTERDAY'S MAIN LINE BUDGET BILL, THERE IS NOW...THERE WILL NOW BE ESSENTIALLY A REVENUE LOSS THAT'S ATTACHED TO LB468 WITH THE ADOPTION OF AM1172. THE DOLLAR AMOUNT STAYS ROUGHLY THE SAME AS IT WAS IN THE PRELIMINARY, BUT WE KEEP CONSISTENT THE INTEGRITY OF HOW THIS PLAN HAS TRADITIONALLY BEEN FUNDED, WHICH IS COURT FEES, AND THE REALITY IS, THE GENERAL FUND DOES RECEIVE REVENUE FROM THESE COURT FEES. THERE'S A NUMBER...THERE'S MILLIONS OF DOLLARS THE STATE GETS FROM COURT FEES THAT NOT ONLY GO TO THE SUPREME COURT, BUT ARGUABLY GET REDIRECTED TO THE GENERAL FUND TO BE USED FOR A VARIETY OF OTHER GENERAL FUND SPENDING ITEMS THE LEGISLATURE SO DEEMS. BUT I JUST WANTED TO PUT THAT ON THE RECORD IN A SENSE THAT FOR FUTURE LEGISLATURES TO CONSIDER. I KNOW THERE WAS SOME NEGOTIATIONS BETWEEN SENATOR NORDQUIST AND THE JUDICIARY COMMITTEE IN RESPECTS TO EVALUATING WAYS TO PROVIDE FUNDING TO SHORE UP THIS PLAN AS WE WERE GOING TO MAKE STRATEGIC LONG-TERM BENEFIT REFORMS. I'M GRATEFUL FOR THE JUDICIARY COMMITTEE WORKING WITH THE RETIREMENT COMMITTEE TO HELP MAKE THIS PROCESS COME TOGETHER. IT WAS A COMPROMISE THAT ARGUABLY WE WERE ABLE TO MAKE WORK OUT. AND AS SENATOR NORDQUIST LAID OUT IN THE COMMITTEE AMENDMENT, WE WON'T HAVE TO ARGUABLY REVISIT A GENERAL FUND OR REAPPROPRIATION OR, AS I WOULD ARGUE, REDIRECTING COURT FEES THAT GO TO THE GENERAL FUND FOR ARGUABLY AT LEAST ANOTHER 15 YEARS. WITH THAT, I URGE THE BODY TO ADOPT AM1172 AND PASS LB468. THANK YOU, MR. PRESIDENT. [LB468]

SENATOR SCHEER: THANK YOU, SENATOR MELLO. SENATOR SCHUMACHER, YOU'RE RECOGNIZED. [LB468]

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SENATOR SCHUMACHER: THANK YOU, MR. PRESIDENT AND MEMBERS OF THE BODY. THESE RETIREMENT ISSUES ARE ONE OF THE THINGS THAT GIVE ME SOME HEARTBURN BECAUSE, YOU SEE, YOU HAVE THESE NICE LITTLE THINGS THAT ARE...SHOWING NUMBERS AND THEY ALL SOMEHOW IN THE END MAGICALLY WORK OUT AND IT ISN'T GOING TO BE SO BAD. BUT WHEN YOU START THINKING ABOUT THEM, THESE ARE REALLY THINGS THAT WE HAVE GOT TO BUILD CONTINGENCIES FOR. YOU KNOW, YOU GUESSTIMATE WHAT YOU'RE GOING TO HAVE TO PAY OUT OVER TIME TO THE RETIREES. AND THEN YOU GUESSTIMATE YOUR INCOME FLOWS, AND BURIED IN THOSE NUMBERS IS A GUESSTIMATED RATE OF RETURN. AND IF YOU CRUNCH THE NUMBERS YEAR AFTER YEAR AND COMPOUND THE INTEREST OR YOUR RATE OF RETURN, A LITTLE DIFFERENCE IN RATE OF RETURN MEANS A HUGE DIFFERENCE IN OUTCOME. AND I'LL ASK SENATOR NORDOUIST IN A MINUTE WHAT THE GUESSTIMATED RETURN ON THIS IS, BUT I KNOW WHEN I STARTED HERE, IT WAS SOMEWHERE BETWEEN 7 AND 8 PERCENT, THAT THIS IS GOING TO HAPPEN YEAR AFTER YEAR AFTER YEAR, AND EVERYTHING IS GOING TO BE WONDERFUL. I WOULDN'T BET ON THAT PONY. THERE'S TOO MANY VARIABLES TO SAY THAT'S THE WAY IT'S GOING TO BE. AND IF WE MISS ON THAT BET, GUESS WHO GETS THE BILL? THE TAXPAYERS. AND GUESS WHO'S GOT TO APPROVE THE BILL? THE FOLKS THAT ARE IN HERE WHEN THE MUSIC STOPS. AND THAT'S WHY, ON THE REVENUE COMMITTEE AND WHEN WE TALKED ABOUT BUDGETS, I'M SUCH A STICKLER. WE'VE GOT TO PREPARE FOR THAT CONTINGENCY BECAUSE I'LL JUST BET YOU THE RATE OF RETURN ISN'T ANYWHERE NEAR WHAT IT'S PROJECTED TO BE. THAT MEANS WE CAN'T GO CRAZY ABOUT REDUCING TAXES BECAUSE WHATEVER WE TAKE DOWN IS GOING TO HAVE TO POP BACK UP WHEN THAT DAY OF RECKONING COMES, WHY WE CAN'T SAY, YOU KNOW, THE TWO TIMES REVENUE STANDARD FOR THE RESERVE, YOU KNOW, WE CAN SHADE ON THAT. I NOTICED THE BUDGET FIGURES FLATTEN THAT OUT AT \$713 MILLION EVEN THOUGH THE BUDGET EXPENDITURES CONTINUE TO GO UP, WHY WE'VE GOT TO PROTECT THAT RESERVE. WE CAN'T GO CRAZY ON TAX CUTS AND WE JUST GOT TO REALIZE THAT THERE ARE SOME REAL BIG ISSUES OUT THERE, AND THIS IS ONE OF THEM. SENATOR NORDQUIST, WILL YOU YIELD TO A QUESTION? [LB468]

SENATOR SCHEER: SENATOR NORDQUIST, WOULD YOU YIELD, PLEASE? [LB468]

SENATOR NORDQUIST: YEP. [LB468]

SENATOR SCHUMACHER: SENATOR NORDQUIST, WHAT'S THE GUESSTIMATED RATE OF RETURN? [LB468]

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SENATOR NORDQUIST: THE ANALYZED RATE OF RETURN THAT THE PUBLIC EMPLOYEES RETIREMENT BOARD AND THE NEBRASKA INVESTMENT COUNCIL SPEND A LOT OF TIME LOOKING AT IS 8 PERCENT. [LB468]

SENATOR SCHUMACHER: SENATOR WILLIAMS, WILL YOU RESPOND TO A QUESTION? [LB468]

SENATOR SCHEER: SENATOR WILLIAMS, WILL YOU YIELD? [LB468]

SENATOR WILLIAMS: YES. [LB468]

SENATOR SCHUMACHER: SENATOR WILLIAMS, DO YOU FEEL COMFORTABLE WITH THAT NUMBER? [LB468]

SENATOR WILLIAMS: THAT NUMBER, BASED ON THE LAST FIVE YEARS OF HISTORICALLY LOW INTEREST RATES, SEEMS HIGH. [LB468]

SENATOR SCHUMACHER: THANK YOU. SENATOR STINNER. [LB468]

SENATOR SCHEER: SENATOR STINNER, WOULD YOU YIELD? [LB468]

SENATOR STINNER: YES. [LB468]

SENATOR SCHUMACHER: AND YOUR GUESSTIMATE, SENATOR STINNER, BASED UPON YOUR TRAINING AND EXPERIENCE IN THE BANKING INDUSTRY? [LB468]

SENATOR STINNER: YOU KNOW, RIGHT NOW, I THINK WE'RE USING 3 AND 4 PERCENT AS A NUMBER THAT WE'RE USING FOR PEOPLE IN RETIREMENT, IN THEIR RETIREMENT PLANNING. [LB468]

SENATOR SCHUMACHER: THANK YOU, SENATOR STINNER. I HOPE YOU ALL HAVE A TUMMY ACHE BECAUSE I SURE DO. I'M NOT COMFORTABLE WITH THIS. AND, FOLKS, WHEN WE START TALKING, THE REST OF THIS YEAR, NEXT YEAR, THE YEAR INTO THAT ABOUT BIG TAX CUTS, ABOUT WE DON'T NEED A RESERVE, YOU KNOW WHERE I'M GOING TO BE. THANK YOU. [LB468]

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SENATOR SCHEER: THANK YOU, SENATOR STINNER, WILLIAMS, NORDQUIST, AND SCHUMACHER. (VISITORS INTRODUCED.) IN THE QUEUE, SENATOR CHAMBERS, JOHNSON, KOLTERMAN, DAVIS, AND NORDQUIST. SENATOR CHAMBERS. [LB468]

SENATOR CHAMBERS: MR. PRESIDENT, MEMBERS OF THE LEGISLATURE. "PROFESSOR" SCHUMACHER, WITH THE ASSISTANCE OF TWO OF OUR BANKER COLLEAGUES, WAS THE FIRST TO DASH COLD WATER, WHICH I WOULD REFER TO AS REALITY, ON THIS THAT WE'RE BEING TOLD. I CAN UNDERSTAND WHAT SENATOR MELLO HAS TO DO, WHAT SENATOR NORDQUIST IS TRYING TO DO, WHAT THE GOVERNOR WOULD LIKE TO DO, BUT WHAT WE MIGHT HAVE TO DO. WHEN SENATOR NORDQUIST MADE A COMMENT ABOUT BUMPING UP COURT COSTS, SEE, THAT'S WHAT I KNOW IS GOING TO HAPPEN. OVER MY STRENUOUS OBJECTION DOWN THROUGH THE YEARS AND SOMETIMES WHEN THERE WAS A CRISIS SITUATION, I WOULD YIELD. THEY WANT TO CREATE "CASH REGISTER" OR "CHECKBOOK" JUSTICE WHERE FEES AND OTHER COSTS, SOME THEY CALL FEES, SOME THEY CALL COSTS, BUT WHATEVER IT IS ARE NOT BASED ON ANYTHING OTHER THAN HOW MUCH MONEY YOU NEED TO RUN THE COURT SYSTEM. AND THAT'S NOT THE WAY JUSTICE SHOULD BE DISPENSED. AND I'M GOING TO FIGHT THIS BILL BECAUSE IT'S ONE OF THE WORST THINGS THAT COULD BE DONE, WITH WHAT IS IMPLICATED IF YOU DO THIS. I'M NOT GOING TO SUPPORT ANY INCREASE IN COURT FEES. AND ALTHOUGH THE JUDICIARY COMMITTEE GAVE FIVE VOTES, THREE OF US DID NOT VOTE TO ADVANCE THAT BILL. I WAS NOT A PART OF, NOR DID I KNOW ANYTHING ABOUT, A DEAL BETWEEN THE JUDGES' SALARY AND THIS THING THAT WE'RE TALKING ABOUT NOW. SO, WHEN THOSE DEALS ARE MADE, THOSE DEALS ARE BETWEEN AND AMONG THE PEOPLE WHO THINK THAT THIS IS WISE AND PRUDENT. BUT I DON'T THINK THAT. I'M GOING TO LISTEN TO WHAT OTHERS HAVE TO SAY, BUT I WANT TO DRAW MY LINE IN THE SAND. AND WE WON'T GET OUT OF HERE BY NOON TODAY IF THE ONLY WAY WE CAN DO THAT IS TO FINISH THIS BILL, BECAUSE THERE'S NO WAY THAT THE DISCUSSION THAT NEEDS TO BE HAD ON THIS BILL WILL BE ENDED BY...IN 45 MINUTES...47 MINUTES. I HAVE MOTIONS I'M GOING TO PUT ON THIS BILL. I HAVE AMENDMENTS I'M GOING TO OFFER ON THIS BILL BECAUSE I WANT TO TALK ABOUT THE NATURE OF THE JUDICIARY, THE PURPOSE AND MEANING OF JUSTICE. AND FOR THESE NUMBERS CRUNCHERS, OR WHATEVER THEY CALL THEM, THEY DON'T CARE ABOUT ANY OF THAT AND I DO. THEY'RE NOT EVEN GOING TO BE IN COURT. THEY'RE NOT GOING TO HAVE TO PAY ANY COURT COSTS AND COURT FEES LIKE THE PEOPLE WHO DO HAVE TO GO THERE AND SOMETIMES INAPPROPRIATELY. WE JUST GOT THROUGH DISCUSSING WHERE WE'RE TALKING ABOUT SOMETHING FAR MORE SERIOUS THAN COURT FEES THAT WILL SHOW HOW THE SYSTEM IS CORRUPTED BY POLICE, BY SHERIFFS, BY

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PROSECUTORS. WE'RE PAYING OVER \$2 MILLION TO SOME PEOPLE WHO WERE UNJUSTLY CONVICTED; \$77,000 TO SOME EMPLOYEES WHO WERE DISCRIMINATED AGAINST. SO, IN THE SYSTEM OF GOVERNMENT, THERE ARE THINGS HAPPENING THAT OUGHT NOT TO HAPPEN. AND I'M NOT GOING TO LET THIS BECOME A STERILE DISCUSSION WHERE YOU THROW NUMBERS AROUND AND THAT'S ALL THAT THERE IS TO IT. THIS IMPACTS WHAT HAPPENS IN COURTROOMS, ON THE STREETS, WHEN COPS ARE INVOLVED. I'LL GIVE YOU AN EXAMPLE. IN OMAHA, THERE WAS A BUST MADE AT A HOUSE IN WEST OMAHA AND SOME KIDS WERE PICKED UP AND CHARGED, I GUESS WITH MINORS IN POSSESSION, WHATEVER IT WAS. THE CITY ATTORNEY DIDN'T THINK THAT THERE WAS ENOUGH EVIDENCE TO PROVE THAT WHATEVER ALCOHOL THE KIDS MAY HAVE HAD IN THEIR SYSTEM WAS OBTAINED AT THIS LOCATION, OR THAT THE ONES THEY WANT TO CHARGE WAS THE ONE WHO HAD DONE IT. SO, SAYING WITHOUT ME JUDGING ONE WAY OR THE OTHER, THE PUBLIC...I MEAN THE CITY ATTORNEY SAYING THAT THERE WAS NOT ENOUGH EVIDENCE TO PROCURE A CONVICTION, SO HE DIDN'T FILE THE CHARGES. THEN GUESS WHO JUMPED UP AND FAT-MOUTHED? [LB468]

SENATOR SCHEER: ONE MINUTE. [LB468]

SENATOR CHAMBERS: THE HEAD OF THE POLICE UNION WANTS TO DICTATE TO THE CITY PROSECUTOR AND SAID IF THE PROSECUTOR IS NOT GOING TO FILE CHARGES, HE SHOULD TELL THE POLICE. YOU MEAN THE PROSECUTOR IN OMAHA HAS TO ANSWER TO THE POLICE AND THE POLICE UNION AT THAT? AND THIS DUMBBELL, HEAD OF THE POLICE UNION, AND I HOPE HE KNOWS WHAT I'M SAYING, HELD UP A BULLET WHEN SENATOR ASHFORD WAS RUNNING FOR CONGRESS AND SUGGESTED THAT SENATOR ASHFORD WITH THIS BULLET WAS RESPONSIBLE FOR THE SHOOTINGS IN NORTH OMAHA. AND THE DEMOCRATS AND NOBODY...I MEANT, THE REPUBLICANS SAID NOTHING ABOUT IT. THAT'S THE POLICE UNION. SO WHEN YOU LET THESE OUTSIDE FORCES, THE POLICE UNION, THE LEGISLATORS CORRUPT HOW JUSTICE IS HANDLED IN THE JUDICIARY, THEY HAVE ME TO OVERCOME AND IT'S NOT GOING TO BE EASY. THANK YOU, MR. PRESIDENT. [LB468]

SENATOR SCHEER: THANK YOU, SENATOR CHAMBERS. SENATOR JOHNSON, YOU'RE RECOGNIZED. [LB468]

SENATOR JOHNSON: THANK YOU, MR. PRESIDENT. AS I'VE STATED BEFORE, I'M A BENEFICIARY OF A DEFINED-BENEFIT PLAN. IT'S WORKED VERY WELL. MOST OF

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MY MONEY WENT IN BEFORE WE STARTED IN THIS LONG-TERM LOW INTEREST RATE OF...I THINK PROBABLY THE LAST 15, 18 YEARS, ESPECIALLY THE LAST FEW YEARS THAT I WAS IN BUSINESS. BUT I WAS ALSO THE CEO OF THAT COMPANY AND HAD TO FUND THAT AND WHAT A BURDEN IT WAS. SO I UNDERSTAND WE HAVE A BURDEN WITH OUR DEFINED-BENEFIT PLANS. I'M OPPOSED TO LB468 JUST FOR ONE MAJOR REASON, THE PRETRIAL DIVERSION PLAN PROGRAM THAT WE HAVE. IT APPEARS THAT IT'S GROWN. IT'S GROWN CONSIDERABLY. A FAIR AMOUNT OF THEIR TIME IS DEALING WITH THAT. BUT THAT'S A VERY PROACTIVE PROGRAM AND, AT LEAST IN THE AREA THAT I'M AROUND, IT'S WORKING VERY WELL. IT'S VERY PROACTIVE TO STRAIGHTEN OUT SOME OF OUR YOUTH AND OUR JUVENILES. TO ADD A FEE ON TO THEM, I THINK, IS COUNTERPRODUCTIVE. I'M NOT SURE WHY THE AMENDMENT KEEPS THAT IN, THREW OUT THE OTHER FEES AND CHANGED THE STRUCTURE ON THAT. I'M NOT GOING TO SPEAK A LOT MORE, NOT THAT I'VE GOT TO GET HOME BY 12:00, BUT I'M JUST GOING SAY I BELIEVE THAT THE PRETRIAL DIVERSION PROGRAM IS WORKING. IF IT DOES TAKE TIME, A LOT OF TIME ON THAT, SO BE IT, BUT IT'S A VERY IMPORTANT PROGRAM FOR OUR YOUTH AND THE FUTURE OF NEBRASKA. IF IT'S THAT GOOD, I THINK WE AS THE TAXPAYERS NEED TO SUPPORT THAT SOMEHOW. AND MAYBE IT'S NOT THROUGH FEES ON THE PRETRIAL DIVERSION. THANK YOU, MR. CHAIRMAN. [LB468]

SENATOR SCHEER: THANK YOU, SENATOR JOHNSON. SENATOR KOLTERMAN. [LB468]

SENATOR KOLTERMAN: THANK YOU, MR. PRESIDENT. GOOD MORNING, COLLEAGUES. I SERVE ON THE RETIREMENT COMMITTEE. THIS HAS BEEN MY FIRST YEAR, BUT I DO UNDERSTAND RETIREMENT PLANS. I'VE BEEN SELLING THEM SINCE 1980 ON A FULL-TIME BASIS. THERE'S A LOT OF DIFFERENCE BETWEEN THE DIFFERENT PLANS THAT ARE OUT THERE. THIS HAPPENS TO BE A DEFINED-BENEFIT PLAN, WHICH IS A PROMISE TO PAY. IT'S A BENEFIT THAT WE CANNOT AVOID. WE'VE MADE A COMMITMENT TO THE PEOPLE THAT ARE IN THE PLAN. WE HAVE TO LIVE UP TO THAT COMMITMENT. UNFORTUNATELY, BUT YET FORTUNATELY, THIS PLAN IS 93 PERCENT FUNDED AT THE PRESENT TIME, WHICH MEANS IT'S REALLY IN RELATIVELY GOOD SHAPE. AND WHILE THAT MIGHT BRING SOME CONSTERNATION TO PEOPLE, THE STATE HAS DONE A TERRIFIC JOB IN MANAGING THIS PLAN AND I HAVE NO REASON TO BELIEVE THAT THEY WON'T CONTINUE TO DO THAT. I APPRECIATE THE FACT THAT SENATOR NORDQUIST BROUGHT THIS BILL TO THE COMMITTEE, AND ONE OF THE CHALLENGES WE LOOKED AT, AND ONE OF THE CHALLENGES THAT WE FACE IS THE FACT THAT, DO WE USE GENERAL DOLLARS FROM THE BUDGET TO GO INTO

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THIS, OR DO WE LOOK AT ALTERNATIVES AS A WAY TO GET THIS PLAN INTO FULLY FUNDED MODE? AND SO WHAT YOU HAVE HERE IS A LONG-TERM PLAN TO FULLY FUND IT. IS 8 PERCENT A HIGH ACTUARIAL VALUE TO UTILIZE? YES, IT IS. BUT IT IS ACTUARIALLY...THIS PLAN GETS ACTUARIALLY LOOKED AT EVERY YEAR AND TESTED EVERY YEAR. AND SO THAT WILL CHANGE FROM YEAR TO YEAR. AND THE...IF THE MARKET CONTINUES TO INCREASE, THAT COULD AFFECT THIS PLAN AS WELL IN A POSITIVE MODE. SO, WHEN WE LOOKED AT THIS, RATHER THAN USE GENERAL FUNDS TO FUND IT, WE LOOKED AT ALTERNATIVES BECAUSE THAT'S HOW IT'S BEEN FUNDED IN THE PAST. I WOULD ENCOURAGE YOU TO SUPPORT THIS BILL FROM THE PERSPECTIVE OF WE ARE LOOKING AT MANY WAYS TO MAKE IT COST EFFECTIVE LONG TERM. NUMBER ONE, WE'RE REDUCING BENEFITS FOR PEOPLE THAT HAVEN'T BEEN IN THE PLAN FOR 20 YEARS. SO THE COST OF LIVING WILL GO DOWN FOR SOME OF THOSE PEOPLE. AND WE'RE ALSO LOOKING, YOU KNOW, FOR PEOPLE THAT HAVEN'T BEEN HERE AS LONG, THEY'RE GOING TO CARRY SOME OF THAT BURDEN AS WELL. BUT THAT'S AN OFFSET TO OTHER ALTERNATIVE OF JUST THROWING A LOT MORE MONEY AT THE PLAN TO GET IT WHERE IT NEEDS TO BE. SO IT'S NOT SOMETHING THAT WE TAKE LIGHTLY. IT'S SOMETHING THAT'S BEEN STUDIED SINCE THE DAY WE STARTED DISCUSSION ON THIS BILL. SENATOR NORDQUIST HAS BEEN WORKING ON THIS FOR SEVERAL YEARS, AND THE STAFF, AND I THINK THAT WE NEED TO SUPPORT IT, CONTINUE TO MOVE FORWARD. I UNDERSTAND YOUR CONCERNS. I HAVE THOSE SAME CONCERNS. BUT THE GOOD THING IS, EVEN THOUGH IT'S 93 PERCENT FUNDED AT THE PRESENT TIME, IT IS SHORT SOME, BUT THAT'S STILL GOOD. WE JUST NEED TO MAKE IT BETTER AND THAT ADDRESSES WHAT SENATOR SCHUMACHER WAS TALKING ABOUT. THERE'S A LONG-TERM LIABILITY INVOLVED WITH THIS BILL. AND WE'RE JUST TRYING TO MAKE SURE THAT WE DO HAVE THE MONEY AND WE DON'T GO BACKWARDS WITH IT. SO I WOULD ENCOURAGE YOU TO TAKE...GIVE IT SOME VERY SERIOUS CONSIDERATION, GIVE IT A GREEN VOTE. WE'D APPRECIATE YOUR HELP ON THAT. AND IT DID COME OUT OF THE COMMITTEE 100 PERCENT, AND WE DO HAVE SOME PRETTY CONSERVATIVE PEOPLE ON THE COMMITTEE TAKE A LOOK AT IT. THANK YOU. [LB468]

SENATOR SCHEER: THANK YOU, SENATOR KOLTERMAN. SENATOR DAVIS, YOU'RE RECOGNIZED. [LB468]

SENATOR DAVIS: THANK YOU, MR. PRESIDENT. I WANT TO ECHO A LITTLE BIT OF WHAT SENATOR KOLTERMAN SAID, AND FIRST OF ALL, I THINK, GIVE A LOT OF CREDIT TO SENATOR NORDQUIST WHO HAS BEEN THE CHAIR OF THIS COMMITTEE FOR THE LAST SEVERAL YEARS AND HAS HAD TO WORK THROUGH

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SOME VERY DIFFICULT TIMES IN TERMS OF NEGOTIATING WITH PEOPLE, WORKING THROUGH THE PROBLEMS THAT WE HAVE. I THINK OUR PENSION PROGRAM, WHETHER YOU LIKE DEFINED-BENEFIT PLANS OR NOT, IS PROBABLY THE ENVY OF THE NATION IN TERMS OF HOW WELL IT'S FUNDED. AND I GIVE SENATOR NORDQUIST A LOT OF CREDIT FOR THAT. SO THIS PROCESS THAT TOOK PLACE WAS PARTLY A NEGOTIATION IN WHICH WE ENDED UP REDUCING BENEFITS RATHER SIGNIFICANTLY FOR SOME OF THE JUDGES. AND I'D LIKE TO JUST ADDRESS A COUPLE OF THE THINGS THAT I THINK NEED TO BE LAID OUT HERE. YES, THERE IS A GUARANTEED RETURN. IT IS IN THERE. INFLATION IS A PART OF THAT. SO IF YOU'VE GOT A 2.5 PERCENT INFLATION RATE, YOU KNOW, THE RETURN THEN IS ONLY GOING TO BE 5.5 PERCENT. IF YOU HAVE A 6 PERCENT INFLATION RATE, THE GUARANTEED PART OF THAT IS, YOU KNOW, MUCH REDUCED. I THINK THAT'S A VERY IMPORTANT THING FOR PEOPLE TO CONSIDER AND REMEMBER. I WANT TO MAKE A COUPLE OF COMMENTS ABOUT SENATOR JOHNSON'S STATEMENT ABOUT PRETRIAL DIVERSION. LET'S REMEMBER THAT PART OF PRETRIAL DIVERSION AND PROBABLY A SIGNIFICANT PART OF THAT IS USED BY PEOPLE WHO HAVE SPEEDING TICKETS OR THE LIKE. AND THEIR INTENT IS TO TAKE A STOP CLASS OR PAY A LITTLE MORE MONEY SO THAT ISN'T REPORTED AND IT'S NOT ON THEIR RECORD WHERE THEY ARE GOING TO BE CHARGED A MUCH HIGHER RATE OF INSURANCE FOR THAT. SO I DON'T THINK THAT PUTTING A PORTION OF THE COST OF THE JUDGES RETIREMENT ON A PRETRIAL DIVERSION PROGRAM IS IN ERROR AT ALL. I THINK SENATOR JOHNSON UNDERSTANDS THAT. WE HAD A CONVERSATION OFF THE MIKE AND I THINK HE UNDERSTANDS THAT THAT IS PART OF THE FOCUS AND HE DOESN'T HAVE A PROBLEM WITH THAT. I THINK HE'S MORE CONCERNED ABOUT JUVENILES AND, OF COURSE, I SUPPORT JUVENILE JUSTICE AND PRETRIAL DIVERSION. HOWEVER, IF...IF THOSE THINGS WEREN'T IN PLACE, THERE WOULD BE FINES AND THINGS THAT THOSE FOLKS EXPERIENCE. SO WITH THAT, I'M GOING TO ASK YOU TO VOTE GREEN ON THE BILL BUT I'M GOING TO YIELD THE REST OF MY TIME TO SENATOR NORDQUIST WHO CAN MAYBE KIND OF WORK THROUGH SOME OF THE OTHER QUESTIONS THAT WE HAVE. REMEMBER, FOLKS, IF WE DON'T FIX THIS PROBLEM, THE ONGOING PENSION PLAN WILL REMAIN IN PLACE FOR ALL NEW HIRES. SO, YOU KNOW, WE'RE GOING TO HAVE A FISCAL IMPACT FOR MANY YEARS TO COME UNLESS WE FIX IT TODAY. THIS IS ONE REALLY GOOD WAY TO DO IT AND SENATOR NORDQUIST HAS WORKED HARD AT IT. SO WITH THAT, I'D LIKE TO YIELD THE REST OF MY TIME TO HIM. [LB468]

SENATOR SCHEER: SENATOR NORDQUIST, YOU'RE YIELDED 2:20. [LB468]

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SENATOR NORDQUIST: ALL RIGHT. THANK YOU, MR. PRESIDENT AND MEMBERS. A COUPLE OF POINTS THAT I WANT TO MAKE JUST ABOUT SENATOR SCHUMACHER'S COMMENTS ABOUT THE GUESSTIMATES. FIRST OF ALL, I WOULD SAY THAT'S NOT A GUESSTIMATE. IT DOES USE...WE DO USE VERY CREDIBLE ACTUARIES TO PROJECT OUR PLANS. SECOND POINT IS, WHATEVER THAT SAYS, AND THIS IS A VERY IMPORTANT POINT, WHATEVER THAT ACTUARIAL STUDY SAYS HAS ZERO IMPACT ON OUR LIABILITY. IT IS A PROJECTION. THE FACT OF THE MATTER IS, THE BENEFITS THAT ARE PROMISED TO THE JUDGES THAT ARE WORKING TODAY THAT HAVE RETIRED, THAT START UP UNTIL WE MAKE SOME CHANGE TO THIS PLAN, THOSE BENEFITS ARE A LIABILITY OF THE STATE. OUR COURT HAS SAID WE CAN DO NOTHING ABOUT THAT LIABILITY. THAT MEANS THAT HAS TO BE PAID. SO, WE CAN ASSUME 100 PERCENT RATE OF RETURN OR 0 PERCENT RATE OF RETURN ON THE ACTUARIAL STUDY; WE STILL HAVE TO PAY THAT LIABILITY. BUT LET'S TALK ABOUT THAT RATE OF RETURN BECAUSE SENATOR SCHUMACHER SEEMS TO BE A LITTLE MORE SKEPTICAL THAN I, AND WE HAD THE SAME DEBATE TWO YEARS AGO ON THE SCHOOL RETIREMENT PLAN WHICH IS NOW VERY MUCH ON A PATHWAY TO SUCCESS AND THE ACTUARIAL STUDIES SHOW A 170 PERCENT FUNDED PLAN AT THE END OF THAT RATE. SO WE'VE OBVIOUSLY CORRECTED THAT PLAN... [LB468]

SENATOR SCHEER: ONE MINUTE. [LB468]

SENATOR NORDQUIST: ...TO BE VERY SUSTAINABLE. OUR 30-YEAR RATE OF RETURN ON OUR DEFINED-BENEFIT PLANS IS 9.3 PERCENT. THIRTY-YEAR AVERAGE IS 9.3 PERCENT. OUR AVERAGE SINCE THE GREAT RECESSION FROM 2010 ON HAS BEEN 13.7 PERCENT. OBVIOUSLY, WHEN YOU HAVE ONE YEAR OF 19.1 PERCENT NEGATIVE RETURN, BECAUSE OF THE GREATEST FINANCIAL CRISIS SINCE THE GREAT DEPRESSION, THAT CAUSES PROBLEMS IN THE RETIREMENT PLAN, AND THAT IS WHAT WE ARE STILL CORRECTING TODAY. WE ARE STILL, UNFORTUNATELY, CLEANING UP THE MESS THAT WALL STREET SPECULATORS CREATED FOR US BACK IN 2009. AS FAR AS THE PRETRIAL DIVERSION FEE, AND SENATOR JOHNSON'S CONCERN, WE'VE SURVEYED ALL THE COUNTIES THAT HAVE PRETRIAL DIVERSION AND THE FEE RIGHT NOW RANGES FROM \$150 FOR...THESE ARE FOR STOP PROGRAMS, \$150... [LB468]

SENATOR SCHEER: TIME, SENATOR. [LB468]

SENATOR NORDQUIST: THANK YOU. [LB468]

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SENATOR SCHEER: BUT YOU ARE NEXT IN THE QUEUE, SO YOU ARE RECOGNIZED. [LB468]

SENATOR NORDQUIST: THANK YOU...\$150 TO WELL NORTH OF \$200, \$238 IN ONE COUNTY. SO A \$6 FEE ON THAT ISN'T GOING TO DETER PEOPLE FROM PARTICIPATING IN THE STOP PROGRAM WHICH ALLOWS THEM TO TAKE THEIR TRAFFIC TICKET OFF THEIR INSURANCE AND CLEAN UP THAT VIOLATION. SO...AND MOST OF THE PRETRIAL DIVERSION IS IN THE STOP PROGRAM. BUT EVEN THOUGH, EVEN FOR THAT, THERE ARE SOME COURT COSTS, EVEN THOUGH IT'S A DIVERSION PROGRAM, THERE STILL ARE SOME ADMINISTRATIVE COURT COSTS WITH PRETRIAL DIVERSION AND HANDLING THAT. SO WE GET BACK TO THE ISSUE OF COURT FEES AND I CERTAINLY UNDERSTAND SENATOR CHAMBERS' CONCERNS ABOUT FUNDING THIS WITH COURT FEES. IT'S A DISCUSSION WE HAD IN THE RETIREMENT COMMITTEE. WE'VE TALKED ABOUT IT IN THE APPROPRIATIONS COMMITTEE AS WE SET OUR BUDGET AND I KNOW THE JUDICIARY COMMITTEE HAS TALKED ABOUT IT. THE ISSUE IS, DO WE WANT TO MOVE AWAY FROM COURT FEES TO GENERAL FUNDS? AND THAT OBLIGATION IS VERY SIGNIFICANT AND IF THERE IS THE WILL OF THE BODY TO DO THAT, THEN WE CAN LOOK AT DOING THAT. BUT WE ARE TALKING ABOUT MILLIONS OF DOLLARS A YEAR. AND WHEN THE JUDICIARY COMMITTEE CHOSE NOT TO MOVE FORWARD WITH THE \$8 COURT FEE THIS YEAR, THEY BASICALLY SAID TO THE LEGISLATURE, YOU ARE NOW GOING TO NEED TO PUT A MILLION DOLLARS A YEAR OF GENERAL FUNDS INTO THIS PLAN. AND THAT'S WHAT, ESSENTIALLY, WE'RE HAVING TO DO. WE ARE TRYING TO ADD THE PRETRIAL DIVERSION PIECE BECAUSE WE DO THINK THERE IS A FAIRNESS ISSUE ON THAT. BUT THE POINT THAT SENATOR DAVIS MADE, TOO, THAT I THINK WHEN WE'RE TALKING ABOUT THE RATE OF RETURN, IT'S IMPORTANT TO REMEMBER THERE IS A...THE PUBLIC EMPLOYEES RETIREMENT BOARD ASSUMES A 2.5 PERCENT INFLATION RATE IN THAT 8 PERCENT, SO THE ACTUAL RATE OF RETURN WE'RE TALKING ABOUT IS 5.5 AND THE PUBLIC EMPLOYEES...OR THE INVESTMENT COUNCIL IS ONLY ASSUMING A 2 PERCENT RATE OF RETURN. THAT'S WHY THEY ARE A LITTLE LESS OPTIMISTIC, JUST BECAUSE OF THE LOWER INFLATION THAT THEY ARE ASSUMING. BUT THE PUBLIC EMPLOYEES RETIREMENT BOARD DID AN EXTENSIVE STUDY ON THE ASSUMED RATE OF RETURN, LOOKING PROSPECTIVELY AND RETROSPECTIVELY. THEY WILL DO ANOTHER EXPERIENCE STUDY. ACTUARIAL STUDIES ARE BASED ON EXPERIENCE STUDIES THAT ARE DONE EVERY FIVE YEARS. THEY'VE ACTUALLY BUMPED THE NEXT ONE UP AND WE PUT MONEY IN THE BUDGET FOR THEM TO BE ABLE TO DO A NEW EXPERIENCE STUDY TO MAKE SURE THAT ALL THE ASSUMPTIONS WE ARE MAKING ARE SOUND. BUT THERE IS A SIGNIFICANT POSSIBILITY THAT THEY

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WILL REDUCE THEIR ASSUMED RATE OF RETURN FOR THE FOR THE ACTUARIAL STUDY. AGAIN, THE TWO THINGS TO REMEMBER ABOUT THAT, FIRST IS, WHATEVER THEY ASSUME, IT MAKES NO DIFFERENCE TO WHAT THE STATE OWES THE RETIREES BECAUSE WE HAVE A CONTRACT, ESSENTIALLY A CONTRACT WITH THEM FOR THEIR BENEFITS, ACCORDING TO OUR SUPREME COURT. THAT'S NUMBER ONE. THE SECOND THING IS WHEN THEY REDUCE THAT ASSUMED RATE OF RETURN, THE CHANGES WE MADE TO THE SCHOOL PLAN TWO YEARS AGO AND THESE CHANGES WILL BE SUSTAINABLE AT A REDUCED RATE OF RETURN, WHETHER THAT IS 7.5 OR 7.75 PERCENT WHICH IS WHAT IT LOOKS LIKE THE DIRECTION THEY MAY BE HEADING. SO WE ARE MAKING THE SUSTAINABLE CHANGES THAT ARE NEEDED TO THE PLAN TO MAKE THEM SUSTAINABLE AT A LOWER RATE OF RETURN. SO THAT'S WHY IT'S IMPORTANT WE MOVE FORWARD WITH THIS BILL BECAUSE IF WE DON'T MOVE FORWARD WITH THIS BILL, WE WILL HAVE TO PUT THE MONEY BACK IN THE BUDGET TO KEEP FUNDING THE SHORTFALL, AND EVERY JUDGE THAT CONTINUES TO BE HIRED, CONTINUES TO BE PROMISED THE CURRENT SET OF BENEFITS. WE WANT TO REDUCE THAT SET OF BENEFITS. THAT'S PART OF THE AGREEMENT IN LB468. THANK YOU. [LB468]

SENATOR SCHEER: ONE MINUTE. OH, THANK YOU SENATOR NORDQUIST. (VISITORS INTRODUCED.) CONTINUING WITH DISCUSSION ON AM1172, THOSE IN THE QUEUE, SENATORS LINDSTROM, MELLO, JOHNSON, AND GROENE. SENATOR LINDSTROM. [LB468]

SENATOR LINDSTROM: THANK YOU, MR. PRESIDENT, COLLEAGUES. I WAS WONDERING IF SENATOR NORDQUIST WOULD YIELD TO A FEW QUESTIONS, PLEASE. [LB468]

SENATOR SCHEER: SENATOR NORDQUIST, WOULD YOU YIELD? [LB468]

SENATOR NORDQUIST: YES. [LB468]

SENATOR LINDSTROM: THANK YOU, SENATOR NORDQUIST. COULD YOU EXPLAIN TO ME THE UNDERLYING ASSET ALLOCATION WITHIN THE PENSION, PLEASE? [LB468]

SENATOR NORDQUIST: I'M GOING TO HAVE TO SEE...ONE SECOND. WE'RE GOING TO HAVE TO GET THE INVESTMENT COUNCIL ANNUAL REPORT DOWN HERE. [LB468]

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SENATOR LINDSTROM: OKAY. [LB468]

SENATOR NORDQUIST: ESSENTIALLY, IT IS...THE MAJORITY OF IT IS IN EQUITIES, BUT THE INVESTMENT COUNCIL ALSO HAS TAKEN ON...HAS DIVERSIFIED THE PORTFOLIO, OBVIOUSLY BEYOND U.S. EQUITIES. THEY HAVE INTERNATIONAL EQUITIES. [LB468]

SENATOR LINDSTROM: WOULD YOU HAPPEN TO KNOW, BESIDES THE EQUITIES, THEREABOUTS WITHIN MAYBE FIVE PERCENTAGE POINTS, WHAT THE ALLOCATION IS IN FIXED INCOME? [LB468]

SENATOR NORDQUIST: I WOULD...YOU KNOW, I'M GOING TO SAY IT IT'S IN THE TEENS BUT I'M GOING TO HAVE MY LEGAL COUNSEL GO GET THE ANNUAL REPORT AND WE'LL GET THE FULL BREAKDOWN. THEY ALSO HAVE IN RECENT YEARS BEEN ADDING PRIVATE EQUITY, WHICH OBVIOUSLY BRINGS ON MORE RISK BUT BRINGS ON THE POSSIBILITY OF HIGHER RETURN, AND THEY'VE BEEN PUTTING A SMALL PORTION, I THINK ONLY 5, LESS THAN 10 PERCENT IN PRIVATE EQUITY AND THE SAME, I THINK, GOES FOR REAL ESTATE. BUT THERE IS A PORTION, I WANT TO SAY AROUND 15 PERCENT, BUT I'LL CLARIFY THAT ON THE MIKE IF IT'S NOT CORRECT, IN FIXED INCOME. [LB468]

SENATOR LINDSTROM: OKAY. THANK YOU, SENATOR NORDQUIST. MY GUESS IS, AND I'M ASSUMING ON THIS, THAT THE UNDERLYING FIXED-INCOME PORTION WOULD BE AROUND 20 TO 30 PERCENT FOR WHAT I WOULD CONSIDER A MODERATE PORTFOLIO. I'D BE CURIOUS AS FAR AS THE MATURITY DATE WITHIN THE FIXED-INCOME PORTION OF THAT, AND SO IF I COULD GET THAT INFORMATION, I'D APPRECIATE THAT AS WELL. IF YOU PAY ATTENTION A LITTLE BIT OF WHAT'S BEEN GOING ON IN THE MARKET, TEN-YEAR TREASURIES ARE AROUND 2.1 PERCENT. AND I WANT TO KNOW IF SENATOR NORDQUIST WOULD YIELD TO JUST ONE MORE QUESTION FOR ME, PLEASE. [LB468]

SENATOR SCHEER: SENATOR NORDQUIST, WOULD YOU YIELD? [LB468]

SENATOR NORDQUIST: YES. [LB468]

SENATOR LINDSTROM: SENATOR NORDQUIST, IN THE CASE OF RISING INTEREST RATES, WHAT HAPPENS TO THE PRICE OF THE UNDERLYING BOND? [LB468]

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SENATOR NORDQUIST: THE PRICE OF BONDS WHEN INTEREST RATES GO UP, IS WHAT YOU'RE SAYING? [LB468]

SENATOR LINDSTROM: YES, SENATOR. [LB468]

SENATOR NORDQUIST: WELL, THE COST OF BORROWING MONEY GOES UP, SO THE PRICE, THE BOND PRICE, I THINK, GOES DOWN. [LB468]

SENATOR LINDSTROM: CORRECT. THANK YOU, SENATOR NORDOUIST, SO WHAT WE HAVE HERE, FOLKS, IS WITH INTEREST RATES AS LOW AS THEY ARE RIGHT NOW, IT IS NOT A GUARANTEE BUT INEVITABLE THAT INTEREST RATES WILL RISE. AND IF THE UNDERLYING PORTFOLIO HAS, SAY, 20, 30 PERCENT FIXED INCOME, MAYBE MORE, MAYBE LESS, AS INTEREST RATES RISE, THOSE BOND PRICES ARE GOING TO DROP. NOW, YOU CAN...IF THE SHORT-TERM...IF THERE'S A SHORT-TERM MATURITY RATE ON THE UNDERLYING BONDS, YOU CAN CALL THOSE IN, GO REPRICE THEM AT A HIGHER RATE, BUT AS IT STANDS RIGHT NOW, INTEREST RATES ARE SO LOW THAT I FIND IT...I SHOULDN'T SAY NEARLY IMPOSSIBLE, BUT VERY UNLIKELY THAT THE 8 PERCENT BOGEY IS GOING TO BE HIT IN THIS CASE. AND IF YOU LOOK AT HISTORICAL RETURNS IN EQUITY MARKETS OVER THE LAST 75, 80 YEARS, 100 PERCENT IN EQUITIES, DOW JONES INDUSTRIAL AVERAGE, WILL GIVE YOU ABOUT A 10 TO 11 PERCENT RETURN, AND I KNOW WE ARE NOT 100 PERCENT IN EQUITIES. SO...I'M SORRY, ONE MORE QUESTION FOR YOU. IN THIS ASSUMPTION OF THE 8 PERCENT, SENATOR NORDQUIST, IS THAT NET OF FEES OF UNDERLYING INVESTMENTS? [LB468]

SENATOR SCHEER: ONE MINUTE. [LB468]

SENATOR NORDQUIST: RIGHT. FEES ARE PAID OUT OF THE PLAN. THAT'S CALCULATED, IT'S NOT IN THE 8 PERCENT ASSUMED RATE OF RETURN, BUT IT IS CALCULATED AS A COMPONENT TO THE PLAN. ACTUALLY, LET ME JUST MAKE SURE I'M ON THE RIGHT PAGE HERE. I THOUGHT I HAD THE DEFINED-BENEFIT MIX HERE. OKAY, SO, SORRY, THE 15 PERCENT I WAS THINKING OF WAS GLOBAL EQUITIES, 29 PERCENT IN U.S. EQUITIES, 13.5 PERCENT IN NON-U.S. EQUITIES, 30 PERCENT IN FIXED INCOME, 7.5 PERCENT IN REAL ESTATE, AND 5 PERCENT IN PRIVATE EQUITY. WE DO HAVE A REPORT FROM ENNIS KNUPP, WHICH IS THE ADVISER...IT'S CHANGED THEIR NAME, IT'S NOT ENNIS KNUPP ANYMORE, BUT THE ADVISER TO THE NEBRASKA INVESTMENT COUNCIL WHICH DOES LAY OUT THEIR PROJECTION WITHIN A STANDARD DEVIATION FOR EACH CLASS OF...ASSET CLASS. [LB468]

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SENATOR SCHEER: TIME, SENATORS. THANK YOU, SENATOR NORDQUIST AND SENATOR LINDSTROM. SENATOR MELLO, YOU'RE RECOGNIZED. [LB468]

SENATOR MELLO: THANK YOU, MR. PRESIDENT AND MEMBERS OF THE LEGISLATURE, JUST, I THINK, IF ANYTHING, A COUPLE POINTS OF CLARIFICATION. IF YOU DON'T BELIEVE THAT THE ASSUMED RATE OF RETURN SHOULD BE 8 PERCENT, WHICH I REMIND THE BODY IS NOT DETERMINED RIGHT NOW BY THE LEGISLATURE, THERE IS NOT A STATUTE THAT HAS 8 PERCENT RATE OF RETURN THAT'S ALL OF THE RETIREMENT COMMITTEES BILLS ARE BASED UPON, IF THAT IS WHAT YOU HAVE CONCERNS ABOUT, THEN YOU NEED TO INTRODUCE A BILL TO PUT THAT IN STATUTE, TAKE THAT AUTHORITY AWAY FROM THE PUBLIC EMPLOYEES RETIREMENT BOARD AND THE NEBRASKA INVESTMENT COUNCIL. THERE IS A CLEAR LINE OF DISTINCTION BETWEEN THE EXECUTIVE BRANCH AND THOSE TWO AGENCIES PROVIDING THAT RATE OF RETURN, AND WHAT THE LEGISLATURE DOES IN CREATING RETIREMENT POLICY, WHAT WE HAVE IN FRONT OF US. WITH THAT SAID, I ALSO WANTED TO MAKE A CLARIFICATION IN THE SENSE THAT THE \$1.3 MILLION THAT ESSENTIALLY WILL BE REDIRECTED FROM COURT FEES THAT ARE CURRENTLY GOING TO THE GENERAL FUND THAT WILL NOW BE GOING TO THE REQUIREMENT SYSTEM FOR THE JUDGES PLAN, RIGHT NOW THE GENERAL FUND RECEIVES \$8.5 MILLION IN COURT FEES. SO THAT \$8.5 MILLION WILL BE REDUCED NOW TO ROUGHLY TO \$7.2 MILLION THAT GOES TO THE GENERAL FUND. AND AS A POINT OF CLARIFICATION, LB602, WHICH WAS A NEBRASKA RETIREMENT SYSTEMS COMMITTEE BILL THAT WAS HEARD IN FRONT OF THE JUDICIARY COMMITTEE, THE JUDICIARY COMMITTEE ONLY VOTED OUT THAT BILL WITH A PRETRIAL DIVERSION FEE ATTACHED TO IT. PART OF THE REASON WHY IS BECAUSE COUNTY ATTORNEYS AND CITY ATTORNEYS RIGHT NOW ARE ALREADY DOING THIS, COLLEAGUES. THEY'RE DOING IT IN A SMATTERING AROUND THE STATE, IN AN INCONSISTENT MANNER, AND ULTIMATELY COUNTIES ARE TRYING TO KEEP THAT FUNDING AND IT'S NOT COMING TO THE STATE. SO, THE REALITY IS, WE'RE CREATING A UNIFORMITY HERE WITH WHAT THE RETIREMENT COMMITTEE ADOPTED, KICKED OUT OF JUDICIARY, OF CREATING A UNIFORM FEE STRUCTURE BASED ON THE PRETRIAL DIVERSION FEES THAT SOME ARE CHARGING ACROSS THE STATE AT COUNTY AND CITY LEVELS. IF YOU HAVE QUESTIONS, PLEASE GRAB THE RETIREMENT COMMITTEE LEGAL COUNSEL WHO WORKED EXTENSIVELY ON GETTING THIS INFORMATION THROUGHOUT THE SESSION FROM COUNTIES ACROSS THE STATE. COLLEAGUES, IF WE DON'T PASS LB468, WE WILL NOT PASS LB663, WHICH IS THE JUDGES' SALARY BILL. THE TWO BILLS ARE INTERLINKED. AND THEY'RE INTERCONNECTED. WE WILL NOT INCREASE JUDGES' SALARIES IF WE DO NOT REFORM THEIR PENSION SYSTEM.

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THAT IS A JOINT DEAL. AND IF ANYONE THINKS THAT WE'RE GOING TO PASS JUST THE JUDGES' SALARY BILL AND NOT THE RETIREMENT REFORM BILL, I WILL START FILING MOTIONS TODAY ON LB663. WE'LL GO FOUR HOURS. I WILL FIND THE VOTES TO STOP IT. SO THIS WAS AN AGREEMENT MADE IN REGARDS TO HOW WE MOVE FORWARD IN REGARD TO JUDGES' SALARIES AND THE JUDGES RETIREMENT PLAN. SENATOR CHAMBERS IS RIGHT, WE SHOULDN'T RUSH THROUGH THIS. THIS IS A BIG POLICY DECISION WE'RE MAKING. WE ARE SINGLE-HANDEDLY MAKING ARGUABLY THE LARGEST PENSION REFORM TO THE JUDGES PLAN WE'VE SEEN IN DECADES. BUT EVERY TIME WE TRY TO MAKE CHANGES TO THE JUDGES RETIREMENT PLAN, IT'S ACCOMPANIED WITH THE JUDGES' SALARY INCREASE. EVERY YEAR I'VE BEEN IN THE LEGISLATURE, THOSE TWO BILLS ARE INTERLINKED. THEY DO RESIDE IN DIFFERENT COMMITTEES, BUT THEY HAVE BEEN INTERLINKED MY ENTIRE TIME HERE, AND THEY'RE INTERLINKED AGAIN THIS YEAR. IF YOU HAVE ANY QUESTIONS IN REGARDS TO THE POLICIES, IN REGARDS TO THE BENEFIT REDUCTIONS, PLEASE FEEL FREE TO GRAB MEMBERS OF THE RETIREMENT COMMITTEE. THE LEGAL COUNSEL FROM THE COMMITTEE, BUT THE PLAN THAT WAS DEVELOPED WAS DONE, COLLEAGUES, OUT OF A SPIRIT OF COMPROMISE. THE JUDICIARY COMMITTEE COMPROMISED ON LB602, AND ARGUABLY THE EXECUTIVE BRANCH AND THE JUDICIAL BRANCH COMPROMISED ON THEIR ORIGINAL REQUEST OF A 5 PERCENT JUDGES' SALARY INCREASE YEAR OVER YEAR. [LB468] LB602 LB663]

SENATOR SCHEER: ONE MINUTE. [LB468]

SENATOR MELLO: AND THAT, COLLEAGUES, IS WHAT COMPROMISE IS. EVERYBODY GIVES IN A LITTLE BIT TO MAKE THIS WORK. THE GENERAL FUND IS GIVING UP FUNDING TO BACKFILL THE JUDGES RETIREMENT PLAN. THAT WAS A COMPROMISE THAT WE ARE MAKING AS WELL FROM THE APPROPRIATIONS AND RETIREMENT COMMITTEE SIDE. COLLEAGUES, I'D URGE YOU TO ADOPT AM1172, WHICH IS MUCH-NEEDED PENSION REFORM, TO ENSURE THE LONGTERM VIABILITY OF OUR JUDGES PENSION PLAN, AND TO DO SO BY KEEPING THE FAITH OF HOW THE PLAN HAS BEEN FUNDED IN YEARS PAST. AND, YES, IT HAS A GENERAL FUND IMPACT, BUT THE PROCESS THAT WAS DEVELOPED WAS DONE OUT OF GOOD FAITH. THANK YOU, MR. PRESIDENT. [LB468]

SENATOR SCHEER: THANK YOU, SENATOR MELLO. SENATOR JOHNSON, YOU'RE RECOGNIZED. [LB468]

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SENATOR JOHNSON: A RESPONSE TO MY EARLIER COMMENTS, I KNOW THAT WE AS THE EMPLOYER OR WE AS THE CORPORATE COMPANY OF THESE JUDGES HAVE TO FUND THE RETIREMENT PLAN, AND I REALIZE WE HAVE TO PROVIDE SOME KIND OF A VEHICLE. I'M JUST OPPOSED TO PART OF THE VEHICLE, AND I MIGHT NOT HAVE EXPRESSED MY...THE AREA WELL ENOUGH AS I TALKED ABOUT BEFORE IN THAT PRETRIAL DIVERSION. AND I WAS TALKING ABOUT JUVENILE COURT, WHERE WE HAVE A LOT OF OUR YOUNG PEOPLE THAT TO PUT AN EXTRA BURDEN ON THEM TO PAY WITH THE HOPES OF THE PRETRIAL DIVERSION FOR JUVENILES, WITH THE HOPES OF KEEPING THEM OUT OF TROUBLE, STRAIGHTENING THEM OUT AT AN EARLY AGE AND, YOU KNOW, SENDING THEM DOWN THE GOOD ROAD INSTEAD OF MAYBE ENDING UP IN OUR PRISONS THAT ARE ALREADY OVERCROWDED. SO MY FOCUS WAS, FOR THE RECORD, WAS FOR JUVENILE PRETRIAL DIVERSION PROGRAMS AND ADDING AN EXTRA BURDEN ON THEM. THANK YOU, MR. CHAIRMAN. [LB468]

SENATOR SCHEER: THANK YOU, SENATOR JOHNSON. MR. CLERK. SENATOR GROENE, YOU'RE RECOGNIZED. [LB468]

SENATOR GROENE: THANK YOU, MR. PRESIDENT. I SIT ON THE COMMITTEE, THE RETIREMENT COMMITTEE, LED BY SENATOR NORDQUIST, AND I HAPPEN TO THINK HE DOES A PRETTY GOOD JOB TRYING TO FIGURE OUT A MESS. AND I AGREE WITH THE \$6 FEE, BECAUSE I LIKE USER FEES. IF YOU USE THE COURT SYSTEM, THEN YOU OUGHT TO PAY SOMETHING TOWARDS THE JUDGES RETIREMENT OR SOME WAY HELP PAY THE COST OF THAT COURT. YOU KNOW...BUT THE BIGGEST LESSON I'VE LEARNED ON THIS COMMITTEE IS THIS, AND HERE IN THE LEGISLATURE IS, DO NOT, DO NOT PUT ANYTHING, VOTE FOR ANYTHING THAT PUTS IT ON AUTOMATIC PILOT, BECAUSE SOMEBODY DOWN THE ROAD IS GOING TO HAVE TO PAY FOR IT. AND WHAT I'VE LEARNED IN THIS RETIREMENT COMMITTEE IS THAT WE HAVE 300 JUDGES ON A DEFINED-BENEFIT PLAN, 82,000 RETIRED...THIS IS RETIRED AND WORKING SCHOOL EMPLOYEES. NOW REMEMBER, THAT'S THE JANITOR AND THE PERSON WHO WORKS IN THE KITCHEN, THAT'S JUST NOT TEACHERS, THAT'S EVERYBODY WHO WORKS, THE BUS DRIVER. WE HAVE A TOTAL OF 122,000. AND THEN WE HAVE ON THE STATE, WE HAVE 19,000. THAT'S 122,000 IN THE WHOLE SYSTEM. STATE, WE HAVE 19,000 EMPLOYEES ON A CASH BALANCE, WHICH THEY'RE GUARANTEED 5 PERCENT. IT'S KIND OF DEFINED, BUT IT ISN'T A BAD PLAN. THEN WE HAVE 4,400 THAT ARE STILL ON THE 401K, LIKE MOST OF US IN THE FREE ENTERPRISE SYSTEM DO. COUNTIES ARE INVOLVED. WE'VE GOT 9,000 ON THE CASH BALANCE OF 1,900. NOW THAT'S A LOT OF PEOPLE, FOLKS. THE THREE THAT HAVE COST US ALL THE MONEY ARE THE ONES WE PUT ON AUTOMATIC PILOT, THE DEFINED-BENEFIT.

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NOW, IN FREE ENTERPRISE, THAT'S DISAPPEARED. CORPORATIONS WENT BROKE OVER THAT, OVER THOSE PLANS...PENSION PLANS. WE'RE TALKING 19,600 STATE EMPLOYEES THAT ARE ON A CASH BALANCE, AND THEY HAVEN'T COST US ANYTHING BUT OUR MATCHING FUNDS. WE'RE TALKING, IF WE DON'T DO SOMETHING WITH 300 JUDGES. WE COULD BE PUTTING AS MUCH AS \$8 MILLION IN A YEAR FOR 300 EMPLOYEES BECAUSE SOMEBODY DOWN THE ROAD WHO GOT ELECTED THOUGHT A DEFINED-BENEFIT PLAN WAS JUST THE WAY TO GO. SOMETIME DOWN THE ROAD, THIS BODY IS GOING TO HAVE LOOK AT THESE DEFINED-BENEFIT PLANS, BITE THE BULLET, AND CONVERT NEW EMPLOYEES TO A CASH BALANCE, BECAUSE THIS IS GOING TO KEEP COMING BACK. YOU KNOW, WE CLAIM...WE SAY WE FIXED THE SCHOOL ONE LAST YEAR, BUT WE DOUBLED THE STATE INPUT FROM 1 PERCENT TO 2 PERCENT IN TOTAL PAYROLL. THAT'S A 100 PERCENT INCREASE WE DID. IT'S NOT THE WAY TO DO THINGS. AND TO ANOTHER TOPIC, THAT'S WHY I'M GOING TO SUPPORT THE GOVERNOR'S VETO ON LB89, NOT BECAUSE I DON'T WANT TO HELP FAMILIES, BECAUSE THAT THING PUTS AID TO DEPENDENT CHILDREN ON AUTOMATIC PILOT. INSTEAD OF A SET AMOUNT, THAT THING WILL PUT IT FROM 60 TO 65 TO 70 PERCENT OF A NUMBER THAT SOMEBODY COMES UP WITH, WITH INFLATION AND STUFF. THAT'S HOW YOU GO BROKE, IS TO CONTINUE TO DO THINGS LIKE TEEOSA ON AUTOMATIC PILOT, DEFINED-BENEFIT PLANS ON AUTOMATIC PILOT, JUST BECAUSE YOU THINK IN THE NEXT TWO OR THREE YEARS IT'S GOING TO BE FINE. BUT SOMEBODY 20 YEARS DOWN THE ROAD IS GOING TO HAVE TO FACE WHAT YOU DID IN THE LEGISLATURE BECAUSE YOU VOTED FOR SOMETHING THAT SOUNDED GOOD TODAY AND YOU PUT THINGS ON AUTOMATIC PILOT. LB89 NEEDS TO BE FIXED, AND THE GOVERNOR'S VETO NEEDS TO BE UPHELD WHEN IT SHOWS UP. DOWN THE ROAD, WHOEVER IS THE CHAIRMAN OF THE RETIREMENT COMMITTEE IS GOING TO HAVE TO COME TO THE COMMITTEE AND SAY, BECAUSE WE'RE GOING TO HAVE A DOWNTURN,... [LB468 LB89]

SENATOR SCHEER: ONE MINUTE. [LB468]

SENATOR GROENE: ...THAT 8 PERCENT IT'S NOT REASONABLE, IT'S NOT REASONABLE AT ALL FOR LONG TERM, AS SENATOR LINDSTROM SAID AND SOME OTHERS HAVE POINTED OUT. SOMEBODY'S GOING TO HAVE TO FACE THAT, AND WE'RE GOING TO HAVE TO LOOK AT NEW HIRES AND PUT THEM IN A DIFFERENT PLAN. AND THIS IS THE PERFECT TIME TO DO IT BECAUSE THE BABY BOOMERS ARE RETIRING AND THERE'S GOING TO BE A BIG INFLUX OF NEW EMPLOYEES IN ALL THESE SYSTEMS. AND IT'S JUST A LONG-TERM OUTLOOK THAT I THOUGHT OUGHT TO BE THROWED INTO THE MIX. I SUPPORT LB468. I THINK SENATOR NORDQUIST CAME UP WITH A PRETTY GOOD...WE'D LIKE TO

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HAVE DONE SOMETHING DIFFERENT, BUT A LITTLE BETTER EVEN, BUT THIS IS A GOOD COMPROMISE. THANK YOU. [LB468]

SENATOR SCHEER: THANK YOU, SENATOR GROENE. SENATOR NORDQUIST. [LB468]

SENATOR NORDOUIST: THANK YOU, MR. PRESIDENT AND MEMBERS. I APPRECIATE SENATOR GROENE'S COMMENTS. WE SOMETIMES DON'T ALWAYS AGREE, BUT WE TRY TO BE AGREEABLE. AND WE'VE TALKED A LOT ABOUT WHEN WE DID THE SCHOOL BILL. A LITTLE BIT ON THIS ONE. ABOUT ALTERNATIVES, AND, YOU KNOW, IT IS A POLICY DECISION OF THIS LEGISLATURE. I THINK THE ISSUE IS AND THE ADVOCATES FOR THESE PLANS WHO ADVOCATE FOR THE WORKERS, BUT ALSO WHO KNOW THE WORK FORCE DYNAMICS, SAY THAT DEFINED-BENEFIT PLANS HAVE A STRONG RECRUITMENT AND RETENTION ABILITY, THAT WE LOSE A LOT OF TEACHERS, BUT ONE OF THE THINGS THAT KEEPS TEACHERS IN EDUCATION IS THAT DEFINED-BENEFIT PLAN. THAT'S WHY THE ADMINISTRATORS, THE SCHOOL BOARDS, AND THE TEACHERS ALL CAME TOGETHER ON THAT BILL AND SAID, DON'T MOVE US AWAY FROM THIS, BECAUSE IT WILL LEAD TO MORE TEACHERS LEAVING EDUCATION RATHER THAN KEEPING THEM IN EDUCATION. WE HEARD YESTERDAY, I BELIEVE MAYBE IT WAS SENATOR SEILER, WHEN HE TALKED ABOUT THE JUDGES' VACANCIES AND THE CHALLENGES OF GETTING NEW JUDGES TO COME IN. WE HEARD FROM THE CHIEF JUSTICE AND OTHER JUDGES SAYING...AND AGAIN, THIS DOESN'T AFFECT THEIR BENEFITS. THEY'RE TALKING ABOUT NEW HIRES COME IN AND SAY, IF YOU GET RID OF THIS PLAN, IT'S GOING TO BE HARDER TO RECRUIT GOOD PEOPLE TO THE BENCH, THAT THIS IS A RECRUITMENT TOOL AND IT'S A RETENTION TOOL, BECAUSE ONCE THEY'RE IN, THEY DON'T SEE ANOTHER ATTRACTIVE OFFER OUTSIDE AND RUN FOR IT, BECAUSE THEY KNOW WHAT THEY'RE GIVING UP IN TERMS OF THEIR PENSION. SO THESE ARE BENEFICIAL. BUT, BUT, AND SENATOR GROENE'S POINT WAS RIGHT ON, THEY HAVE TO BE RESPONSIBLE. THEY HAVE TO BE SUSTAINABLE AT LEVELS THAT WE HAVEN'T HAD IN THE PAST. LOOK, I'VE BEEN THE RETIREMENT CHAIR NOW FOR FIVE YEARS, AND WE'RE CLEANING UP PROMISES THAT WERE MADE BEFORE I WAS BORN. THERE ARE A LOT OF RETIREES OUT THERE THAT ARE GETTING BENEFITS, AND WE'RE PAYING FOR, THAT WERE WORKING BEFORE I WAS CONCEIVED. SO THIS IS A LONG-TERM ISSUE. THEY'RE NOT GOING TO END OVERNIGHT AND WE HAVE TO PAY IT ALL OFF. THIS IS A LONG-TERM TRANSITION. AND IT STARTS WITH REDUCING BENEFITS FOR NEW HIRES. WE DID THAT IN THE SCHOOL PLAN. NOW THE SCHOOL PLAN DOESN'T NEED TO COME EVEN CLOSE TO 8 PERCENT RATE OF RETURN TO BE SUSTAINABLE. AND WE'RE DOING IT WITH THIS PLAN,

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AND IT WON'T NEED TO HAVE AN 8 PERCENT RATE OF RETURN TO BE SUSTAINABLE EITHER. THAT'S WHAT WE'RE TRYING TO DO HERE. BUT WE ALSO PROTECT THE RECRUITMENT AND RETENTION POSITIVE ASPECTS OF DEFINED-BENEFIT PLANS. I'D APPRECIATE YOUR SUPPORT OF WHAT WE'RE TRYING TO DO HERE. [LB468]

SENATOR SCHEER: THANK YOU, SENATOR NORDQUIST. MR. CLERK. [LB468]

CLERK: MR. PRESIDENT, I HAVE A PRIORITY MOTION. SENATOR CHAMBERS WOULD MOVE TO BRACKET THE BILL UNTIL JUNE 5, 2015. [LB468]

SENATOR SCHEER: SENATOR CHAMBERS, YOU'RE WELCOME TO OPEN ON YOUR BRACKET MOTION. [LB468]

SENATOR CHAMBERS: THANK YOU. MR. PRESIDENT, MEMBERS OF THE LEGISLATURE, I KNOW WE'RE GOING TO GET OUT OF HERE PRETTY SOON, BUT I WANT SOMETHING IN THE RECORD. FIRST OF ALL, I HAVE NEVER BEEN IN FAVOR OF SAYING THE COURT SYSTEM SHOULD RAISE THE MONEY IT TAKES TO OPERATE THAT SYSTEM. THE JUDICIARY IS THE THIRD BRANCH OF GOVERNMENT. NOW THE LEGISLATURE CAN RAISE MONEY IN A SENSE BY SAYING WE'RE GOING TO TAX AND SO FORTH, BUT WE DON'T...WE'RE NOT REOUIRED TO WORK EXTRA HARD TO MAKE MONEY TO FUND THE PROGRAMS THAT WE APPROPRIATE MONEY FOR. THE GOVERNOR'S OFFICE DOESN'T HAVE TO BRING MONEY IN TO THE EXECUTIVE DEPARTMENT TO MAKE THE DEPARTMENT RUN. ONLY THE JUDICIARY, WHICH I THINK IS ONE OF THE MOST IMPORTANT BRANCHES WHEN IT COMES TO THE IMPACT ON CITIZENS, IS BEING ASKED, RAISE MONEY SO THAT JUSTICE CAN BE DISPENSED. I DON'T THINK A PENNY OF ANY FEE OR ANY COST, WHETHER IT'S A DOCKET FEE OR COURT COST, ANY OF THEM SHOULD BE GIVEN CONSIDERATION WHEN WE DETERMINE HOW MUCH MONEY IS NEEDED TO PROPERLY AND EFFICIENTLY ALLOW THE COURT SYSTEM TO FUNCTION. EVERY FEE, EVERY COST BY WHATEVER NAME SHOULD GO INTO THE STATE GENERAL FUND. THERE SHOULD BE NO CONNECTION, NOT EVEN TENUOUS, BETWEEN THE AMOUNT OF MONEY GENERATED BY ANYTHING THE COURT DOES AND THE MONEY THAT IS MADE AVAILABLE FOR JUDGES' SALARIES AND JUDGES' RETIREMENT. THEN WHEN A DETERMINATION IS MADE OF HOW MUCH MONEY THAT BRANCH NEEDS TO OPERATE, AS WITH THE EXECUTIVE--AND WE EVEN SET A BUDGET FOR THE LEGISLATURE BEFORE WE APPROPRIATE MONEY-THAT MONEY COMES OUT OF THE GENERAL FUND. THE COURTS EXIST FOR THE SOCIETY AS A WHOLE, NOT JUST FOR THOSE WHO

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ACTUALLY GO IN THERE WITH BUSINESS BEFORE THE COURT. THERE ARE DECISIONS THAT ARE HANDED DOWN BY COURTS BECAUSE SENATOR WILLIAMS AND SENATOR STINNER MAY HAVE A DIFFERENCE OF OPINION, BUT ONCE THAT ISSUE IS DECIDED BETWEEN THE TWO OF THEM, IT AFFECTS ALL THE REST OF US. SOME OF US WILL SAY "HURRAY" BECAUSE IT WENT THE WAY THAT WILL BENEFIT US; OTHERS WILL SAY "BOO" BECAUSE IT WENT THE OTHER WAY. BUT, NEVERTHELESS, THE SOCIETY AS A WHOLE IS GOING TO BE IMPACTED. AND I HAVE FOUGHT AGAINST USING FEES AND COURT COSTS TO FUND THE JUDICIARY. I THINK IT'S WRONG. ONE REASON THEY GOT RID OF THE JUSTICE OF THE PEACE SYSTEM IS BECAUSE THE COMPENSATION FOR THE JUSTICE OF THE PEACE WAS DERIVED FROM THE NUMBER AND AMOUNT OF FINES THAT THE JUSTICE OF THE PEACE WOULD IMPOSE. IT WAS LITERALLY "CASH REGISTER" JUSTICE. THE JUSTICE OF THE PEACE DID NOT GET MONEY IF NO FINES WERE LEVIED BY THAT JUSTICE OF THE PEACE. SUPPOSE WE WOULD SAY THAT THE STATE PATROL IS GOING TO GET NOTHING IN ITS BUDGET OTHER THAN WHAT IS DERIVED FROM TRAFFIC TICKETS AND OTHER CHARGES THEY BRING AGAINST THE PUBLIC WHERE MONEY MAY PASS FROM THAT PERSON INTO THE PUBLIC COFFERS. THAT'S THE ONLY MONEY THAT THE STATE PATROL WILL GET. CITIZENS AND EVEN SOME ETHICAL OFFICERS ARE OPPOSED TO THE NOTION OF TICKET QUOTAS, WHERE YOU'VE GOT TO WRITE A CERTAIN NUMBER OF TICKETS NO MATTER WHAT. IT'S NOT LIKED IN LAW ENFORCEMENT. OF COURSE, FOR SOME OF THEM, I WISH ALL THEY DID WAS HAVE A TICKET QUOTA INSTEAD OF BEING ON THE TAKE, WHICH SOME OF THEM ARE AND YOU ALL DON'T BELIEVE THAT BECAUSE PEOPLE WHO WEAR BLUE CLOTHES DON'T DO ANYTHING WRONG. THEY DON'T LIE. BUT THEIR SUPERIORS KNOW THAT THEY LIE, AND THAT'S WHY THEY KNOW HOW TO GO AFTER THEM IF THEY DECIDE TO REALLY DO THE THING DURING AN INTERNAL AFFAIRS INVESTIGATION. THEY TELL THEM, DON'T BRING THAT STUFF TO ME, YOU'RE A PUPPY DOG WHIMPERING AT AN OLD DOG. SO NOW WE HAVE BEFORE US A BILL THAT WE ARE TOLD HAS GOT TO PASS AND HAS GOT TO PASS IN THE FORM THAT IT'S IN RIGHT NOW WITH THIS AMENDMENT, I GUESS. AND WE'RE ALSO TOLD THAT THIS BILL WAS TIED TO ANOTHER BILL WHICH THE LEGISLATURE MOVED THAT GIVES THESE JUDGES AN INCREASE IN SALARY. I WASN'T ON THE FLOOR WHEN THAT BILL MOVED. I DIDN'T SAY ANYTHING ABOUT IT. BUT SENATOR SEILER, CHAIR OF THE JUDICIARY COMMITTEE, INVOKED MY NAME BY MENTIONING THAT I GAVE A SUPPORTING STATEMENT FOR IT IN COMMITTEE, WHICH I DID. I DO THINK THAT THE JUDICIARY IS EXTREMELY IMPORTANT. I'VE FILED MORE COMPLAINTS AGAINST JUDGES THAN ANY OTHER INDIVIDUAL, AND I'VE HAD MORE JUDGES DISCIPLINED AS A RESULT OF MY COMPLAINTS THAN ANY OTHER INDIVIDUAL. NOTICE I SAID INDIVIDUAL. AND SOME PEOPLE THOUGHT I WAS ACTUALLY A

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PART OF THE JUDICIAL DISCIPLINARY SYSTEM. AND ON THE ONE HAND, I'D BE FIGHTING WRONGFUL CONDUCT BY JUDGES; THEN ON THE OTHER, I'D BE DEFENDING THE JUDICIARY AS AN INSTITUTION, TRYING TO PROTECT THE COURTS SO THEY COULD MAINTAIN THEIR INDEPENDENCE BECAUSE THE COURT SYSTEM REALLY IS THE ONLY CHANCE THAT PEOPLE SITUATED AS MY PEOPLE AND POOR PEOPLE OF ALL OTHER GROUPS, THE COURT SYSTEM IS THE ONLY CHANCE THAT WE HAVE. IT AIN'T MUCH, AS IT'S SAID, BUT IT'S ALL THAT WE'VE GOT. SO I HAVE TO FIGHT AGAINST THE WRONGDOING JUDGES OVER HERE AND SUPPORT GIVING SALARY INCREASES THAT EVEN INCLUDE THEM. THIS IS ONE WHERE THE GOOD SHOULD NOT SUFFER FOR THE WRONGS OF THE BAD. AND I WAS THE FIRST SENATOR, BY THE WAY, TO GET SOME SUBSTANTIAL INCREASES IN SALARIES FOR ALL THE CONSTITUTIONAL OFFICERS, AND AT THAT TIME I WAS HAVING SPATS WITH ALL OF THEM, FROM THE ATTORNEY GENERAL THROUGH THE GOVERNOR, RIGHT ON DOWN. BUT FAIR WAS FAIR. AND THERE ARE CERTAIN OBLIGATIONS I THINK SOCIETY AS A WHOLE SHOULD BEAR, AND ONE OF THOSE IS TO FUND THE COURT SYSTEM. SO THIS BILL. I'M GOING TO FIGHT. IF IT GIVES PEOPLE HEARTBURN, THEY TOOK THOSE CHAIR POSITIONS. THAT GOES ALONG WITH IT. I BET WHEN "GENERAL" GARRETT WAS ON ACTIVE DUTY, IF THERE WAS A FIGHT GOING ON, HE WISHES THE OTHER SIDE WOULD ALL JUST SEE HIM COMING AND THEY WOULD ALL LAY DOWN THEIR WEAPONS AND SAY "CAN'T WE JUST GET ALONG." THAT'S WHAT HE WOULD LIKE. THAT'S WHAT EVERYBODY WOULD LIKE, BUT THAT'S NOT THE WAY IT'S GOING TO BE. AND HE KNEW, AS EVERY MILITARY PERSON KNOWS WHO WINDS UP IN COMBAT. YOU DON'T SIGN UP, AS FAR AS I KNOW, ON PURPOSE WITH THE INTENTION OF GOING TO HAVE SOMEBODY SHOOT YOUR HEAD OFF OR MAKE YOU GO BLIND OR LOSE YOUR MIND, BUT THAT MIGHT BE WHAT HAS TO HAPPEN. SO WHEN PEOPLE IN THE LEGISLATURE ASSUME THESE POSITIONS OF RESPONSIBILITY, IT'S NOT GOING TO BE SMOOTH SAILING. EVEN THE PATH OF TRUE LOVE DOESN'T RUN SMOOTH. SO THERE WILL COME A TIME WHEN THINGS DON'T MOVE SMOOTHLY, AND I GAVE MY COLLEAGUES AN EXAMPLE. I DON'T REMEMBER THE TWO PEOPLE TALKING. IT MAY HAVE BEEN THOMAS JEFFERSON AND ALEXANDER HAMILTON, BUT THEY WERE DISCUSSING THE RESPECTIVE ROLES OF THE SENATE AND THE HOUSE. AND IN THE HOUSE, THEY HAD PEOPLE WHO WOULD CARVE THEIR INITIALS ON THE DESK, THEY'D PUT THEIR FEET UP ON THE DESK, THEY SPIT TOBACCO ON THE FLOOR, THEY HAD FIST FIGHTS. THE ONLY FIGHT I'M AWARE OF IN THE SENATE WAS NOT A FIGHT BUT WHERE A GUY NAMED PRESTON BROOKS FROM ONE OF THE CAROLINAS TOOK A BLUDGEON AND BEAT SENATOR SUMNER, WHOSE LEGS WERE UNDER HIS DESK AND HE COULDN'T STAND UP TO DEFEND HIMSELF, AND HE WAS SEVERELY INJURED AND HAD REPERCUSSIONS THROUGHOUT THE REST OF HIS LIFE. AND I THINK IT MAY

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HAVE BEEN SOUTH CAROLINA WHERE PRESTON BROOKS CAME FROM AND HE WAS LIONIZED AS A HERO BECAUSE CHARLES SUMNER WAS ONE OF THE MOST STRONG OPPONENTS OF SLAVERY, AND THAT EXCUSED HIM FROM THE HUMAN RACE EVEN THOUGH THE SLAVEHOLDERS, SLAVE SELLERS, SLAVE BUYERS, AND DRIVERS WERE OUTSIDE THE HUMAN FAMILY, IN MY OPINION. [LB468]

SENATOR SCHEER: ONE MINUTE. [LB468]

SENATOR CHAMBERS: BUT, ANYWAY, THEY SAID, YOU GET ALL THESE IGNORANT, ILLITERATE PEOPLE IN THE HOUSE, AND THEY PASS ALL THIS STUPID, HEATED LEGISLATION. AND IN THE SAME WAY, AND HE TOOK A CUP OF COFFEE, HE SAID, WE POUR THE COFFEE ON THE SAUCER TO LET IT COOL, WE TAKE THAT OVERHEATED LEGISLATION FROM THE HOUSE, POUR IT INTO THE CUP OF THE SENATE, AND LET IT COOL, WE MAKE IT SENSIBLE, WE TRY TO CIVILIZE IT. WELL, WE'RE GOING TO HAVE A LONG WEEKEND, A SHORT DAY TODAY. LET THAT BE THE SAUCER INTO WHICH ALL OF WHAT WE'RE DOING NOW IS GOING TO BE POURED, AND OVER THE WEEKEND IT'LL COOL. EVERYBODY WILL HAVE TIME TO THINK. BUT I'LL TELL YOU ONE THING. I'M NOT GOING TO SUPPORT ANYTHING IN THIS BILL THAT WOULD, AT THIS TIME, OR IN THE FUTURE, BE EXPECTED TO RAISE COURT COSTS. AND I HEARD ONE OF THE SUPPORTERS OF THIS BILL SAY THAT COURT COSTS HAVE BEEN FLAT FOR A PERIOD OF TIME AND NOW YOU'RE GOING TO HAVE TO... [LB468]

SENATOR SCHEER: TIME, SENATOR CHAMBERS. [LB468]

SENATOR CHAMBERS: THANK YOU, MR... [LB468]

SENATOR SCHEER: BUT YOU'RE NEXT IN THE QUEUE. [LB468]

SENATOR CHAMBERS: THANK YOU. AND I KNEW THAT BECAUSE SOMEBODY TOLD ME. IT'S A SITUATION WHERE LOOKING LONG TERM, EVEN WITH THIS PITCHING AND PATCHING THAT THEY'RE DOING NOW ON A TEMPORARY BASIS...YOU KNOW, IF YOU'RE FIXING A FLAT TIRE, THEY USED TO GIVE YOU A HOT PATCH OR A COLD PATCH. SOME OF THEM WORKED BETTER THAN OTHERS. NOW THEY JUST PLUG THE TIRE. SOMETIMES THE PLUG COMES OUT, SOMETIMES IT DOESN'T. OTHER PEOPLE WILL SAY, I WANT YOU TO PATCH IT, I DON'T CARE HOW MUCH IT COSTS. WELL, THIS IS JUST EITHER A PLUG OR A COLD PATCH. BUT EVEN IF THIS BILL PASSES THE WAY THEY WANT IT THIS YEAR, SENATOR MELLO I THINK WAS THE ONE WHO WAS DESCRIBING HOW COURT COSTS ARE FLAT.

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THERE'S A CERTAIN AMOUNT OF FUNDING THAT IS COUNTED ON WHEN THEY BUILD THESE BUDGETS THAT INCLUDE SALARIES AND RETIREMENT OR WHATEVER THEY PUT THAT MONEY IN THAT THOSE COURT COSTS ARE GOING TO HAVE TO BE BUMPED UP, NOT TO GIVE BETTER JUSTICE, NOT TO MAKE THE COURTS OPERATE MORE EFFICIENTLY, BUT AS A BUDGETING SCHEME. BRING MORE MONEY SO YOU DON'T HAVE TO TAKE MONEY OUT OF THE GENERAL FUND AND DO IT THROUGH COURT COSTS. IF I LIVE, WHICH I HOPE TO DO, IF I RUN AGAIN WHEN I'M ALIVE, WHICH I PLAN TO DO, IF I'M ELECTED, WHICH I EXPECT TO HAVE HAPPEN, THERE ARE FOUR MORE YEARS IN ADDITION TO THIS YEAR AND NEXT YEAR WHICH I STILL HAVE ON THIS TERM, THEY'RE GOING TO HAVE TO FIGHT ME TO RAISE COURT COSTS. THE JUDGES KNOW IT. COURT ADMINISTRATORS KNOW IT. SO IT DOESN'T COME AS A SURPRISE TO THEM. BUT NOW THAT I SEE HOW MUCH MY COLLEAGUES ARE COUNTING ON THOSE COURT COSTS FOR THEIR BUDGETING PURPOSES, I HAVE AN EVEN CLEARER NOTION OF WHY THEY COME SOMETIMES TO SAY WE GOT TO RAISE THESE FEES AND THESE COURT COSTS. AND IT JUST MEANS I'LL FIGHT IT HARDER. AND I'M GOING TO NOW WITHDRAW THAT MOTION THAT I FILED, BUT I HAD TO GET THAT SAID OR I WOULD HAVE BURST, WHICH SOME PEOPLE WISH WOULD HAVE HAPPENED, BUT I CAN'T GIVE THEM THAT BIT OF HAPPINESS RIGHT YET. THANK YOU. [LB468]

SENATOR SCHEER: THANK YOU, SENATOR CHAMBERS. SENATOR KOLTERMAN, YOU'RE RECOGNIZED. [LB468]

SENATOR KOLTERMAN: THANK YOU, MR. PRESIDENT. COLLEAGUES AND SENATOR CHAMBERS, WHEN WE ARRIVED, THE 18 OF US ARRIVED EARLIER THIS YEAR AND WE GOT PUT ON COMMITTEES, WE HAD I WOULD SAY AN EYE-OPENING EXPERIENCE. AND ONE OF THE EXPERIENCES THAT I LEARNED AS I GOT ON THE RETIREMENT COMMITTEE WAS HOW WE DO FUND SOME OF THESE PROGRAMS. THE WAY THAT WE FUND THIS IS THROUGH FEES. I DON'T NECESSARILY DISAGREE WITH YOU ON ANYTHING YOU SAID AS TO HOW WE FUND THE COURT SYSTEM AND HOW WE FUND THIS RETIREMENT PLAN. THAT'S...MOST BUSINESSES WOULD TELL YOU THAT IT JUST COMES OUT OF THEIR GENERAL FUNDS. THEY FUND IT THAT WAY. BUT SOMEWHERE ALONG THE LINE, I GUESS EARLY ON THIS PLAN WAS SET UP THAT WE FUND IT FROM FEES. AND SO AS WE...OUR OBLIGATION AS A RETIREMENT COMMITTEE IS TO TAKE A LOOK AT ALL THE PLANS THAT WE HAVE, AND THEN EVALUATE THEM, LOOK AT THE ACTUARIAL VALUATIONS, FIND OUT IF THEY'RE SUSTAINABLE, FIND OUT WHAT WE HAVE TO DO TO KEEP THEM SUSTAINABLE SO THAT WE AS A STATE CAN MEET OUR OBLIGATIONS TO OUR EMPLOYEES. SO I AM NOT DISAGREEING ONE THING YOU SAID ABOUT SHOULD WE FUND IT THROUGH GENERAL FUNDS

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OR SHOULD WE FUND IT THROUGH FEES. IT'S BEEN SET UP THROUGH FEES. WE LOOKED AT ALL THE OPTIONS, INCLUDING CUTTING SOME BENEFITS, THOSE ARE NOT EASY DECISIONS TO MAKE. WE DON'T TAKE THAT LIGHTLY BECAUSE SOMEBODY IS NOT GOING TO GET AS MUCH AS WE ORIGINALLY PROMISED THEM. ON THE OTHER HAND, IT'S OUR OBLIGATION TO MAKE SURE THAT THE LION'S SHARE OF THE PEOPLE THAT HAVE HAD PROMISES MADE TO THEM GET THE PROMISES THAT WE DELIVER. SO THE QUESTION IS, DO WE FUND IT THROUGH GENERAL FUNDS OR DO WE FUND IT THROUGH THE FEES THAT WE'VE BEEN COLLECTING? IT'S BEEN WORKING VERY WELL. NOBODY HAS BEEN DENIED ANY RETIREMENT BENEFITS. WE FIGURED OUT A WAY TO MAKE SURE THAT IT CONTINUES TO FUNCTION PROPERLY, AND IN THE LONG RUN I BELIEVE THIS IS THE RIGHT SOLUTION AT THE PRESENT TIME. IF AT THE SAME TIME SOMEBODY WANTS TO COME BACK NEXT YEAR WITH SOME IDEAS ON HOW WE FUND OUR RETIREMENT PLANS, BRING IT FORWARD. YOU HAVE THE OPPORTUNITY TO BRING THAT BILL TO US. I CAN TELL YOU WHAT, KATE AND SENATOR NORDOUIST AND THE TEAM ON THE RETIREMENT COMMITTEE WOULD BE GLAD TO LOOK AT OTHER ALTERNATIVES. BUT IN THE MEANTIME, COLLEAGUES, WE'RE CUTTING BENEFITS FOR SOME FUTURE RETIREES, WE'RE HELPING MAKE SURE THAT THIS DOES CONTINUE TO FUND ITSELF PROPERLY. AND WE'RE DOING WHAT WE'VE BEEN ASKED TO DO. SO I WOULD ENCOURAGE YOU TO SUPPORT THIS BILL AND THE AMENDMENTS, AND GIVE IT A GREEN LIGHT AND LET'S GO HOME FOR THE WEEKEND. THANK YOU. [LB468]

SENATOR SCHEER: SENATOR CHAMBERS, YOU'RE RECOGNIZED. [LB468]

SENATOR CHAMBERS: THANK YOU. MR. PRESIDENT, MEMBERS OF THE LEGISLATURE, ONE THING NIXON USED TO ALWAYS SAY, LET ME MAKE ONE THING PERFECTLY CLEAR. THEN IT WOULD BE THE MOST MUDDLED, BEFUDDLING THING I'D EVER HEARD IN MY LIFE, AND HE DID EXACTLY WHAT YOU SHOULD NOT DO WHEN YOU'RE MAKING GESTURES. WHAT YOU DO WITH A GESTURE SHOULD FIT WHAT YOU'RE SAYING. WHAT NIXON WOULD SAY, WE MUST CEASE BEING DIVIDED AND COME TOGETHER. THEN THEY'D SAY, NO, YOU GOT THAT BACKWARDS, WHEN YOU'RE SAYING, CEASE BEING DIVIDED, THAT'S WHEN YOUR ARMS ARE SPREAD, THEN SAY, COME TOGETHER, AND YOU PUT THEM TOGETHER. SO THEN HE REVERSES THE WAY HE MAKES A STATEMENT, AND REVERSES THE WAY HE HAD DONE IT, AND HE'S RIGHT BACK WHERE HE WAS BEFORE. WHEN HE SAYS, WE SHOULD COME TOGETHER, HIS HANDS ARE SEPARATED; WHEN HE SAYS, AND CEASE BEING DIVIDED, HIS HANDS...BUT ANYWAY. HE'S CONFUSING ME TRYING TO SAY WHAT HE SAID. I WANT TO MAKE SOMETHING CLEAR. I DON'T THINK PEOPLE AROUND HERE KNOW HOW SERIOUS

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I AM ABOUT SOME OF THE THINGS THAT I TALK ABOUT. AND I'M VERY SERIOUS ABOUT THE COURTS NOT HAVING TO RAISE MONEY TO FUND THEIR OPERATIONS, ABOUT THE JUDGES NOT RELYING ON WHAT MONEY IS GENERATED BY THE COURT SYSTEM IN THE WORK THEY DO TO PAY THEIR SALARY OR THEIR RETIREMENT. SENATOR KOLTERMAN SAID HE HAD AN EYE-OPENING EXPERIENCE AND IT WAS SOMETHING TO THE EFFECT, WELL, HOW WOULD YOU FUND THESE THINGS? HOW DOES GOVERNMENT FUND ANYTHING? BY RAISING TAXES. THERE ARE TOO MANY GUTLESS PEOPLE IN HERE. WE SHOULD RAISE TAXES TO GET THE MONEY WE NEED TO PAY THE COSTS OF LEGITIMATE GOVERNMENT AND STAND AGAINST THIS STUFF OF WE'RE GOING TO CUT TAXES HERE, WE'RE GOING TO CUT. SOME OF THE STUFF YOU ALL TALK ABOUT AS TAX CUTS ARE INSULTING. YOU TALK ABOUT \$8 MILLION AS A PROPERTY TAX CUT, AND THEN YOU CAN TELL PEOPLE \$8 MILLION, BUT WHEN I OPEN MY TAX STATEMENT, I PAY 65 CENTS LESS THAN I WOULD HAVE. BUT WHEN YOU CAN PUT IT ALTOGETHER AND SAY \$8 MILLION, IT SOUNDS LIKE YOU'VE DONE SOMETHING. YOU HAVEN'T DONE ANYTHING. YOU ALL WHO KNOW MORE ABOUT FINANCE THAN I WILL EVER KNOW OR EVEN CARE TO KNOW TALK THESE BIG FIGURES, BUT WHEN YOU APPLY IT TO HOW IT ACTUALLY WORKS IN THE REAL WORLD, PEOPLE REALIZE NEXT TO NOTHING IN THE AMOUNT THEY GET. GO BUY A BIG BAG OF PEANUTS AND THAT'S ALL. ORGANIZED CAPITALISM IS ALL RIGHT. DISBURSED CONSUMPTION CAPITALISM IS BAD. NOW LET ME EXPLAIN WHAT THESE ARE. WHEN YOU HAVE A CERTAIN AMOUNT OF MONEY DERIVED FROM MANY SOURCES AND IT'S IN THE HANDS OF THE GOVERNMENT, AND YOU TAKE THAT AMOUNT OF MONEY AND PUT IT ON SOME ROADS OR REPAIR SOME BUILDINGS OR FUND A PROGRAM, SOMETHING OF VALUE HAS BEEN DONE. BUT YOU TAKE THAT PIECE OF MONEY AND YOU DIVIDE IT 150,000 DIFFERENT WAYS AND IT DOES NOBODY ANY SIGNIFICANT GOOD WHATSOEVER. SO INSTEAD OF TALKING THIS PIDDLING STUFF ABOUT WE'RE GOING TO...BY THE WAY, I HAD SOME INSTRUCTION FROM "MENTOR" SCHUMACHER, AND I REMEMBER THE BEST I CAN WHAT I AM TAUGHT. YOU ALL COME DOWN HERE, HAVING MADE ALL OF THESE SILLY PROMISES THAT YOU KNOW YOU CAN'T KEEP, AND IF YOU DID YOU'RE NOT BENEFITING PEOPLE AT ALL. BUT IT SOUNDS GOOD TO SAY OVER AND OVER AND OVER, PROPERTY TAX CUT, PROPERTY TAX CUT. [LB468]

SENATOR SCHEER: ONE MINUTE. [LB468]

SENATOR CHAMBERS: ON THIS TIME THAT I'M SPEAKING. THE WAY TO FUND THE COURT SYSTEM, IF NECESSARY, RAISE TAXES. THAT'S WHAT IT IS. YOU KNOW WHO MR. RICKETS IS TALKING ABOUT HELPING? RICH PEOPLE WITH THEIR

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INCOME TAX, CORPORATIONS MAYBE WITH THEIR TAXES. AND THE POOR PEOPLE WHO GET MESSED OVER, AS WAS SAID ABOUT THE "REPELICAN" PARTY, WOMEN LOVE THE REPUBLICAN PARTY WHICH HATES THEM. AND YOU CAN LOOK AT THE WAY THEY MISTREAT WOMEN. I'VE BEEN AROUND A LONG TIME, AND I'VE WATCHED WHAT ACTUALLY HAPPENS. YOU ALL KNOW WHAT HAPPENS JUST LIKE I DO. THE ONLY DIFFERENCE IS THAT I'LL SAY IT AND YOU WON'T, BUT AS LONG AS I'M HERE I'M GOING TO FIGHT AGAINST ANY ATTEMPT TO RAISE COURT COSTS OR ADD ADDITIONAL FEES. [LB468]

SENATOR SCHEER: TIME, SENATOR. [LB468]

SENATOR CHAMBERS: THANK YOU, MR. PRESIDENT. [LB468]

SENATOR SCHEER: SENATOR CHAMBERS, YOU'RE RECOGNIZED, AND THIS IS YOUR THIRD TIME. [LB468]

SENATOR CHAMBERS: WELL, I'LL MAKE SURE THAT I CAN TALK AGAIN THEN. HOW MANY OF YOU ALL WANT TO STAY HERE BEYOND NOON? AND, SEE, BUT IF WE DO TODAY, YOU'LL BE HOTTER THAN A FIRECRACKER AT ME WHEN YOU LEAVE, BUT BY THE TIME YOU LEAVE HERE YOU'RE GOING TO FORGET ABOUT IT. YOU'LL COME BACK HERE MONDAY AND KNOW THAT YOU SHOULD HAVE BEEN MAD AT ME ANYWAY, BUT YOU'LL SAY, WELL, THAT'S PROBABLY SOMETHING SOME OTHER TIME BUT I DON'T REMEMBER WHAT IT WAS THIS TIME. AND IN REALITY AND SENATOR GROENE, HE'S A PRACTICAL MAN, HE'LL SAY, I DON'T REALLY NEED ANOTHER REASON TO JUST BE MAD AT HIM, I'M JUST MAD, PERIOD, BECAUSE I FEEL BETTER WHEN I'M MAD AT HIM. SENATOR GROENE IS ONE OF THOSE PEOPLE WHO CAN GO INTO A MEETING AND JUST ARGUE AND ARGUE AND EVERYBODY IS UPSET. AND THEN YOU KNOW WHAT SENATOR GROENE IS LIKELY TO SAY WHEN IT'S ALL OVER? THAT SURE WAS FUN. I KNOW HIM. UM-HUM. YOU ALL HAVE TO STUDY YOUR COLLEAGUES AND PAY ATTENTION. YOU THINK BECAUSE I DISAGREE WITH YOU, FIRST OF ALL, THAT I DON'T LIKE YOU, WHICH IS NOT TRUE IN MOST CASES, SOMETIMES IT'S TRUE, (LAUGHTER) BUT NOT PERMANENTLY. THEN THERE ARE OTHER TIMES YOU MIGHT THINK THAT I DON'T PAY ATTENTION TO WHAT YOU SAY. BUT I MIGHT PAY CLOSER ATTENTION TO WHAT YOU SAY THAN YOU DO, BECAUSE YOU GET USED TO SAYING THE SAME THING OVER AND OVER AND OVER THAT YOU'RE ON AUTOMATIC PILOT AND NOT EVEN CONSCIOUS OF WHAT YOU'RE SAYING AT THE TIME. BUT I'M LISTENING. AND WHEN I'M DOWN THERE IN MY OFFICE. I CAN FOCUS EVEN BETTER ON WHAT IT IS THAT YOU ALL ARE SAYING. AND SINCE I

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HAVE TO WORK WITH YOU AND ON YOU, I'VE GOT TO PAY ATTENTION AND KNOW WHAT IT IS THAT YOU'RE SAYING. WE'VE ALREADY GONE BEYOND THE TIME WE WERE SUPPOSED TO HAVE HERE. AND I THINK I MIGHT JUST SEE HOW MANY PEOPLE I CAN TRICKLE OUT OF HERE UNTIL WE REACH THE POINT WHERE WE MAY NOT HAVE A QUORUM. I'D LIKE TO ASK SENATOR MELLO A QUESTION. [LB468]

SENATOR SCHEER: SENATOR MELLO, WILL YOU YIELD TO A QUESTION? [LB468]

SENATOR MELLO: OF COURSE. [LB468]

SENATOR CHAMBERS: SENATOR MELLO, I'M NOT GOING TO ASK YOUR GOOD FRIEND ANY QUESTIONS. WHY...NO, I'M NOT GOING TO GIVE A LEADING QUESTION. THIS BILL DOESN'T HAVE TO ADVANCE THIS MORNING, DOES IT? [LB468]

SENATOR MELLO: IT DOES NOT. [LB468]

SENATOR CHAMBERS: THANK YOU FOR THAT. NOW IF IT ADVANCES MONDAY, WILL ANYTHING OF CONSEQUENCE BE LOST BECAUSE IT ADVANCES MONDAY INSTEAD OF TODAY? [LB468]

SENATOR MELLO: I COULD GIVE YOU TWO ANSWERS, SENATOR CHAMBERS. [LB468]

SENATOR CHAMBERS: I'LL TAKE BOTH OF THEM. [LB468]

SENATOR MELLO: ONE, THE FIRST ANSWER, IT COULD BE NO. THE SECOND ANSWER COULD BE, IF WE PASS THIS TODAY, IT WOULD BE ABLE TO PROVIDE THE APPROPRIATIONS COMMITTEE I THINK A LITTLE ASSURANCE THAT WE WON'T HAVE TO BACKFILL ANY APPROPRIATIONS IN THE BUDGET DUE TO THE LACK OF PASSING THE ACTUARIAL REQUIRED CONTRIBUTION FOR THE JUDGES RETIREMENT PLAN. [LB468]

SENATOR CHAMBERS: NOW THE QUESTION I'D ASK, WHAT DIFFERENCE SHOULD THAT MAKE...WHY SHOULD THAT MAKE ME ANY DIFFERENCE? I'M NOT ON THE COMMITTEE. [LB468]

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SENATOR MELLO: YOU ARE RIGHT. [LB468]

SENATOR CHAMBERS: SO IT SHOULDN'T MAKE ME ANY DIFFERENCE. [LB468]

SENATOR MELLO: TO YOU IT MAY NOT MAKE ANY DIFFERENCE, THAT IS ABSOLUTELY CORRECT. BUT I BELIEVE TO AT LEAST OBVIOUSLY MYSELF AND THE OTHER EIGHT MEMBERS OF THE APPROPRIATIONS COMMITTEE, AS WELL AS I WOULD SAY THE MEMBERS OF THE RETIREMENT COMMITTEE IT DOES MAKE A LITTLE DIFFERENCE JUST BECAUSE WE ONLY HAVE, GIVE OR TAKE, ROUGHLY 16 DAYS LEFT AFTER TODAY'S...AFTER WE ADJOURN TODAY. [LB468]

SENATOR CHAMBERS: (SINGING) TIME IS ON MY SIDE. AND NOBODY WILL EVER KNOW WHAT IS ON THIS NOTE, NOT EVER. I HAVE TO GET BACK TO MY THREAD WITH SENATOR MELLO. SENATOR MELLO,... [LB468]

SENATOR SCHEER: ONE MINUTE. [LB468]

SENATOR CHAMBERS: ...ALL OF US, EVEN THE NEW PEOPLE, UNDERSTAND NOW THAT THE PEOPLE ON THE APPROPRIATIONS COMMITTEE HAVE TO STICK TOGETHER THROUGH THICK AND THIN BECAUSE THEY'RE LOOKING OUT FOR WHAT'S IN THEIR BEST INTEREST. BUT THEY DON'T WANT OTHERS TO DO THE SAME THING. THEY DON'T WANT ME TO CONTINUE PUSHING FOR WHAT I THINK I OUGHT TO PUSH FOR, BECAUSE FOR ME TO PUSH FOR WHAT I THINK I OUGHT TO HAVE KEEPS THEM FROM GETTING WHAT THEY THINK THEY OUGHT TO HAVE. I'LL TELL YOU WHAT I'LL DO. I'LL MAKE A DEAL WITH YOU. I WON'T SAY ANYTHING ELSE ON THIS PENDING AMENDMENT, BUT THEN THE BILL IS BEFORE US AND AT THAT POINT ALL DEALS ARE OFF. I'M NOT GOING TO LET THAT BILL MOVE TODAY UNLESS YOU ALL ARE READY TO STAY HERE UNTIL 4:00 AND DO IT. AND I SEE SENATOR McCOLLISTER SHAKING HIS HEAD. HE'S WILLING TO STAY TILL 4:00 OR 6:00 OR WHATEVER IT TAKES. HE SAYS, BRING IT ON. NOW I'D LIKE TO ASK SENATOR FRIESEN A QUESTION. SENATOR FRIESEN, ARE YOU READY TO STAY UNTIL 6:00? [LB468]

SENATOR SCHEER: TIME, SENATOR CHAMBERS. [LB468]

SENATOR CHAMBERS: SAVED BY THE BELL. [LB468]

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SENATOR SCHEER: THANK YOU, SENATOR MELLO AND SENATOR CHAMBERS. SEEING NO ONE ELSE IN THE QUEUE, SENATOR NORDQUIST, YOU'RE RECOGNIZED TO CLOSE ON THE COMMITTEE AMENDMENTS. [LB468]

SENATOR NORDQUIST: THANK YOU, MR. PRESIDENT AND MEMBERS. I WOULD APPRECIATE YOUR SUPPORT OF COMMITTEE AMENDMENT, AM1172. THIS IS OBVIOUSLY A SERIOUS MATTER THAT HAS TENS OF MILLIONS OF DOLLARS OF IMPLICATIONS FOR THE STATE OF NEBRASKA WITH THE JUDGES RETIREMENT PLAN, HUNDREDS OF MILLIONS IF NOT BILLIONS OF DOLLARS OF IMPLICATION ACROSS OUR RETIREMENT PLAN. SO IT'S IMPORTANT THAT WE TAKE A SERIOUS APPROACH TO MAKING OUR PLAN SUSTAINABLE AND THE COMPONENTS INVOLVED IN AM1172 DO JUST THAT BY REDUCING PENSION BENEFITS, REFORMING OUR PENSION PLAN FOR NEW HIRES, AND INCLUDING SOME NEW FUNDING STREAMS INTO THE PLAN. THIS IS HOW WE MAKE IT SUSTAINABLE. THIS IS WHY NEBRASKA HAS SOME OF THE BEST FUNDED PENSION PLANS IN THE COUNTRY, BECAUSE WE ALWAYS MEET OUR OBLIGATIONS AND WE DON'T KICK THE CAN DOWN THE ROAD. SO I'D APPRECIATE YOUR SUPPORT. THANK YOU. [LB468]

SENATOR SCHEER: THANK YOU, SENATOR NORDQUIST. THE QUESTION IS, SHALL THE COMMITTEE AMENDMENTS TO LB468 BE ADOPTED? ALL THOSE IN FAVOR VOTE AYE; ALL THOSE OPPOSED VOTE NAY. HAVE ALL THOSE VOTED THAT WISH? RECORD, MR. CLERK. [LB468]

CLERK: 33 AYES, 0 NAYS ON THE ADOPTION OF COMMITTEE AMENDMENTS, MR. PRESIDENT. [LB468]

SENATOR SCHEER: THE COMMITTEE AMENDMENT IS ADOPTED. DISCUSSION ON ADVANCEMENT OF LB468 WILL CONTINUE. MR. CLERK. [LB468]

CLERK: MR. PRESIDENT, I HAVE SOME ITEMS. CONFIRMATION REPORTS FROM THE HEALTH AND HUMAN SERVICES COMMITTEE AND FROM THE GOVERNMENT COMMITTEE. ENROLLMENT AND REVIEW REPORTS LB240, LB243, LB243A, LB292, LB292A, LB599 AS CORRECTLY ENGROSSED. SENATOR JOHNSON WOULD LIKE TO PRINT AN AMENDMENT TO LB360. A SERIES OF NAME ADDS TO LB643: SENATORS COASH, HOWARD, KRIST, McCOLLISTER, CAMPBELL, SCHUMACHER, COOK, NORDQUIST, JOHNSON, AND CHAMBERS. (LEGISLATIVE JOURNAL PAGES 1355-1360.) [LB240 LB243 LB243 A LB292 LB292A LB599 LB360 LB643]

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AND, MR. PRESIDENT, A PRIORITY MOTION. SENATOR KOLOWSKI WOULD MOVE TO ADJOURN THE BODY UNTIL MONDAY MORNING, MAY 4, AT 10:00 A.M.

SENATOR SCHEER: YOU HEARD THE MOTION TO ADJOURN. ALL THOSE IN FAVOR SAY AYE. ANY OPPOSED? MOTION PASSES. WE ARE ADJOURNED.