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Floor Debate
May 18, 2015

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PRESIDENT FOLEY PRESIDING

PRESIDENT FOLEY: GOOD MORNING, LADIES AND GENTLEMEN. WELCOME TO THE GEORGE W. NORRIS LEGISLATIVE CHAMBER FOR THE EIGHTY-SECOND DAY OF THE ONE HUNDRED FOURTH LEGISLATURE, FIRST SESSION. OUR CHAPLAIN FOR TODAY IS PASTOR REBECCA HJELLE, FIRST UNITED METHODIST CHURCH, BLAIR, NEBRASKA, SENATOR BRASCH'S DISTRICT. PLEASE RISE.

PASTOR HJELLE: (PRAYER OFFERED.)

PRESIDENT FOLEY: THANK YOU, PASTOR HJELLE. WE CALL TO ORDER THE EIGHTY-SECOND DAY OF THE ONE HUNDRED FOURTH LEGISLATURE, FIRST SESSION. SENATORS, PLEASE RECORD YOUR PRESENCE. ROLL CALL. MR. CLERK, PLEASE RECORD.

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

PRESIDENT FOLEY: THANK YOU, MR. CLERK. ARE THERE ANY CORRECTIONS FOR THE JOURNAL?

CLERK: I HAVE NO CORRECTIONS.

PRESIDENT FOLEY: THANK YOU. ARE THERE ANY MESSAGES, REPORTS OR ANNOUNCEMENTS?

CLERK: MR. PRESIDENT, YOUR COMMITTEE ON ENROLLMENT AND REVIEW REPORTS LB361, LB231, LB539, LB200 AND LB200A TO SELECT FILE, SOME HAVING ENROLLMENT AND REVIEW AMENDMENTS. ENROLLMENT AND REVIEW ALSO REPORTS LB268 AND LB320A AS CORRECTLY ENGROSSED. AND SENATOR GROENE WOULD LIKE TO PRINT AN AMENDMENT TO LB623. THAT'S ALL THAT I HAVE, MR.

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PRESIDENT. (LEGISLATIVE JOURNAL PAGES 1673-1676.) [LB361 LB231 LB539 LB200 LB200A LB268 LB320A LB623]

PRESIDENT FOLEY: THANK YOU, MR. CLERK. WE'LL NOW PROCEED TO THE FIRST ITEM ON THE AGENDA, SELECT FILE, 2015 SPEAKER PRIORITY BILLS, LB642. MR. CLERK. [LB642]

CLERK: MR. PRESIDENT, LB642, SENATOR HANSEN, I HAVE E&R AMENDMENTS, FIRST OF ALL. (ER97, LEGISLATIVE JOURNAL PAGE 1292.) [LB642]

PRESIDENT FOLEY: SENATOR HANSEN. [LB642]

SENATOR HANSEN: MR. PRESIDENT, I MOVE THAT WE ADOPT THE E&R AMENDMENTS TO LB642. [LB642]

PRESIDENT FOLEY: SENATORS, YOU'VE HEARD THE MOTION TO ADOPT THE E&R AMENDMENTS. ALL THOSE IN FAVOR SAY AYE. THOSE OPPOSED SAY NAY. THE E&R AMENDMENTS ARE ADOPTED. [LB642]

CLERK: MR. PRESIDENT, SENATOR SMITH WOULD MOVE TO AMEND WITH AM931. (LEGISLATIVE JOURNAL PAGE 1111.) [LB642]

PRESIDENT FOLEY: SENATOR SMITH, YOU'RE RECOGNIZED TO OPEN ON AM931. [LB642]

SENATOR SMITH: THANK YOU, MR. PRESIDENT, AND GOOD MORNING, COLLEAGUES. I WANT TO FIRST THANK SENATOR GARRETT FOR ALLOWING ME TO USE HIS BILL AS A VEHICLE FOR AM931. AS ORIGINALLY INTRODUCED, AM931 WAS MY BILL IN COMMITTEE, LB97. LB97 WAS HEARD BY THE TRANSPORTATION AND TELECOMMUNICATIONS COMMITTEE IN JANUARY AND WAS UNANIMOUSLY ADVANCED TO GENERAL FILE. MY TRANSPORTATION AND TELECOMMUNICATIONS COMMITTEE, COLLEAGUES, ARE CURRENTLY IN A CONFIRMATION HEARING THIS MORNING, BUT I VERY MUCH APPRECIATE THEIR INTEREST IN THIS AMENDMENT AS WELL. IT IS A VERY SIMPLE BILL AND AMENDMENT THAT I'M PROPOSING AND JUST ELIMINATES THE EXTRA \$5 FEE THAT IS CHARGED FOR A PEARL HARBOR SURVIVOR AND DISABLED AMERICAN VETERAN LICENSE PLATES. LAST SESSION, COLLEAGUES, THIS BODY ELIMINATED THE \$5 FEE FOR PURPLE HEART AND EX-PRISONER OF WAR PLATES

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AND FOR SOME REASON THAT I CANNOT RECALL, PERHAPS AN OVERSIGHT, WE DID NOT EXTEND THIS COURTESY TO PEARL HARBOR SURVIVORS AND DISABLED VETERANS. WHAT WE WERE LEFT WITH NOW...WHAT WE ARE LEFT WITH NOW IS A LICENSE PLATE SYSTEM THAT TREATS DIFFERENT VETERANS DIFFERENTLY. AN ANNUAL \$5 FEE IS CHARGED TO THOSE VETERANS WHO ARE PEARL HARBOR SURVIVORS OR DISABLED, BUT NOTHING IS CHARGED FOR PURPLE HEART RECIPIENTS OR EX-POWS. I WOULD LIKE TO REMEDY THIS AND AM931 WOULD ACCOMPLISH THAT. I DON'T BELIEVE ANY VETERAN SHOULD HAVE TO PAY TO BE RECOGNIZED FOR THEIR SERVICE TO OUR COUNTRY. THIS IS A SIMPLE COURTESY, A SYMBOL OF RESPECT TO OUR VETERANS. THE FEE IS CURRENTLY DEPOSITED IN THE VETERANS CEMETERY SYSTEM OPERATION FUND, AND THIS FUND IS USED FOR THE OPERATION AND MAINTENANCE OF THE VETERANS CEMETERY IN ALLIANCE. THERE WERE THREE PEARL HARBOR SURVIVOR PLATES REGISTERED IN 2013 AND 1,343 DAV PLATES. SO, THERE WILL BE A SLIGHT LOSS TO THE FUND OF ABOUT \$6,730 ANNUALLY. HOWEVER, LAST YEAR WE ALSO PASSED LB383 WHICH CREATED MILITARY HONOR PLATES FOR ACTIVE MEMBERS AND IT IS ESTIMATED THAT THOSE PLATES WILL BRING A SIGNIFICANT AMOUNT OF REVENUE TO THAT SAME FUND, IN THE NEIGHBORHOOD OF ABOUT \$58,000 EACH YEAR. AGAIN, THIS ELIMINATES THE FEE CHARGED TO THOSE VETERANS WHO SURVIVED THE ATTACK ON PEARL HARBOR AND THOSE VETERANS WHO ARE INJURED IN THE LINE OF DUTY. THESE INDIVIDUALS HAVE MADE UNIMAGINABLE SACRIFICES, AND THIS STATE SHOULD CONSIDER COVERING THE COST OF THESE PLATES AS A VERY SMALL TOKEN OF RECOGNITION FOR THEIR COUNTRY TO OUR...THEIR SERVICE TO OUR COUNTRY. I ASK THAT YOU VOTE YES ON AM931. AND AGAIN, I THANK SENATOR GARRETT FOR ALLOWING ME THIS OPPORTUNITY. THANK YOU, COLLEAGUES. THANK YOU, MR. PRESIDENT. [LB642 LB97]

PRESIDENT FOLEY: THANK YOU, SENATOR SMITH. DEBATE IS NOW OPEN ON AM931. SEEING NO SENATORS WISHING TO SPEAK, SENATOR SMITH, YOU'RE WELCOME TO CLOSE ON AM931. HE WAIVES CLOSING. THE QUESTION IS THE ADOPTION OF AM931. ALL THOSE IN FAVOR VOTE AYE; THOSE OPPOSED VOTE NAY. HAVE YOU ALL VOTED WHO CARE TO? RECORD, PLEASE, MR. CLERK. [LB642]

CLERK: 26 AYES, 1 NAY, MR. PRESIDENT, ON THE ADOPTION OF SENATOR SMITH'S AMENDMENT. [LB642]

PRESIDENT FOLEY: AM931 IS ADOPTED. MR. CLERK. [LB642]

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CLERK: NOTHING FURTHER ON THE BILL, MR. PRESIDENT. [LB642]

PRESIDENT FOLEY: SENATOR HANSEN FOR A MOTION. [LB642]

SENATOR HANSEN: MR. PRESIDENT, I MOVE THAT WE ADVANCE LB642 TO E&R FOR ENGROSSING. [LB642]

PRESIDENT FOLEY: SENATORS, YOU'VE HEARD THE MOTION TO ADVANCE THE BILL. ALL THOSE IN FAVOR SAY AYE. THOSE OPPOSED SAY NAY. LB642 ADVANCES. LB382, MR. CLERK. [LB642 LB382]

CLERK: MR. PRESIDENT, LB382. SENATOR, I DO HAVE E&R AMENDMENTS FIRST OF ALL. (ER127, LEGISLATIVE JOURNAL PAGE 1612.) [LB382]

PRESIDENT FOLEY: SENATOR HANSEN. [LB382]

SENATOR HANSEN: MR. PRESIDENT, I MOVE THAT WE ADOPT THE E&R AMENDMENTS TO LB382. [LB382]

PRESIDENT FOLEY: YOU'VE HEARD THE MOTION TO ADOPT THE E&R AMENDMENTS. ALL THOSE IN FAVOR SAY AYE. THOSE OPPOSED SAY NAY. THE E&R AMENDMENTS ARE ADOPTED. MR. CLERK. [LB382]

CLERK: SENATOR COOK WOULD MOVE TO AMEND, AM1638. (LEGISLATIVE JOURNAL PAGE 1658.) [LB382]

PRESIDENT FOLEY: SENATOR COOK, YOU'RE RECOGNIZED TO OPEN ON AM1638. [LB382]

SENATOR COOK: GOOD MORNING AND THANK YOU, MR. PRESIDENT. AM1638 IS...FIRST OF ALL, I'LL GIVE YOU A QUICK REMINDER OF WHAT LB382 DOES BECAUSE IT IS MONDAY MORNING. THE INTENT OF LB382 IS TO RECOGNIZE THE CHALLENGE OF PREPARING AN ADULT WORK FORCE THAT POSSESS ADEQUATE BASIC SKILLS SUCH AS READING, WRITING, MATHEMATICS, AND COMPUTER SKILLS. LB382 CREATES THE HIGH SCHOOL EQUIVALENCY GRANT FUND TO HELP WITH GED TRAINING. AM1638 IS A TECHNICAL AMENDMENT SUGGESTED BY OUR REVISOR'S OFFICE WHICH PLACES THE HIGH SCHOOL EQUIVALENCY

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ASSISTANCE ACT IN A SEPARATE STATUTORY SECTION. THIS WAS NECESSITATED BY THE PASSAGE OF SENATOR SULLIVAN'S LB519 EARLIER THIS SESSION. THERE ARE NO SUBSTANTIVE CHANGES TO THE LEGISLATION THROUGH THIS AMENDMENT AND THERE IS NO FISCAL IMPACT DUE TO AM1638. I WANT TO THANK, AGAIN, SENATOR SULLIVAN AND THE EDUCATION COMMITTEE FOR UNANIMOUSLY ADVANCING LB382 FROM COMMITTEE, AND TO THANK THE NEBRASKA STATE BOARD OF EDUCATION, AND THE NEBRASKA DEPARTMENT OF EDUCATION FOR THEIR SUPPORT AND ENDORSEMENT OF STATEWIDE GED TRAINING THROUGH THE BILL. THANK YOU, AGAIN, SENATOR HADLEY FOR DESIGNATING THIS A SPEAKER PRIORITY BILL. WITH THAT, I WOULD ASK THAT YOU ADOPT AM1638. AND THANK YOU VERY MUCH, MR. PRESIDENT. [LB382 LB519]

PRESIDENT FOLEY: THANK YOU, SENATOR COOK. DEBATE IS NOW OPEN ON AM1638. SEEING NO SENATORS WISHING TO SPEAK, SENATOR COOK, YOU'RE WELCOME TO CLOSE ON AM1638. SHE WAIVES CLOSING. THE QUESTION IS THE ADOPTION OF AM1638. ALL THOSE IN FAVOR VOTE AYE; THOSE OPPOSED VOTE NAY. HAVE YOU ALL VOTED WHO CARE TO? RECORD, MR. CLERK. [LB382]

CLERK: 25 AYES, 0 NAYS, MR. PRESIDENT, ON THE ADOPTION OF SENATOR COOK'S AMENDMENT. [LB382]

PRESIDENT FOLEY: AM1638 IS ADOPTED. MR. CLERK. [LB382]

CLERK: SENATOR HANSEN WOULD MOVE TO AMEND WITH AM1653.
(LEGISLATIVE JOURNAL PAGES 1676-1677.) [LB382]

PRESIDENT FOLEY: SENATOR HANSEN, YOU'RE RECOGNIZED TO OPEN ON AM1653. [LB382]

SENATOR HANSEN: THANK YOU, MR. PRESIDENT, AND GOOD MORNING, COLLEAGUES. AM1653 INCORPORATES A BILL I INTRODUCED TO THE EDUCATION COMMITTEE, LB227, THAT CAME OUT OF THE EDUCATION COMMITTEE UNANIMOUSLY AND IS CURRENTLY ON GENERAL FILE. LB227 WOULD CONTINUE EDUCATIONAL-RELATED BRIDGE PROGRAMS AND THE GRANT FUNDING FOR THOSE PROGRAMS. BRIDGE PROGRAMS BRING AN INNOVATIVE APPROACH TO PROVIDING EDUCATION AND EMPLOYMENT OPPORTUNITIES TO LOWER-SKILLED ADULTS. SUCH PROGRAMS ALLOW STUDENTS TO QUICKLY ACQUIRE SKILLS AND COLLEGE CREDITS TO MOVE INTO EMPLOYMENT AND IN-DEMAND INDUSTRIES.

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THESE PROGRAMS ARE UNIQUE BECAUSE THEY INVOLVE A CURRICULUM THAT INCLUDES NONCREDIT AND FOR-CREDIT COURSES TAUGHT TOGETHER TO ALLOW STUDENTS TO GET BASIC SKILLS AND LEARN INFORMATION APPLICABLE TO AN IN-DEMAND INDUSTRY. FOR EXAMPLE, A SINGLE COURSE MAY INCLUDE CO-TEACHING OF BASIC MATH AND INTRODUCTION TO NURSING. THE MOST SUCCESSFUL BRIDGE PROGRAMS WILL ALSO INCLUDE SUPPORTIVE SERVICES SUCH AS JOB COACHING, CHILD CARE, AND TRANSPORTATION. AM1653, AS I SAID, INCORPORATES THE PROVISIONS OF LB227. AFTER GETTING IT OUT OF THE EDUCATION COMMITTEE AND TALKING WITH MY FELLOW COSPONSORS, WE'VE ADOPTED AM1653...DRAFTED AM1653 TO CONTAIN A SINGLE ONE-YEAR APPROPRIATION FROM THE JOB TRAINING CASH FUND THAT IS SEPARATE FROM SENATOR COOK'S LB382, SEPARATE AND UNIQUE FROM THAT, TO CONTINUE FUNDING FOR THIS PROGRAM FOR THIS FISCAL YEAR. WITH THAT, I WOULD ASK ALL OF MY FELLOW SENATORS TO RISE IN SUPPORT OF AM1653 AND VOTE FOR AM1653 TO CONTINUE FUNDING A VERY SUCCESSFUL PROGRAM. THANK YOU, MR. PRESIDENT. [LB382 LB227]

PRESIDENT FOLEY: THANK YOU, SENATOR HANSEN. DEBATE IS NOW OPEN ON AM1653. SENATOR SCHEER, YOU'RE RECOGNIZED. [LB382]

SENATOR SCHEER: THANK YOU, MR. LIEUTENANT GOVERNOR. WOULD SENATOR HANSEN ANSWER A QUESTION, IF HE MIGHT WANT TO? [LB382]

PRESIDENT FOLEY: SENATOR HANSEN, WOULD YOU YIELD, PLEASE? [LB382]

SENATOR HANSEN: YES, I WOULD. [LB382]

SENATOR SCHEER: SENATOR HANSEN, THIS IS COMING FROM A FUND. IS THAT THEN TO BE CONSIDERED GENERAL FUND DOLLARS OR WHERE SPECIFICALLY ARE THE FUNDS COMING FOR THIS? [LB382]

SENATOR HANSEN: MY UNDERSTANDING IS, IT'S COMING FROM THE JOB TRAINING CASH FUND WHICH IS A SEPARATE CASH FUND THAT WE HAVE, THE LEGISLATURE HAVE CREATED. [LB382]

SENATOR SCHEER: IS IT FUNDED BY A CERTAIN AMOUNT OR WOULD THIS INCREASE THE FUNDING OF THAT CASH FUND? [LB382]

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SENATOR HANSEN: THIS WOULD WITHDRAW A ONE-TIME APPROPRIATION OF \$200,000 FROM THAT CASH FUND. [LB382]

SENATOR SCHEER: OKAY. THANK YOU. FELLOW COLLEAGUES, I JUST...AND THIS IS NOT IN REGARDS TO THE BENEFIT OF SENATOR HANSEN'S BILL, BUT I WILL DRAW YOUR ATTENTION WHAT IS HAPPENING THIS MORNING AND WILL BE HAPPENING THE REST OF THE WEEK, WE NEED TO START PAYING ATTENTION. THIS BILL HAS FOR A SINGLE YEAR, AT LEAST LOOKING AT THE FISCAL NOTE WHEN IT WAS INTRODUCED, IS ABOUT \$250,000 A YEAR. NOW, IT MAY BE DOWN TO \$200,000 AS SENATOR HANSEN SAID, BUT WE NEED TO START PAYING ATTENTION BECAUSE WE ARE WELL OVER FUNDING AS IT IS WITH JUST THE BILLS IN PLACE. AND YOU ARE GOING TO SEE A LOT OF ADDITIONAL BILLS BEING PUT ON BILLS THAT ARE NOW ON SELECT, OR EVEN ON GENERAL FILE, TRYING TO GET THEM THROUGH THE PROCESS THAT WERE NOT PRIORITIZED, THAT MAY JUST BE SITTING ON GENERAL FILE. AND AGAIN, THIS HAS NOTHING SPECIFIC TO DO WITH SENATOR HANSEN'S BILL, BUT IT IS AN EXAMPLE OF WHAT YOU'RE GOING TO BE SEEING AND YOU'RE JUST GOING TO MAKE LIFE MORE DIFFICULT FOR US. ALL THE BILLS WILL BE OF BENEFIT TO SOMEBODY. ALL THE BILLS WILL BE IMPORTANT, BUT WE HAVE TO START PAYING ATTENTION BECAUSE WE'RE GOING TO CONTINUE TO BUILD MORE AND MORE INTO THE DEFICIT OF WHAT WE HAVE TO SPEND. SO, AGAIN, THIS IS NOTHING TO DO WITH THIS SPECIFIC BILL, JUST DRAWING YOUR ATTENTION TO THE FACT THAT AS WE CONTINUE TO ADD MORE BILLS ONTO THESE BILLS AS THEY COME ACROSS, WE ARE COMPOUNDING THE PROBLEM THAT ALREADY EXISTS. THANK YOU, MR. LIEUTENANT GOVERNOR. [LB382]

PRESIDENT FOLEY: THANK YOU, SENATOR SCHEER. SENATOR BRASCH, YOU'RE RECOGNIZED. [LB382]

SENATOR BRASCH: THANK YOU, MR. PRESIDENT, AND THANK YOU AND GOOD MORNING, COLLEAGUES. SENATOR SCHEER DID RAISE A GOOD POINT AND GOOD QUESTIONS HERE AND I WOULD LIKE MORE QUESTIONS ANSWERED ON THIS. SENATOR HANSEN, WILL YOU YIELD TO A QUESTION, PLEASE? [LB382]

PRESIDENT FOLEY: SENATOR HANSEN, WOULD YOU YIELD, PLEASE? [LB382]

SENATOR HANSEN: YES, I WOULD. [LB382]

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SENATOR BRASCH: I WAS JUST IN A HEARING AND I AM JUST CATCHING UP HERE. CAN YOU PLEASE TELL ME THE INTENT OF THIS AMENDMENT? [LB382]

SENATOR HANSEN: YES. THE INTENT OF THIS AMENDMENT IS TO INCORPORATE THE SUBSTANCE OF MY BILL, LB227, WHICH CAME OUT OF THE EDUCATION COMMITTEE, AND THAT WOULD CONTINUE EDUCATIONAL GRANT FUNDING FOR BRIDGE PROGRAMS, WHICH ARE SPECIFIC PROGRAMS DESIGNED TO HELP PEOPLE WITH ESSENTIALLY KNOWLEDGE GAPS OR SKILLS GAPS, CONTINUE THEIR EDUCATION AT THE COMMUNITY COLLEGE LEVEL. [LB382 LB227]

SENATOR BRASCH: AND WHAT KIND OF GAPS ARE YOU...CAN YOU BE A LITTLE MORE SPECIFIC? [LB382]

SENATOR HANSEN: SURE. THE INTENT OF THE PROGRAM IS TO HAVE SOME VARIETY AND FLEXIBILITY, BUT, FOR INSTANCE, I REFERENCED AN EXAMPLE ON WHICH BASIC MATH SKILLS IS CO-TAUGHT WITH A TYPE OF NURSING PROGRAM...COURSES. THE PROGRAMS ARE OPEN TO SAY, POSSIBLY, TO PEOPLE WHO DON'T HAVE A HIGH SCHOOL DIPLOMA OR GED ALREADY, WHICH WOULD ALLOW THEM TO CONTINUE TO GAIN SKILLS AND TRAINING WHILE...AT A HIGHER LEVEL WHILE ALSO WORKING ON THEIR GED. [LB382]

SENATOR BRASCH: THANK YOU. AND I DID READ INTO THE BILL HERE, ALSO LANGUAGE SKILLS. IS THAT CORRECT? [LB382]

SENATOR HANSEN: YES, I BELIEVE SO. [LB382]

SENATOR BRASCH: AND I WILL ASK SENATOR COOK TO YIELD TO A QUESTION, PLEASE. [LB382]

PRESIDENT FOLEY: SENATOR COOK, WOULD YOU YIELD, PLEASE? [LB382]

SENATOR COOK: YES, I WILL. [LB382]

SENATOR BRASCH: SENATOR COOK, I'M VERY INTERESTED IN THE LANGUAGE SKILLS DESCRIBED IN THIS BILL. CAN YOU TELL ME HOW MANY LANGUAGES DO WE CURRENTLY HAVE OR WORK WITH? [LB382]

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SENATOR COOK: NO, I CAN'T. [LB382]

SENATOR BRASCH: YOU CANNOT. [LB382]

SENATOR COOK: THIS BILL, THE AMENDMENT THAT YOU SEE REFLECTED IS SENATOR HANSEN'S BILL, SO ANY QUESTIONS ABOUT THE LANGUAGE IN AM...I CAN'T READ IT FROM HERE, 1653, ARE BEST DIRECTED TO SENATOR HANSEN. I WOULD BE SPECULATING THAT THE COMMON PHRASE LANGUAGE SKILLS MEANS PERFECTING THE USE OF EVERYDAY AMERICAN ENGLISH LANGUAGE. [LB382]

SENATOR BRASCH: VERY GOOD. THANK YOU, SENATOR COOK. SENATOR HANSEN, WILL YOU PLEASE YIELD TO THAT QUESTION? [LB382]

SENATOR HANSEN: YES, COULD YOU PLEASE REPHRASE THE QUESTION...OR NOT REPHRASE, REPEAT THE QUESTION? [LB382]

SENATOR BRASCH: IN YOUR AMENDMENT, LANGUAGE SKILLS WAS A PART OF THE AMENDMENT...LANGUAGE. CAN YOU BE SPECIFIC? IS IT SECOND...ENGLISH AS A SECOND LANGUAGE STUDENTS, OR IS IT GRAMMATICAL, WHAT TYPE OF LANGUAGE? OR DID I...AS I SAID, I'M JUST CATCHING UP ON THIS FROM LEAVING MY HEARING. [LB382]

SENATOR HANSEN: CAN YOU REFER ME TO THE EXACT LINE YOU'RE LOOKING FOR? [LB382]

SENATOR BRASCH: WHEN I PULL UP YOUR AMENDMENT, IT SAYS, "PROVIDE ENGLISH READING AND WRITING AND MATH SKILLS REQUIRED TO SUCCEED IN A POSTSECONDARY EDUCATIONAL CREDENTIALING OR DEGREE PROGRAM." [LB382]

SENATOR HANSEN: OH, THANK YOU, SENATOR BRASCH. I WAS LOOKING FOR THE ACTUAL WORD LANGUAGE. BUT, YES, THAT PROVISION IS TO... [LB382]

PRESIDENT FOLEY: ONE MINUTE. [LB382]

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SENATOR HANSEN: ...BRING UP OTHER SKILLS THAT MAY BE DEFICIENT IN ENGLISH READING AND WRITING. IT'S JUST WHAT IT SOUNDS, IT'S PEOPLE WHO IN THEIR EARLY EDUCATION HAVE STRUGGLED WITH READING AND WRITING. [LB382]

SENATOR BRASCH: VERY GOOD. THANK YOU, MR. PRESIDENT, AND THANK YOU, SENATOR HANSEN. [LB382]

PRESIDENT FOLEY: THANK YOU, SENATOR BRASCH, SENATOR HANSEN. SENATOR SULLIVAN, YOU'RE RECOGNIZED. [LB382]

SENATOR SULLIVAN: THANK YOU, MR. PRESIDENT, AND GOOD MORNING, COLLEAGUES. JUST WANTED TO GIVE YOU A LITTLE BIT ADDITIONAL BACKGROUND. THE BRIDGE PROGRAMS THAT SENATOR HANSEN IS ADVOCATING FOR IN HIS AMENDMENT ORIGINATED AS FAR AS ITS FUNDING IN THE LOTTERY FUNDS. AND THEN, OF COURSE, AS YOU KNOW, WITH THE COMMITTEE'S LOTTERY BILL, LB519, WE CHOSE NOT TO INCLUDE THE FUNDING FOR THE BRIDGE PROGRAMS IN THE NEW EDUCATION INNOVATION FUND. THAT'S NOT TO SAY THAT THIS TYPE OF PROGRAMMING IS NOT IMPORTANT, AND I APPLAUD SENATOR HANSEN FOR BEING THOUGHTFUL ABOUT TRYING TO FIND A WAY TO CONTINUE IT. AND IN VISITING WITH HIM, IT DID SEEM APPROPRIATE THAT THE JOB TRAINING CASH FUND WAS A PLACE THAT WAS AN APPROPRIATE USE OF FUNDS. SO THAT'S WHY HE'S LOOKING TO ATTACH IT TO SENATOR COOK'S BILL, AND I AM IN TOTAL SUPPORT OF IT. AND I THINK AS HE HAD INDICATED, HE'S WANTING TO USE THESE FUNDS JUST ONE TIME AND THEN NEXT YEAR CAN BUILD A CASE FOR GETTING APPROPRIATION OUT OF THE GENERAL FUND. SO I THINK THAT THIS IS...HE'S FOLLOWING A LOGICAL PROCESS. I THINK THESE ARE WORTHY PROGRAMS THAT NEED OUR SUPPORT AND HE'S DOING IT IN, I THINK, A CORRECT WAY. SO I APPLAUD HIM AND I SUPPORT THE AMENDMENT. THANK YOU. [LB382 LB519]

PRESIDENT FOLEY: THANK YOU, SENATOR SULLIVAN. (VISITORS INTRODUCED.) DEBATE CONTINUES ON AM1653. SENATOR BOLZ. [LB382]

SENATOR BOLZ: THANK YOU, MR. PRESIDENT, AND THANK YOU, SENATOR HANSEN, FOR CONTINUING THE GOOD WORK ON OUR BRIDGE PROGRAM EFFORTS. IN PREVIOUS EMPLOYMENT, I HAD THE PRIVILEGE OF WORKING WITH SOME OF THESE BRIDGE INITIATIVES AND I WANTED TO GIVE YOU AN EXAMPLE OF ONE THAT I THINK IS ESPECIALLY SUCCESSFUL. GOODWILL INDUSTRIES HAS

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PARTNERED WITH METRO COMMUNITY COLLEGE TO TRY TO FILL A SPECIFIC SKILLS GAP IN THE INSURANCE INDUSTRY. WHAT THE INSURANCE INDUSTRY IN THE OMAHA AREA WAS FINDING WAS THAT THEY HAD A DIFFICULT TIME FINDING CONSUMER SERVICES REPRESENTATIVES THAT WERE APPROPRIATELY TRAINED. IT WAS A DIFFICULT AREA OF WORK THAT REQUIRED SOME TECHNICAL KNOWLEDGE OF THE INSURANCE INDUSTRY, BUT WAS STILL SOMEWHAT ENTRY LEVEL, AND THEY WERE HAVING A DIFFICULT TIME RETAINING THAT EMPLOYMENT. SO, THEY PUT TOGETHER A COMPREHENSIVE PACKAGE AND WERE ABLE TO CREATE A CREDENTIAL PROGRAM AND PULL FOLKS EITHER FROM ENTRY LEVEL COMMUNITY COLLEGE LEVEL COURSES, OR FROM GED, OR ENGLISH AS A SECOND LANGUAGE COURSES INTO THAT PROGRAM AND QUICKLY GET THEIR SKILLS RAMPED UP INTO A REAL NEED THAT THE INSURANCE INDUSTRY HAD IN THAT LOCAL AREA. AND SO, I THINK, WHAT SENATOR HANSEN IS TRYING TO CONTINUE IS AN EFFORT THAT PULLS TOGETHER BUSINESS, GED, AND HIGH SCHOOL DIPLOMA WORK AND THE COMMUNITY COLLEGE LEVEL TO TRY TO BRING PEOPLE INTO OPPORTUNITIES TO INCREASE THEIR EMPLOYABILITY, AS WELL AS TO FILL SKILLS GAP. AND WE ALL KNOW THAT THE CHAMBER OF COMMERCE HAS HIGHLIGHTED OUR WORK FORCE GAP AS ONE OF THE TOP PRIORITIES OF THAT INDUSTRY AND INITIATIVE IN THE LAST YEAR. I ALSO WANT TO POINT OUT THAT THESE PROGRAMS IN NEBRASKA HAVE BEEN VERY SUCCESSFUL. SEVENTY PERCENT OF THE PEOPLE WHO HAVE BEGUN THE PROGRAM HAVE ALREADY RECEIVED A CREDENTIAL. AND I THINK WHEN YOU COMPARE THAT TO THE COMPLETION RATES FOR OUR TRADITIONAL HIGH SCHOOL DIPLOMA OR GED PROGRAMS, THAT'S INCREDIBLY IMPRESSIVE. AND SOME OF THOSE FOLKS MAY EVEN COMPLETE IN THE NEXT YEAR OR YEAR AND A HALF. FURTHER, A QUARTER OF THE FOLKS HAVE GONE ON TO POSTSECONDARY EDUCATION, HAVE GONE ON FURTHER. AND I THINK THAT'S EXACTLY WHAT WE WANT TO SEE IN PROGRAMS AND INITIATIVES LIKE THIS. SO, I APPRECIATE THE PROBLEM SOLVING APPROACH WE'VE TAKEN BY USING THE JOB TRAINING CASH FUND. I APPRECIATE SENATOR HANSEN'S WORK IN TRYING TO CONTINUE THIS MODEL INITIATIVE, AND I WOULD SAY THAT IF YOU LOOK TO THE REST OF THE NATION, OTHER STATES ARE FAR, FAR AHEAD OF US IN TERMS OF THIS WORK. MINNESOTA, FOR EXAMPLE, HAS INTEGRATED THIS INTO THEIR ADULT BASIC EDUCATION PROGRAMS ALL ACROSS THE STATE AND I HOPE THAT OUR STATE CAN GET THERE AS WELL. AND I HOPE YOU'LL JOIN SENATOR HANSEN AND I IN MOVING THIS BILL FORWARD AND HELPING US CONTINUE THOSE INNOVATIVE INITIATIVES. THANK YOU, MR. PRESIDENT.

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PRESIDENT FOLEY: THANK YOU, SENATOR BOLZ. SPEAKER HADLEY, YOU'RE RECOGNIZED. [LB382]

SPEAKER HADLEY: MR. PRESIDENT AND MEMBERS OF THE BODY, I'D LIKE TO RISE FOR JUST A COUPLE OF MINUTES TO TALK A LITTLE BIT. YOU KNOW, THIS IS SELECT FILE FOR SPEAKER PRIORITY BILLS. AND IF YOU GO A LITTLE FURTHER DOWN ON THE AGENDA, YOU SEE AT 10:30, WE QUIT THIS. WE ARE NOW DEBATING AN AMENDMENT IN A BILL THAT IS NOT A PRIORITY BILL, THAT'S TAKING TIME AWAY FROM THOSE BILLS THAT YOU MIGHT HAVE THAT ARE PRIORITY BILLS. SO WHEN YOU START PUTTING AMENDMENTS ON SPEAKER PRIORITY BILLS THAT ARE AMENDMENTS, IF WE RUN OUT OF TIME, DON'T COME AROUND AND TALK TO ME BECAUSE WE SET UP A SYSTEM TO HANDLE THIS TYPE OF THING. AND I DON'T KNOW WHETHER SENATOR MELLO IS GOING TO TALK LATER ABOUT THE POTENTIAL ON THE A BILL AS TO WHAT HAPPENS ON IT NOW, THAT AN AMENDMENT MIGHT BE PASSED. SO I JUST HAVE A CONCERN IF THERE ARE GOING TO BE OTHER ONES ON THE SPEAKER PRIORITY BILLS THAT ARE GOING TO HAVE AMENDMENTS PUT ON THAT ARE BILLS THAT DID NOT RECEIVE PRIORITIES, I WANT YOU TO JUST THINK ABOUT THAT. YOU'LL NOTICE WE HAVE A VERY FULL SCHEDULE TODAY. MY GOAL IS TO GET THROUGH AS MUCH AS WE CAN TODAY. I WILL TELL YOU TOMORROW MORNING WHAT THE REST OF THE WEEK LOOKS LIKE, DEPENDING ON HOW MUCH WE GET DONE TODAY. THANK YOU, MR. PRESIDENT. [LB382]

PRESIDENT FOLEY: THANK YOU, SPEAKER HADLEY. SENATOR HANSEN, YOU'RE RECOGNIZED. [LB382]

SENATOR HANSEN: THANK YOU, MR. PRESIDENT. IN LIGHT OF A TECHNICAL CONCERN THAT HAS BEEN "ARISED" ON THE BILL AND SPEAKER HADLEY'S COMMENTS, I'D LIKE TO WITHDRAW MY AMENDMENT AT THIS TIME. [LB382]

PRESIDENT FOLEY: AM1653 IS WITHDRAWN. MR. CLERK. [LB382]

CLERK: I HAVE NOTHING FURTHER ON THE BILL, MR. PRESIDENT. [LB382]

PRESIDENT FOLEY: SENATOR HANSEN. OH, EXCUSE ME, WE DO HAVE TWO SENATORS WISHING TO SPEAK. SENATOR KINTNER, YOU'RE RECOGNIZED. [LB382]

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SENATOR KINTNER: THANK YOU, MR. PRESIDENT. YOU KNOW, I LOOK AT WHAT WE'RE DOING WITH THIS BILL, YOU KNOW, I TOTALLY UNDERSTAND IT. I FEEL THAT THERE'S CERTAINLY SOME VALUE IN WHAT THIS BILL SEEKS TO DO. HOWEVER, WE'RE SPENDING MORE MONEY AND IF WE DON'T WATCH OURSELVES, WE'RE GOING TO BE UP AROUND 3.8, 3.9, WE'LL BE KNOCKING ON THE DOOR OF 4 PERCENT, WHEN WE'VE BEEN SELLING THIS AS 3.1. THERE WAS JUST AN EDITORIAL IN THE OMAHA WORLD-HERALD THAT SAID WE'RE AT 3.1 PERCENT AND WE'RE RESPONSIBLE. WE'RE DOING THINGS THE RIGHT WAY. WE'RE... WELL, NO, WE'RE NOT, NOT IF WE'RE GOING TO CONTINUE TO SPEND MONEY. THERE ARE A THOUSAND THINGS THAT WE COULD SPEND MONEY ON THAT WE COULD HELP PEOPLE WITH, AND VOCATIONAL TRAINING AND THINGS OF THAT TYPE OR, I THINK, NEEDED. BUT IN LIGHT OF ALL THE OTHER SPENDING WE'VE DONE AND IN LIGHT OF EVERYTHING ELSE WE'VE DONE, AT SOME POINT YOU HAVE TO DRAW THE LINE AND SAY, HEY, WE CAN'T SPEND ANYMORE. OUR WANTS ARE GREATER THAN OUR WALLET AND WE'VE GOT TO JUST, AT TIMES, SAY YES, YES, I UNDERSTAND THE NEED, BUT I DON'T HAVE THE MONEY IN THE WALLET TO DO IT. AND, YOU KNOW, IF WE COME IN WITH A BUDGET OF 3.9 OR 4.0, THAT'S GOING TO BE A BLACK EYE ON THIS WHOLE BODY THAT WE CAN'T CONTROL SPENDING. THERE'S NO CRISIS. THERE'S NO REASON TO SPEND THIS KIND OF MONEY. THERE'S NO REASON TO BE THIS RECKLESS WITH THE TAXPAYERS' MONEY. AND I WOULD ENCOURAGE MY FELLOW SENATORS TO START LOOKING AT THESE FISCAL NOTES AND LEARNING A NEW PHRASE, A NEW WORD, THE WORD IS NO. NO. WE CAN DO IT, AND MAYBE IT'S A PRIORITY NEXT YEAR. BUT, AT SOME POINT, I JUST...I CAN'T EVEN SEE MYSELF VOTING FOR ANOTHER FISCAL NOTE THE REST OF THE YEAR. I JUST...WE'VE SPENT JUST ENTIRELY TOO MUCH MONEY. I WOULD ENCOURAGE EVERYONE TO LOOK A LOT CLOSER AT THIS, LOOK A LOT HARDER AT IT, AND LET'S MAKE SOME TOUGH DECISIONS. I KNOW THE TOUGHEST THING IS TO SAY NO. I WAS SHOCKED THAT...HOW TOUGH IT WAS WHEN I GOT DOWN HERE AND SAW THE INABILITY OF PEOPLE TO SAY NO TO SPENDING BECAUSE, YOU KNOW, YOU DON'T LIKE TO SAY NO, YOU WANT TO SAY YES. AND WE HAVE A FELLOW SENATOR THAT YOU LIKE AND THEY HAVE A BILL, YOU WANT TO SAY YES, BUT SOMETIMES YOU GOT TO SAY NO. SOMETIMES NO IS THE RIGHT ANSWER. AND I THINK THE SPENDING FROM HERE UNTIL DAY 90, THE CORRECT ANSWER IS NO. THANK YOU, MR. PRESIDENT. [LB382]

PRESIDENT FOLEY: THANK YOU, SENATOR KINTNER. (VISITORS INTRODUCED.) SENATOR MELLO, YOU'RE RECOGNIZED. [LB382]

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SENATOR MELLO: THANK YOU, MR. PRESIDENT, MEMBERS OF THE LEGISLATURE, I WAS GOING TO STAND UP AND SPEAK ON SENATOR HANSEN'S AMENDMENT BECAUSE I THINK THERE ARE SOME GENERAL HISTORICAL COMPONENTS THAT I WANTED TO SHARE WITH THE BODY SINCE I WAS THE ORIGINAL SENATOR WHO BROUGHT THE BILL TO CREATE THE BRIDGE PROGRAMS THAT RESIDE IN THE DEPARTMENT OF ED, BUT SINCE HE WITHDREW THAT, I'LL BRING IT BACK...THAT CONVERSATION BACK ON FINAL READING. I DO, HOWEVER, WANT TO POLITELY STAND UP AND PROVIDE A DIFFERENT PERSPECTIVE THAN WHAT SENATOR KINTNER JUST SAID BECAUSE EVERYTHING HE JUST SAID WAS FACTUALLY INACCURATE. AND I'M GETTING TO THE POINT WHERE HEARING SENATORS STAND ON THIS MIKE AND THROW NUMBERS OUT THAT ARE NOT ACCURATE IN ANY WHICH WAY, SHAPE, OR FORM, I FEEL EVEN THOUGH WE ONLY GOT EIGHT DAYS, I'VE GOT TO STAND UP AND SPEAK A LITTLE TRUTH TO POWER, COLLEAGUES, BECAUSE SENATOR KINTNER IS A MEMBER OF THE APPROPRIATIONS COMMITTEE. AND HE SHOULD KNOW BETTER THAT ROUGHLY \$30-SOMETHING MILLION ON THE GREEN SHEET IS TAX RELATED. IT'S NOT NEW SPENDING. AND THE BIGGER FACT OF THE MATTER IS, AVERAGE SPENDING OVER THE LAST 20 YEARS HAS BEEN 5 PERCENT AND WHAT THIS BODY VOTED ON 49-0 LAST WEEK WAS AT 3.1 PERCENT. SO ANYTIME MEMBERS ARE GOING TO CONTINUE TO STAND ON THIS MIKE AND LOOK AT THE GREEN SHEET AND SIMPLY MAKE UP NUMBERS AND MAKE UP SPENDING PERCENTAGES, BE PREPARED TO GET CALLED OUT FROM HERE ON OUT. I THINK I'VE TRIED TO BE VERY, VERY CIVIL, VERY RESPECTFUL, AND TRIED TO BRING PEOPLE OFF THE FLOOR TO WALK THEM THROUGH WHAT THESE NUMBERS REALLY MEAN. AND, COLLEAGUES, I WILL REMIND YOU, \$30 (MILLION) OUT OF THE \$49 MILLION ON THE GREEN SHEET IS TAX RELATED, IS REVENUE RELATED. AND THAT'S WHAT WE HAD DISCUSSED MOST OF THE SESSION. SO TO THROW OUT A NUMBER THAT WE WE'RE GOING TO HAVE A 3.9 PERCENT SPENDING GROWTH, WHICH BY THE WAY IS STILL A PERCENT LOWER THAN THE AVERAGE SPENDING GROWTH, IS JUST FACTUALLY INACCURATE. I KNOW SENATOR KINTNER WILL PROBABLY COME GRAB ME OFF THE MIKE AND WE'LL TALK A LITTLE BIT AND I'LL POLITELY REMIND HIM A LITTLE BIT OF WHAT WE TALKED ABOUT IN THE APPROPRIATIONS COMMITTEE MEETINGS OVER THE SESSION WHERE THERE'S NO WAY WE'LL BE AT 3.9 PERCENT WITH THE BILLS WE HAVE ON SELECT AND FINAL READING. AND I'M SURE HE'LL COME AND REALIZE THAT CONVERSATION OR RECOLLECT THAT CONVERSATION AND SAY, YES, I FORGOT. THIS WAS SOMETHING THAT WE TALKED ABOUT. NOW, IF HE DOESN'T SUPPORT SENATOR HANSEN'S IDEA OF TRYING TO EXTEND THE BRIDGE PROGRAM, THAT'S ANOTHER POLICY CONSIDERATION. BUT NUMBERS DON'T LIE, COLLEAGUES, AND THIS GREEN SHEET IS ON OUR AGENDA EVERY DAY TO WALK US THROUGH WHERE

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WE'RE AT. AND THE CHALLENGE IS BEING ABLE TO ACKNOWLEDGE THAT, WHERE THIS MONEY IS GOING AND WHERE...WHAT BILLS WE, ULTIMATELY, MAY OR MAY NOT PASS, LET ALONE WHAT BILLS THE GOVERNOR MAY SIGN INTO LAW. I WOULD DRAW EVERYONE'S ATTENTION THOUGH BECAUSE IT IS A COMPONENT IN REGARDS TO THE LARGEST TAX BILL WE'RE SUPPORTING SO FAR IN FINAL READING IS THE \$20 MILLION GENERAL FUND APPROPRIATION TO SENATOR GLOOR'S PERSONAL PROPERTY TAX ACT. I'VE GOT TO DOUBLE-CHECK AND SEE, WE'VE HAD THE CONVERSATIONS OF WHETHER OR NOT THAT PROGRAM FALLS IN LINE WITH WHAT WE HAVE WITH THE HOMESTEAD EXEMPTION PROGRAM, WHICH IS GENERAL FUND SPENDING EVEN THOUGH IT IS A TAX RELIEF PROPOSAL. WE HAD A LITTLE BIT OF THAT CONVERSATION BEFORE IN REGARDS TO THE PROPERTY TAX CREDIT FUND. THAT'S A CONVERSATION WE CAN HAVE AT ANOTHER DAY, BUT I WANT TO REMIND YOU LOOKING AT THE GREEN SHEET FROM REVENUES AND APPROPRIATIONS, IT'S EASY TO BE ABLE TO SEE WHERE MOST OF THIS MONEY IS GOING. AND FOR MEMBERS TO THROW OUT NUMBERS THAT ARE FACTUALLY INACCURATE, I'D URGE YOU NOT TO DO THAT. COME GRAB ME, COME GRAB THE FISCAL OFFICE, WE CAN TALK THROUGH THAT A LITTLE BIT FURTHER BECAUSE THERE'S A NUMBER OF MEMBERS ON THIS FLOOR WHO HAVE MADE CHANGES TO THEIR BILLS REDUCING THEIR FISCAL NOTES TO ALLOW ALL OF US TO HAVE AN UP OR DOWN VOTE ON THE BILLS ON SELECT AND FINAL READING. WE'VE DONE THAT THE LAST COUPLE YEARS TO GIVE SENATORS THE OPPORTUNITY TO MAKE THEIR CASE TO THE ENTIRE BODY WITHOUT FEELING THEY'VE GOT TO HOLD THEIR BILL UNTIL NEXT YEAR BECAUSE OF THE FISCAL NOTE. SO FOR THOSE SENATORS, I'M VERY APPRECIATIVE OF YOUR HARD WORK OF TRYING TO REDUCE YOUR A BILLS, REDUCE YOUR FISCAL NOTES TO MAKE THAT WORK. [LB382]

PRESIDENT FOLEY: ONE MINUTE. [LB382]

SENATOR MELLO: BUT WORDS MATTER AND NUMBERS MATTER AND NUMBERS ARE MORE FACTIONAL THAN OPINIONS. AND MY HOPE IS, FROM HERE ON OUT, IF YOU HAVE A QUESTION ON THE GREEN SHEET, IF YOU HAVE A QUESTION ON AN A BILL OR FISCAL NOTE, PLEASE FEEL FREE TO GRAB ME ANYTIME OR COME GRAB THE FISCAL OFFICE, AND WE'LL BE ABLE TO HELP, HOPEFULLY, ANSWER YOUR QUESTION OFF THE MIKE INSTEAD OF MEMBERS GETTING ON THE MIKE AND EITHER MISINTERPRETING OR FLAT-OUT MAKING UP THEIR OWN INTERPRETATIONS OF WHAT THE LEGISLATURE IS REALLY DOING. THANK YOU, MR. PRESIDENT. [LB382]

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PRESIDENT FOLEY: THANK YOU, SENATOR MELLO. SENATOR GROENE, YOU'RE RECOGNIZED. [LB382]

SENATOR GROENE: THANK YOU, MR. PRESIDENT. NO, I WON'T ASK YOU THAT, SENATOR MELLO, BEHIND CLOSED DOORS, I'LL ASK IT RIGHT HERE WHERE THE PUBLIC, THE TAXPAYERS KNOW THE ANSWERS. COLLEGIALITY IS OUT THE DOOR. YOU GOT \$19.6 MILLION FOR THE PROPERTY TAX RELIEF. WHERE IS THE OTHER 30? HELP ME. I KNOW IT'S THERE, JUST HELP ME. [LB382]

PRESIDENT FOLEY: SENATOR MELLO, WOULD YOU YIELD, PLEASE? [LB382]

SENATOR MELLO: YES. SENATOR GROENE, I'M GOING TO TAKE WHAT YOU KIND OF SAID OFF THE MIKE, IF YOU LOOK AT THE BOTTOM OF THE GREEN SHEET, REVENUES ARE REVENUE-RELATED BILLS. THOSE ARE BILLS THAT REDUCE REVENUE TO THE STATE AND ARE COUNTED AS REDUCTIONS TO THAT \$49 MILLION THAT YOU SEE ON THE FRONT PAGE OF THE GREEN SHEET. SO OUTSIDE OF THE \$19.6 MILLION OF SENATOR GLOOR'S LB259, WHICH IS UP ON THE FINAL READING APPROPRIATIONS SIDE, IF YOU GO AT THE BOTTOM OF THE SHEET, YOU WILL SEE THE BILLS ON FINAL READING AND SELECT FILE ROUGHLY ADD UP TO \$10 MILLION, AS YOU CAN SEE THAT. [LB382 LB259]

SENATOR GROENE: YOU'RE TALKING ABOUT THE CREDIT AMOUNT FOR ANGEL INVESTMENT, THE CHANGE PROVISION RELATING TO GRANT DEALER ACT, SALES TAX EXEMPTIONS, ZOOS AND AQUARIUMS, IS THAT WHAT YOU'RE TALKING ABOUT? [LB382]

SENATOR MELLO: THOSE ARE ALL REVENUE-RELATED BILLS, SENATOR GROENE, ON FINAL READING THAT YOU'LL LOOK BELOW THAT ON SELECT FILE, THE LIVESTOCK GROWTH ACT, CHANGE TO PROVISIONS TO ALCOHOL LIQUOR, CHANGING THE RENEWABLE ENERGY TAX CREDIT, WHICH THE CLOTURE MOTION FAILED, JUDGES' RETIREMENT IS A REVENUE REDUCTION AND THE ACHIEVING A BETTER LIFE EXPERIENCE ACT. [LB382]

SENATOR GROENE: SO YOU'RE TELLING ME THESE SPECIAL INTEREST BILLS, WHERE IS JOE SIX-PACK IN HERE? ANYWAY, I READ STORY AFTER STORY BLANKLY SAYING OUR INCREASE IS GOING TO BE 3.1 PERCENT. NINE PEOPLE ON THE APPROPRIATIONS COMMITTEE TOLD THE PUBLIC IT WAS GOING TO BE 3.1 PERCENT. I'M EXPECTING NINE SENATORS TO VOTE NO ON EVERY APPROPRIATIONS BILL, JUST LIKE THEY DID ON THE APPROPRIATIONS BILLS

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BECAUSE THEY TOLD US IT WAS GOING TO BE 3.1 PERCENT. I PLAN ON TAKING THEIR LEADERSHIP WHEN THEY VOTE NO FOR ANY BILL THAT INCREASES IT ABOVE 3.1 PERCENT. BECAUSE WHEN I GO OUT TO MY PEOPLE, THEY THINK IT'S 3.1 PERCENT AND IN TWO WEEKS FROM NOW, I EXPECT IT TO BE 3.1 PERCENT. NOW, IS THAT NOT COLLEAGIAL, THAT'S FINE. THAT'S FACT. THAT'S FACT. I GOT SENT HERE BY PEOPLE, NOT SPECIAL INTERESTS WHO WANT A TAX BREAK. 3.1 PERCENT. RAN INTO THE GOVERNOR THE OTHER DAY. HE SAID, MINE WAS 3.1 PERCENT AND THAT'S WITHOUT ANY EXTRA APPROPRIATIONS, 3.1 PERCENT. LET'S SEE WHAT IT IS IN TWO WEEKS. THANK YOU, MR. PRESIDENT. [LB382]

PRESIDENT FOLEY: THANK YOU, SENATOR GROENE. SENATOR MELLO, YOU'RE RECOGNIZED. [LB382]

SENATOR MELLO: THANK YOU, MR. PRESIDENT AND MEMBERS OF THE LEGISLATURE. I GUESS I DON'T WANT TO SPEND ANY MORE TIME ON SENATOR COOK'S BILL BECAUSE I SUPPORT IT AND WANT TO SEE IT MOVE FORWARD. BUT FIRST OFF, AS SENATOR GROENE ONCE AGAIN, I THINK, IS MAKING A STATEMENT THAT JUST FUNDAMENTALLY IS NOT ACCURATE AND AS I'VE TRIED TO EXPLAIN TO HIM OFF THE MIKE AND ON THE MIKE, IN REGARDS TO UNDERSTANDING OUR BUDGET PROCESS, I INSTEAD FIND OP-EDS IN REGARDS TO ATTACKING THE APPROPRIATIONS COMMITTEE AND THE APPROPRIATIONS PROCESS. AND I WANT TO TAKE PEOPLE AT THEIR WORD THAT IT'S NOT PERSONAL. BUT, COLLEAGUES, I NEVER SAID NOR DID ANY MEMBER OF THE APPROPRIATIONS COMMITTEE SAID STATE SPENDING OVERALL IS GOING TO BE AT 3.1 PERCENT. NEITHER DID GOVERNOR RICKETTS BECAUSE HE LEFT \$23 MILLION FOR THE FLOOR FOR US TO SPEND ON OTHER PRISON-RELATED LEGISLATION THAT WAS NOT IN HIS BUDGET. SO NOWHERE DID I HEAR GOVERNOR RICKETTS IN HIS DECLARATION OF HIS BUDGET PROPOSAL SAY, STATE SPENDING WILL ONLY BE AT 3.1 PERCENT BECAUSE HE SPECIFICALLY SAID, I'M LEAVING MONEY FOR THE FLOOR TO HELP COVER COST IN PRISONS...IN PRISON REFORM BECAUSE I KNOW IT'S GOING TO TAKE MORE MONEY. SO THAT'S FACTUALLY NOT ACCURATE WHAT SENATOR GROENE JUST SAID AND NEITHER MYSELF NOR ANY COMMITTEE MEMBER SAID WE'RE ALWAYS GOING TO BE AT 3.1 PERCENT AT THE END OF THE SESSION. I THINK I SPECIFICALLY SAID DURING THE BUDGET DEBATE WHAT THE COMMITTEE RECOMMENDED WAS THE SAME NUMBER THE GOVERNOR HAD RECOMMENDED AND IT WASN'T 3.1 PERCENT, AND THAT'S WHAT THIS LEGISLATURE PASSED. BUT IF YOU LOOK AT THE GREEN SHEET, THERE'S ROUGHLY \$19 MILLION LEFT FOR ANY A BILLS, ARGUABLY, IF YOU TAKE ASIDE THE \$10 MILLION FOR REVENUE BILLS AND THE \$20 MILLION FOR THE PERSONAL PROPERTY TAX BILL. SO IF 3.1 PERCENT IS YOUR, SO TO SPEAK, LINE IN THE

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SAND, THAT'S A DECISION THAT YOU GET TO MAKE. AND I KNOW SENATOR GROENE HAS ALREADY EXPLAINED THAT MAY BE WHAT HE DOES NEED, HE MAY VOTE NO ON EVERY BILL BECAUSE HE ONLY WANTS SPENDING TO BE AT 3.1 PERCENT, THAT'S AN INDIVIDUAL DECISION, COLLEAGUES, YOU GET TO MAKE. BUT I'VE NEVER STOOD ON THIS FLOOR AND MADE AN ARGUMENT TO ANYONE THAT WE SHOULD ARBITRARILY PICK NUMBERS AND THAT'S HOW WE'RE GOING TO DEVELOP A STATE BUDGET. THAT WE RANDOMLY PICK A NUMBER OF WHAT WE NEED TO BE AT OF THE SPENDING GROWTH AND THAT'S GOING TO LEAD THE STATE FORWARD, GROW OUR ECONOMY, IMPROVE OUR EDUCATION SYSTEM, AND DEAL WITH THE CHALLENGES THAT WE FACE IN A BROKEN PRISON SYSTEM. AND THE REALITY IS, GOOD PEOPLE CAN DISAGREE, BUT YOU DON'T...I GUESS THE ANALOGY I'VE USED ON THIS FLOOR BEFORE WHICH IS, EVERYONE IS ENTITLED TO THEIR OWN OPINIONS, BUT NO ONE IS ENTITLED TO THEIR OWN SET OF FACTS. AND I TAKE OFFENSE THAT WHEN SENATOR GROENE STANDS ON THE FLOOR AND TRIES TO MAKE CLAIMS THAT ARE FACTUAL, WHEN YOU LOOK AT THE RULES, YOU LOOK AT THE PROCESSES, AND THEY'RE SIMPLY NOT THE CASE. IF HE ONLY WANTS TO SEE STATE SPENDING AT 3.1 PERCENT, VOTE NO ON THIS BILL, VOTE NO ON EVERY APPROPRIATIONS BILL AND YOU'VE GOT THE ABILITY TO DO THAT, AND WE'VE TALKED ABOUT THAT. BUT YOU DON'T HAVE THE ABILITY TO MAKE CLAIMS THAT YOU TRY TO SHROUD IN FACT, AND THEN ATTACK YOUR OTHER COLLEAGUES SAYING, WELL, THEY'RE MISLEADING US, THEY'RE MISINFORMING US ALONG THE WAY, THIS IS WHAT THEY SAID, AND YOU SHOULD BE VOTING NO BECAUSE OF WHAT THEY SAID. ASK ANY APPROPRIATIONS COMMITTEE MEMBER, NO ONE SAID SPENDING WAS GOING TO BE AT 3.1 PERCENT BASED ON ALL OF WHAT WE DID. IT WAS ON OUR RECOMMENDATION FOR THE MAIN LINE BUDGET BILL WAS 3.1 PERCENT. THERE'S A DISTINCT...THERE IS A DISTINCT FOCUS ON THAT. AND MY HOPE IS THAT FOR NEW MEMBERS, THIS IS A PROCESS THAT YOU'LL CONTINUE TO LEARN THROUGH. THAT WHATEVER THE SPENDING GROWTH THE APPROPRIATIONS COMMITTEE KICKS OUT, THAT'S NOT THE FINAL...THAT'S NOT THE FINAL VERDICT. IT'S WHAT THE BODY DECIDES TO DO AFTER THE BUDGET IS PASSED IS WHERE WE'RE AT. AND I WOULD ARGUE, WE HAVE MORE THAN ROUGHLY 60 PERCENT OF THE FUNDING THAT'S LEFT FOR THE FLOOR IS GOING TO TAX-RELATED OR REVENUE-RELATED BILLS. YOU MAY NOT LIKE ALL OF THEM, BUT THAT'S A DECISION THAT THIS BODY HAS DECIDED IN LIGHT OF WHAT'S COME OUT OF REVENUE COMMITTEE, WHAT'S COME OUT OF EDUCATION COMMITTEE. COLLEAGUES, BE CAREFUL WHEN...BE CAREFUL WHEN YOU ALLOW YOURSELF TO STAND ON THE FLOOR AND MAKE QUESTIONS AND MAKE STATEMENTS...
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PRESIDENT FOLEY: ONE MINUTE. [LB382]

SENATOR MELLO: ...THAT MAY SOUND GOOD TO YOUR VOTERS BACK HOME, MAY SOUND GOOD THAT YOU'RE STANDING AND RAGING AGAINST THE SYSTEM. BUT I DISAGREE THAT CIVILITY IS THROWN OUT THE DOOR BECAUSE NO ONE ON THIS BODY THROUGHOUT THE BUDGET DEBATE STOOD UP AND PERSONALLY ATTACKED MEMBERS, PERSONALLY ATTACKED THE LEGISLATURE'S INSTITUTION, TRIED TO MAKE CLAIMS THAT EVERYTHING WE'RE DOING IS SHROUDED IN SECRECY AND THAT APPROPRIATIONS COMMITTEE MEMBERS ARE DOING WHATEVER THEY WANT, AND IT'S SUCH A MALIGNED SYSTEM THAT ALLOWS PEOPLE TO INFLUENCE THIS PROCESS BEYOND WHAT EVERY OTHER MEMBER IN THIS BODY GETS TO DO. EVERY MEMBER GETS TO BRING A MOTION TO AMEND THE BUDGET. EVERY MEMBER GETS TO INTRODUCE BILLS TO SPEND MONEY OR REDUCE REVENUE. AND WHEN IT HAPPENS ON THE BUDGET, IT HAPPENS THREE ROUNDS OF DEBATE. YOU CAN BE CIVIL, COLLEAGUES. WE CAN HAVE DISAGREEMENTS WITHOUT INSINUATING THAT THERE IS SOME NEFARIOUS PLOT BEING CONSPIRED BY MEMBERS OF THE LEGISLATURE BASED ON WHAT I WOULD ARGUE WAS A SOLID BUDGET PROPOSAL THAT 49 OF US VOTED ON LAST WEEK IN A UNANIMOUS VOTE. [LB382]

PRESIDENT FOLEY: TIME, SENATOR. TIME, SENATOR. THANKS, SENATOR MELLO. SENATOR GROENE, YOU'RE RECOGNIZED. [LB382]

SENATOR GROENE: THANK YOU, MR. PRESIDENT. SENATOR MELLO, THE ONLY PERSON I HEAR ATTACKING ANYBODY IS YOU. IN MY OP-ED I WROTE TO INFORM MY CONSTITUENTS, I TALKED ABOUT THE PROCESS. IF SOMEBODY'S SKIN IS THIN AND THE WORLD CENTERS AROUND THEM, I GUESS THEY COULD TAKE IT WRONG. BUT I THINK THE PROCESS NEEDS TO BE FIXED. I FIND IT WRONG. I THINK 40 OTHER SENATORS SHOULD HAVE MORE INPUT INTO THE BUDGET. THAT IS NOT A PERSONAL ATTACK ON ANYBODY. THAT IS A PROCESS THAT'S GONE ASTRAY. I WILL WATCH REAL CLOSE NEXT YEAR IF SOME OF THESE BILLS WITH A FISCAL NOTE HAVE BEEN LOWERED, AND THE NEXT YEAR MONEY IS APPROPRIATED TO THEM. WILL IT BE 3.1 PERCENT FOR THE SECOND YEAR? LAST YEAR IT WENT FROM 6.3 TO 7 AFTER THE SECOND YEAR. THAT'S REALITY. THAT'S FACT. AND I SHARE FACT. I DON'T COME FROM THE GOVERNMENT SIDE OF THE WORLD. I COME FROM FREE ENTERPRISE. I KNOW WHAT A BUDGET LOOKS LIKE. I KNOW YOU LIVE BY THEM. THE 3.1 PERCENT, I CAN'T FIND WHERE THAT FITS. IT WOULD BE THIRD LOWEST IF IT WAS THE FINAL, BUT IT ISN'T THE FINAL. THE APPROPRIATED...THE PROPOSED VERSUS THE FINAL IS ALWAYS DIFFERENT, IT'S ALWAYS HIGHER. IF WE STAY AT 3.1 PERCENT, THEY KEEP THEIR WORD, IT'S THE

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THIRD LOWEST IN THE LAST 30 YEARS. IF IT GOES TO 4 PERCENT BECAUSE WE APPROVE ALL THESE APPROPRIATION BILLS, IT GOES TO SIXTH OR SEVENTH OR FIFTH, SOMEWHERE IN THERE. THAT'S WHERE IT WILL BE. THAT'S TRUTH. PERSONALITIES BE DAMNED. I AIN'T ATTACKING ANYBODY. THIS IS FACT. I GOT A REAL HARD PROBLEM WITH 3.1 PERCENT TURNING INTO 4. JUST LIKE I HAVE THE ABILITY TO PUT AN AMENDMENT ON ANYTHING I HAVE THE RIGHT TO STAND HERE, SENATOR MELLO, AND QUESTION YOU, OR ANYBODY ELSE, OR ANY OTHER COMMITTEE. THICK SKIN IS SOMETHING I WOULD HOPE SOMEBODY HAD AFTER SIX YEARS IN POLITICS. I HAVE IT BECAUSE I WAS ON THE OUTSIDE FIGHTING POLITICS--3.1 PERCENT IS WHAT WE TOLD WE'RE GOING TO GET. I'M GOING TO FIGHT FOR YOU GUYS TO HONOR YOUR 3.1 PERCENT AMENDMENT. I'M ON YOUR SIDE, SENATOR MELLO. YOU TOLD THE PRESS THIRD LOWEST, 3.1 PERCENT. I'M GOING TO STAND HERE AND FIGHT WITH YOU TO MAKE SURE IT STAYS AT 3.1 PERCENT. I DON'T SEE HOW THAT'S PERSONALLY ATTACKING ANYBODY. I'M HELPING YOU, HELPING EVERYBODY ON THE APPROPRIATIONS COMMITTEE. A LOT OF YOU ARE MY FRIENDS. GOING TO TRY TO HELP YOU. IT'S AN A BILL. SENATOR COOK'S BILL, I'M GOING TO VOTE FOR BECAUSE IT ISN'T NEW APPROPRIATIONS OUT OF GENERAL FUNDS. THAT MAKES SENSE TO ME. I SUPPORTED IT OUT OF A...IT'S GETTING BETTER USE OF FUNDS, MORE DIRECTED USE OF THOSE FUNDS THAT WERE ALREADY APPROPRIATED. BUT WHEN IT'S A GENERAL FUND NEW APPROPRIATION, I'M VOTING NO. I'M GOING TO HELP SENATOR MELLO KEEP HIS PROMISE TO THE PEOPLE AT 3.1 PERCENT, THIRD LOWEST IN 30 YEARS. THAT'S MY PLAN. THAT'S GOOD GOVERNMENT. MAKE A COMMITMENT TO THE PEOPLE, HEADLINES IN THE PAPERS, 3.1 PERCENT, WELL, THEN LET'S MAKE SURE IT'S 3.1 PERCENT AT THE END OF THE DAY. NOW, WE HEAR SEMANTICS, WELL, THAT AIN'T WHAT WE MEANT. WE DIDN'T MEAN THAT. EVERYBODY KNOWS. IS, WHAT'S THE DEFINITION OF IS? I DON'T COME FROM THE POLITICAL END OF BUDGETING. I COME FROM HARD NUMBERS--CREDITS AND DEBITS. YOU TOLD ME 3.1 PERCENT, WE'RE GOING TO LIVE TO IT, IF I CAN DO IT. [LB382]

PRESIDENT FOLEY: ONE MINUTE. [LB382]

SENATOR GROENE: I'M GOING TO HELP YOU. AND NEXT YEAR I'M GOING TO TRY TO GET SOME NEW RULES CHANGES. IF ANY NEW PROGRAMS GO OUTSIDE THE APPROPRIATIONS AND JUST DON'T SHOW UP IN A \$10 BILLION, I'M GOING TO WORK FOR THAT. THAT'S A PROCESS CHANGE. THAT'S NOT A PERSONAL ASSAULT ON ANYBODY. THAT'S A BELIEF I HAVE ABOUT POLITICS. YOU WANT TO TAKE IT PERSONAL, THAT'S FINE. I DON'T UNDERSTAND IT. THE WORLD DON'T ROTATE AROUND YOU. I'M HERE TO CHANGE POLICY TO MAKE IT RIGHT, SUPPORT THE

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TAXPAYER, AND IF YOU DON'T LIKE IT AND YOU WANT TO TAKE IT PERSONAL, GO AHEAD. SO LET'S KEEP GOING. WHEN THE A BILLS COME UP, I'M VOTING NO. AMEN. [LB382]

PRESIDENT FOLEY: THANKS, SENATOR GROENE. SENATOR BRASCH, YOU'RE RECOGNIZED. [LB382]

SENATOR BRASCH: THANK YOU, MR. PRESIDENT. AND I STAND BECAUSE I DID HEAR SENATOR GROENE BEING ATTACKED ON THIS, AND MANY OTHERS HERE TODAY THAT ARE JUST ASKING A QUESTION. WE ARE RESPONSIBLE HERE FOR MANY THINGS. I WENT HOME OVER THE WEEKEND AND MY CONSTITUENTS ARE ASKING ME A LOT OF QUESTIONS. I MADE SEVERAL PHONE CALLS OVER THE WEEKEND TO SOME OF OUR PAST COLLEAGUES THAT WERE IN HERE. I WAS ASKING FOR SOME ADVICE, SOME CLARITY. SOME WHO TRAVELED THE STATE HAD MENTIONED WHAT THEY'RE HEARING IS MANY OF THE NEW COLLEAGUES HERE, AND OTHERS, AREN'T EVEN GOING BACK TO THEIR DISTRICTS. BEFORE WE START POINTING FINGERS, POKING SOMEONE IN THE EYE, CALL HOME. SEE WHAT YOUR CONSTITUENTS...THEY ARE CONCERNED ABOUT THE BUDGET, THEY ARE CONCERNED ABOUT THE PRISONS. THAT MONEY IS FOR THE PRISONS SHOULD WE NEED IT. AND I DID WANT TO STAND AND TELL SENATOR GROENE, THANK YOU FOR ASKING TOUGH QUESTIONS, AND ANYONE HERE WHO IS JUST NOT FALLING IN LINE. THERE'S A LOT OF PEOPLE TALKING TO PEOPLE UNDER THE BALCONIES TODAY, TO MY LEFT, TO MY RIGHT, IT WAS BEHIND ME. WE'RE DOWN TO THE WIRE. AND DOES THIS WIRE REFLECT WHAT THOSE WHO TRAVEL THE STATE WHO HAVE TALKED TO THOUSANDS AND THOUSANDS AND THOUSANDS OF CONSTITUENTS, DOES THIS ALIGN THERE? AND IF YOU NEED THE TIME TO ASK A QUESTION OF THE CHAIRMAN ABOUT APPROPRIATIONS, THIS IS THE TIME TO MAKE THE RIGHT DECISION. THANK YOU, MR. PRESIDENT. AND THANK YOU, COLLEAGUES. [LB382]

PRESIDENT FOLEY: THANK YOU, SENATOR BRASCH. SENATOR MELLO, YOU'RE RECOGNIZED. THIS IS YOUR THIRD OPPORTUNITY, SENATOR. [LB382]

SENATOR MELLO: THANK YOU, MR. PRESIDENT AND MEMBERS OF THE LEGISLATURE. UNFORTUNATELY, I DON'T UNDERSTAND ANYONE WHO ATTACKS SENATOR GROENE. I THINK I POINTED OUT THAT YOU'RE ENTITLED TO YOUR OWN OPINIONS, BUT YOU'RE NOT ENTITLED TO YOUR OWN FACTS. I GUESS THAT'S SOMETHING THAT ALL OF US CAN GENERALLY AGREE ON. I DON'T THINK THAT'S SAYING ANYTHING BAD ABOUT AN INDIVIDUAL. IT'S TRYING TO SET THE

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RECORD STRAIGHT. BUT I DO WANT TO GIVE, TO SOME EXTENT, A LITTLE BACKGROUND IN REGARDS TO WHERE THE GREEN SHEET WOULD LEAD US, IN RESPECTS TO SOME EXTENT, A COMMENT I MADE EARLIER ON THE MIKE IN REGARDS TO SENATOR GLOOR'S PERSONAL PROPERTY TAX ACT. IF ALL FINAL READING, SELECT TO FINAL READING APPROPRIATION BILLS, ONLY APPROPRIATION BILLS WOULD BE PASSED, SPENDING OVER THE BIENNIUM WOULD BE AT 3.5 PERCENT AND TWO-TENTHS OF THAT PERCENTAGE IS PURELY BASED ON SENATOR GLOOR'S PERSONAL PROPERTY TAX ACT BECAUSE IT'S TREATED VERY SIMILAR TO THE HOMESTEAD EXEMPTION, WHICH IS A TAX RELIEF PROPOSAL THAT WE PASSED YEARS AGO, BUT IT ONLY IS FUNDED THROUGH GENERAL FUND APPROPRIATIONS. SO, THAT'S THE FIRST ITEM. THE SECOND ITEM, THOUGH, AND I DO TAKE OFFENSE WHEN MEMBERS ON THE FLOOR TRY TO INSERT WHAT THEIR INTERPRETATION OF ANOTHER MEMBER'S WORDS OR INSINUATIONS OF THEIR REMARKS ARE, COLLEAGUES, I'VE GOT NO PROBLEM IF WE LOOK THROUGH ALL OF THE TRANSCRIPTS OVER THE SESSION REGARDS TO WHAT I'VE SAID ON THE MIKE IN REGARDS TO STATE SPENDING GROWTH. I WAS VERY CLEAR THAT THE APPROPRIATIONS COMMITTEE RECOMMENDATION WAS AT 3.1 PERCENT AND I KNOW SENATOR WATERMEIER SAID ON GENERAL FILE, TO REITERATE THAT POINT, THAT I CLARIFIED AND BACKED UP HIS POINT OF VIEW WHICH IS, IF ALL OF THE SPENDING BILLS THROUGHOUT EVERYTHING ELSE, IF THE WHOLE \$47 MILLION IS SPENT ON A BILLS, IT WOULD INCREASE THE SPENDING MORE THAN 3.5 PERCENT, ROUGHLY 3.7 PERCENT. BUT IF YOU LOOK AT THOSE FINAL READING AND SELECT FINAL APPROPRIATION BILLS, IT'S 3.5 PERCENT. AND NOWHERE, SHAPE OR FORM DID I EVER SAY THAT WE WERE ONLY GOING TO PASS 3.1 PERCENT SPENDING GROWTH BASED ON A NUMBER OF BILLS THAT WERE OUTSIDE OF THE BUDGET THAT GOVERNOR RICKETTS ALSO INCLUDED FUNDING FOR AS WELL. PRIMARILY, LOOK AT THE JUSTICE REINVESTMENT ACT, LB605, WHICH IS THE MAIN PRISON REFORM BILL. SO, COLLEAGUES, I DO TAKE OFFENSE IN REGARDS TO WHEN ANOTHER MEMBER TRIES TO INSERT LANGUAGE, OR STATEMENTS THAT SOMEONE ELSE HAS MADE ON THEIR BEHALF. I'VE GOT PRETTY THICK SKIN, AS MANY OF YOU KNOW, IN REGARDS TO DOING THIS JOB OVER THE LAST FEW YEARS. BUT I DON'T LIKE TO SEE MEMBERS ON THE FLOOR TRY TO SAY SO AND SO SAID THIS AND WE'VE GOT TO AGREE AND HOLD THEM ACCOUNTABLE WHEN I KNOW SO AND SO DID NOT SAY THAT. AND I'VE GOT THE TRANSCRIPTS TO BACK ME UP. AND I GOT THE OTHER APPROPRIATIONS COMMITTEE MEMBERS WHO GOT ON THE MIKE AND SAID VERY SIMILAR COMPONENTS WHEN WE WERE DEBATING THE BUDGET. SENATORS GROENE IS RIGHT, YOU CAN VOTE AGAINST EVERY APPROPRIATIONS BILL IF YOU WANT, COLLEAGUES. THAT'S A DECISION THAT EACH OF US GET TO MAKE. BUT NO WAY, SHAPE OR FORM HAVE WE EVER,

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EVER, IN MY TIME IN THIS BODY, MADE DECISIONS ON SOME ARBITRARY SPENDING NUMBER. WE INCLUDED THE SECOND LARGEST PROPERTY TAX CUT IN 30 YEARS IN OUR BUDGET THIS YEAR. SO, FOR MEMBERS NOT TO SAY WE'RE NOT TRYING TO TACKLE PROPERTY TAX RELIEF, I WILL BEG TO DIFFER ON THAT. BUT WE DID SO WITHIN THE APPROPRIATIONS COMMITTEE RECOMMENDATION OF 3.1 PERCENT FROM OUR BUDGET RECOMMENDATION. BUT SENATOR GLOOR'S PERSONAL PROPERTY TAX ACT IS A GOOD BILL AND IT REDUCES TAXES FURTHER AND IT'S GOING TO INCREASE SPENDING. SO, THAT'S THE DECISION, IF YOU DON'T WANT TO BE ABOVE 3.1 PERCENT, THAT'S A DECISION YOU GET TO MAKE OF WHETHER OR NOT YOU WANT TO REDUCE PROPERTY TAXES BECAUSE IT'S GOING TO SHOW UP AS A GENERAL FUND APPROPRIATION. THAT'S A DECISION THAT EACH OF US GET TO MAKE, COLLEAGUES. AND MY HOPE IS THAT YOU LOOK THROUGH THE BILLS ON FINAL READ ON SELECT FINAL...SELECT FILE, YOU'LL IDENTIFY THAT WE HAVE A NUMBER OF GOOD BILLS THAT WARRANT PASSAGE AND BECOME LAW BECAUSE THEY'RE HELPING MOVE OUR STATE FORWARD. [LB382 LB605]

PRESIDENT FOLEY: ONE MINUTE. [LB382]

SENATOR MELLO: WITH THAT, THANK YOU, MR. PRESIDENT. [LB382]

PRESIDENT FOLEY: THANK YOU, SENATOR MELLO. (VISITORS INTRODUCED.)
SENATOR KINTNER, YOU'RE RECOGNIZED. [LB382]

SENATOR KINTNER: WELL, THANK YOU, MR. PRESIDENT. SENATOR MELLO, WILL YOU YIELD TO A QUESTION? [LB382]

PRESIDENT FOLEY: SENATOR MELLO, WOULD YOU YIELD, PLEASE? [LB382]

SENATOR MELLO: YES. [LB382]

SENATOR KINTNER: THANK YOU. IN THE GOVERNOR'S BUDGET, HE PUT--AS I RECALL, I NEED YOU TO REFRESH MY MEMORY--HE PUT \$10 MILLION TOWARD THE CSG RECOMMENDATIONS THAT ULTIMATELY BECAME LB605, IS THAT CORRECT? [LB382 LB605]

SENATOR MELLO: SENATOR KINTNER, I'D HAVE TO LOOK AT THE GOVERNOR'S SPECIFIC RECOMMENDATION. I BELIEVE THE GOVERNOR LEFT \$18 MILLION

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SPECIFICALLY, I THOUGHT, FOR THE FLOOR IN REGARDS TO A BILLS THAT WERE NONREVENUE-RELATED. I COULD BE MISTAKEN ON THAT NUMBER, BUT I BELIEVE IT WAS \$18 MILLION. AND I BELIEVE THAT THE GOVERNOR HAD SAID IT WAS FOR ANY AND ALL PRISON-RELATED, AS WELL AS OTHER A BILLS THAT FALL OUTSIDE OF THE BUDGET, WHICH THE GOVERNOR, AS A NEW GOVERNOR, ALSO ACKNOWLEDGES A NUMBER OF BILLS THAT REQUIRE SMALL APPROPRIATIONS TO IMPLEMENT AN ACT. [LB382]

SENATOR KINTNER: THANK YOU, MR. CHAIRMAN. YOU KNOW, I THINK THIS IS ENTIRELY THE RIGHT...THE RIGHT QUESTIONS TO BE ASKING. AND SENATOR MELLO, CHAIRMAN MELLO IS CORRECT, 3.1 IS BEFORE THE FLOOR SPENDING. BUT, YOU KNOW, IF NOT AN ARBITRARY NUMBER, WHAT DO YOU BASE THE NUMBER ON? YOU GOT TO DRAW A LINE IN THE SAND AND SAY, THIS IS TOO MUCH. AND WE ALL DRAW A LINE IN THE SAND. EVERYONE'S GOT THEIR OWN LINE IN THE SAND. WHAT'S TOO MUCH AND WHAT'S NOT ENOUGH. AND I'M JUST ASKING MY FELLOW COLLEAGUES TO DRAW THE LINE IN THE SAND SOONER RATHER THAN LATER. AND, YOU KNOW, SOME THINGS THAT DON'T MAKE THE CUT THIS YEAR, WE COULD...MAY VERY WELL BE IN LINE NEXT YEAR OR THE NEXT BUDGET. BUT IF WE JUST KEEP SPENDING LIKE WE'RE DOING, AND I KNOW WE'RE BETTER OFF, I GUESS THE POINT OF REFERENCE FOR ME IS MY FIRST TWO YEARS AND IT WAS ABOUT 6.5 OVER TWO YEARS. SO, I WANT TO RESIST SAYING, WELL, THIS IS JUST A LOT BETTER THAN THAT, SO LET'S DO IT. I THINK WE CAN ALWAYS DO BETTER. YOU KNOW, AND WE PUT OUR OWN MONEY ON THE LINE. YOU KNOW, I THINK WE'RE A LOT TIGHTER WITH IT, IT'S OTHER PEOPLE'S MONEY, WE'RE NOT LOOSER WITH IT. I WANT YOU TO TREAT THIS LIKE IT'S YOUR OWN MONEY. THINK ABOUT, LIKE THIS IS YOUR MONEY. WHAT WOULD YOU BE INVESTING YOUR MONEY IN? I THINK IF YOU DO THAT, YOU'LL BE A LOT LESS LIKELY TO SPEND MONEY AND MAYBE WE'LL KEEP THIS THING CLOSER TO 3.1 THAN 4.0. AND WITH THAT, I THANK YOU, MR. PRESIDENT, AND MR. CHAIRMAN, THANK YOU. [LB382]

PRESIDENT FOLEY: THANK YOU, SENATOR KINTNER, SENATOR KEN HAAR, YOU'RE RECOGNIZED. [LB382]

SENATOR HAAR: MR. PRESIDENT, MEMBERS OF THE BODY, I HAVE A QUESTION FOR SENATOR MELLO. [LB382]

PRESIDENT FOLEY: SENATOR MELLO, WILL YOU YIELD, PLEASE? [LB382]

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SENATOR MELLO: YES. [LB382]

SENATOR HAAR: SENATOR MELLO, THERE WAS AN OP-ED BY A SENATOR SAYING THAT THERE WAS SOME KIND OF OATH TAKEN BY MEMBERS OF THE APPROPRIATIONS COMMITTEE TO VOTE THE SAME. DO YOU REMEMBER ADMINISTERING THAT OATH TO ME THIS YEAR? (LAUGHTER) [LB382]

SENATOR MELLO: I DO NOT REMEMBER DOING ANYTHING OF THE SORT, SENATOR HAAR. [LB382]

SENATOR HAAR: DID I ALWAYS VOTE THE WAY THE REST OF THE COMMITTEE DID IN APPROPRIATIONS COMMITTEE? [LB382]

SENATOR MELLO: NO. [LB382]

SENATOR HAAR: DID I VOTE...WELL, THERE WAS THE VOTE FOR THE CREIGHTON FUNDING. I DON'T KNOW IF YOU RECALL HOW I VOTED ON THE FLOOR. DID I BREAK MY OATH BY NOT VOTING? [LB382]

SENATOR MELLO: NO. [LB382]

SENATOR HAAR: OKAY. AND I'M JUST... YOU KNOW, A BIT OF HUMOR HERE, BUT SOME THINGS HAVE BEEN SAID THAT MAKE PEOPLE DISTRUST THE PROCESS. AND THERE IS NO OATH IN THE APPROPRIATIONS COMMITTEE FOR EVERYBODY TO VOTE THE SAME WAY. THERE'S A LOT OF DEBATE IN APPROPRIATIONS COMMITTEE AND ANYBODY ON THE FLOOR, WHEN THE BUDGET CAN COME UP, CAN MAKE AMENDMENTS TO THE BUDGET. NOW, IF YOU DON'T UNDERSTAND EVERYTHING, HELL, I NEVER UNDERSTOOD EVERYTHING THAT CAME UP IN THAT BUDGET BOOK EITHER. AND THAT'S A BIG CHALLENGE WE HAVE HERE, BUT WE CAN ALL MAKE THOSE AMENDMENTS, WE CAN ALL PROPOSE THOSE AMENDMENTS. THERE IS NO SECRET SOCIETY OF APPROPRIATIONS COMMITTEE. I JUST WANTED TO MAKE THAT VERY CLEAR. THANK YOU VERY MUCH. [LB382]

PRESIDENT FOLEY: THANKS, SENATOR HAAR. SENATOR GROENE, YOU'RE RECOGNIZED AND THIS IS YOUR THIRD OPPORTUNITY, SENATOR. [LB382]

SENATOR GROENE: THANK YOU, MR. PRESIDENT. I WANT TO THANK SENATOR HAAR. THAT'S THE FIRST TIME I'VE HEARD FROM NINE MEMBERS OF THE

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APPROPRIATIONS COMMITTEE THAT THEY VOTED NO, OR THEY DIDN'T LIKE ONE OF THE ISSUES INDIVIDUALLY VOTED ON IN THE APPROPRIATIONS COMMITTEE. WE DON'T KNOW THAT. WE DON'T KNOW. THE REST OF US WERE SITTING THERE...HERE, WE DON'T KNOW WHAT THE DEBATE WAS IN EXEC. WE DON'T KNOW WHAT THE FINAL VOTES WERE. WAS IT 5 TO 4, 6 TO 3? SENATOR HAAR IS THE FIRST ONE THAT'S EVER ADMITTED HE DIDN'T VOTE YES ON ONE OF THE ISSUES, THE CREIGHTON DEAL, IT SOUNDED LIKE. IS THERE AN UNWRITTEN RULE IN ORIENTATION OF FRESHMEN WE'RE TOLD? TRADITION. UNWRITTEN RULE. NINE APPROPRIATIONS COMMITTEE MEMBERS HANG TOGETHER. IT HAPPENED THIS YEAR AGAIN. I SEE NOTHING WRONG WITH THAT IF THEY ALL AGREE, BUT I FIND IT HARD TO BELIEVE THAT ONE OF THEM WOULDN'T STAND UP AND SAY, WELL, I HAD SOME DOUBTS ABOUT THIS IN THE \$10 BILLION BUDGET. AND THIS IS WHY I HAD DOUBTS, AND I THINK MY COLLEAGUES SHOULD KNOW THAT. THAT'S FINE. THAT'S TRADITION, BUT DON'T LAUGH IT OFF AND SAY IT DON'T HAPPEN. IT HAPPENS. MY ARTICLE THAT I WROTE SAID: IN TWO YEARS, WHO'S RUNNING FOR APPROPRIATIONS COMMITTEE CHAIRMAN? I AM GOING TO ASK THEM BEFORE I VOTE FOR THAT PERSON, DO THEY BELIEVE IN FREE SPEECH? ARE THEY GOING TO ALLOW...ENCOURAGE THE MEMBERS OF THE APPROPRIATIONS COMMITTEE TO DISCUSS THE BUDGET WITH THEIR FELLOW MEMBERS? THAT'S A REASONABLE QUESTION. IT'S CALLED FREE SPEECH IN A DEMOCRACY. DOES ANYBODY SEE WRONG WITH THAT? THAT'S CALLED RATIONAL THINKING. AND THAT'S WHAT I'M GOING TO DO. NOW, IS THAT AN ATTACK ON THE APPROPRIATIONS COMMITTEE? I DON'T BELIEVE SO. I BELIEVE, I THINK, SOME CHANGES OUGHT TO BE DONE TO THE PROCESS. A RULE CHANGE HERE OR THERE. I MENTIONED THAT I DON'T THINK IF YOU'RE ON THE APPROPRIATIONS COMMITTEE YOU SHOULD BE SPONSORING BILLS THAT ARE ONLY HEARD BY THE APPROPRIATIONS COMMITTEE, AND IF ACCEPTED BY THE APPROPRIATIONS COMMITTEE, TIED IN TO A \$10 BILLION BILL WHEN EVERY OTHER PROGRAM GOES THROUGH EDUCATION, AGRICULTURE, YOU NAME IT. TRANSPORTATION. IT COMES TO THE FLOOR AND WE TAKE THREE ROUNDS AT IT. AND THEN IF IT HAS AN APPROPRIATIONS BILL, WE VOTE ON THAT APPROPRIATIONS BILL, AND THEN IT GOES ON TO THE APPROPRIATIONS COMMITTEE AND ADDED TO IT. NICE REASONABLE PROCESS FROM A UNICAMERAL, A ONE-HOUSE BODY. IN A TWO-HOUSE BODY, THERE'S TWO APPROPRIATIONS COMMITTEES AND THEN THERE'S A GROUP THAT MEETS IN BETWEEN AND COMES TO A CONCLUSION. IT IS CRITICAL THAT A ONE-HOUSE BODY, EVERY NEW PROGRAM, EVERY NEW SPENDING MANEUVER GOES THROUGH THE BODY. DO I BLAME ANYBODY WHO DID THAT? IT'S ACCEPTED PRACTICE. NEVER SAID I DID. I SAID THE PRACTICE IS WRONG. THE PROCESS IS WRONG, IN MY OPINION. NOW, YOU CAN TAKE IT PERSONAL...A LONG TIME AGO,

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I LEARNED WHEN I USED TO TAKE IT PERSONAL, WHEN THEY ATTACK YOU, YOU WON THE DEBATE. WHEN THEY CAN NO LONGER...WHEN I GET E-MAILS AND THEY ATTACK ME PERSONALLY, I SMILE. I WON THE DEBATE BECAUSE THEY CAN'T TAKE ME ON ON THE FACTS. SO THEY'VE GOT TO GET THEIR DANDER UP, AND HUFF AND PUFF, AND CALL YOU NAMES... [LB382]

PRESIDENT FOLEY: ONE MINUTE. [LB382]

SENATOR GROENE: ...OR TALK ABOUT HONOR. LET'S TALK ABOUT THE FACTS. LET'S DEBATE THE FACTS AND I'LL GET ALONG WITH EVERYBODY IN THIS BODY. IT'S CHANGED BEFORE, THE PROCESS HAS CHANGED BEFORE AND I'M GOING TO PUSH. I'M ONE MAN, ONE SENATOR, AND I'M GOING TO KEEP TRYING TO CHANGE IT. IS THAT OKAY WITH ALL OF YOU? I DON'T THINK IT'S RIGHT. NOW, IF YOU DON'T WANT TO HAVE TEA WITH ME, THAT'S FINE, BUT I'M GOING TO GO HOME AND HAVE TEA WITH MY 36,000 CONSTITUENTS WHO I REPRESENT, AND THEY WONDER WHAT'S GOING ON DOWN HERE. I TOLD THEM IT'S A NUT HOUSE AND I CAN'T WAIT TO GET BACK HOME WHERE WORKING PEOPLE EXIST AND RESPECT \$500,000 OR \$1 MILLION. SURE DON'T DOWN HERE. SO, ANYWAY, DID I JUST INSULT THE INSTITUTION? I'M SORRY. IT'S NOT YOUR INSTITUTION, IT'S THE PEOPLES. AND I'M TALKING DIRECTLY TO THE PEOPLE. NOW, YOU FIND THAT WRONG AND I'M SUPPOSED TO RUB SHOULDERS WITH YOU GUYS, THAT'S FINE TOO. I CAN DO IT IF YOU STAND WITH ME. [LB382]

PRESIDENT FOLEY: TIME, SENATOR. [LB382]

SENATOR GROENE: THANK YOU. [LB382]

PRESIDENT FOLEY: THANK YOU, SENATOR GROENE. SENATOR KINTNER, YOU'RE RECOGNIZED. [LB382]

SENATOR KINTNER: WELL, THANK YOU, MR. PRESIDENT. YES, IT IS A MADHOUSE DOWN HERE. YES, PEOPLE ARE SCRATCHING THEIR HEAD AS TO WHAT'S IN THE WATER DOWN HERE, WHAT'S GOING ON. THIS PLACE HAS GONE SO FAR IN LEFT FIELD, PEOPLE ARE WONDERING WHAT'S GOING ON DOWN HERE. BUT LET'S TALK ABOUT THE BUDGET. I KIND OF WANT TO WALK THROUGH FOR SENATOR GROENE WHAT IT LOOKS LIKE IN THE ROOM. CHAIRMAN MELLO WILL GO, HE'LL HAVE A...HAVE AN AGENCY, AN APARTMENT, A PROGRAM, A BILL, AND HE'LL ASK FOR FIVE HANDS. WELL, ACTUALLY SOMEONE WILL MOVE, WILL MOVE...WILL MOVE IT, SOMEBODY WILL SECOND IT, AND THEN WE'LL DEBATE IT,

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AND THEN THERE WILL BE FIVE HANDS. IT'S ONLY A RECORD ROLL CALL VOTE IF SOMEBODY ASKS FOR IT. SO, SOMETIMES WE DO A ROLL CALL VOTE, SOMETIMES TO PROTECT OURSELVES, THAT'S USUALLY WHY IT'S DONE. SOMETIMES IT'S VERY IMPORTANT, BUT THEY'RE NOT ALL ROLL CALL VOTES, SOMETIMES IT'S JUST FIVE HANDS. THERE ARE CERTAINLY THINGS THAT WE VOTE AGAINST. THERE WAS A \$25 MILLION FOR UNMC, I VOTED AGAINST THAT. I DIDN'T...I DON'T THINK I RAISED MY HAND. I DON'T THINK IT WAS A ROLL VOTE. I THINK IT'S A NICE...NICE TEACHING AID, IT'S GREAT TO HAVE, BUT NOT AT THAT COST WHEN IT TAKES ONGOING MONEY. SO, I DISAGREED WITH THAT. I JUST THOUGHT THAT THAT WAS NOT WHAT WE SHOULD BE SPENDING OUR MONEY ON. INSTEAD OF BUYING IT NOW, LET THEM RAISE MONEY FOR FIVE OR SIX YEARS, THEN BUY IT INSTEAD OF HAVING THE TAXPAYERS COME DO THE MONEY NOW. SO, THERE'S AN EXAMPLE OF ONE I DIDN'T AGREE WITH. BUT IT'S AN ENTIRE BUDGET. AND AT THE END OF THE DAY, YOU'VE GOT TO LOOK AT THE ENTIRE BUDGET AND DECIDE IF THERE'S ENOUGH OF YOU SUPPORT, OR IF IT'S TOO BAD AND YOU CAN'T SUPPORT IT. LAST YEAR I COULD NOT SUPPORT THE BUDGET. I WAS THE ONLY ONE. IT CAME OUT 8 TO 1. I THOUGHT THAT WAS ENTIRELY TOO MUCH SPENDING AND I PERSONALLY THOUGHT THAT PEOPLE PRETTY MUCH GOT BOUGHT OFF ON THE APPROPRIATIONS COMMITTEE WITH PROJECTS IN THEIR DISTRICT AND THINGS THAT THEY...THEIR PRIORITIES. AND, OF COURSE, I DON'T INTRODUCE SPENDING BILLS, SO I REALLY DIDN'T HAVE ANYTHING TO BUY ME OFF ON. SO, YOU KNOW, I COULDN'T SUPPORT THAT. THIS YEAR, I HAD TO LOOK AT THE ENTIRE BUDGET. THERE WERE THINGS I LIKED. THERE WERE THINGS I DIDN'T LIKE, BUT, YOU KNOW, AT THE END OF THE DAY AS THEY SAY, I THOUGHT THERE WAS MORE GOOD IN IT THAN BAD, AND I THOUGHT I COULD COME TO THIS FLOOR AND DEFEND THE BUDGET AND EXPLAIN IT TO MY FELLOW SENATORS. IT'S NOT QUITE AS SECRET AS YOU MIGHT THINK, SENATOR GROENE. IT'S NOT THE EASIEST PROCESS. AND I'M LOOKING AT THE ALTERNATIVES ON HOW TO DO A BUDGET, AND I'M NOT SURE I SEE ANY THAT ARE PARTICULARLY BETTER. SO, I AM...I VOTED FOR THE BUDGET. I THOUGHT OVERALL I THOUGHT IT WAS A PRETTY DECENT BUDGET. AND THERE'S NOT A SINGLE PERSON, NOT SENATOR HILKEMANN, NOT SENATOR WATERMEIER, NOT SENATOR STINNER, OR BOLZ, OR ANYONE ELSE THAT GOT EVERY...NORDQUIST...THAT GOT ANYTHING OR EVERYTHING THAT THEY WANTED. THERE WERE COMPROMISES MADE ALL THE WAY AROUND AND WE CAME OUT WITH OUR PIECE OF SAUSAGE AND NOW WE LOADED IT AND THE GOVERNOR IS GOING TO SIGN. HE MIGHT SLICE IT A LITTLE BIT, BUT HE'LL SIGN IT, AND WE DID OUR JOB. IT'S NEVER PERFECT. NOW, WE'RE DEBATING HOW MUCH MORE TO SPEND OVER THE BASIC BUDGET. AND THAT'S WHAT WE'RE DEBATING TODAY, BUT I HOPE THAT EXPLAINED IT A LITTLE BIT BETTER AND

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CERTAINLY COME TO SEE ME OFF OF THE MIKE IF THERE ANYONE HERE HAS ANY QUESTIONS AND ANYONE ON THE COMMITTEE WOULD BE HAPPY TO ANSWER THOSE QUESTIONS. AND I WILL SAY THIS ABOUT MY COLLEAGUES. THERE WERE NINE HARDWORKING PEOPLE THAT TOOK IT SERIOUSLY, THAT DUG INTO THE NUMBERS AND DID THEIR BEST TO UNDERSTAND IT, AND THEY ASKED GOOD QUESTIONS. AND WE ALL DIDN'T AGREE AFTER WE GOT THOSE ANSWERS. [LB382]

PRESIDENT FOLEY: ONE MINUTE. [LB382]

SENATOR KINTNER: BUT FOR THE MOST...WE WERE CIVIL, WE WORKED...WE WORKED THROUGH IT TOGETHER. AND I THINK THAT'S THE WAY THIS PROCESS IS SUPPOSED TO WORK, AND IT'S NOT GOING TO MAKE EVERYONE HAPPY. AND WE OUGHT TO BE ASKING THE TOUGH QUESTIONS. THERE'S NOTHING WRONG WITH ASKING ABOUT THE SYSTEM AND HOW IT WORKS AND WHY IT'S DONE THIS WAY. THAT'S HOW YOU LEARN. THANK YOU, MR. PRESIDENT. [LB382]

PRESIDENT FOLEY: THANK YOU, SENATOR KINTNER. SENATOR KRIST, YOU'RE RECOGNIZED. [LB382]

SENATOR KRIST: QUESTION. [LB382]

PRESIDENT FOLEY: QUESTION HAS BEEN CALLED. DO I SEE FIVE HANDS? I DO. THE QUESTION IS, SHALL DEBATE CEASE? ALL THOSE IN FAVOR OF CEASING DEBATE VOTE AYE; THOSE OPPOSED VOTE NAY. RECORD, PLEASE, MR. CLERK. [LB382]

CLERK: 29 AYES, 0 NAYS, MR. PRESIDENT, TO CEASE DEBATE. [LB382]

PRESIDENT FOLEY: DEBATE DOES CEASE. SENATOR HANSEN FOR A MOTION. [LB382]

SENATOR HANSEN: MR. PRESIDENT, I MOVE THAT WE ADVANCE LB382 TO E&R FOR ENGROSSING. [LB382]

PRESIDENT FOLEY: YOU'VE HEARD THE MOTION TO ADVANCE THE BILL. ALL THOSE IN FAVOR SAY AYE. THOSE OPPOSED SAY NAY. THE BILL ADVANCES. MR. CLERK, LB382A. [LB382 LB382A]

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CLERK: LB382A, MR. PRESIDENT, I HAVE NO AMENDMENTS TO THE BILL. [LB382A]

PRESIDENT FOLEY: SENATOR LARSON, YOU'RE RECOGNIZED. [LB382A]

SENATOR LARSON: THANK YOU, MR. PRESIDENT. I JUST WANTED TO RESPOND REALLY QUICK TO SENATOR KINTNER IN THE SENSE OF HIS NO VOTE LAST YEAR ON THE BUDGET. I WAS A MEMBER OF APPROPRIATIONS LAST YEAR AND I THOUGHT IN THE DEFENSE OF THAT COMMITTEE, WE BUILT A STRONG BUDGET. WE INVESTED ACROSS THE STATE OF NEBRASKA AND A LOT OF INFRASTRUCTURE AND PROJECTS THAT WILL MAKE NEBRASKA A BETTER PLACE. IF HE WANTS TO SAY THAT SOME OF US WERE BOUGHT OFF TO SUPPORT THE BUDGET, YOU KNOW, I'D LIKE TO REPLY IN THE SENSE OF I HAD A PROJECT GO TO PONCA STATE PARK, AND ESSENTIALLY THE PARK SYSTEM AS A WHOLE, \$17.5 MILLION WITH 2.5 GOING DIRECTLY TO PONCA. NOW, MIND YOU, PONCA IS ONE OF THE PARKS, IT WILL BE THE FIFTH PARK TO GO UNDER THE BLACK AS SOON AS THE PROJECTS THAT ARE DONE GET DONE THERE. AND WHEN A PARK GOES INTO THE BLACK, THAT MEANS IT'S NOT DRAINING THE REST OF THE SYSTEM. AND IF IT'S NOT DRAINING THE REST OF THE SYSTEM, THAT MEANS THERE'S MORE MONEY TO GO TO THE \$44 MILLION THAT WAS IN DEFERRED MAINTENANCE TO GET TO THINGS LIKE ADA COMPATIBILITY WITH ALL THE PARKS AND MAKING SURE EVERYONE HAS ACCESS TO THOSE PARKS. WE INVESTED MORE MONEY INTO THE PROPERTY TAX CREDIT RELIEF FUND. IF YOU WANT TO SAY THAT I GOT BOUGHT OFF BECAUSE WE PUT MORE MONEY INTO PROPERTY TAX RELIEF, FINE. IF YOU WANT TO SAY THAT WE GOT BOUGHT OFF TO INVEST, NOW, AND GET RID OF A PROJECT THAT IS JUST OUTSIDE HIS DISTRICT IN ARBOR DAY LODGE SO THE STATE WASN'T GOING TO HAVE TO DEAL WITH IT FOR THE NEXT 100 YEARS AND INVEST IN IT CONTINUALLY, FINE. WE BUILT A REALLY GOOD BUDGET LAST YEAR. NOW, YOU CAN HIT ME IN TERMS OF SAYING, OH, WE INCREASED SPENDING 5 PERCENT AND WITH ALL OF THE CASH FUND TRANSFERS AND EVERYTHING ELSE. BUT, FRANKLY, SOMETIMES WHEN YOU'RE INVESTING IN INFRASTRUCTURE, AND NOT NECESSARILY THIS PROGRAM, OR Y PROGRAM, OR X PROGRAM, WHICH I STAND WITH SENATOR KINTNER A LOT IN TERMS OF THAT, BUT WHEN YOU INVEST IN INFRASTRUCTURE IN THE STATE OF NEBRASKA, THAT IS A SMART INVESTMENT AND IT'S AN INVESTMENT THAT WILL CONTINUE TO PAY OFF. I DIDN'T SUPPORT SENATOR SMITH'S GAS TAX. I WOULD HAVE PREFERRED A DIFFERENT WAY, BUT I UNDERSTAND WHAT HE WAS DOING. HE WAS INVESTING AND WANTED TO INVEST IN INFRASTRUCTURE TODAY. WE MAY HAVE HAD DIFFERENT WAYS THAT WE WANTED TO GO ABOUT IT, BUT I APPLAUD THE FACT THAT HE TACKLED THE ISSUE BECAUSE WHEN YOU INVEST TODAY, IT WILL SAVE MONEY DOWN THE

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ROAD. WE DID THAT LAST YEAR WITH THE BUDGET. SO, LIKE I SAID, IF SENATOR KINTNER WANTS TO SAY I WAS BOUGHT OFF BECAUSE I WANTED MORE MONEY IN THE PROPERTY TAX RELIEF, ALL RIGHT. I SUPPORTED THE LANDOWNERS OF THE STATE OF NEBRASKA. I SUPPORTED THE EXTRA \$15 OR \$20 MILLION THAT WE PUT INTO THE PROPERTY TAX CREDIT RELIEF FUND, AND IF THAT'S BEING BOUGHT OFF, IF HELPING LOWER PROPERTY TAXES IS BEING BOUGHT OFF, THEN FINE, YOU CAN SAY THAT. BUT DON'T KNOCK ME WHEN IT COMES TO INVESTING IN AGRICULTURE OR INVESTING IN INFRASTRUCTURE IN THE STATE OF NEBRASKA. WE BUILT A GOOD BUDGET. [LB382A]

PRESIDENT FOLEY: ONE MINUTE. [LB382A]

SENATOR LARSON: AND WE'RE GOING TO CONTINUE TO DO THAT. I'LL CONTINUE TO SUPPORT THE...WELL, WE VOTED ON THE BUDGET. IT WILL BE INTERESTING TO SEE WHAT OVERRIDES WE HAVE. BUT TO SAY THAT WE WERE BOUGHT OFF IS LUDICROUS. WE INVESTED IN THE FUTURE OF NEBRASKA AND WE INVESTED IN AN INFRASTRUCTURE AND WE HELPED LOWER PROPERTY TAXES FOR HARDWORKING NEBRASKANS. THANK YOU, MR. PRESIDENT. [LB382A]

PRESIDENT FOLEY: THANK YOU, SENATOR LARSON. (VISITORS INTRODUCED.)
SENATOR FRIESEN, YOU'RE RECOGNIZED. [LB382A]

SENATOR FRIESEN: THANK YOU, MR. PRESIDENT. WELL, IT SEEMS TO BE AN APPROPRIATE TIME TO TALK ABOUT BUDGET ITEMS, AND WHAT I WANT TO TALK ABOUT IS, I APPRECIATE THE FACT THAT THE APPROPRIATIONS AND THE BODY AS A WHOLE FUNDED THE PROPERTY TAX RELIEF FUND TO THE EXTENT IT HAS. THANK YOU VERY MUCH. MY NEXT COMMENT WILL BE, WE HAVE A LOT OF WORK TO DO. MY PROPERTY TAXES HAVE STILL GONE UP 18 PERCENT IN SPITE OF THAT RELIEF FUND, SO I LOOK FORWARD TO WORKING ON THE NEXT PART OF PROPERTY TAX RELIEF AND I DO APPRECIATE EVERYTHING THAT THE BODY AND THE APPROPRIATIONS COMMITTEE HAS DONE. THANK YOU, SENATOR MELLO AND THANK YOU, MR. PRESIDENT. [LB382A]

PRESIDENT FOLEY: THANK YOU, SENATOR FRIESEN, SENATOR KINTNER, YOU'RE RECOGNIZED. [LB382A]

SENATOR KINTNER: THANK YOU. I WAS GOING TO SIT DOWN AND GET SOME WORK DONE AND I HEARD SENATOR LARSON SPOUTING OFF, SO I THOUGHT I MIGHT WANT TO SET THE RECORD STRAIGHT. FIRST OF ALL, WHAT HE SAID

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CAME STRAIGHT OUT OF THE PRESS RELEASE OF VINCE POWERS, CHAIRMAN OF THE DEMOCRATIC PARTY, SENT OUT CONDEMNING ME AFTER I VOTED FOR THE BUDGET. AND I THINK HE ALMOST READ FROM WHAT THEY SAID. WHAT WE HAVE IS, MY FIRST YEAR, WE INCREASED SPENDING 7 PERCENT, NO, WE INCREASED SPENDING 5.2 PERCENT MY FIRST YEAR, AND I ABOUT HAD A HEART ATTACK. I SUPPORTED THE BUDGET. I DIDN'T SLEEP ALL NIGHT. I COULDN'T STAND UP AND DEFEND IT VERY WELL ON THE MIKE OTHER THAN TO COMPLIMENT MY COLLEAGUES FOR THEIR HARD WORK. BUT I WAS A TEAM PLAYER AND I WENT ALONG WITH IT. AND WE DIDN'T DO ANY TAX RELIEF. SO, I THOUGHT, WELL, MY SECOND YEAR, THAT'S WHEN THE TAX RELIEF IS GOING TO BE HERE. NOT ONLY DID WE CUT...NOT CUT SPENDING OR REDUCE OUR SPENDING MY SECOND YEAR AS WE UPDATED THE BUDGET, BUT THEY INCREASED SPENDING TO 7 PERCENT. IT GOT WORSE, WORSE THAN IT WAS MY FIRST YEAR. NOW, THERE WERE THINGS IN THE BUDGET MY SECOND YEAR...MONEY FOR ARBOR LODGE THAT I LIKED. MONEY FOR PARKS, AS SENATOR LARSON TALKED ABOUT, THAT I LIKED. PROPERTY TAX RELIEF A LITTLE BIT MORE MY...PROPERTY TAX RELIEF FUND. I LIKED THAT. BUT I'M NOT GOING TO VOTE FOR, YOU KNOW, \$5 OR \$6 MILLION, I'M NOT GOING TO SPEND \$42 MILLION TO GET \$5 OR \$6 MILLION WORTH OF GOOD SPENDING. AND WHAT SENATOR LARSON IS DOING IS HE'S TAKING THESE INDIVIDUAL ITEMS AND SETTING THEM OUT THERE ALL BY THEMSELVES, HE'S NOT CONNECTING IT TO ALL THE OTHER MONEY THAT WE SPENT PRIOR. IF YOU LOOK AT ALL THE MONEY WE SPENT PRIOR AND THEN THE SPENDING THE SECOND YEAR, THAT WAS TOO MUCH. SO, YES, I SUPPORTED THOSE THINGS IN THE BUDGET MY SECOND YEAR, BUT THEN WHEN THEY KEPT SPENDING AND KEPT SPENDING AND KEPT SPENDING AND IT GOT UP OVER 6 PERCENT, I SAID, YES, I VOTED TO PUT THOSE THINGS IN THE BUDGET, BUT NOW WITH ALL THE ADDITIONAL SPENDING IN THE BUDGET, THERE'S NO WAY I CAN SUPPORT THIS MONSTROSITY. I'M TRYING TO THINK OF A GOOD WORD THAT'S PROPER THAT I CAN SAY ON THE MIKE. AND THAT IS WHY YOU CAN'T LOOK AT ONE INDIVIDUAL BILL AS A STAND-ALONE BILL. YES, MONEY FOR DEFERRED MAINTENANCE IS A GREAT IDEA, BUT NOT IF THE SPENDING IS 7 PERCENT. NOW, IT'S A TERRIBLE IDEA. SO, YOU'VE GOT TO LOOK AT IT IN TERMS OF THE ENTIRE BUDGET. YOU CAN'T JUST SAY, THIS IS A GOOD IDEA AND HAVE THAT STAND ALONE. THERE'S PLENTY OF GOOD IDEAS THAT WHEN YOU PILE THEM ON TOP OF BAD IDEAS, WE CAN'T AFFORD THEM AND WE SHOULDN'T BE DOING THEM. AND THAT'S HOW YOU GOT TO LOOK AT IT. I SAID THIS EARLIER TO THE NEW MEMBERS IN HERE. THEY WANT YOU TO LOOK AT EVERY BILL INDIVIDUALLY AS A STAND-ALONE BILL. YOU HAVE TO LOOK AT IT IN CONTEXT OF ALL THE OTHER MONEY WE'RE SPENDING AND ALL OF THE OTHER THINGS WE'RE DOING. IF YOU PUT IT IN THE

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CONTEXT OF THE ENTIRE BUDGET AND THE ENTIRE BUDGET PROCESS, AND WHAT'S HAPPENED OVER THE LAST TWO OR THREE YEARS, THEN IT'S A DIFFERENT STORY. IT'S AN ABSOLUTELY DIFFERENT STORY. AND I DO WANT TO TELL THE PEOPLE AT HOME, THIS IS A MADHOUSE DOWN HERE, IT'S AN ABSOLUTE MADHOUSE AT TIMES, BUT THERE ARE SOME PEOPLE DOWN HERE THAT CARE ABOUT YOUR WALLET AND CARE ABOUT YOUR LIBERTY. AND I DON'T WANT YOU TO THINK THIS ENTIRE PROCESS HAS GONE OFF THE RAILS. MAYBE IT HAS AT TIMES, BUT THERE ARE PEOPLE DOWN HERE LOOKING OUT FOR YOU, AND I DON'T WANT YOU TO THINK THAT WE'RE ALL IN A RUSH TO SPEND EVERY DIME WE CAN SPEND. GIVE DRIVER'S LICENSES TO PEOPLE WHO AREN'T SUPPOSED TO BE IN OUR STATE, TO DO ALL OF THE THINGS THAT WE'RE DOING, I THINK THE PEOPLE IN OUR STATE DON'T LIKE. [LB382A]

PRESIDENT FOLEY: ONE MINUTE. [LB382A]

SENATOR KINTNER: AND I WANT TO TELL THE PEOPLE AT HOME, NOT EVERYONE SUPPORTS THAT. AND THERE ARE PEOPLE HERE THAT ARE WORKING HARD TO PROTECT YOUR INTERESTS, AND WE'VE HEARD FROM YOU, AND WE'VE LISTENED AND WE SUPPORT YOU. THANK YOU, MR. PRESIDENT. [LB382A]

PRESIDENT FOLEY: THANK YOU, SENATOR KINTNER. SENATOR BRASCH, YOU'RE RECOGNIZED. [LB382A]

SENATOR BRASCH: THANK YOU, MR. PRESIDENT, AND THANK YOU, ONCE AGAIN, COLLEAGUES. I STAND...ACTUALLY I'D LIKE TO YIELD...ASK IF SENATOR LARSON WOULD YIELD TO A QUESTION. [LB382A]

PRESIDENT FOLEY: SENATOR LARSON, WOULD YOU YIELD, PLEASE? [LB382A]

SENATOR LARSON: YES. [LB382A]

SENATOR BRASCH: THANK YOU, SENATOR LARSON. IN LISTENING TO YOUR FIVE MINUTES, I WOULD LIKE YOU TO CLARIFY WHAT YOU MEANT BY "BOUGHT OFF," BECAUSE THERE ARE CONSTITUENTS WHO THINK THERE'S MONEY UNDER THE TABLE HERE. AND WHAT ARE...WHAT DID YOU MEAN BY "BOUGHT OFF"? [LB382A]

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SENATOR LARSON: WELL, I WAS REFERRING TO, YOU KNOW, SENATOR KINTNER AND HIS COMMENT WHEN HE SAID MEMBERS OF THE COMMITTEE GOT BOUGHT OFF. AND THAT REFERS MORE OF WHAT A LOT OF PEOPLE WOULD CONSIDER PORK IN THE BUDGET. IT WOULD BE A BETTER WAY. I COULD ONLY ASSUME THAT HE WAS REFERRING TO ME IN THE SENSE THAT I RECEIVED 17.5...I INTRODUCED AN APPROPRIATIONS BILL, I DIDN'T RECEIVE PERSONALLY, I'VE NEVER RECEIVED PERSONAL MONEY FOR ANYTHING, BUT I INTRODUCED AN APPROPRIATIONS BILL FOR \$17.5 MILLION LAST YEAR FOR THE PARKS SYSTEM AND THE APPROPRIATIONS COMMITTEE FULLY FUNDED IT. I ALSO INTRODUCED A BILL THAT USED CASH FUNDS TO WORK TO START TO REPLACE THE DEPARTMENT OF MOTOR VEHICLES, VEHICLE TITLING AND REGISTRATION SYSTEM WHICH IS ALMOST 30 YEARS OLD AND NEEDS REPLACEMENT BECAUSE WE CAN'T FOLLOW SALES TAX RECEIPTS. NOW, THAT WASN'T GENERAL FUNDS, THAT WAS CASH FUNDS. BUT I WAS...I COULD ONLY ASSUME HE WAS ACCUSING ME BECAUSE CERTAIN APPROPRIATIONS BILLS THAT I INTRODUCED ACTUALLY MADE IT IN THE BUDGET. AND THAT'S WHAT I TOOK AS THE ONLY REASON THAT I SUPPORTED IT WAS MY A BILLS GOT IN THE BUDGET. NOW, THAT WASN'T TRUE. I SUPPORTED THE BUDGET BECAUSE IT INVESTED IN AGRICULTURE AND AS I SAID, HE USED THE TERM "BOUGHT OFF" AND IT WAS BY NO MEANS MONEY EXCHANGING HANDS UNDER THE TABLE. IT WAS ABOUT WHAT WAS IN THE BUDGET AND THE APPROPRIATIONS BILLS I INTRODUCED. [LB382A]

SENATOR BRASCH: THANK YOU, SENATOR LARSON. I DO WANT TO CLARIFY THAT FOR OUR SECOND HOUSE. BUT I THINK THE SECOND HOUSE ALSO NEEDS TO UNDERSTAND IN MY DIALOGUES WITH SEVERAL PAST MEMBERS OF THIS BODY AND THOSE OTHERS WHO HAVE TALKED TO THOUSANDS UPON THOUSANDS OF NEBRASKANS, WHAT THEY PERCEIVE IS HAPPENING IN OUR LEGISLATURE IS A GIANT LEGISLATIVE SWAP MEET. THAT THERE ARE VOTES BEING EXCHANGED FOR VOTES. THERE IS NO CASH UNDER THE TABLE, BUT FOR THE NEW COLLEAGUES WHO HAVE COME IN, THIS IS A DANGEROUS PATH TO TRAVEL. AND IF THE SENATORS HERE CANNOT, I GUESS, EXPLAIN TO YOU WHAT HAPPENS AND THE REPERCUSSIONS OF THAT, BECAUSE THE CONSTITUENTS ARE VERY CONFUSED. THOSE WHO HAVE TALKED TO ARE WONDERING, WHO ARE THE VENDORS AT THIS GIANT VOTE SWAP MEET? WHO IS ASKING FOR WHAT IN EXCHANGE OF WHAT? BUT THERE IS NO CASH UNDER THE TABLE. AS YOU SEE INDIVIDUALS SCURRYING ABOUT THIS MORNING, VERY FEW SITTING HERE FOCUSED ON THE SUBJECT AT HAND, WE DO NEED TO MOVE FORWARD AND MOVE FORWARD WITH THOSE THAT BROUGHT US HERE, THE MESSAGE THEY HAVE SENT TO US, WHAT WE HAVE INVESTED WHETHER YOU'RE HERE, YOUR FIRST SESSION OR IF THIS IS STARTING YOUR THIRD, FOURTH, FIFTH YEAR,

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PLEASE MOVE FORWARD AND CALL YOUR CONSTITUENTS. CALL THOSE WHO HAVE SAT IN YOUR SEAT BEFORE YOU. [LB382A]

PRESIDENT FOLEY: ONE MINUTE. [LB382A]

SENATOR BRASCH: THANK YOU, MR. PRESIDENT, AND THANK YOU, COLLEAGUES. [LB382A]

PRESIDENT FOLEY: SEEING NO OTHER SENATORS WISHING TO SPEAK, SENATOR HANSEN FOR A MOTION. [LB382A]

SENATOR HANSEN: MR. PRESIDENT, I MOVE THAT WE ADVANCE LB382A TO E&R FOR ENGROSSING. [LB382A]

PRESIDENT FOLEY: YOU'VE HEARD THE MOTION TO ADVANCE THE BILL. ALL THOSE IN FAVOR SAY AYE. THOSE OPPOSED SAY NAY. LB382A ADVANCES. MR. CLERK, ITEMS FOR THE RECORD. [LB382A]

CLERK: THANK YOU, MR. PRESIDENT. YOUR COMMITTEE ON ENROLLMENT AND REVIEW REPORTS LB468A AND LB643A TO SELECT FILE. I HAVE A CONFIRMATION HEARING REPORT FROM THE RETIREMENT SYSTEMS COMMITTEE. AN AMENDMENT TO LB591A BY SENATOR BOLZ TO BE PRINTED. SENATOR NORDQUIST, AN AMENDMENT TO LB581 TO BE PRINTED. THAT'S ALL THAT I HAVE, MR. PRESIDENT. THANK YOU. (LEGISLATIVE JOURNAL PAGE 1678.) [LB468A LB643A LB591A LB581]

PRESIDENT FOLEY: THANK YOU, MR. CLERK. PURSUANT TO THE AGENDA, WE'LL...AND IT'S 10:30 A.M., WE'LL NOW MOVE TO GENERAL FILE, 2015 SPEAKER PRIORITY BILLS, LB390. MR. CLERK. [LB390]

CLERK: THANK YOU, MR. PRESIDENT. LB390, A BILL INTRODUCED BY SENATOR CRAWFORD. (READ TITLE.) INTRODUCED ON JANUARY 16 OF THIS YEAR, REFERRED TO THE JUDICIARY COMMITTEE, THE BILL WAS ADVANCED TO GENERAL FILE. THERE ARE COMMITTEE AMENDMENTS PENDING, MR. PRESIDENT. (AM1011, LEGISLATIVE JOURNAL PAGE 1006.) [LB390]

PRESIDENT FOLEY: SENATOR CRAWFORD, YOU'RE RECOGNIZED TO OPEN ON LB390. [LB390]

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SENATOR CRAWFORD: THANK YOU, MR. PRESIDENT, AND GOOD MORNING, COLLEAGUES. LB390 CREATES THE MEDICAL CANNABIDIOL PILOT STUDY WITHIN THE UNIVERSITY OF NEBRASKA MEDICAL CENTER FOR PATIENTS WHO SUFFER FROM SEVERE AND UNTREATABLE OR TREATMENT RESISTANT EPILEPTIC SEIZURES. IT ALLOWS ACCESS TO LOW THC CANNABIDIOL OIL FOR PATIENTS UNDER THE SUPERVISION OF A NEUROLOGIST AT THE UNIVERSITY OF NEBRASKA MEDICAL CENTER. UNDER THIS BILL, THE ONLY ALLOWED SUBSTANCE IS CANNABIDIOL OR CBD THAT CONTAINS .03 PERCENT THC OR LESS. THIS IS THE SAME AMOUNT OF THC THAT CAN BE FOUND IN INDUSTRIAL HEMP. AND WITH THIS LOW THC LEVEL, THE SUBSTANCE DOES NOT CREATE A HIGH. THUS, THERE IS NO RECREATIONAL USE FOR MINORS OR ADULTS. JUST LAST MONTH, WE LEARNED THAT UNMC WILL HAVE ACCESS TO A PHARMACEUTICAL GRADE CBD THAT'S GOING THROUGH THE FDA APPROVAL PROCESS FOR THIS RESEARCH. YOU'LL HEAR LATER ABOUT AMENDMENTS THAT WILL REMOVE THE GENERAL FUND IMPACT FOR THE BILL. I ASKED THE SPEAKER TO ALLOW LB643 TO BE DEBATED FIRST. AND I ONLY SPOKE ONCE ON THAT BILL TO REINFORCE THE FACT THAT LB643 AND LB390 IS NOT NECESSARILY AN EITHER-OR CHOICE OR A COMPETITION. REGARDLESS OF WHAT HAPPENS WITH LB643, IT IS CRITICAL TO ADVANCE LB390 TO GET ACCESS TO CHILDREN AND OTHER PATIENTS WITH EPILEPSY AS QUICKLY AS POSSIBLE AND TO ESTABLISH DATA AND EXPERIENCE IN OUR ACADEMIC MEDICAL RESEARCH CENTER. IF LB643 PASSES WITH SIMILAR TYPE DEADLINES TO ITS PRESENT FORM AND THE NEBRASKA DIVISION OF PUBLIC HEALTH IN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES IS ABLE TO MEET THOSE DEADLINES, THE EARLIEST THAT PATIENTS WILL HAVE ACCESS TO CBD PRODUCT WOULD BE JULY 2016. LB643 ALLOWS THE DEPARTMENT TO DELAY UNTIL DECEMBER 2016 IF THEY CANNOT MEET THE INITIAL DEADLINES. IF LB643 PASSES, LB390 WILL ALLOW SOME PATIENTS TO START USING CBD OIL AS SOON AS POSSIBLE WHILE THE HHS WORKS OUT IMPLEMENTATION OF THE BILL. IF BOTH LB643 AND LB390 PASS AND GO INTO LAW, SOME FAMILIES MAY PREFER OR NEED A FEDERALLY COMPLIANT OPTION. FOR FAMILIES WHO LIVE IN BASE HOUSING, TRAVEL FREQUENTLY, OR NEED HOSPITAL CARE--ALL OF WHICH REQUIRE COMPLIANCE WITH FEDERAL LAW--LB390 PROVIDES AN OPTION UNTIL ESTABLISHED DRUG VERSIONS OF CBD ARE FULLY AVAILABLE. I HAD ORIGINALLY INTENDED IN THE INTRODUCTION OF THIS BILL TO LAY OUT A DETAILED LEGISLATIVE HISTORY THAT EXPLAINED THE PATHWAY TO THIS BILL AND THE INTERPLAY OF CHANGES IN THE FEDERAL FARM BILL IN 2014 WITH SIMILAR LAWS PASSED IN OTHER STATES. I WAS ALSO PLANNING TO LAY OUT A HISTORY OF OUR EFFORTS...ALL THE EFFORTS THAT OUR OFFICE TOOK TO GET TO THIS POINT TO ILLUSTRATE THE EFFORTS WE MADE TO WORK WITH AN FDA STUDY, EFFORTS TO CHANGE

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INTERPRETATION OF CURRENT STATUTES, AND OTHER STEPS THAT HAVE GOTTEN US TO THIS POINT OF THE BILL AND THE AMENDMENTS YOU HAVE BEFORE YOU TODAY. HOWEVER, AS I WAS WRITING THAT HISTORY, I WAS AT TEN PAGES AND I WAS STILL IN 2014. SO I REALIZED THAT A DETAILED HISTORY WOULD NOT BE POSSIBLE IN A REASONABLE AMOUNT OF TIME. SO I AM JUST GOING TO HIGHLIGHT A COUPLE OF POINTS OF HISTORY AND LEGAL CONTEXT FOR THIS DEBATE FOR THE RECORD AND FOR MY COLLEAGUES. IN NOVEMBER AND DECEMBER OF 2013, THERE WAS GROWING MEDIA ATTENTION TO THE AMAZING STORY OF CHARLOTTE FIGI, A CHILD WITH INTRACTABLE EPILEPSY WHO SHOWED REMARKABLE RESULTS FROM A LOW THC CANNABIS. PARENTS IN STATES ACROSS THE COUNTRY STARTED PUSHING FOR ACCESS TO THE PRODUCT WE NOW REFER TO AS CBD. AT THIS TIME, INITIAL CLINICAL TRIALS FROM A PHARMACEUTICAL GRADE CBD PRODUCT CALLED EPIDIOLEX WHICH HAD OBTAINED AN INVESTIGATIVE NEW DRUG STATUS FROM FDA BEGAN HUMAN CLINICAL TRIALS. I REACHED OUT TO UNMC TO SEE IF THERE WAS ANY CHANCE FOR NEBRASKA TO BE A SITE FOR THOSE STUDIES. UNFORTUNATELY, THE TRIAL SITES HAD BEEN SELECTED AND NEBRASKA WAS UNABLE TO PARTICIPATE. AFTER THAT, WE DUG INTO THE SCHEDULING STATUTES FOR NEBRASKA AND MET WITH THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO SEE IF THEY COULD INTERPRET LANGUAGE IN STATUTE THAT PROVIDED SOME EXCEPTIONS ON CANNABIS SCHEDULING TO ALLOW CBD OIL TO BE TREATED AS OTHER THAN MARIJUANA AND FALL OUT OF ITS SCHEDULE I STATUS IN THE STATE, TO OPEN UP LEGAL OPTIONS IN THE STATE TO NO AVAIL. MEANWHILE, IN DECEMBER 2013 AND JANUARY 2014, THERE WAS MUCH DISCUSSION IN THE UNITED STATES ABOUT THE FEDERAL FARM BILL THAT HAD FAILED TO PASS IN 2013. AN IMPORTANT PART OF THAT DEBATE RELEVANT TO LB390 WAS DISCUSSIONS OVER THE POTENTIAL LEGALIZATION OF HEMP. NO ONE KNEW FOR SURE HOW FAR THE FARM BILL WOULD GO, BUT THERE WAS ATTENTION TO THE FACT THE FEDERAL FARM BILL WAS GOING TO CHANGE THE LEGALIZATION OF HEMP. SINCE HEMP IS LEGALLY DEFINED AS LOW THC CANNABIS, THIS BROUGHT ATTENTION TO THE POSSIBLE INTERACTION OF STATE EFFORTS TO PROVIDE CBD AND THE CHANGES THAT WOULD OCCUR IN THE FARM BILL IN 2014. IN DECEMBER OF 2013, A PROMINENT NEUROLOGIST IN UTAH CAME OUT IN SUPPORT OF AN EFFORT IN THE STATE OF UTAH TO PROVIDE CBD FOR RESEARCH ON EPILEPSY AT THE UNIVERSITY MEDICAL CENTER. I THEN BEGAN DISCUSSIONS WITH UNMC ABOUT THE POSSIBILITY OF GETTING SIMILAR SUPPORT FOR RESEARCH IN NEBRASKA. WE CRAFTED A BILL SIMILAR TO THE BILL THAT HAD GARNERED THE SUPPORT OF THE NEUROLOGIST IN UTAH AND THAT WAS EXPECTED TO BE INTRODUCED IN THAT STATE IN 2014. IN THE WINDOW FOR BILL INTRODUCTION IN 2014 IN NEBRASKA, WE DID NOT KNOW

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WHAT THE FINAL FORM OF THE FARM BILL WOULD BE. AT THAT POINT THERE HAD NOT BEEN SUFFICIENT DISCUSSIONS YET WITH UNMC, SO I INTRODUCED LB1102, A BILL SIMILAR TO LB390, WITH THE CLEAR UNDERSTANDING I WOULD PULL IT IF WE WERE NOT ABLE TO GET UNMC ON BOARD. SENATOR NORM WALLMAN ALSO INTRODUCED A BROAD HEMP LEGALIZATION BILL IN THAT SAME WINDOW. ON JANUARY 29, 2014, THE FINAL FARM BILL PASSED. THE FINAL FARM BILL LANGUAGE ONLY LEGALIZED HEMP RESEARCH BY STATE INSTITUTIONS OF HIGHER LEARNING AND STATE AGENCIES FOR RESEARCH ON ITS USE. THIS LANGUAGE FUELED FURTHER SUPPORT THOUGH FOR CBD RESEARCH BILLS IN UTAH, ALABAMA, AND OTHER STATES IN 2014. THE FEDERAL FARM BILL LANGUAGE ALLOWED STATES TO ARGUE THAT THIS PROVIDED A FEDERALLY COMPLIANT OPTION FOR MOVING FORWARD ON CBD RESEARCH IN THEIR STATES. I WITHDREW LB1102 IN 2014 AFTER IT WAS CLEAR THAT NEUROLOGISTS AT UNMC, NEBRASKA'S LEVEL FOUR EPILEPSY CENTER, COULD NOT SUPPORT THE BILL AT THAT TIME. I ALSO PUSHED HARD IN 2014 FOR THE PASSAGE OF SENATOR WALLMAN'S INDUSTRIAL HEMP BILL. I'D HOPED WE COULD USE THAT BILL NOT ONLY FOR AGRIBUSINESS BUT ALSO AS A STEPPINGSTONE FOR A CBD INDUSTRY AND CBD ACCESS AND RESEARCH IN OUR STATE. HOWEVER, AFTER THE GENERAL FILE VOTE ON SENATOR WALLMAN'S HEMP BILL WAS AMENDED TO A RESTRICTED FEDERALLY COMPLIANT VERSION CONSISTENT WITH THE NEW FEDERAL FARM BILL. DURING THE 2014 LEGISLATIVE SESSION, CBD BILLS GAINED TRACTION IN MANY STATES INCLUDING UTAH. WE HAD PULLED OUR BILL, BUT SINCE WE ARE CONTINUING TO WORK ON THE ISSUE, I HAD CONVERSATIONS WITH PEOPLE IN UTAH AND SOME OF THE OTHER STATES. I COULD NOT FIGURE OUT HOW THESE INSTITUTIONS OF HIGHER LEARNING WOULD LEGALLY GET THEIR CBD SUPPLY GIVEN FEDERAL LAWS. WHEN I ASKED STAFF IN UTAH HOW THEY WERE GOING TO ADDRESS THE SUPPLY PROBLEM I WAS TOLD, WE'RE NOT WORRYING ABOUT THAT RIGHT NOW; AND, WE'RE JUST FOCUSED ON PASSING THE BILL. WHEN I PRESSED HOW THEY WOULD ACTUALLY GET THE RESEARCH GOING WHEN THE BILL PASSED, THEY SAID THEY WOULD JUST "FIGURE IT OUT LATER." COLLEAGUES, THIS IS WHAT HAPPENED IN TEN STATES IN 2014. CBD RESEARCH BILLS WERE PASSED IN TEN STATES, DIRECTING THEIR INSTITUTIONS OF HIGHER EDUCATION TO DO SOMETHING THEY HAD NO LEGAL WAY TO DO. IN THEIR RUSH TO PASS THESE BILLS TO HELP THESE FAMILIES, THIS IMPORTANT DETAIL WAS NOT ADDRESSED. SO THERE WAS MUCH CELEBRATION WHEN THE BILLS PASSED BUT THEN BITTER DISAPPOINTMENT IN THE MONTHS FOLLOWING WHEN IT BECAME CLEAR THAT THE UNIVERSITIES COULD NOT DO WHAT THE LEGISLATURES HAD ASKED THEM TO DO. I INTRODUCED LR433 LAST SESSION TO STUDY THE ISSUE FURTHER. I KNEW THAT SOLVING THIS SUPPLY PROBLEM

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WOULD BE A TRICKY ISSUE TO SOLVE. AS OF THE TIME OF OUR INTERIM STUDY HEARING IN SEPTEMBER, NONE OF THE TEN STATES THAT HAD PASSED CBD LAWS THE PREVIOUS YEAR HAD SOLVED THAT PROBLEM YET. SOMETIME NEAR THE END OF 2014 OR THE BEGINNING OF 2015, GW PHARMA FINISHED PHASE ONE OF THEIR FDA STUDY OF THEIR PLANT-BASED CBD PRODUCT AND IT WAS GRANTED OPEN LABEL STATUS FOR COMPASSIONATE STUDY USE TO SELECTED STATE INSTITUTIONS. AS WE CONTINUE TO WORK ON LB390, WE CHECKED TO MAKE SURE THE LANGUAGE OF THE BILL ALLOWED FOR THIS AS ONE OPTION BUT KEPT SEARCHING AND NEGOTIATING FOR OTHER OPTIONS. IN APRIL, WE LEARNED GW PHARMA WOULD LIKELY BE AN OPTION HERE IN NEBRASKA FOR THE RESEARCH. THIS NOW PROVIDES AN AVENUE THAT IS CLEARLY WITHIN THE FDA APPROVAL PROCESS FOR THE PILOT PROJECT. HOWEVER, SINCE IT IS OPEN LABEL FOR COMPASSIONATE RESEARCH, IT DOES NOT REQUIRE A PLACEBO GROUP. THERE ARE ALSO ONGOING NEGOTIATIONS WITH ANOTHER POSSIBLE OPTION THAT WOULD ALSO BE WITHIN THE FDA PROCESS. SO NOW IT IS NOT POSSIBLE TO SAY THERE ARE NO OPTIONS IN NEBRASKA FOR RESEARCH AND COMPASSIONATE CARE WITHIN THIS FRAMEWORK. GRANTED, IT WOULD BE FOR A SMALLER NUMBER OF PATIENTS. [LB390 LB643]

PRESIDENT FOLEY: ONE MINUTE. [LB390]

SENATOR CRAWFORD: THANK YOU. PEOPLE FROM UNMC AND FROM MY OFFICE HAVE SPENT CONSIDERABLE TIME TALKING WITH REALM OF CARING, WITH UNIVERSITIES, WITH LEGAL CANNABIS SUPPLY FOR RESEARCH PURPOSES AND WE WERE HAVING THOSE DISCUSSIONS EVEN THROUGH LAST WEDNESDAY. I WAS SO FOCUSED ON SOLVING THE SUPPLY PROBLEM THAT I HADN'T SPENT ENOUGH TIME ON WHAT HAPPENS NEXT. IN A DIFFICULT DISCUSSION LAST WEEK, IT BECAME CLEAR THAT UNMC WILL ONLY BE ABLE TO ENGAGE IN RESEARCH FOR WHICH THEY CAN GET AN INVESTIGATIVE NEW DRUG PERMIT. GIVEN CURRENT FEDERAL LAW, A PHYSICIAN CANNOT DIRECT DOSAGE OF THE CANNABIS PROJECTS FOR RESEARCH EVEN IF WE COULD LEGALLY GET THE SUPPLY TO UNMC, BECAUSE DOCTORS CANNOT LEGALLY PRESCRIBE THESE PRODUCTS. THE BROAD LANGUAGE OF THE BILL, THOUGH, ALLOWS FOR THE STUDY TO ADAPT AS CHANGES OCCUR IN FEDERAL RESCHEDULING OR RESEARCH BREAKTHROUGHS OVER THE NEXT FOUR YEARS. AND THAT'S BEEN MY EXPERIENCE. THINGS ARE CHANGING VERY RAPIDLY. AND SO PUTTING THIS LEGAL FRAMEWORK IN PLACE IS IMPORTANT FOR US TO BE ABLE TO PROVIDE RESEARCH AND COMPASSIONATE CARE TO AS MANY PEOPLE AS QUICKLY AS POSSIBLE AS WE CAN AND TO BE ABLE TO ADAPT TO THIS QUICKLY CHANGING

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LANDSCAPE. I URGE YOUR GREEN VOTE ON LB390. THANK YOU MR. PRESIDENT.
[LB390]

PRESIDENT FOLEY: THANK YOU, SENATOR CRAWFORD. AS THE CLERK STATED, THERE ARE AMENDMENTS FROM THE JUDICIARY COMMITTEE. SENATOR COASH, AS VICE CHAIR OF THE COMMITTEE, YOU'RE RECOGNIZED TO OPEN ON THE COMMITTEE AMENDMENT. SENATOR COASH. [LB390]

SENATOR COASH: THANK YOU, MR. PRESIDENT, MEMBERS OF THE LEGISLATURE. LB390 WITH AM1011 ADVANCED FROM THE JUDICIARY COMMITTEE BY A 6-0 VOTE WITH ONE MEMBER ABSENT AND ONE MEMBER PRESENT NOT VOTING. AM1011 IS A WHITE COPY AMENDMENT AND WOULD STRIKE THE ORIGINAL SECTIONS OF THE BILL. THE AMENDMENT MAKES THE FOLLOWING CHANGES: IT ADDS A REFERENCE TO NEBRASKA MEDICINE IN SEVERAL PLACES TO REFLECT A NEW ENTITY AT THE UNIVERSITY OF NEBRASKA MED CENTER. IT ELIMINATES AN UNNECESSARY DEFINITION OF THE TERM TREATMENT RESISTANT SEIZURES. IT CLARIFIES THAT THE MEDICAL PROVIDERS UNDER THE PILOT PROGRAM SHALL BE PHYSICIANS, INCLUDING AT LEAST ONE PEDIATRIC NEUROLOGIST. IT CLARIFIES THAT RESEARCH CONDUCTED UNDER THE PILOT PROGRAM SHALL EVALUATE THE SAFETY AND PRELIMINARY EFFECTIVENESS OF CANNABINOID OIL TO TREAT PATIENTS WITH INTRACTABLE SEIZURES. IT ADDS AN E CLAUSE TO ALLOW RESEARCHERS AT UNMC TO GET THE PILOT PROGRAM UP AND RUNNING AS SOON AS POSSIBLE. AND FINALLY, THE AMENDMENT CHANGES THE FUNDING SOURCE FOR THE PILOT PROJECT SO THAT IT DOES NOT USE GENERAL FUNDS. SENATOR CRAWFORD HAS A PENDING AMENDMENT THAT WILL FURTHER CLARIFY THE FUNDING SOURCE. THANK YOU, MR. PRESIDENT. [LB390]

PRESIDENT FOLEY: THANK YOU, SENATOR COASH. MR. CLERK. [LB390]

ASSISTANT CLERK: MR. PRESIDENT, THERE ARE AMENDMENTS TO THE COMMITTEE AMENDMENT. SENATOR CRAWFORD, YOU HAD AM1627, AND I HAVE A NOTE TO WITHDRAW THAT ONE. [LB390]

SENATOR CRAWFORD: YES. [LB390]

ASSISTANT CLERK: THE NEXT AMENDMENT TO THE COMMITTEE AMENDMENT, AM1646 FROM SENATOR CRAWFORD. (LEGISLATIVE JOURNAL PAGE 1638.) [LB390]

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SENATOR CRAWFORD: THANK YOU. [LB390]

PRESIDENT FOLEY: SENATOR CRAWFORD, YOU'RE RECOGNIZED TO OPEN ON YOUR AMENDMENT. [LB390]

SENATOR CRAWFORD: THANK YOU, MR. PRESIDENT. AM1646 IS A TECHNICAL AMENDMENT BASED ON FEEDBACK WE RECEIVED FROM JUDICIARY LEGAL COUNSEL AND SENATOR HEATH MELLO, AS CHAIRMAN OF THE APPROPRIATIONS COMMITTEE. UNDER AM1646, UNMC WILL UTILIZE HEALTH CARE CASH FUNDS TO CARRY OUT THE BILL. IT ALSO MOVES THE DEFINITION OF CBD OIL INTO THE REST OF THE NEW LANGUAGE IN THE BILL FOR THE EASE OF READING AND BILL DRAFTING ONCE THE PILOT PROGRAM ENDS. THANK YOU, MR. PRESIDENT. [LB390]

PRESIDENT FOLEY: THANK YOU, SENATOR CRAWFORD. DEBATE IS NOW OPEN ON LB390 AND RELATED AMENDMENTS. SENATOR DAVIS, YOU'RE RECOGNIZED. [LB390]

SENATOR DAVIS: THANK YOU, MR. PRESIDENT AND MEMBERS. I JUST RISE IN STRONG SUPPORT OF SENATOR CRAWFORD AND WANT TO THANK HER FOR ALL THE EFFORT THAT SHE HAS PUT IN OVER THE LAST SEVERAL YEARS TO TRY TO BRING SOME HELP TO PEOPLE WHO REALLY NEED IT. SENATOR CRAWFORD AND I AND SENATOR GARRETT ALL WERE IN COLORADO LAST AUGUST AND VISITED WITH SOME OF THE FAMILIES OF PATIENTS LIVING THERE IN COLORADO WHO ARE BEING TREATED WITH CBD OIL. I HAVE TO TELL YOU THAT IT'S BASICALLY, IN MANY RESPECTS, A MIRACULOUS RECOVERY WITH SOME OF THESE CHILDREN. NOW EVERYBODY DOESN'T RESPOND, BUT THOSE THAT DO HAVE RATHER SIGNIFICANT REDUCTIONS IN SEIZURE ACTIVITY. WE WENT WITH A LOT OF FAMILIES, MANY OF WHOM PROBABLY TESTIFIED IN SUPPORT OF SENATOR CRAWFORD'S BILL AND SENATOR GARRETT'S BILL BOTH, BECAUSE THEY'RE OUT OF OPTIONS. THEIR CHILDREN ARE SO HEAVILY MEDICATED THAT THEY REALLY ARE NOT ABLE TO LIVE A QUALITY LIFE AND THEY'RE STILL HAVING SEIZURES OVER AND OVER AND OVER AGAIN. CBD OIL IS NOT MARIJUANA AS WE KNOW IT. YOU HEARD SENATOR CRAWFORD MAKE THAT COMMENT, BUT I JUST WANT TO REPEAT IT OVER AND OVER AND OVER AGAIN. EVEN IF WE AREN'T ABLE TO GET THE MEDICATION IMMEDIATELY, BY PASSING THIS BILL WE SEND A MESSAGE TO THE FEDERAL GOVERNMENT THAT IT'S TIME FOR THEM TO MAKE SOME CHANGES IN HOW THEY SCHEDULE THESE DRUGS SO THAT THIS CAN BE USED, BECAUSE THERE ARE DEFINITELY MEDICINAL BENEFITS TO IT. BUT I JUST HAVE

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TO TELL YOU, SEEING THOSE CHILDREN IN COLORADO LAST SUMMER MADE ME REALLY REALIZE HOW IMPORTANT THIS IS AND WHAT A SIGNIFICANT CHANGE IT WILL MAKE IN THEIR LIVES IF WE PASS THE BILL AND WE CAN GET THE MEDICATION TO THEM. SO WITH THAT, I'LL YIELD THE REST OF MY TIME TO SENATOR CRAWFORD IF SHE'D LIKE IT. [LB390]

PRESIDENT FOLEY: THANK YOU, SENATOR DAVIS. SENATOR CRAWFORD, 3 MINUTES 30 SECONDS. SHE WAIVES THE USE OF THAT TIME. SENATOR KINTNER, YOU'RE RECOGNIZED. [LB390]

SENATOR KINTNER: WELL, THANK YOU. SENATOR CRAWFORD, WOULD YOU YIELD TO SOME QUESTIONS? [LB390]

PRESIDENT FOLEY: SENATOR CRAWFORD, WOULD YOU YIELD, PLEASE? [LB390]

SENATOR CRAWFORD: YES. [LB390]

SENATOR KINTNER: SINCE WE HAVE SUCH A GREAT HISTORY OF QUESTIONS AND ANSWERS, I THOUGHT WE'D HAVE SOME FUN HERE. [LB390]

SENATOR CRAWFORD: DON'T ASK ME WHAT I ATE FOR BREAKFAST NOW. [LB390]

SENATOR KINTNER: WITH SENATOR GARRETT'S BILL MOVING FORWARD, WHY IS THERE STILL A NEED FOR THIS BILL? [LB390]

SENATOR CRAWFORD: THANK YOU FOR ASKING. I SAID THAT IN MY OPENING, BUT I'LL REPEAT IT AGAIN. [LB390]

SENATOR KINTNER: I'M SORRY. [LB390]

SENATOR CRAWFORD: IF SENATOR GARRETT'S BILL PASSES, THE EARLIEST THAT YOU WOULD HAVE ACCESS TO PRODUCT WOULD BE JULY 2016. AND IF THERE IS A DELAY, IT WOULD BE DECEMBER 2016. WHEREAS, THIS WILL PASS AND ONE OF THE AMENDMENTS AND THE JUDICIARY COMMITTEE AMENDMENT IS AN E-CLAUSE, SO WE CAN GET THIS UP AND RUNNING RIGHT NOW. AND WE ACTUALLY DO HAVE PRODUCT NOW THAT'S ACTUALLY PHARMACEUTICAL GRADE PRODUCT SO WE CAN GET IT UP AND RUNNING NOW AND PROVIDE HELP

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TO THESE PATIENTS RIGHT NOW. WELL, AS SOON AS WE CAN GET ALL OF THE PROTOCOLS DONE. [LB390]

SENATOR KINTNER: OH, OKAY. AND IF I HEARD RIGHT, WE'RE NOW GOING TO PAY FOR IT WITH CASH FUNDS, SO NO GENERAL FUNDS? [LB390]

SENATOR CRAWFORD: THERE'S NO GENERAL FUND IMPACT. [LB390]

SENATOR KINTNER: VERY GOOD. OKAY, WE'RE MAKING PROGRESS. WE'RE LOOKING TO TESTING. HOW WOULD THE TESTING BE DONE? [LB390]

SENATOR CRAWFORD: WELL, SENATOR KINTNER, UNMC WILL BE IN CHARGE OF DEVELOPING ALL OF THOSE PROTOCOLS. AND WE THOUGHT THAT WAS VERY IMPORTANT BECAUSE THEY'RE THE ONES WHO HAVE EXPERTS IN RESEARCH PROTOCOLS. BUT TWO THINGS WERE VERY IMPORTANT FOR ME AS I WAS WORKING WITH UNMC. ONE WAS, WE WANTED TO MAKE SURE THAT PATIENTS DID NOT HAVE TO HAVE BRAIN SURGERY BEFORE THEY WERE ABLE TO TRY IT. THAT WAS AN IMPORTANT NEGOTIATION THAT WE HAD. AND THE OTHER WAS...AND THIS IS THE CASE FOR THIS OPEN LABEL PRODUCT, YOU DO NOT HAVE TO HAVE A PLACEBO GROUP. SO WE CAN BE SURE THAT THE PARENTS WHO ARE COMING IN TO BE A PART OF THIS PROJECT HAVE CONFIDENCE THAT...WITH THIS OPEN LABEL PRODUCT THEY HAVE CONFIDENCE THAT THEY'RE NOT BEING PUT IN A PLACEBO GROUP. [LB390]

SENATOR KINTNER: EXPLAIN TO ME THIS CBD OIL. HOW IS IT TAKEN? AND HAVE YOU EVER TAKEN IT? [LB390]

SENATOR CRAWFORD: I HAVE NOT EVER TAKEN IT. I DON'T KNOW VERY MUCH ABOUT HOW IT IS TECHNICALLY EXTRACTED FROM THE PLANT. WHAT I DO KNOW IS THE GW PHARMA PRODUCT IS A PLANT-BASED PRODUCT SO IT IS EXTRACTED FROM THE CANNABIS PLANT AND IS PROCESSED IN A WAY THAT ACTUALLY THAT PRODUCT HAS EVEN LOWER THC CONTENT. [LB390]

SENATOR KINTNER: AND AS WE GO THROUGH THE TESTING, WHAT'S OUR MEASURE FOR SUCCESS? WHAT WOULD...IF WE LOOKED AT IT WHEN WE'RE DONE, WHAT WOULD TELL US IT IS A SUCCESS? [LB390]

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SENATOR CRAWFORD: WELL, I THINK IF YOU LOOK AT THE LANGUAGE IN THE INITIAL BILL, YOU WILL SEE THE QUESTIONS WE WERE ASKING UNMC TO TRACK AND TELL US ABOUT, WHICH IS BASED...SO YOU CAN GO TO THAT PART OF THE BILL AND YOU'LL SEE WE HAVE SPECIFIC POINTS THAT WE'RE ASKING UNMC TO REPORT ON SO WE KNOW WHAT IMPACT THIS DRUG IS HAVING FOR THOSE PATIENTS. [LB390]

SENATOR KINTNER: WELL, WHEN THEY REPORT ON THOSE POINTS, WHAT'S OUR MEASURE...THEY REPORT BACK ON THESE THINGS. DO YOU KNOW WHAT HAS TO BE...WHAT THE REPORT HAS TO BE FOR IT TO BE CONSIDERED A SUCCESS? [LB390]

SENATOR CRAWFORD: THAT WILL BE UP TO FUTURE LEGISLATURES TO DECIDE IS THAT ENOUGH REDUCTION IN SEIZURES OR NOT? FRANKLY, I THINK, AGAIN, THIS IS AN AREA WHERE THE FEDERAL LAW AND RESEARCH IS CHANGING SO RAPIDLY, WE'RE GOING TO BE IN A DIFFERENT LEGAL CONTEXT PERHAPS IN FOUR YEARS, THREE YEARS, WHEN WE'RE TALKING ABOUT THIS AGAIN. SO WE WANTED TO MAKE SURE THERE'S SCIENTIFIC EVIDENCE ABOUT WHAT IT DOES FOR REDUCING SEIZURES. AND THAT IS THE KEY ISSUE THAT WE'RE LOOKING AT IN TERMS OF WHETHER OR NOT IT APPEARS TO BE AN EFFECTIVE PRODUCT. [LB390]

SENATOR KINTNER: AND IF WE GET TO THE POINT WHERE WE'VE GOT THE INFORMATION BEFORE US, AND LET'S SAY IT'S LOOKING GOOD, IT SEEMS TO BE WORKING, NO SIDE EFFECTS... [LB390]

PRESIDENT FOLEY: ONE MINUTE. [LB390]

SENATOR KINTNER: ...OR WHATEVER THEY LOOK AT, WHAT'S THE NEXT STEP BEYOND THAT? [LB390]

SENATOR CRAWFORD: WELL, THAT REALLY DEPENDS UPON WHAT HAPPENS MORE BROADLY. AND RIGHT NOW THE GW PHARMA PRODUCT IS AN OPEN LABEL. AND SO, I MEAN, I DON'T KNOW FOR SURE HOW FAST THE REST OF THAT WILL GO. UNMC IS ALSO NEGOTIATING TO BE A PILOT SITE...TO BE A SITE FOR ANOTHER PRODUCT PERHAPS. SO THERE'S ALL KINDS OF RESEARCH BEING DONE NOW. SO THAT'S PART OF WHY IT WAS IMPORTANT TO LEAVE THE BILL BROAD BECAUSE WE JUST DON'T KNOW WHAT ELSE IS GOING TO HAPPEN ON THIS RESEARCH FRONT IN THESE NEXT FOUR YEARS. AND IT COULD VERY WELL

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BE THE CASE THAT IN FOUR YEARS FROM NOW, WE DON'T NEED THIS KIND OF PILOT PROJECT BECAUSE THIS SUBSTANCE IS AVAILABLE THROUGH THE ORDINARY PRESCRIBING PROCESS. [LB390]

SENATOR KINTNER: YOU'VE TALKED ABOUT SEIZURES. WHAT ELSE CAN IT BE USED TO TREAT? [LB390]

SPEAKER HADLEY PRESIDING

SPEAKER HADLEY: TIME, SENATOR. THANK YOU, SENATOR KINTNER AND SENATOR CRAWFORD. SENATOR RIEPE, YOU'RE RECOGNIZED. [LB390]

SENATOR RIEPE: MR. PRESIDENT, THANK YOU. I AM ENCOURAGED THAT THE FACT THAT THE FDA IS UNDER CONSIDERATION AS WE LOOK AT THIS PARTICULAR PIECE OF LEGISLATION. I DO HAVE TWO QUESTIONS, FRIENDLY QUESTIONS, THAT I WOULD ASK SENATOR CRAWFORD TO YIELD TO. [LB390]

SPEAKER HADLEY: SENATOR CRAWFORD, WILL YOU YIELD? [LB390]

SENATOR CRAWFORD: YES. [LB390]

SENATOR RIEPE: SENATOR CRAWFORD, THANK YOU. MY FIRST QUESTION IS, IS WHAT'S PARTICULARLY UNIQUE ABOUT THE UNIVERSITY OF NEBRASKA MED CENTER'S APPROACH TO THIS THAT'S NOT BEING ACCOMPLISHED AT OTHER UNIVERSITIES THAT ARE PROBABLY FOUR, FIVE, TEN YEARS AHEAD OF US? [LB390]

SENATOR CRAWFORD: WELL, WHAT'S UNIQUE ABOUT THE UNIVERSITY OF NEBRASKA MEDICAL CENTER IN THE STATE OF NEBRASKA IS THAT IT'S OUR LEVEL FOUR EPILEPSY CENTER. SO THEY HAVE A PARTICULAR SPECIALTY IN EPILEPSY. AND THEN WHAT IS...WE'RE NOT UNIQUE, BUT WE ARE ONE OF TEN STATES...AFTER WE PASS THIS BILL, WE'LL BE ONE OF TEN STATES WHO HAS A STATE LEGISLATURE THAT SAID, YES, WE THINK THIS IS AN IMPORTANT THING FOR THIS STATE TO ADVANCE RESEARCH ON. SO UNMC WILL HAVE THE BACKING THAT WE ARE SAYING IN THE STATE OF NEBRASKA, THIS IS AN ISSUE THAT WE CARE ABOUT AND WANT TO MAKE SURE WE'RE ADVANCING RESEARCH ON IN OUR STATE. [LB390]

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SENATOR RIEPE: THANK YOU. I KNOW WHEN I FIRST CAME DOWN HERE I WAS TRYING TO DOCUMENT EVERYTHING AND YOU, AS AN ACADEMICIAN WOULD APPRECIATE THIS. AND I WAS TOLD, WELL, FOR LACK OF A BETTER TERM, PLAGIARISM IS IRRELEVANT HERE WITHIN THE LEGISLATIVE PROCESS. BUT MY QUESTION I GUESS GETS TO BE IS, WHY WOULDN'T WE SIMPLY REACH OUT TO THOSE OTHER TEN CENTERS AND MAYBE SEND THEM FIVE BUCKS TO SEND US A COPY OF THE STUDIES, IF YOU WILL? AND WE WOULD HAVE RESULTS IN HAND MORE QUICKLY. [LB390]

SENATOR CRAWFORD: THANK YOU FOR THAT QUESTION, SENATOR RIEPE. AND THAT HIGHLIGHTS THE FACT THAT LB390 IS ABOUT PROVIDING CARE WITHIN OUR RESEARCH PERSPECTIVE, BUT LB390 IS NOT JUST ABOUT THE RESEARCH. IT ALSO ALLOWS US TO PROVIDE ACCESS TO CBD TO PATIENTS IN OUR STATE AND THAT IS CRITICAL. SO THE RESEARCH AND THE EXPERIENCE THAT THE ACADEMIC CENTER WILL GET WITH THIS PRODUCT IS IMPORTANT. BUT MORE THAN ANYTHING ELSE, I WOULD SAY AS A MOM, MORE THAN ANYTHING ELSE, LB390 IS CRITICAL BECAUSE IT PROVIDES ACCESS TO THIS VERY PROMISING TREATMENT TO CHILDREN WITH EPILEPSY AS QUICKLY AND AS FEDERALLY COMPLIANTLY AS WE CAN. [LB390]

SENATOR RIEPE: THANK YOU. I HAVE ONE MORE STATEMENT. ONE OF THE CONCERNS THAT I HAD, AND I WORE OUT A PAIR OF SHOES GETTING CALLED OUT FROM HERE OUT TO THE CHAMBER BY FAMILIES THAT WERE CONCERNED, AND THEY WERE CONCERNED THAT THEY WOULDN'T BE AMONG THE SELECTED AND THEY WERE RATHER DISTRAUGHT. WHO WOULD BE SELECTED? WHY WOULD THEY NOT BE SELECTED? BECAUSE MY CONCERN HERE IS THAT WE MAY BE SPENDING A LOT OF EFFORT AND THE TIME TO SIMPLY APPEASE A FEW PEOPLE WHO ARE DESPERATE. I KNOW SENATOR WILLIAMS POINTED OUT, OTHERS AS WELL, WHAT THEY WOULD DO IF IT WAS THEIR OWN CHILD, GRANDCHILD, OR SOMEONE THAT THEY DEARLY LOVED. [LB390]

SENATOR CRAWFORD: THANK YOU. DURING OUR NUMEROUS CONVERSATIONS WITH UNMC REGARDING THIS PROJECT, WE ALSO DISCUSSED HOW ENROLLMENT AND ELIGIBILITY DECISIONS WOULD BE MADE. TOGETHER WE AGREED THAT THE DECISION COMMITTEE COMPRISED OF TWO TO THREE NEUROLOGISTS, INCLUDING A PEDIATRIC NEUROLOGIST, WOULD DETERMINE ELIGIBILITY. WE DID NOT FEEL IT WAS NECESSARY TO SPELL THAT OUT IN THE BILL, HOWEVER. THE BILL DOES NOT PUT A CAP ON THE NUMBER OF PEOPLE WHO CAN QUALIFY. FRANKLY, I THINK THAT THE MAIN...ONE OF THE KEY CRITERIA THAT WILL LIMIT THE NUMBER OF PEOPLE WHO CAN BE HELPED WILL

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SIMPLY BE THE SUPPLY WE'RE ABLE TO GET. THIS PRODUCT IS IN VERY HIGH DEMAND. AND SO I APPRECIATE THE EFFORTS THAT UNMC HAS MADE TO PROCURE SUPPLY OF THE GW PHARMA PRODUCT AND THEIR EFFORTS TO NEGOTIATE TO TRY TO GET SOME OTHER PRODUCT AND BE A PART OF OTHER STUDIES TO EXPAND THAT SUPPLY. BUT IT IS TRUE THAT LB390 WILL HELP AS MANY PATIENTS AS WE CAN IN THIS FRAMEWORK. BUT IT IS, I MEAN, THAT IS TRUE THAT WE CAN ONLY HELP THE NUMBER OF PATIENTS THAT WE CAN ACCOMMODATE IN THE STUDY WITH LB390. [LB390]

SENATOR RIEPE: I UNDERSTAND THAT THE FAMILIES THAT ARE SELECTED WILL PROBABLY BE OVERWHELMED WITH JOY. I THINK THOSE THAT ARE NOT WILL NOT BE CONCERNED. MY QUESTION OR MY CONCERN...NOT A QUESTION I GUESS IS, SIMPLY THE COST PER PERSON IN A STUDY. IN FLORIDA THEY HAVE A STATEMENT THEY SAY, IS THE JUICE WORTH THE SQUEEZE? AND I THINK THAT THAT'S WHERE WE'RE AT. [LB390]

SPEAKER HADLEY: TIME, SENATOR. [LB390]

SENATOR RIEPE: THANK YOU, SIR. [LB390]

SPEAKER HADLEY: THANK YOU, SENATORS RIEPE AND SENATOR CRAWFORD. SENATOR GARRETT, YOU'RE RECOGNIZED. [LB390]

SENATOR GARRETT: THANK YOU, MR. SPEAKER. COLLEAGUES, I RISE TODAY IN SUPPORT OF LB390. I ORIGINALLY SIGNED ON AS A COSPONSORED TO THIS BILL LAST YEAR. AND LAST SUMMER, AS SENATOR DAVIS MENTIONED, SENATOR CRAWFORD, SENATOR DAVIS, MYSELF, AND A PROFESSOR FROM UNL WENT OUT TO COLORADO TO LOOK AT HOW THEY PRODUCED CHARLOTTE'S WEB AND THE WHOLE PROCESS AND EVERYTHING TO GET A BETTER UNDERSTANDING OF IT. AT THE END OF THE DAY, I LOOK AT THIS AS A MULTIPRONGED ATTACK. THIS IS ALL ABOUT THE THING THAT REALLY BROUGHT ME TO MY BILL WAS THE MOMS WITH THEIR CHILDREN WHO HAVE SEIZURE DISORDERS WHO HAVE NO OTHER OPTIONS. AND CHARLOTTE'S WEB, THE CBD OIL OUT IN COLORADO, HAS HAD, I CAN SAY, MIRACULOUS EFFECTS FOR SOME CHILDREN. AND SO WE'RE JUST REALLY ANXIOUS TO GET THAT ABILITY HERE AS WELL. AND SENATOR CRAWFORD ANSWERED A COUPLE OF MY QUESTIONS THAT I HAD IN MY MIND ABOUT THE NUMBER OF PARTICIPANTS. IT'S GOOD TO HEAR THAT THEY'RE NOT GOING TO LIMIT THE NUMBER OF PARTICIPANTS AND THAT IT'S ONLY GOING TO BE LIMITED BY THE AMOUNT OF THE PRODUCT THEY CAN GET. AND MY WHOLE

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CONCERN IS THAT, THE WAY I FEEL ABOUT THIS IS, WITH THE E CLAUSE AND EVERYTHING ELSE, THAT AT LEAST THIS WILL GET SOME IMMEDIATE HELP FOR THOSE CHILDREN THAT ARE SUFFERING. AND SO I'M A BIG-TIME SUPPORTER. I SEE MY BILL AS BEING COMPLEMENTARY TO THIS ONE. THIS ONE WILL GET A LIMITED NUMBER OF CHILDREN SOME NEAR-TERM RELIEF. AND MY BILL WILL GO EVEN FURTHER IN GETTING OTHERS THAT HAVE NONGENETIC SEIZURE DISORDERS COVERED, AS WELL AS PEOPLE WITH CROHN'S DISEASE, GLAUCOMA, A MYRIAD OF OTHER DISEASES. I APPRECIATE SENATOR RIEPE'S CONCERNS AS WELL. HE'S OBVIOUSLY GIVEN THIS A LOT OF THOUGHT AND THE MOMS HAVE TALKED TO HIM QUITE A BIT. BUT ONE QUICK QUESTION FOR SENATOR CRAWFORD IF SHE WILL YIELD? [LB390]

SPEAKER HADLEY: SENATOR CRAWFORD, WILL YOU YIELD? [LB390]

SENATOR CRAWFORD: YES. [LB390]

SENATOR GARRETT: CAN YOU DEFINE FOR ME WHAT A PILOT STUDY IS? WHEN WE ORIGINALLY LOOKED AT THIS, WE WERE TALKING ABOUT A DOUBLE BLIND AND PLACEBO AND EVERYTHING. BUT A PILOT STUDY IS... [LB390]

SENATOR CRAWFORD: WELL, THE PILOT STUDY IS A TRIAL OF SOMETHING. AND SO THAT'S WHAT THIS IS RIGHT NOW. IT'S A TRIAL STUDY. SO THAT'S WHAT THAT WORD MEANS. IS THAT... [LB390]

SENATOR GARRETT: OKAY. OKAY, ALL RIGHT. AND YOU KNOW, AS SENATOR RIEPE HAD EXPRESSED CONCERNS...AGAIN, FROM MY PERSPECTIVE, I SEE THIS AS THIS IS GOING TO BE ABLE TO PROVIDE...GRANTED, THERE ARE OTHER UNIVERSITIES DOING STUDIES, BUT THIS WILL HELP NEBRASKANS IN THE NEAR TERM. AND THAT'S WHAT WE'RE HERE FOR TO MAKE LIFE BETTER FOR NEBRASKANS, ESPECIALLY THOSE SICK AND AILING NEBRASKANS. SO COLLEAGUES, I ENCOURAGE YOU TO GIVE A GREEN VOTE TO SENATOR CRAWFORD'S LB390. THANK YOU. [LB390]

SPEAKER HADLEY: SENATOR GLOOR, WILL YOU YIELD...RECOGNIZED. [LB390]

SENATOR GLOOR: THANK YOU, MR. PRESIDENT. I'M GOING TO START WITH A QUOTE. AND THEN I WANT TO BACK DOWN FROM THAT QUOTE A LITTLE BIT SO THE PEOPLE KNOW WHAT MY RATIONALE IS FOR MY STAND ON THIS BILL. THIS

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IS FROM AN ARTICLE THAT RAN LAST MARCH IN THE WALL STREET JOURNAL THAT TALKED ABOUT, SPECIFICALLY, THE ISSUE OF TREATING CHILDREN WITH EPILEPSY DIAGNOSIS WITH MARIJUANA. SOME DOCTORS WORRY THAT STATES ARE MOVING AHEAD WITHOUT BETTER DATA. WE HAVE CLEAR AND WELL-ESTABLISHED MECHANISMS TO DETERMINE IF THERAPIES ARE SAFE AND EFFECTIVE, SAID DR. AMY BROOKS-KAYAL, PRESIDENT OF THE AMERICAN EPILEPSY SOCIETY. TO HAVE LEGISLATURES BYPASS THAT PROCESS BEFORE THEY HAVE THE INFORMATION POSES RISKS TO PEOPLE WHO CHOOSE TO USE THAT THERAPY. NOW HAVING GIVEN YOU THAT QUOTE, I WILL TELL YOU THAT AFTER WRESTLING WITH ARTICLES LIKE THIS AND OTHER READINGS, LISTENING AND TALKING TO SENATOR CRAWFORD, BEING INVOLVED IN DISCUSSIONS WITH SENATOR GARRETT AND HIS STAFF ON HIS BILL, I'M IN SUPPORT OF LB390 AND THE AMENDMENTS THAT ARE NOW ATTACHED TO IT. UNDERSTAND--AND I THINK SENATOR CRAWFORD AND THE QUESTION HAS BEEN EXCELLENT ALONG THOSE LINES--AS POINTED OUT TO US, THIS ISN'T A TRADITIONAL ACADEMIC RESEARCH STUDY. THERE ARE NO PLACEBOS, NO DOUBLE BLIND STUDIES. THE CHILDREN, THE FAMILIES, THE INDIVIDUALS ACCEPTED INTO THIS PROGRAM--THE PATIENTS--WILL BE GETTING THIS MEDICATION IN DIFFERENT DOSAGES. THIS IS A VERY SMALL, DISTINCT GROUP OF PEOPLE WITH A VERY SMALL, DISTINCT GROUP OF DIAGNOSES. WE'RE DEALING WITH, AS I UNDERSTAND IT, CHILDREN WITH EPILEPTIC DISEASE FOR WHOM THIS TREATMENT MAY OR MAY NOT BE SUCCESSFUL. INFORMATION WILL BE KEPT. I THINK IT'S WORTH HAVING A SEPARATE BILL BECAUSE, AGAIN, AS HAS BEEN POINTED OUT, SENATOR GARRETT HAS A BILL, IF PASSES MAY ALLOW FAMILIES OR PATIENTS ACCESS TO THIS. BUT SENATOR GARRETT'S BILL IS FAR MORE INVOLVED, COMPLICATED, BROADER IN ITS SCOPE, AND PATIENTS IT WOULD AFFECT. AND IT'S GOING TO BE HARDER TO PULL TOGETHER. AND IT MAY TAKE A COUPLE OF REITERATIONS OF IT BEFORE IT, IN FACT, IS NEAT AND CLEAN ENOUGH FOR IT TO BE AS EFFECTIVE AS MOVING THIS BILL WITH ITS VERY SMALL, DISTINCT GROUP OF PEOPLE THAT IT'S TRYING TO SERVE. SO I SEE A REASON FOR THIS BILL TO BE PULLED OUT OR TO BE BROUGHT FORWARD ON ITS OWN, RATHER THAN THINKING SENATOR GARRETT'S BILL IS GOING TO ADDRESS IT IN A TIMELY FASHION. BUT HERE'S THE ISSUE, MEMBERS, AND THE REASON THAT I CAN BE SUPPORTIVE OF THIS. EVEN IF I RECOGNIZE THAT HAVING A LEGISLATURE JUMP INTO GIVING THUMBS UP ON MEDICATIONS TO TREAT SPECIFIC DISEASE--SENATOR RIEPE'S QUESTIONS ARE GOOD ALONG THESE LINES--COULD GET...I MEAN, HOW MANY OTHER DISEASES WILL WE HAVE PEOPLE COME TO US SAYING, OUT OF A DEGREE OF NEED, DESPERATION, PLEASE APPROVE THIS MEDICATION. FORGET ABOUT THE FDA, FORGET ABOUT THE STATE, PLEASE APPROVE THIS MEDICATION. THE PROBLEM HERE IS THAT THIS

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DRUG IS ALREADY LEGALLY AVAILABLE IN OTHER STATES. AND THIS IS THE REASON THAT I CAN GET COMFORTABLE WITH THIS IS, HOW MANY OF YOU WANT TO BET THAT THERE AREN'T SOME FAMILIES, SOME PATIENTS ALREADY SELF-MEDICATING FOR A LOT OF THESE DISEASES AND THEY'RE DOING SO WITHOUT THE OVERSIGHT OF THE TRAINED PROFESSIONALS WHO MIGHT MAKE SURE THAT THEY GET THE APPROPRIATE RELIEF OR THAT THEY'RE NOT DOING DAMAGE TO THEMSELVES BY TAKING TOO MUCH OF THIS MEDICATION? THIS IS AN ACADEMIC EXERCISE. AND, YES, WE'RE JUMPING THE GUN A LITTLE BIT BECAUSE WE DON'T HAVE THE FEDERAL GOVERNMENT COMPLETELY IN LINE WITH ALL THIS. BUT THE MEDICATION IS AVAILABLE. PEOPLE CAN BRING IT INTO THIS STATE, NOT LEGALLY, BUT THEY CAN BRING IT INTO THIS STATE... [LB390]

SPEAKER HADLEY: ONE MINUTE. [LB390]

SENATOR GLOOR: ...AND USE IT IN WAYS THAT THEY THINK IT'LL WORK. MAYBE OCCASIONALLY THEY CAN GET A COMPASSIONATE PHYSICIAN OR PROFESSIONAL WHO MIGHT HELP THEM. BUT CERTAINLY IF THEY DO, AT RISK OF THEIR OWN LICENSE. THERE'S THE PROBLEM. WHEN THE MEDICATION LIKE THIS IS ALREADY AVAILABLE IN OTHER STATES, WHEN WE KNOW PATIENTS ARE GIVING THEMSELVES ACCESS TO IT TO USE IT AND SELF-MEDICATE THEMSELVES, OPPORTUNITIES TO SIT DOWN AND SET UP PROGRAMS THAT BRING THE PROFESSIONALS--IN THIS CASE, UNMC--INTO PLAY TO USE THIS MEDICATION I THINK IS AN APPROPRIATE WAY TO BEGIN TO ADD TO THE BODY OF EVIDENCE THAT HOPEFULLY WILL BE OUT THERE AND SHOWS WHAT PATIENTS CAN THIS HELP, WHAT DOSAGES CAN BE HELPFUL. SO I'LL BE SUPPORTIVE OF THIS BILL AND ITS UNDERLYING AMENDMENTS AND WILL HOPE THAT IT, IN FACT, MAKES THE DIFFERENCE THAT SOME FAMILIES HOPE AND PRAY IT WILL MAKE A DIFFERENCE. THANK YOU. [LB390]

SPEAKER HADLEY: TIME, SENATOR. THANK YOU, SENATOR GLOOR. (VISITORS INTRODUCED.) SENATOR BRASCH, YOU'RE RECOGNIZED. [LB390]

SENATOR BRASCH: THANK YOU, MR. SPEAKER, AND THANK YOU, COLLEAGUES. I'M WONDERING IF SENATOR CRAWFORD WOULD YIELD TO SOME QUESTIONS? I DO HAVE QUESTIONS ON THIS BILL. [LB390]

SPEAKER HADLEY: SENATOR CRAWFORD, WILL YOU YIELD? [LB390]

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SENATOR CRAWFORD: YES. [LB390]

SENATOR BRASCH: LOOKING AT THE COMMITTEE STATEMENT, THERE WASN'T ANYONE PRESENT FROM UNMC AT THE PUBLIC HEARING, CORRECT? [LB390]

SENATOR CRAWFORD: THAT IS NOT CORRECT. THEY CAME TO TESTIFY NEUTRAL. I GUESS THAT DIDN'T GET REFLECTED ON THE STATEMENT. IT WAS A CRAZY, CHAOTIC HEARING AFTERNOON, SO. [LB390]

SENATOR BRASCH: BECAUSE IT'S SELF AND SELF ARE THE ONLY NEUTRALS THAT YOU HAVE ON YOUR COMMITTEE STATEMENT. SHOULD THERE BE A CORRECTION OF RECORD? WERE THEY REPRESENTING SELF OR... [LB390]

SENATOR CRAWFORD: WELL, THE...I GUESS YOU'RE RIGHT. IN TERMS OF WHEN THEY TESTIFY THEY ALWAYS SAY THEY'RE TESTIFYING FOR THEMSELVES, SO OKAY. [LB390]

SENATOR BRASCH: AND SO THEY WERE NOT REPRESENTING UNMC, CORRECT? [LB390]

SENATOR CRAWFORD: CORRECT. [LB390]

SENATOR BRASCH: OKAY, THANK YOU. AND THEN THE OTHER QUESTION I WOULD HAVE IS, DO WE HAVE AN OFFICIAL LETTER FROM UNMC ENCOURAGING THE LEGISLATURE TO MOVE FORWARD WITH THIS? IS THERE SOME DOCUMENTATION WE COULD HAVE ON THE FLOOR SHARED WITH OUR COLLEAGUES? [LB390]

SENATOR CRAWFORD: I'M SORRY, I JUST HAD A CLARIFICATION ON THE NEUTRAL TESTIMONY. PEOPLE FROM THE UNIVERSITY OF NEBRASKA, IF THERE'S NOT AN OFFICIAL VOTE THAT TELLS THEM TO TESTIFY IN SUPPORT, THEY HAVE TO TESTIFY IN NEUTRAL. SO THAT'S WHY THEY WOULD HAVE BEEN SHOWING UP IN A NEUTRAL CAPACITY ON THE BILL, NOT BECAUSE THEY WERE UNSURE ABOUT IT. I'M SORRY. SO REPEAT YOUR OTHER QUESTION. [LB390]

SENATOR BRASCH: OKAY, VERY GOOD. AND IN THE SEVERAL YEARS ON COMMITTEES WE HAVE AGENCIES AND ENTITIES THAT...IS THAT A PART OF THEIR TRANSCRIPT SAYING THEY ARE NOT TESTIFYING ON BEHALF OF THE

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UNIVERSITY, BUT THEMSELVES. AND I HAVE NOT READ THE TRANSCRIPT. TYPICALLY WHEN A PERSON IS NEUTRAL, EVEN THOUGH THEY'RE WITH AN ENTITY AGENCY, THEY'RE NEUTRAL. BUT IF THEY'RE THERE FOR THEIR OWN POSITION, THEN THAT'S ALSO USUALLY CLARIFIED. [LB390]

SENATOR CRAWFORD: RIGHT. THERE WAS A NEUROLOGIST FROM UNMC WHO WAS THERE TESTIFYING IN SUPPORT AS A PHYSICIAN. [LB390]

SENATOR BRASCH: NOT AS NEUTRAL, BUT IN SUPPORT? [LB390]

SENATOR CRAWFORD: AS IN SUPPORT, CORRECT. [LB390]

SENATOR BRASCH: OKAY. VERY GOOD. DO WE HAVE ANY OFFICIAL LETTER ON THEIR LETTERHEAD RECOMMENDING THAT WE MOVE FORWARD WITH LB390? IS THERE ANYTHING THAT THEY COULD SEND THE LEGISLATURE ENCOURAGING US TO PASS LB390 FROM UNMC? [LB390]

SENATOR CRAWFORD: THEY WERE...AGAIN, THE NEUROLOGIST FROM UNMC WAS THERE TO EXPLAIN WHY IT WAS AN IMPORTANT DIRECTION TO MOVE FORWARD AND THEY WERE THERE ALSO TO ANSWER QUESTIONS TO MAKE SURE THAT THE JUDICIARY COMMITTEE KNEW THAT THEY WERE THERE TO ANSWER ANY QUESTIONS, AND THEY'D BE WILLING TO MOVE FORWARD. [LB390]

SENATOR BRASCH: THANK YOU. AND THE REASON I'M ASKING THIS IS, WHEN I SPOKE TO A PHYSICIAN IN OUR DISTRICT, SHE HAD INDICATED TO ME THAT...SHE SAID, PRODUCTS ARE OUT THERE WITH THESE CHEMICALS, WITH THESE INGREDIENTS. SHE SPECIFIED ONE. I GAVE THAT OUT AS A FLOOR DOCUMENT. HAVE YOU HAD AN OPPORTUNITY TO SHARE THAT WITH A PHYSICIAN OR THE UNMC? [LB390]

SENATOR CRAWFORD: ACTUALLY, YEAH, I SAW WHAT YOU HAD PASSED OUT, IN TERMS OF LIKE MARINOL AND SOME OTHER PRODUCTS THAT ARE BEING DEVELOPED THAT HAVE SOME OF THE QUALITIES OF CANNABIS. NOW, THIS IS A DIFFERENT SITUATION. THE ONLY PHARMACEUTICAL GRADE PRODUCT THAT I KNOW OF AND THAT IS AVAILABLE FOR THIS...FOR EPILEPSY IS THE ONE THAT IS CURRENTLY GOING THROUGH FDA TRIALS. AND THAT'S WHY I WAS EXCITED THAT ACTUALLY... [LB390]

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SPEAKER HADLEY: ONE MINUTE. [LB390]

SENATOR CRAWFORD: ...WE'RE GOING TO HAVE SOME OF THAT PRODUCT HERE. DR. MADHAVAN, IN SEPTEMBER AND IN OUR HEARING FOR THE BILL ITSELF, INDICATED THAT THE REASON HE IS SUPPORTIVE OF MOVING FORWARD IS BECAUSE THERE IS NOT OTHER OPTIONS FOR THESE PATIENTS. THEY'VE TRIED THOSE OTHER OPTIONS AND STILL HAVE THE SEIZURES. SO AT THAT POINT, AS A PHYSICIAN, HE'S WILLING TO LOOK AT HOW TO MOVE FORWARD BECAUSE THOSE OTHER FDA-APPROVED OPTIONS DON'T EXIST. [LB390]

SENATOR BRASCH: VERY GOOD. THANK YOU, SENATOR CRAWFORD. THANK YOU, MR. SPEAKER. [LB390]

SPEAKER HADLEY: THANK YOU, SENATOR BRASCH AND SENATOR CRAWFORD. SENATOR KINTNER, YOU'RE RECOGNIZED. [LB390]

SENATOR KINTNER: WELL, THANK YOU, MR. PRESIDENT. WOULD SENATOR CRAWFORD YIELD TO A QUESTION OR TWO? [LB390]

SPEAKER HADLEY: SENATOR CRAWFORD, WILL YOU YIELD? [LB390]

SENATOR CRAWFORD: YES. [LB390]

SENATOR KINTNER: THESE ARE NOT HOSTILE QUESTIONS. I'M WARMING UP TO THIS BILL EVERY TIME WE SPEAK. SO I APPRECIATE YOU INDULGING ME HERE. THE QUESTION I WAS ASKING WHEN WE RAN OUT OF TIME WAS WHAT ARE THE ILLNESSES, DISEASES, PROBLEMS, THAT THIS IS KNOWN TO POSSIBLY CURE THAT WE WANT TO STUDY BESIDES SEIZURES? [LB390]

SENATOR CRAWFORD: SO THAT IS WHAT WE CALL INTRACTABLE EPILEPSY. AND THAT MEANS THAT IT...AND SO IT IS...WE'RE LEAVING THAT DEFINITION RELATIVELY BROAD IN THAT SENSE, EXCEPT THERE ARE FORMS OF EPILEPSY FOR WHICH OTHER FDA-APPROVED OPTIONS HAVE NOT WORKED. [LB390]

SENATOR KINTNER: MY NIECE HAS SEIZURES. THEY HAVE NO IDEA WHY SHE HAS SEIZURES. I DON'T KNOW IF SHE'S GONE OVER THREE MONTHS WITHOUT A SEIZURE SO SHE CAN DRIVE AGAIN. BUT THEY DON'T KNOW WHAT THEY ARE.

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WOULD SHE BE A CANDIDATE OR WOULD SHE NOT BE A CANDIDATE IF THEY DON'T KNOW WHAT'S CAUSING THE SEIZURES? [LB390]

SENATOR CRAWFORD: I THINK THAT THIS PRODUCT HAS BEEN IDENTIFIED AS WORKING VERY WELL FOR THESE PARTICULAR INTRACTABLE SEIZURES. SO IT WOULD BE THAT GROUP OF NEUROLOGISTS WHO ARE COMPRISED OF THE SELECTION COMMITTEE THAT WOULD DECIDE WHO GETS INTO THE STUDY. IT WOULD BE THEIR PROFESSIONAL OPINION. I WOULD EXPECT THAT THEY ARE GOING TO FOCUS ON THOSE INTRACTABLE EPILEPSIES THAT WE KNOW HAVE RESPONDED TO THIS TREATMENT. [LB390]

SENATOR KINTNER: THANK YOU VERY MUCH, SENATOR CRAWFORD. SENATOR WILLIAMS, WILL YOU YIELD TO A QUESTION OR TWO? [LB390]

SPEAKER HADLEY: SENATOR WILLIAMS, WILL YOU YIELD? [LB390]

SENATOR WILLIAMS: CERTAINLY. [LB390]

SENATOR KINTNER: YOU HAVE BEEN A HARSH CRITIC OF MEDICAL MARIJUANA. IS THAT CORRECT? [LB390]

SENATOR WILLIAMS: YES, SENATOR. [LB390]

SENATOR KINTNER: OKAY. TALK TO ME ABOUT HOW YOU SEE THIS BILL BECAUSE I KNOW YOU PRETTY MUCH DON'T LIKE MARIJUANA. YOU SEE THE PROBLEMS WITH IT. I THINK WE ALL SEE PROBLEMS WITH IT. SO HOW DO YOU SEE THIS BILL? [LB390]

SENATOR WILLIAMS: I SEE THIS BILL COMPLETELY DIFFERENT THAN I HAVE VIEWED THE OTHER MEDICAL MARIJUANA BILL TO THIS POINT WITHOUT SEEING WHERE SENATOR GARRETT GOES WITH THAT BILL ON SELECT FILE. I ORIGINALLY SAT AND HEARD ALL THE SAME TESTIMONY THAT THE OTHER JUDICIARY COMMITTEE MEMBERS HEARD ON LB390 AND I DID NOT VOTE ON BRINGING IT TO THE FLOOR. BUT SINCE THEN I'VE HAD AN OPPORTUNITY TO DO MORE STUDY, TALK TO THE PEOPLE AT UNMC THAT WILL BE CONDUCTING THIS STUDY AND FEEL CONFIDENT THAT THIS IS THE SYSTEMATIC WAY TO MOVE FORWARD WITH THE MARIJUANA IN OUR STATE. THAT UNDER THIS STUDY IT WOULD BE CONTROLLED, IT WOULD BE ORGANIZED, IT WOULD BE VERY

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SYSTEMATIC, AND I'M VERY COMFORTABLE WITH IT HAPPENING THAT WAY AND HOPEFULLY PEOPLE WILL BE HELPED. BUT ALSO THROUGH THIS PROCESS, WE'LL HAVE THE OPPORTUNITY UNDER A MEDICALLY CONTROLLED STUDY TO DETERMINE ONCE AND FOR ALL IN OUR STATE HOW ACCURATE AND HOW HELPFUL THIS CAN BE. [LB390]

SENATOR KINTNER: WELL, YOUR INITIAL CONCERNS--YOU SAT THROUGH THIS, THAT'S WHY I'M ASKING THE QUESTION--WERE YOUR INITIAL CONCERNS THAT IT WASN'T CONTROLLED, THAT WE WERE JUST GOING TO OPEN IT UP? OR WHAT WERE YOUR INITIAL CONCERNS? [LB390]

SENATOR WILLIAMS: MY INITIAL CONCERNS WERE SIMPLY THAT I DIDN'T KNOW ENOUGH ABOUT THIS ISSUE TO START WITH. AND AS I RESEARCHED THAT AND BECAME MORE COMFORTABLE WITH IT, I THINK THIS IS A GREAT APPROACH TO TAKING A STEP FORWARD FOR OUR STATE. AND I FULLY SUPPORT LB390 AND THE AMENDMENTS THAT ARE ON IT AT THIS POINT. [LB390]

SENATOR KINTNER: AND MY LAST QUESTION--AND I'M GOING THAT WAY MYSELF I THINK... [LB390]

SPEAKER HADLEY: ONE MINUTE. [LB390]

SENATOR KINTNER: ...IS THE PROBLEMS WITH MARIJUANA. WHAT'S THE GENERAL PROBLEMS YOU SEE WITH MARIJUANA ITSELF? [LB390]

SENATOR WILLIAMS: I HAVE A PROBLEM WITH MARIJUANA IN THAT IT IS, UNDER CERTAIN CIRCUMSTANCES, A VERY DANGEROUS DRUG, ESPECIALLY WHEN USED BY YOUNG PEOPLE. THIS STUDY ELIMINATES THE PSYCHOTROPIC INGREDIENT, THE THC IN THE OIL THAT WILL BE USED, IT'S JUST THE CBD PORTION. SO I THINK IT'S NOT A PRODUCT THAT WOULD BE USED TO GET HIGH. SO I AM STILL CONCERNED ABOUT OPENING THE DOOR TO MEDICAL MARIJUANA OVERALL. I DO NOT SEE LB390 AS OPENING THE DOOR. I SEE IT AS... [LB390]

SENATOR KINTNER: OKAY, THANKS A LOT. LET ME GO AHEAD AND FINISH. [LB390]

SENATOR WILLIAMS: THANK YOU. [LB390]

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SENATOR KINTNER: I HEARD ENOUGH, THANK YOU. I THINK I LIKE THIS BILL. I THINK I DON'T HAVE ANY PROBLEM WITH IT AT ALL AND I THINK WE'RE PROBABLY MOVING IN THE RIGHT DIRECTION WITH THIS BILL. THANK YOU. [LB390]

SPEAKER HADLEY: TIME, SENATOR. THANK YOU, SENATOR KINTNER AND SENATOR WILLIAMS. SENATOR BLOOMFIELD, YOU'RE RECOGNIZED. [LB390]

SENATOR BLOOMFIELD: THANK YOU, MR. PRESIDENT. GOOD MORNING, COLLEAGUES. I AM ONE OF THE COSIGNERS ON LB390 AND I WANT TO THANK SENATOR CRAWFORD FOR CARRYING THIS BILL. SENATOR KINTNER IN HIS FIRST TIME ON THE MIKE ON THIS ISSUE ASKED WHAT WE CONSIDERED SUCCESS. COLLEAGUES, THIS WOULD BE MY OPINION OF SUCCESS. ONE CHILD HAVING ONE LESS SEIZURE. THAT IS SUCCESS. SENATOR RIEPE BROUGHT UP THE COST, IS THE JUICE WORTH THE SQUEEZE? IF BY PASSING LB390, WE ADVANCE BY ONE DAY, RELIEF TO CHILDREN THAT SUFFER WITH SEIZURES, IT'S WELL WORTH THE SQUEEZE. SO, COLLEAGUES, I URGE YOUR SUPPORT FOR LB390. AND IF SENATOR HOWARD HAS ANYTHING TO SAY, I WOULD YIELD THE REMAINDER OF MY TIME TO HER. [LB390]

SPEAKER HADLEY: SENATOR HOWARD, YOU'RE YIELDED 3 MINUTES AND 48 SECONDS. SENATOR HOWARD WAIVES. SENATOR GARRETT, YOU'RE RECOGNIZED. [LB390]

SENATOR GARRETT: THANK YOU, MR. SPEAKER, COLLEAGUES. THANK YOU, SENATOR BLOOMFIELD, THOSE WERE GREAT COMMENTS. I WANTED TO SHARE WITH YOU SOME OF THE BACKGROUND INFORMATION, THE STUDY INFORMATION THAT WE GOT WHILE RESEARCHING OUR OWN BILL. AND THIS APPLIES SPECIFICALLY TO CBD OIL. IN RESEARCH AT THE UNIVERSITY OF COLORADO SCHOOL OF MEDICINE, DR. MARGARET GEDDE AND DR. EDWARD MAA STUDIED THE USE OF CHARLOTTE'S WEB CBD OIL IN CHILDREN WITH HIGH REFRACTORY PEDIATRIC EPILEPSIES. THE STUDY REPORTED THAT ALL CHILDREN SAW A REDUCTION IN SEIZURES WITH 45 PERCENT OF CHILDREN BECOMING COMPLETELY SEIZURE FREE WITHIN A THREE-MONTH PERIOD AND 82 PERCENT OF CHILDREN EXPERIENCING A SEIZURE REDUCTION OF 75 PERCENT OR MORE. DR. BONNI GOLDSTEIN OF CANNA-CENTERS IN SAN JOSE, CALIFORNIA, COMPLETED A SIMILAR STUDY USING A HIGH CBD CONCENTRATE OIL IN CHILDREN WITH TREATMENT RESISTANT EPILEPSY. SEVENTY-FIVE PERCENT OF THE CHILDREN INVOLVED IN THE STUDY SAW A REDUCTION IN SEIZURES.

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SEVENTEEN PERCENT REPORTED COMPLETE SEIZURE FREEDOM IMMEDIATELY WITH 58 PERCENT OF CHILDREN SEEING SEIZURE REDUCTIONS OF OVER 60 PERCENT. DR. CATHERINE JACOBSON AND DR. BRENDA PORTER, NEUROLOGISTS AT STANFORD UNIVERSITY, COMPLETED A SIMILAR STUDY IN CHILDREN USING CHARLOTTE'S WEB CBD OIL. EIGHTY-FOUR PERCENT OF THE PARTICIPANTS SAW A REDUCTION IN SEIZURES AND 16 PERCENT REPORTED COMPLETE SEIZURE FREEDOM IMMEDIATELY. CLINICAL TRIALS OF EPILODEX, A CBD OIL DEVELOPED BY GW PHARMACEUTICALS, HAVE SHOWN SEIZURE REDUCTIONS OF MORE THAN 50 PERCENT IN 48 PERCENT OF PARTICIPANTS, WHILE 41 PERCENT SAW REDUCTION OF OVER 70 PERCENT IN THE CLINICAL TRIALS. COLLEAGUES, DON'T FORGET THAT THE PARTICIPANTS IN THESE PILOT STUDIES ARE NOT BEING FORCED INTO DOING THIS. THEY'RE DOING IT VOLUNTARILY AND IT'S BECAUSE THEY'RE OUT OF OPTIONS, AS SENATOR CRAWFORD MENTIONED. WHEN YOUR NEXT OPTION ON YOUR TREATMENT REGIMEN IS BRAIN SURGERY, DOGGONE IT, WE HAVE GOT TO GIVE DOCTORS ANOTHER OPTION. AND THIS IS THE OPTION. THE EVIDENCE IS THERE. EPILODEX HAS BEEN PRETTY EFFECTIVE FOR WHAT THEY'VE BEEN PRESCRIBING IT FOR. AND AS SENATOR BLOOMFIELD SAID, IF WE COULD GET EVEN ONE CHILD SEIZURE-FREE OR A MASSIVE REDUCTION, THE COST IS WELL WORTH IT. AND I'LL YIELD THE REST OF MY TIME TO SENATOR CRAWFORD IF SHE NEEDS IT. [LB390]

SPEAKER HADLEY: SENATOR CRAWFORD, YOU'RE YIELDED 2 MINUTES AND 33 SECONDS. [LB390]

SENATOR CRAWFORD: THANK YOU, MR. PRESIDENT. AND THANK YOU, SENATOR GARRETT. I APPRECIATE THOSE KIND WORDS AND I APPRECIATE YOUR PUTTING ON THE RECORD SOME OF THE RESEARCH IN TERMS OF THE REDUCTION IN SEIZURES WHICH HAS BEEN VERY REMARKABLE. AND I DO WANT TO JUST CLARIFY, AGAIN, WE NEGOTIATED TO MAKE SURE THAT THE UNDERSTANDING WOULD BE THAT PATIENTS WOULD NOT HAVE TO GET BRAIN SURGERY BEFORE THEY GOT TO TRY THIS OPTION. BUT I WILL LET COLLEAGUES KNOW THAT SOME OF OUR CHILDREN WITH EPILEPSY DO GET THIS DRASTIC BRAIN SURGERY AND STILL THAT DOES NOT STOP THEIR SEIZURES. SO LB390 IS NOT IMPORTANT JUST BECAUSE IT WOULD KEEP SOMEONE FROM HAVING TO HAVE A DRASTIC BRAIN SURGERY. LB390 IS CRITICAL BECAUSE SOME PATIENTS, EVEN AFTER THEY TRY THE BRAIN SURGERY, STILL DO NOT HAVE A REDUCTION IN THEIR SEIZURES. AND, AGAIN, THIS IS NOT A MAGIC BULLET, IT'S NOT GOING TO WORK FOR EVERYONE. BUT THE RESULTS SO FAR HAVE BEEN REMARKABLE AND THEY'VE BEEN PARTICULARLY REMARKABLE COMPARED TO THE OTHER OPTIONS THAT WE HAVE TO TREAT THIS INTRACTABLE EPILEPSY. SO, AGAIN, THANK YOU,

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SENATOR GARRETT FOR THE TIME AND THANK YOU FOR PUTTING SOME OF THAT RESEARCH ON THE RECORD AND THANK YOU FOR YOUR SUPPORT. [LB390]

SPEAKER HADLEY: THANK YOU, SENATOR GARRETT, AND THANK YOU, SENATOR CRAWFORD. SENATOR BRASCH, YOU'RE RECOGNIZED. [LB390]

SENATOR BRASCH: THANK YOU, MR. SPEAKER. AND I WANT TO THANK SENATOR CRAWFORD AND HER STAFF FOR SHARING SOME OF THE TESTIMONY I HAVE SEEN. WHERE I'M STILL AT IS THAT I UNDERSTAND THAT THE UNIVERSITY DID NOT INITIATE THIS LEGISLATION, CORRECT? WILL SENATOR CRAWFORD YIELD TO A QUESTION? [LB390]

SPEAKER HADLEY: WOULD SENATOR CRAWFORD YIELD? [LB390]

SENATOR CRAWFORD: YES. [LB390]

SENATOR BRASCH: VERY GOOD. THEY DID NOT. AND IN FACT, YOU'RE WORKING WITH A CERTAIN PHARMACY, IS THAT CORRECT? [LB390]

SENATOR CRAWFORD: SO IT IS CORRECT THAT WE APPROACHED UNMC, THEY DID NOT APPROACH US. SO WE ASKED THEM TO CONSIDER THIS. AND WE...IN THOSE DISCUSSIONS, IT INCLUDED THEIR LEGAL TEAM, PEOPLE FROM THE PHARMACY SCHOOL, PEOPLE FROM NEUROLOGY. SO WE HAVE HAD DISCUSSIONS WITH TEAMS OF PEOPLE AT UNMC TO SEE IF THERE'S A WAY TO MOVE FORWARD. AND THIS IS WHAT WE CAME UP WITH AS AN IMPORTANT WAY TO MOVE FORWARD. [LB390]

SENATOR BRASCH: VERY GOOD. CAN YOU ALSO TELL ME...AND YOUR STAFF IS EXCELLENT AND WE STARTED GETTING A DIALOGUE GOING AND THEN FINISHED THERE. BUT SHE HAD LEFT ME WITH THE NAME GW PHARMA? IS THAT... [LB390]

SENATOR CRAWFORD: YES. [LB390]

SENATOR BRASCH: OKAY. CAN YOU TELL ME A LITTLE BIT ABOUT WHERE THEY ARE FROM, WHO THEY ARE, WHAT OTHER STATES? A LITTLE MORE INFORMATION ON WHY THEY'RE HERE IN NEBRASKA. IS IT NEBRASKA BASED? [LB390]

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SENATOR CRAWFORD: IT IS NOT NEBRASKA BASED. GW PHARMA HAS A PHARMACEUTICAL GRADE CBD PRODUCT THAT HAS BEEN GOING THROUGH FDA TRIALS AND IT'S GONE THROUGH THE FIRST ROUND OF FDA TRIALS. AND BECAUSE THE RESULTS HAVE BEEN SO REMARKABLE AND BECAUSE THE CONDITION AND SITUATION OF THESE PATIENTS IS SO DRASTIC AND THERE ARE NO OTHER OPTIONS, IT HAS NOW BEEN GRANTED OPEN LABEL STATUS. AND SO THAT MEANS IT IS OPEN TO OTHER USE IF THE UNIVERSITY GETS AN INVESTIGATIVE NEW DRUG PERMIT TO USE IT. [LB390]

SENATOR BRASCH: AND CAN YOU TELL ME WHERE IS GW PHARMA BASED OUT OF? [LB390]

SENATOR CRAWFORD: I DO NOT REMEMBER OFF OF THE TOP OF MY HEAD, BUT IT IS GOING THROUGH THE FEDERAL U.S. FDA APPROVAL PROCESS. THAT'S WHAT I THINK IS CRITICAL. [LB390]

SENATOR BRASCH: AND WE WERE ASKED QUESTIONS JUST THE OTHER DAY, IF YOU RECALL. WHO IS THIS COMPANY? HOW MANY EMPLOYEES DO THEY HAVE? WHEN WERE THEY ESTABLISHED? AND ALMOST FDA APPROVED DOES CONCERN ME THAT IT'S JUST ALMOST THERE BUT NOT QUITE THERE. [LB390]

SENATOR CRAWFORD: BUT THE UNIVERSITY WILL HAVE TO GET AN INVESTIGATIVE...I MEAN, THEY WILL GET INVESTIGATIVE NEW DRUG PERMITS. AND, AGAIN, THEY HAVE RECOGNIZED...THE FDA HAS RECOGNIZED THAT THIS HAS BEEN SAFE AND THE RESULTS HAVE BEEN REMARKABLE. AND SO THE FDA IS RECOGNIZING THE IMPORTANCE TO OFFER IT AS OPEN LABEL. [LB390]

SENATOR BRASCH: VERY GOOD. AND I WILL KEEP RESEARCHING THIS MOVING FORWARD. THINGS ARE GETTING CLEARER HERE. I STILL REMAIN...ONE CONCERN, WHILE SENATOR BLOOMFIELD WANTS TO MAKE SURE THAT ONE CHILD IS BETTER, I WANT TO MAKE SURE THAT ONE CHILD DOES NOT GET WORSE, THAT THE LONG-TERM EFFECTS THAT SOMETHING BEING PILOTED OR TESTED ON SOMEONE THAT IS ALREADY ILL AND SUFFERING IS NOT BROUGHT TO A POSITION WHERE AN UNAPPROVED PRODUCT OR FULLY TESTED PRODUCT HERE IN NEBRASKA IS NOT IN THEIR HANDS. IT'S VERY DIFFICULT TO BE ON THE RIGHT SIDE OF THIS, I THINK, ESPECIALLY WHEN THERE ARE OTHER OPTIONS THAT ARE POTENTIAL. [LB390]

SPEAKER HADLEY: ONE MINUTE. [LB390]

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SENATOR BRASCH: THANK YOU, MR. PRESIDENT, AND THANK YOU, COLLEAGUES. [LB390]

SPEAKER HADLEY: SEEING NO ONE ELSE IN THE QUEUE, SENATOR CRAWFORD, YOU'RE RECOGNIZED TO CLOSE ON YOUR AMENDMENT. [LB390]

SENATOR CRAWFORD: THANK YOU, MR. PRESIDENT. AND I DO WANT TO CLARIFY, AGAIN, THAT THE PRODUCT THAT WE KNOW WE'RE GOING TO HAVE ACCESS TO IS GOING THROUGH THE UNITED STATES FDA APPROVAL PROCESS. AND IT IS NOT ALL THE WAY THROUGH, BUT THAT'S BECAUSE THEY'RE ALLOWING OPEN LABEL ACCESS BECAUSE THE RESULTS HAVE BEEN SO STRONG AND BECAUSE THERE ARE NO OTHER OPTIONS FOR MANY OF THESE PATIENTS. THEY HAVE TRIED OTHER OPTIONS AND THEY JUST DO NOT WORK. THIS HAS BEEN A PARTICULARLY TROUBLESOME AREA OF MEDICAL RESEARCH AND SO THIS IS PART OF WHY SO MANY NEUROLOGISTS AND OTHER SPECIALISTS HAVE SAID, THIS IS SOMETHING WE JUST DON'T HAVE GOOD OPTIONS TO ADDRESS FOR MANY OF OUR PATIENTS. AND SO IT IS WORTH SPEEDING UP THE PROCESS TO TRY TO MAKE SURE THAT WE HAVE ACCESS FOR THESE PATIENTS. AND SO I APPRECIATE UNMC'S WILLINGNESS TO WORK WITH US TO TRY TO MAKE SURE THAT PATIENTS IN OUR STATE HAVE THIS ACCESS. AND I ALSO JUST WANT TO CLARIFY, AGAIN, WE SHOWED SENATOR BRASCH THE LETTER. THERE IS A LETTER ON UNMC LETTERHEAD ABOUT THEIR PARTICIPATION IN THE STUDY IF YOU ARE INTERESTED IN SEEING THAT AND WE CAN SHOW THAT TO YOU AS WELL. I ALSO DO WANT TO CLARIFY--JUST BECAUSE I AM SO CONCERNED ABOUT MAKING SURE THAT WE'RE BEING VERY FORTHRIGHT AND NOT OVERPROMISING SOMETHING--AGAIN, THE BILL HAS NO NUMBER LIMIT ON IT. AND SO REALLY, WE'RE GOING...THE COMMITMENT FROM UNMC IS TO TREAT AS MANY PATIENTS AS THEY CAN, GIVEN THEIR CAPACITY. AND AS I SAID, I THINK SUPPLY WILL BE ONE OF THE KEY RESTRICTIONS ON CAPACITY. WE ALSO HAVE CASH FUNDS. YOU KNOW, THAT GIVES THEM SOME FUNDING FOR CAPACITY, BUT THAT FUNDING ALSO MAY RESTRICT CAPACITY IN TERMS OF HOW MANY PEOPLE THEY CAN SERVE. BUT THEY'RE WANTING TO SERVE AS MANY PEOPLE AS THEY CAN GIVEN THEIR CAPACITY. I ALSO WANT TO CLARIFY THAT GW PHARMA IS AN OPEN LABEL PRODUCT FOR GW PHARMA. AND SO FOR THE GW PHARMA PRODUCT, WHERE WE'RE STARTING WITH THE STUDY, THERE IS NO PLACEBO GROUP. BUT THERE ARE NEGOTIATIONS ONGOING AND SO THERE MAY BE SITUATIONS WITH FUTURE SUPPLY THAT COMES WHERE THERE MAY BE CONDITIONS WHERE THERE MAY BE SOME PEOPLE IN A PLACEBO GROUP FOR A SHORT TIME. BUT IT'S ALSO THE CASE THIS HAS BEEN ONE THOSE AREAS OF RESEARCH WHERE THERE ARE ADVANCES IN RESEARCH PROTOCOLS SO THAT IF

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SOMEONE HAS TO BE IN A PLACEBO GROUP, THEY'RE IN THERE FOR A VERY SHORT TIME SO THAT WE DON'T MISS OUT ON THE IMPORTANCE OF THE COMPASSIONATE CARE AND TRYING TO PROVIDE COMPASSIONATE CARE FOR AS MANY PATIENTS AS POSSIBLE. BUT AGAIN, THE PRODUCT WE'RE STARTING WITH, GW PHARMA, DOES NOT REQUIRE A PLACEBO GROUP. BUT I JUST WANTED TO MAKE THOSE CLARIFICATIONS FOR THE RECORD SO THAT WE ARE NOT OVERPROMISING AND BEING VERY CLEAR ABOUT WHAT WE'RE ABLE TO DO IN THE STATE OF NEBRASKA GIVEN CURRENT FEDERAL LAWS AND FEDERAL RESTRICTIONS. AND IN MY MIND, THIS BILL WITH THE AMENDMENTS IS SOMETHING THAT ALLOWS US TO PROVIDE CARE TO AS MANY PATIENTS AS POSSIBLE, AS QUICKLY AS POSSIBLE, AND AS FEDERALLY COMPLIANT MANNER AS POSSIBLE. THANK YOU, MR. PRESIDENT. [LB390]

SPEAKER HADLEY: THE QUESTION FOR THE BODY IS THE ADOPTION OF AM1646. ALL IN FAVOR VOTE AYE; ALL OPPOSED VOTE NAY. HAVE ALL VOTE? RECORD, MR. CLERK. [LB390]

CLERK: 26 AYES, 1 NAY, MR. PRESIDENT, ON THE ADOPTION OF SENATOR CRAWFORD'S AMENDMENT. [LB390]

SPEAKER HADLEY: THE AMENDMENT IS ADOPTED. MR. CLERK. [LB390]

CLERK: MR. PRESIDENT, SENATOR MORFELD WOULD MOVE TO AMEND WITH AM1651. (LEGISLATIVE JOURNAL PAGE 1667.) [LB390]

SPEAKER HADLEY: SENATOR MORFELD, YOU'RE RECOGNIZED TO OPEN ON YOUR AMENDMENT. [LB390]

SENATOR MORFELD: THANK YOU, MR. PRESIDENT AND COLLEAGUES. AM1651 IS A COMBINATION OF TWO BILLS FROM SENATOR WILLIAMS AND MYSELF THAT WERE ADVANCED TO GENERAL FILE FROM THE JUDICIARY COMMITTEE UNANIMOUSLY. IN FACT, MY BILL, LB546, WHICH IS A PART OF THIS AMENDMENT, WAS ADVANCED UNANIMOUSLY AND HAD NOBODY TESTIFYING IN OPPOSITION. IT WAS ON TRACK TO BE ON CONSENT CALENDAR. HOWEVER, A CLERICAL ERROR IN REPORTING IT TO THE CLERK PREVENTED IT FROM BEING PUT ON CONSENT CALENDAR. SO LB546, WHICH WAS ADVANCED FROM THE JUDICIARY COMMITTEE, IS FAIRLY STRAIGHTFORWARD. IT ALLOWS A HEALTHCARE PROFESSIONAL WHO IS AUTHORIZED TO PRESCRIBE NALOXONE, TO PRESCRIBE, ADMINISTER, AND DISPENSE NALOXONE TO ANY OF THE FOLLOWING PERSONS

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WITHOUT BEING SUBJECT TO ADVERSE ACTION. NOW, IF YOU LOOK AT THE SHEET OF PAPER THAT THE PAGES PASSED OUT ABOUT 45 MINUTES AGO FROM NPR, IT GIVES YOU A LITTLE BIT OF BACKGROUND ON WHAT NALOXONE DOES. AND 28 STATES, INCLUDING THE DISTRICT OF COLUMBIA, HAVE PASSED LEGISLATION TO EXPAND ACCESS TO NALOXONE, THE BRAND NAME OF WHICH IS NARCAN, A PRESCRIPTION DRUG THAT CAN REVERSE OPIOID OVERDOSE. NOW, A LOT OF PEOPLE ASK ME, WHAT IS OPIOID OVERDOSE? WELL, OPIOIDS ARE THINGS SUCH AS VICODIN, OXYCONTIN, USUALLY POWERFUL PAIN RELIEVERS. AND AS WE KNOW, WE HAVE A LARGE PRESCRIPTION DRUG OVERDOSE AND ABUSE PROBLEM IN THE UNITED STATES. AND WHAT NARCAN DOES IS ESSENTIALLY RESTART THE HEART FOR WHEN SOMEBODY OVERDOSES ON THESE TYPES OF DRUGS SO THAT THEY CAN OBVIOUSLY LIVE. THE ADMINISTRATION OF NARCAN IS VERY SIMILAR TO THE USE OF EPIPENS WHEN SOMEONE IS SUFFERING FROM A SEVERE REACTION DUE TO ALLERGIES AND IS RELATIVELY EASY TO ADMINSTRATOR WITHOUT NEED OF A LOT OF TRAINING. THE PROBLEM IS THAT RIGHT NOW THIS DRUG IS NOT IN ENOUGH HANDS TO SAVE AS MANY LIVES AT IT CAN, WHICH IS WHY I INTRODUCED LB546. I WOULD LIKE TO ALSO NOTE THAT NARCAN, THE ACTUAL DRUG THAT'S USED TO REVERSE THE EFFECTS--BASICALLY, THE STOPPING OF THE HEART OF THESE OVERDOSES--HAVE NO ADDICTIVE QUALITIES AND CANNOT BE ABUSED IN THAT WAY. IT'S ALSO IMPORTANT TO NOTE THAT FATAL DRUG OVERDOSES HAVE INCREASED SIXFOLD OVER THE PAST THREE DECADES, CLAIMING THE LIVES OF MORE THAN 36,000 AMERICANS EVERY YEAR, SOME OF WHICH HAVE BEEN IN MY LEGISLATIVE DISTRICT. THE EPIDEMIC IS LARGELY DRIVEN BY PRESCRIPTION OPIOIDS SUCH AS OXYCONTIN, HYDROCODONE, BUT ALSO HEROINE AND OTHER SUBSTANCES. DUE TO THIS INCREASE, MANY STATES, 28 AS I MENTIONED EARLIER, HAVE PASSED LEGISLATION LIKE LB546 TO INCREASE THE NUMBER OF PEOPLE WHO HAVE ACCESS TO THIS LIFESAVING DRUG. I HOPE THAT YOU WILL SUPPORT THIS AMENDMENT AND I WILL YIELD SOME TIME TO SENATOR WILLIAMS TO DISCUSS HIS PART OF THE AMENDMENT, WHICH I FULLY SUPPORT AS WELL. [LB390 LB546]

SENATOR HADLEY: SENATOR WILLIAMS, YOU'RE RECOGNIZED. [LB390]

SENATOR WILLIAMS: THANK YOU, MR. SPEAKER. AND THANK YOU, SENATOR MORFELD. WE ARE ATTACHING TWO PIECES TO LB390 THAT SHOULD MAKE THIS BILL EVEN BETTER THAN IT ALREADY WAS, ONE THAT SENATOR MORFELD JUST TALKED ABOUT WITH THE ADDITION OF NALOXONE. THE SECOND ONE THAT I WOULD LIKE TO TALK ABOUT VERY BRIEFLY IS THE SYNTHETIC MARIJUANA ISSUE THAT WE HAVE, OR K2, AS MANY OF YOU REFER TO IT. AND K2 IS THAT

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PRODUCT THAT JUST A COUPLE OF MONTHS AGO WE HAD OVER 100 PEOPLE GOING TO THE EMERGENCY ROOMS RIGHT HERE IN LINCOLN. WE DID NOT HAVE ANY DEATHS FROM IT, THANK GOODNESS THIS TIME, BUT THERE WAS A DEATH IN SOUTH DAKOTA AT THAT SAME POINT IN TIME. BUT OVER THE YEARS, WE HAVE HAD DEATHS DUE TO THIS. I WOULD LIKE TO THANK SENATOR CRAWFORD FOR ALLOWING SENATOR MORFELD AND MYSELF TO ADD THESE TWO PROVISIONS TO LB390. I WOULD ALSO LIKE TO THANK THE JUDICIARY COMMITTEE FOR VOTING BOTH OF THESE OUT OF COMMITTEE ON AN 8-0 VOTE, AND ALSO LIKE TO MENTION THAT NEITHER OF THESE TWO ADDITIONS HAVE A FISCAL NOTE. I WOULD ALSO LIKE TO THANK AND RECOGNIZE KALI SMITH. KALI SMITH LOST HER SON, TYLER, A FEW YEARS AGO TO K2 AND THE PROBLEMS THAT HAPPEN WITH K2. THIS IS A SERIOUS PROBLEM AND ONE THAT WE CAN HELP ADDRESS BY UPDATING THE CHEMICAL COMPOSITIONS THAT ARE COVERED BY THE NEBRASKA SUBSTANCE ABUSE LAW. THAT'S WHAT THIS AMENDMENT DOES. IT INCLUDES THE UPDATES FROM THE NEBRASKA PHARMACEUTICAL ASSOCIATION AND ALSO THE UPDATES FROM LAW ENFORCEMENT AND THE STATE PATROL TO BE SURE THAT OUR CURRENT LAW IS IN LINE AND IS HARMONIZED WITH THE FEDERAL CONTROL SUBSTANCE ACT. THIS IS IMPORTANT TO DO. IT'S SOMETHING THAT WE DO ON A REGULAR BASIS. I WISH I COULD TELL YOU THAT IT WAS THE ABSOLUTE SILVER BULLET FOR SYNTHETIC MARIJUANA. WE ARE LOOKING FOR THAT AND WE ARE STILL ATTEMPTING TO FIND THAT. BUT AT THIS POINT, THIS UPDATES US TO MOST CURRENT COMPOUNDS THAT WE KNOW ARE BEING USED TO IMPLEMENT THESE SYNTHETICALLY MANUFACTURED DRUGS. ALSO I THINK IT'S IMPORTANT TO NOTE THAT THE LINCOLN POLICE HAVE TAKEN SIGNIFICANT ACTION GOING FORWARD ON THIS, AND ALSO THE FACT THAT SENATOR McCOY HAS INTRODUCED AN INTERIM STUDY THAT WE WILL BE, HOPEFULLY, ENTERING INTO THIS SUMMER TO LOOK IN MORE DEPTH AT HOW WE CONTROL AND MONITOR SYNTHETIC MARIJUANA IN OUR STATE. THESE UPDATES DO NOT HAVE ANYTHING TO DO WITH THE PENALTIES OR THE LISTING OF THE CRIMES THAT WOULD BE COMMITTED BY THE PEOPLE WITH THESE DRUGS. IT IS SIMPLY AN UPDATE OF THE PHARMACEUTICAL DEFINITIONS. AS I MENTIONED EARLIER WHEN I WAS ON THE MIKE ANSWERING QUESTIONS FROM SENATOR KINTNER, I TOTALLY SUPPORT LB390, AND WITH AM1651 AND AM1011 IT EVEN BECOMES A BETTER BILL. THANK YOU, MR. SPEAKER. [LB390]

SPEAKER HADLEY: THANK YOU, SENATOR MORFELD AND SENATOR WILLIAMS. SEEING NO ONE IN THE QUEUE, SENATOR MORFELD, YOU'RE RECOGNIZED TO CLOSE ON YOUR AMENDMENT. SENATOR MORFELD WAIVES ON CLOSING. THE

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QUESTION IS THE ADOPTION OF THE AMENDMENT. ALL IN FAVOR VOTE AYE; ALL OPPOSED VOTE NAY. HAVE ALL VOTED THAT WISH? RECORD, MR. CLERK. [LB390]

CLERK: 32 AYES, 1 NAY, MR. PRESIDENT, ON THE ADOPTION OF SENATOR MORFELD'S AMENDMENT. [LB390]

SPEAKER HADLEY: THE AMENDMENT IS ADOPTED. [LB390]

CLERK: I HAVE NOTHING FURTHER ON THE BILL, MR. PRESIDENT. [LB390]

SPEAKER HADLEY: SENATOR SCHEER, YOU'RE RECOGNIZED. [LB390]

CLERK: OH, I'M SORRY. [LB390]

SENATOR SCHEER: THANK YOU, MR. SPEAKER. I RISE IN SUPPORT OF LB390. I DID SIGN ONTO THE BILL. I THINK IT'S IMPORTANT TO PROVIDE A STUDY THAT WILL DEFINITELY SHOW THE EFFECTIVENESS, OR PERHAPS THE NOT EFFECTIVENESS OF THE CHEMICAL COMPOUNDS. BUT WE AT LEAST OWE THAT TO THE CITIZENS AND THOSE THAT ARE SUFFERING DRAMATICALLY FROM THE EFFECTS OF SEIZURES. I WANT TO PERSONALLY THANK SENATOR CRAWFORD FOR HER DUE DILIGENCE, HER DEDICATION, AND TIME IN PUTTING INTO THIS. SHE AND I HAD A CONVERSATION ABOUT THIS OVER TWO YEARS AGO AND IT WASN'T A PASSING FANCY. SHE DID A LOT OF WORK, HER STAFF DID A LOT OF WORK OVER THE LAST TWO YEARS AND IT'S COMING TO FRUITION. SO I WHOLEHEARTEDLY SUPPORT THE BILL AND HOPE FOR THE BEST RESULTS. THANK YOU, MR. SPEAKER. [LB390]

SPEAKER HADLEY: THANK YOU, SENATOR SCHEER. WE'RE ON THE JUDICIARY COMMITTEE AMENDMENTS. IS THERE ANYONE ELSE WISHING TO SPEAK? SEEING NONE, SENATOR COASH, YOU ARE RECOGNIZED TO CLOSE. [LB390]

SENATOR COASH: THANK YOU, MR. PRESIDENT. COLLEAGUES, I'LL JUST REMIND YOU THAT ALTHOUGH THERE ARE SOME SMALLER CHANGES IN AM1011, IT IS A WHITE COPY AMENDMENT AND DOES BECOME A BILL. IT ADDS REFERENCES, CLARIFIES THE SOURCE OF THE FUNDS, ADDS AN E-CLAUSE, AND IN ADDITION TO THAT, ADDS REFERENCES TO NEBRASKA MEDICINE IN SEVERAL PLACES TO REFLECT A NEW ENTITY AT UNMC. AND I WOULD URGE YOUR ADOPTION OF THE COMMITTEE AMENDMENT. THANK YOU, MR. PRESIDENT. [LB390]

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SPEAKER HADLEY: THANK YOU, SENATOR COASH. THE QUESTION IS THE ADOPTION OF THE JUDICIARY COMMITTEE AMENDMENTS. ALL IN FAVOR VOTE AYE; ALL OPPOSED VOTE NAY. HAVE ALL VOTED THAT WISH? RECORD, MR. CLERK. [LB390]

CLERK: 36 AYES, 1 NAY, MR. PRESIDENT, ON THE ADOPTION OF COMMITTEE AMENDMENTS. [LB390]

SPEAKER HADLEY: THE COMMITTEE AMENDMENTS ARE ADOPTED. WE ARE BACK TO THE ORIGINAL BILL. MR. CLERK. [LB390]

CLERK: I HAVE NOTHING FURTHER PENDING AT THIS TIME, MR. PRESIDENT. [LB390]

SPEAKER HADLEY: THERE IS NO ONE IN THE QUEUE. SENATOR CRAWFORD, YOU ARE RECOGNIZED TO CLOSE ON YOUR BILL. [LB390]

SENATOR CRAWFORD: THANK YOU, MR. PRESIDENT. AND THANK YOU SO MUCH, COLLEAGUES, FOR YOUR QUESTIONS AND FOR MANY OF YOUR KIND COMMENTS. AS SENATOR SCHEER SAID, YES, THIS HAS INDEED BEEN A LONG PROCESS. AND I APPRECIATE THE CHANCE THAT I'VE HAD TO TALK TO MANY OF YOU ABOUT CHILDREN IN YOUR DISTRICT WHO HAVE INTRACTABLE EPILEPSY WHO ARE LOOKING FOR OPTIONS. AND I APPRECIATE THE SUPPORT AND WORK OF SENATOR DAVIS AND SENATOR GARRETT WHO HAVE BEEN INVOLVED IN THESE DISCUSSIONS ALL ALONG AS WELL. AND I AM DEEPLY INDEBTED TO UNMC AND THE FOLKS THERE WHO HAVE BEEN WILLING TO SPEND HOURS TALKING TO ME ABOUT HOW WE COULD MOVE FORWARD TO TRY TO PROVIDE COMPASSIONATE CARE TO THOSE PATIENTS IN A WAY THAT FIT IN A RESEARCH PARADIGM. AND SO I'M VERY GRATEFUL FOR THEIR WORK AND THEIR COMMITMENT TO THINK THROUGH HOW TO MAKE THIS HAPPEN. AND, OF COURSE, GRATEFUL THAT AS THINGS ARE MOVING VERY QUICKLY, THAT WE ACTUALLY NOW HAVE A PHARMACEUTICAL GRADE PRODUCT THAT WE CAN BEGIN THE PILOT PROJECT RESEARCH WITH. AND SO I'M VERY GLAD THAT ALL THOSE THINGS HAVE COME TO FRUITION AT THIS TIME. AGAIN, THIS IS A VERY FAST MOVING AREA OF RESEARCH AND SO IT'S IMPORTANT THAT WE HAVE THIS FRAMEWORK. AND WE'RE GOING TO START WITH A PILOT PROJECT WITH THE GW PHARMA PRODUCT. THERE ARE NEGOTIATIONS ABOUT SOME OTHER PRODUCT THAT MAY BE AVAILABLE. AND IT'S IMPORTANT THAT WE'RE, IN OUR STATE, PROVIDING CARE TO THESE PATIENTS AND ALSO PROVIDING THE

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RESEARCH AND EXPERIENCE IN OUR ACADEMIC CENTER WITH THIS PRODUCT.
AND SO I URGE YOUR GREEN VOTE ON LB390. THANK YOU, MR. PRESIDENT.
[LB390]

SPEAKER HADLEY: THE QUESTION BEFORE THE BODY IS THE ADVANCEMENT OF
LB390. ALL IN FAVOR VOTE AYE; ALL OPPOSED VOTE NAY. HAVE ALL VOTED?
RECORD, MR. CLERK. [LB390]

CLERK: 33 AYES, 1 NAY, MR. PRESIDENT, ON THE ADVANCEMENT OF LB390.
[LB390]

SPEAKER HADLEY: THE BILL ADVANCES TO E&R INITIAL. MR. CLERK. [LB390]

CLERK: LB390A BY SENATOR CRAWFORD. (READ TITLE.) [LB390A]

SPEAKER HADLEY: SENATOR CRAWFORD, YOU'RE RECOGNIZED TO OPEN.
[LB390A]

SENATOR CRAWFORD: THANK YOU, COLLEAGUES. WE HAVE JUST PASSED
AMENDMENTS THAT WILL PULL THE FUNDING FOR THIS PROJECT OUT OF
HEALTHCARE CASH FUNDS. SO I JUST URGE YOUR VOTE ON LB390A AND WHEN
THE NEXT CYCLE...WELL, THE AMENDMENTS ARE FULLY IN PLACE, WE WILL
MAKE SURE THAT WE'RE HAVING THE FUNDING COMING OUT OF THE
HEALTHCARE CASH FUND. THANK YOU. [LB390A]

SPEAKER HADLEY: THANK YOU, SENATOR CRAWFORD. SEEING NO ONE IN THE
QUEUE, YOU'RE RECOGNIZED TO CLOSE. SENATOR CRAWFORD WAIVES CLOSING.
THE QUESTION IS THE ADOPTION OF LB390A. ALL IN FAVOR VOTE AYE; OPPOSED
VOTE NAY. HAVE ALL VOTED? RECORD, MR. CLERK. [LB390A]

CLERK: 34 AYES, 1 NAY, MR. PRESIDENT, ON THE ADVANCEMENT OF LB390A.
[LB390A]

SPEAKER HADLEY: THE BILL ADVANCES TO E&R INITIAL. MR. CLERK. [LB390A]

CLERK: MR. PRESIDENT, THE NEXT BILL, LB448, A BILL BY SENATOR NORDQUIST.
(READ TITLE.) THE BILL WAS INTRODUCED ON JANUARY 20, REFERRED TO THE

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RETIREMENT SYSTEMS COMMITTEE, ADVANCED TO GENERAL FILE. THERE ARE COMMITTEE AMENDMENTS, MR. PRESIDENT. (AM1555, LEGISLATIVE JOURNAL PAGE 1526.) [LB448]

SPEAKER HADLEY: SENATOR NORDQUIST, YOU ARE RECOGNIZED TO OPEN ON YOUR BILL. [LB448]

SENATOR NORDQUIST: THANK YOU, MR. SPEAKER AND MEMBERS. LB448 WAS ADVANCED FROM THE RETIREMENT SYSTEMS COMMITTEE WITH NO VOTES IN OPPOSITION AND WE SPENT MOST OF THE TIME TALKING ABOUT AM1555 WHICH WILL REPLACE THE BILL. SO MOST OF MY COMMENTS ARE REGARDING WHAT'S IN THAT AMENDMENT. AND I'LL START ON IT NOW JUST IN CASE I GO OVER EXPLAINING IT. LB448 WAS INTRODUCED AS A PLACEHOLDER BILL TO BEGIN DISCUSSION REGARDING THE PROCESS OF MERGING THE CLASS V SCHOOL EMPLOYEES RETIREMENT SYSTEM, WHICH IS ONLY FOR OMAHA PUBLIC SCHOOLS, WITH THE STATEWIDE SCHOOL EMPLOYEES RETIREMENT SYSTEM. DISCUSSIONS CONTINUED WITH INTERESTED PARTIES AFTER THE HEARING AND WAS DECIDED TO MOVE FORWARD WITH FOUR COMPONENTS IN ORDER TO FURTHER ALIGN THE TWO RETIREMENT SYSTEMS AND BRING THEM A STEP CLOSER TO A POTENTIAL MERGER DOWN THE ROAD. THE GOALS OF THIS INCLUDE: FURTHER ALIGNMENT OF THE BENEFITS OF OMAHA SCHOOL EMPLOYEE RETIREMENT SYSTEM MEMBERS WITH THE BENEFITS OF THE STATEWIDE SCHOOL EMPLOYEE RETIREMENT SYSTEM; MOVING THE INVESTMENT AUTHORITY FROM THE OMAHA SCHOOL EMPLOYEES RETIREMENT SYSTEM BOARD OF TRUSTEES AND THE OMAHA PUBLIC SCHOOL BOARD TO THE NEBRASKA INVESTMENT COUNCIL; RESTRUCTURING THE ADMINISTRATION AND GOVERNANCE OF THE OMAHA SCHOOL EMPLOYEES RETIREMENT SYSTEM TO MORE CLOSELY ALIGN WITH THE PUBLIC EMPLOYEES RETIREMENT BOARD, WHICH OVERSEES THE STATE RETIREMENT SYSTEM; CREATE GREATER STATE FUNDING PARITY BETWEEN THE SCHOOL RETIREMENT SYSTEM AND THE OMAHA SCHOOL EMPLOYEES SCHOOL RETIREMENT PLAN. A NUMBER OF PEOPLE HAVE BEEN INVOLVED IN WORKING ON THESE ISSUES AND I WANT TO THANK EACH OF THEM FOR THE TREMENDOUS AMOUNT OF TIME THAT THEY SPENT ATTENDING MEETINGS, WORKING THROUGH DRAFTS, NEGOTIATING DIFFERENCES, AND PROBLEM SOLVING TO ACHIEVE THESE GOALS. IT WOULDN'T HAVE COME TOGETHER WITHOUT THEIR EFFORTS OVER THE PAST SEVERAL MONTHS. AND THIS WAS A FAIRLY COMPLEX ISSUE THAT TOOK A LOT OF TIME. I WANT TO THANK STATE INVESTMENT OFFICER, MICHAEL WALDEN-NEWMAN, AND THE INVESTMENT COUNCIL STAFF, STATE TREASURER DON STENBERG AND HIS STAFF, OMAHA SCHOOL DISTRICT BOARD MEMBERS AND ATTORNEYS FOR

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OMAHA PUBLIC SCHOOLS; MIKE SMITH, THE OMAHA SCHOOL EMPLOYEES SYSTEM ADMINISTRATOR; AND THE OMAHA SCHOOL EMPLOYEES RETIREMENT SYSTEM BOARD OF TRUSTEE MEMBERS, THE STATE EDUCATION ASSOCIATION, THE OMAHA EDUCATION ASSOCIATION, AND THE NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEM AND THEIR DIRECTOR AND PHYLLIS CHAMBERS AND THEIR STAFF. WE'RE GOING TO START TALKING ABOUT THE BENEFIT CHANGES. RIGHT NOW...WELL, OVER THE PAST SEVERAL YEARS, WE HAVE WORKED TO MAKE THE TWO SYSTEMS SIMILAR. WE MADE SIMILAR CHANGES FOR BOTH PLANS IN RECENT YEARS. EMPLOYEES CONTRIBUTE TO BOTH PLANS AT THE SAME RATE, 9.78 PERCENT. THE STATE CONTRIBUTES 2 PERCENT OF COMPENSATION TO BOTH PLANS. WE HAVE THE SAME TIER TWO BENEFITS FOR ALL NEW EMPLOYEES WHO STARTED AFTER 2013 IN THAT WHEN WE PASSED THE SCHOOL EMPLOYEES RETIREMENT SYSTEM REFORM BILL THAT ALSO AFFECTED OMAHA AT THE TIME. WE REDUCED THE COLA TO A 1 PERCENT GROWTH, AND WE MOVED TO A FIVE-YEAR FINAL AVERAGE SALARY RATHER THAN THREE. THIS YEAR WE ADDED A LANGUAGE CAPPING PROVISION TO THE OMAHA SCHOOL PLAN. WITH THE PASSAGE OF LB446, THAT ALIGNED THE CAPPING LANGUAGE THAT WAS IN THE STATE PLAN WITH THE OMAHA PLAN TO PREVENT ANY SORT OF SPIKING TOWARDS THE END OF A CAREER. WE ARE CONTINUING TO CREATE EQUAL BENEFITS IN BOTH PLANS WITH THE PROVISIONS OF AM1555. FOR NEW EMPLOYEES IN THE OMAHA SYSTEM AFTER JULY 1, 2015, WE ELIMINATE THE SERVICE ANNUITY WHICH ONLY OMAHA SCHOOL EMPLOYEES RETIREMENT SYSTEMS GET. THAT'S ON TOP OF THE BASE BENEFITS THAT'S OFFERED TO STATE SCHOOL WORKERS. THE SERVICE ANNUITY HAS BEEN PAID BY THE STATE AND IT EQUALS \$3.50 A MONTH FOR EACH YEAR OF SERVICE THAT YOU GIVE TO THE DISTRICT. SO THE STATE HAS HISTORICALLY...WE MAKE AN ANNUAL APPROPRIATION TO OMAHA FOR THAT ADDITIONAL SERVICE ANNUITY BENEFIT. WE ARE ELIMINATING THAT FOR NEW HIRES. WE ALSO ELIMINATED A PROVISION THAT IS ONLY IN THE OMAHA PLAN AND THAT IS FOR THE MEDICAL COLA. IN ADDITION TO THE REGULAR COST OF LIVING ADJUSTMENT, OMAHA MEMBERS RECEIVE WHAT'S CALLED A MEDICAL COLA. IT BEGINS TEN YEARS AFTER RETIREMENT. IT'S \$10 PER MONTH FOR EACH YEAR OF RETIREMENT AND IT INCREASES \$10 PER YEAR TO A MAXIMUM OF \$250 A MONTH. THAT'S A PROVISION THAT ONLY THE OMAHA PLAN HAS. IT ENHANCES BENEFITS THAT WE ARE ELIMINATING. IN THE OMAHA PLAN RIGHT NOW, YOU CAN GET UNREDUCED RETIREMENT BENEFITS AT THE AGE OF 62. WE ARE MAKING THE CHANGE TO ALIGN IT TO THE STATE PLAN WHERE YOU HAVE TO BE 65 TO GET UNREDUCED RETIREMENT BENEFITS. THE NORMAL RETIREMENT AGE FOR THE STATE IS 65, WITH AT LEAST SIX MONTHS OF SERVICE. WE ARE ALIGNING THE OMAHA PLAN TO MATCH THAT. AS FAR AS THE

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GOVERNANCE OF HOW THE OMAHA SYSTEM WILL BE OVERSEEN, WE HAD A SEPARATE BILL ON THAT, LB447. IT WAS HEARD ON THE SAME DAY AS LB448. IT PROPOSED A NUMBER OF GOVERNANCE CHANGES TO THE OMAHA SCHOOL EMPLOYEES RETIREMENT SYSTEM BOARD OF TRUSTEES MORE INDEPENDENT FROM THE OMAHA SCHOOL BOARD. THESE PROVISIONS HAVE BEEN AMENDED BY THE COMMITTEE AND INCLUDE THE FOLLOWING CHANGES, BEGINNING JULY 1, 2015. SO IN OMAHA THERE'S THE SCHOOL BOARD AND THEN THERE'S THE BOARD OF TRUSTEES. AND THERE WAS QUESTIONS ABOUT HOW THEY INTERACT, WHO HAS AUTHORITY. SO WE WENT THROUGH AND WORKED WITH ALL INTERESTED PARTIES TO ALIGN THOSE PIECES. IN THE COMMITTEE AMENDMENT NOW, WHICH INCORPORATES PORTIONS OF LB447, THE OMAHA SCHOOL EMPLOYEES RETIREMENT SYSTEM STAFF IS UNDER CONTROL OF THE BOARD OF TRUSTEES RATHER THAN THE SCHOOL BOARD. THE TRUSTEES BOARD WILL APPOINT THE ADMINISTRATOR, BUT THE OPS BOARD WILL CONFIRM THAT. SO THAT IS MUCH LIKE THE PERB BOARD HIRING PHYLLIS CHAMBERS BUT THE LEGISLATURE HAS TO CONFIRM IT. WE HAVE A SCHOOL BOARD CONFIRMATION OF THE ADMINISTRATOR. THE ADMINISTRATOR SERVES AT THE PLEASURE OF THE TRUSTEES AFTER THEY'RE HIRED RATHER THAN THE OPS SCHOOL BOARD. THE ADMINISTRATOR THEN HIRES, DISMISSES, SUPERVISES ALL OSERS, OMAHA SCHOOL EMPLOYEES RETIREMENT SYSTEM, STAFF. TRUSTEES MAY CONTRACT FOR SERVICES WITH A LEGAL ADVISOR FOR THE BOARD OF TRUSTEES. TRUSTEES CONTRACT...THEY ARE THE ONES WHO CONTRACT FOR THE ACTUARY FOR THE OMAHA PLAN. THE OMAHA SCHOOL EMPLOYEES RETIREMENT SYSTEM BOARD OF TRUSTEES MEMBERSHIP WILL INCLUDE: THE SUPERINTENDENT, OR HIS OR HER DESIGNEE; THE STATE INVESTMENT OFFICER, OR HIS OR HER DESIGNEE, AS AN EX-OFFICIO NONVOTING MEMBER...THE SUPERINTENDENT, I SHOULD SAY, IS AN EX-OFFICIO VOTING MEMBER; TWO BUSINESS MEMBERS RECOMMENDED BY THE BOARD OF TRUSTEES AND APPROVED BY OPS; TWO CERTIFICATED EMPLOYEES ELECTED BY MEMBERSHIP; ONE NONCERTIFICATED SCHOOL EMPLOYEE ELECTED BY MEMBERSHIP; AND ONE RETIRED MEMBER ELECTED BY MEMBERSHIP. SO WE VERY MUCH ALIGN KIND OF THE MAKEUP OF THE OSERS BOARD, WHAT THE OSERS BOARD WILL BE DOING, AND HOW PEOPLE ARE SELECTED, VERY SIMILAR TO OUR STATE SYSTEM. THE TERMS ARE FOUR YEARS FOR THEM TO BE ON THAT BOARD, WHICH ARE STAGGERED. WE ALSO INCLUDE THE FOLLOWING PROVISIONS: RETIREE SYSTEM OPERATING EXPENSES WILL BE CHARGED TO THE RETIREMENT SYSTEM, JUST LIKE WE DO IN THE STATE; WE DEFINE SOLVENCY, WE PUT A DEFINITION OF SOLVENCY IN STATUTE TO CLARIFY HOW THE ACTUARIALLY DETERMINED AMOUNTS OF THE SCHOOL DISTRICT'S CONTRIBUTION IS CALCULATED; DEFINITIONS ARE INSERTED FOR REGULAR INTEREST AND INTEREST, AGAIN, MAKING ALIGNMENTS TO THE

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STATE PLAN. AS FAR AS THE INVESTMENT CHANGES THEN, AT THE HEARING ON LB448, I TALKED ABOUT, AFTER SOME DISCUSSION WITH MEMBERS OF THE OMAHA SCHOOL BOARD, ABOUT THE INVESTMENT OVERSIGHT AND WE, WITH THE GOAL IN MIND OF INCREASING, REALLY MAKING SURE THAT OMAHA'S ASSETS ARE INVESTED IN A VERY PRUDENT WAY, WE PLACED THE PLAN ASSETS UNDER THE CONTROL OF THE NEBRASKA INVESTMENT COUNCIL TO PROFESSIONALLY MANAGE THOSE FUNDS. AND REALLY, I SEE THIS AS A FIRST STEP. EVENTUALLY WHEN THESE PLANS RETURN TO THEIR SUCCESSFUL FUNDING LEVELS THAT WE'VE SEEN IN THE PAST, A DISCUSSION CAN BE MADE ABOUT EITHER A COMPLETE MERGER OR SOME SORT OF A TAKE OVER THE PLANS. AND THAT HAS HAPPENED IN OTHER STATES WHERE USUALLY THE LARGEST, OLDEST SCHOOL DISTRICT IN THE STATE THAT HAS A DEFINED BENEFIT PLAN GETS ABSORBED IN SOME WAY. AND THAT IS A FAIRLY COMMON PRACTICE. [LB448 LB446 LB447]

SPEAKER HADLEY: ONE MINUTE. [LB448]

SENATOR NORDQUIST: UNDER COMMITTEE AMENDMENT AM1555, THE FOLLOWING CHANGES ARE PUT INTO PLACE: ON THE EFFECTIVE DATE OF THE ACT, THE NEBRASKA INVESTMENT COUNCIL STAFF WILL BEGIN WORKING WITH OMAHA PUBLIC SCHOOLS AND THE SCHOOL EMPLOYEES RETIREMENT SYSTEM TO ESTABLISH...TO ACCOMPLISH THE TRANSITION OF THE INVESTMENT AUTHORITY TO THE INVESTMENT COUNCIL. BEGINNING JANUARY 1, 2016, INVESTMENT AUTHORITY WOULD BE TRANSFERRED FROM THE BOARD OF TRUSTEES AND OPS TO THE INVESTMENT COUNCIL. THE STATE TREASURER BECOMES THE TREASURER AND CUSTODIAN OF THE RETIREMENT ACCOUNT. IN ADDITION, THE STATE TREASURER WILL SELECT THE BANKS USED TO PROCESS BENEFITS AND REFUND PAYMENTS AND HOLD THE OSERS ASSETS. THE NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEM WILL SERVE AS A PASS-THROUGH AGENCY FOR PURPOSES OF TRANSFERRING FUNDS THROUGH THE TREASURER FOR PAYMENT OF BENEFITS AND REFUNDS TO MEMBERS IN THE DISTRICT. OSERS STAFF WILL CONTINUE TO BE THE ONE...SO OSERS WILL STILL REMAIN AS KIND OF THE... [LB448]

SPEAKER HADLEY: TIME, SENATOR. [LB448]

SENATOR NORDQUIST: THANK YOU. [LB448]

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SPEAKER HADLEY: AS THE CLERK STATED, THERE ARE AMENDMENTS FROM THE RETIREMENT COMMITTEE. SENATOR NORDQUIST, AS CHAIR OF THE COMMITTEE, YOU ARE RECOGNIZED TO CONTINUE YOUR OPENING ON THE COMMITTEE AMENDMENTS. [LB448]

SENATOR NORDQUIST: THANK YOU. SO OSERS WILL REMAIN IN PLACE TO BE THE BENEFIT ADMINISTRATOR. SO THE STATE MANAGES THE MONEY. THE INVESTMENT COUNCIL MANAGES THE MONEY. OSERS WILL CALCULATE PAYMENTS, DISTRIBUTE PAYMENTS TO ITS MEMBERS, HOLD SEMINARS FOR EDUCATION, MUCH LIKE THE PUBLIC EMPLOYEES RETIREMENT SYSTEM DOES FOR ALL OTHER DISTRICTS IN THE STATE. OPS WILL CONTINUE TO TRANSMIT INFORMATION TO THE BANK SELECTED BY THE TREASURER TO ISSUE BENEFITS AND REFUND PAYMENTS. THERE IS CLEAR LANGUAGE THROUGHOUT AM1555 STATING THAT NEITHER THE STATE NOR THE INVESTMENT COUNCIL NOR THE TREASURER HAVE ANY LIABILITY FOR PREVIOUS INVESTMENT DECISIONS MADE BY OSERS AND OPS. WE DO MAKE A CHANGE RELATED TO THE RELATIONSHIP OF THE STATE IN FUNDING. CURRENTLY, THE STATE IS STATUTORILY RESPONSIBLE FOR FUNDING ANY ACTUARIALLY REQUIRED CONTRIBUTIONS FOR THE SCHOOL EMPLOYEES RETIREMENT SYSTEM WHICH INCLUDE ALL SCHOOL DISTRICTS EXCEPT THE OMAHA SCHOOL DISTRICT. OMAHA TAXPAYERS ARE STATUTORILY RESPONSIBLE FOR FUNDING ANY ACTUARIALLY REQUIRED CONTRIBUTION FOR THE CLASS V SYSTEM RETIREMENT SYSTEM. HOWEVER, WHEN THERE HAVE BEEN FUNDING NEEDS FOR THE SCHOOL PLAN AND THE OSERS PLAN IN THE PAST, THE STATE HAS MADE SURE THAT ANY INCREASED FUNDING WOULD BE PROVIDED FOR BOTH PLANS. SINCE 2009, THE EMPLOYEE CONTRIBUTION FOR BOTH PLANS HAVE INCREASED SEVERAL TIMES FOR A TOTAL OF 2.5 PERCENT INCREASE IN THE EMPLOYEE CONTRIBUTION. EMPLOYEES HAVE GONE FROM 7.28 PERCENT TO 9.78 PERCENT. DURING THE SAME PERIOD THE STATE HAS INCREASED ITS SCHEDULE FUNDING FROM .7 PERCENT TO 1 PERCENT AND THEN WE INCREASED IT AGAIN TO 2 PERCENT IN 2013 WHEN WE ALSO REDUCED BENEFITS FOR NEW MEMBERS IN BOTH THE STATE AND THE OSERS PLAN. SO HISTORICALLY WE HAVE, OBVIOUSLY, A TRACK RECORD OF TREATING THE OMAHA PLAN SIMILAR TO THE STATE PLAN AND THE PROVISION IN AM1555 CONTINUES THAT TREND. THE BILL CONTAINS AN EMERGENCY CLAUSE IN ORDER FOR THE INVESTMENT COUNCIL TO BEGIN THE TREMENDOUS AMOUNT OF WORK THAT'S NEEDED TO BEGIN ASSUMING THE INVESTMENT AUTHORITY ON JANUARY 1, 2016. IT'S NECESSARY IN ORDER TO EFFECTIVELY ADDRESS THE REDUCTION IN BENEFITS. WE MAKE THE NEW BENEFIT CHANGES, AGAIN, STARTING JULY 1, 2015. SO FOR ANYONE HIRED ON THAT POINT IN OMAHA, THEY WILL GET THE SAME BENEFIT AS A

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TEACHER HIRED IN ANY OTHER SCHOOL DISTRICT IN NEBRASKA. WITH THAT, I'D BE HAPPY TO ANSWER ANY QUESTIONS REGARDING THIS BILL. THANK YOU. [LB448]

SPEAKER HADLEY: YOU'VE HEARD THE OPENING ON THE COMMITTEE AMENDMENT. SENATOR KOLTERMAN, YOU'RE RECOGNIZED. [LB448]

SENATOR KOLTERMAN: THANK YOU, MR. PRESIDENT. IF YOU LOOK AT THE INFORMATION THAT CAME OUT OF COMMITTEE, YOU'LL FIND THAT I WAS PRESENT AND NOT VOTING ON THIS BILL. FIRST OF ALL, LET ME TELL YOU THAT, IN PRINCIPLE, I SUPPORT MANY, MANY ASPECTS OF THIS BILL. I THINK IT WOULD BE GOOD IF WE COULD EVENTUALLY MERGE THE TWO PLANS TOGETHER AND HAVE ONE STATE PLAN FOR ALL TEACHERS. THAT WOULD MAKE THINGS A LOT EASIER FOR EVERYBODY. AND I THINK THAT KATE ALLEN AND SENATOR NORDQUIST HAVE DONE JUST AN ADMIRABLE JOB OF WORKING THROUGH NEGOTIATIONS AND THE COMMITTEE HAS RESEARCHED THIS QUITE EXTENSIVELY. WHERE MY CONCERN COMES IS FROM THE PERSPECTIVE OF IN THE FUTURE IF OMAHA PUBLIC SCHOOLS IS WILLING TO ACCEPT LIABILITIES UNTIL WE GET TO AN ARC POSITION...AND IF WE GET INTO AN ARC POSITION, AT THAT POINT IN TIME, THE STATE WOULD POTENTIALLY BE ON THE HOOK FOR FUTURE LIABILITIES AS A RESULT OF ACTUARIAL STUDIES. SO I WOULD LIKE TO ASK IF SENATOR NORDQUIST WOULD BE WILLING TO ADDRESS THAT FOR THE BODY AND HOW THAT PORTION OF THIS WOULD WORK. [LB448]

SPEAKER HADLEY: WOULD SENATOR NORDQUIST YIELD? [LB448]

SENATOR NORDQUIST: YES. [LB448]

SENATOR KOLTERMAN: WOULD YOU ADDRESS THAT, BECAUSE THAT, TO ME, THE KEY TO THIS WHOLE THING. I DON'T WANT THE STATE TO HAVE TO ACCEPT LIABILITIES FOR OMAHA PUBLIC SCHOOLS GOING FORWARD. AND THEY SAY THEY'RE GOING TO TAKE ON THE LIABILITY AS IT CURRENTLY EXISTS, BUT I'M WORRIED ABOUT FUTURE LIABILITIES. THANK YOU. [LB448]

SENATOR NORDQUIST: RIGHT. RIGHT. THANK YOU. SO I WOULD START WITH A COUPLE PREMISES THAT WE NEED TO UNDERSTAND HERE. SO WE GET AN ACTUARY REPORT EVERY YEAR ON THE SCHOOL PLAN. AND WITH THE CHANGES THAT WE MADE IN 2013 WHEN WE MADE MAJOR REFORMS TO OUR SCHOOL PLAN, RIGHT NOW A NEW EMPLOYEE COMING IN ON AN ANNUAL BASIS COSTS

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ABOUT 11.8 PERCENT OF SALARY. BUT WE ARE CONTRIBUTING TO THE PLAN WITH THE MEMBER, THE DISTRICT, AND THE STATE 21.66 PERCENT OF SALARY. THAT ADDITIONAL AMOUNT IS GOING TO HELP PAY DOWN THE UNFUNDED LIABILITY, THE EXCESS ABOVE WHAT IT ESSENTIALLY COSTS FOR THE BENEFITS, BECAUSE WE LOWERED THE BENEFITS SO MUCH FOR NEW HIRES. THE SAME GOES FOR THE SCHOOL PLAN. BECAUSE OF THOSE CHANGES, OUR STATE PLAN IS IN A VERY HEALTHY POSITION MOVING FORWARD. IF YOU LOOK AT A 30-YEAR PROJECTION--I'VE NEVER SEEN AN ACTUARIAL STUDY THAT THREW THIS NUMBER OUT--WE WOULD BE 170 PERCENT FUNDED IF WE LEFT OUR PLAN MOVE FORWARD. SOMETIMES YOU HEAR THINGS WHERE IN 30 YEARS OUR PLAN IS GOING TO ONLY BE 60 PERCENT FUNDED. SO WE OBVIOUSLY MADE A LOT OF CHANGES THAT ARE GOING TO HAVE A VERY POSITIVE IMPACT. THE ONLY WAY THIS PROVISION EVEN COMES INTO EFFECT IS IF THE STATE PLAN NEEDS ADDITIONAL FUNDING. IF WE USE THE MODEL WE HAVE NOW, WE CAN PLUG IN LOW SINGLE-DIGIT INVESTMENT RETURNS FOR A NUMBER OF YEARS AND THERE IS NO NEED FOR THE STATE ARC. SO WE HAVE THE STATE PLAN IN SUCH GOOD SHAPE THAT THIS PROVISION LIKELY WILL NOT HAVE TO COME INTO EFFECT. BUT IF YOU LOOK AT PAGE 9 AND 10, IT'S KIND OF THE PROVISION THAT WE'RE TALKING ABOUT HERE. AND IT SAYS, SPECIFICALLY, FOR ANY YEAR IN WHICH A DEPOSIT IS MADE TO THE SCHOOL RETIREMENT PLAN UNDER THIS SUBSECTION. EVERY TIME SINCE I'VE BEEN CHAIR AND EVEN PREVIOUSLY, WHEN WE'VE COME IN WITH AN ARC, WE'VE SEEN A SHORTFALL IN OUR SCHOOL PLAN, WE HAVEN'T SIMPLY JUST MADE THE DEPOSIT AND SAID WE'RE GOING TO PAY THAT. WE'VE MADE STRUCTURAL CHANGES TO THE PLAN. AGAIN, THE ONLY WAY IT WOULD AFFECT OMAHA IS IF WE SAID, OKAY, THE SCHOOL PLAN NOW HAS A \$10 MILLION SHORTFALL. AND THE OMAHA PLAN IS ABOUT A QUARTER THE SIZE OF THE STATE PLAN. [LB448]

SPEAKER HADLEY: ONE MINUTE. [LB448]

SENATOR NORDQUIST: SO IF WE MADE A \$10 MILLION DEPOSIT INTO THE STATE PLAN, WE'D HAVE TO DIRECTLY, UNDER THIS, MAKE A \$2.5 MILLION CONTRIBUTION INTO THE OMAHA PLAN. THE KEY PIECE TO REMEMBER IS THOUGH, HISTORICALLY, WE HAVEN'T JUST MADE THAT CONTRIBUTION. WE'VE REDUCED BENEFITS, WE'VE INCREASED CONTRIBUTIONS, WE'VE FOUND OTHER WAYS TO BALANCE IT OUT. BASICALLY, THIS PROVISION JUST ENSURES THAT WE ARE TYING THEM TOGETHER, THAT IF WE MAKE A CHANGE TO ONE PLAN, WE'RE GOING TO MAKE IT TO BOTH TO ENSURE SOLVENCY OF BOTH PLANS, BECAUSE AT THE END OF THE DAY, IF THE OMAHA PLAN GOES SOUTH, WE'RE NOT GOING TO LET OUR BIGGEST SCHOOL DISTRICT IN THE STATE GO BANKRUPT. I MEAN,

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THAT'S JUST...I THINK WE CAN ALL AGREE TO THAT. SO THIS IS TO MAKE SURE THAT BOTH PLANS ARE HEADED IN THE RIGHT DIRECTION. I'M SORRY TO BURN UP YOUR TIME, SENATOR KOLTERMAN. [LB448]

SENATOR KOLTERMAN: NO, THAT'S OKAY, AND I'VE GOT MY LIGHT ON BECAUSE I'VE GOT SOME MORE...I'D LIKE TO HAVE THE DIALOGUE ON THE FLOOR ABOUT THIS. AGAIN, AS YOU START TO THINK ABOUT WHERE OUR PLANS ARE, I KNOW THEY'RE ADEQUATELY FUNDED, AT LEAST THE STATE TEACHER RETIREMENT IS ADEQUATELY FUNDED FOR 30 YEARS. [LB448]

SPEAKER HADLEY: TIME, SENATOR. THANK YOU, SENATOR KOLTERMAN AND SENATOR NORDQUIST. MR. CLERK FOR ANY ANNOUNCEMENTS. [LB448]

CLERK: MR. PRESIDENT, SOME ITEMS. FIRST OF ALL, A REMINDER THE BUSINESS AND LABOR COMMITTEE WILL HAVE A CONFIRMATION HEARING AT NOON IN ROOM 2102. ENROLLMENT AND REVIEW REPORTS LB173A, LB196, LB259, LB259A, LB325, LB547, LB547A, LB607, LB607A, LB629A ALL REPORTED CORRECTLY ENGROSSED. I HAVE AN AMENDMENT FROM SENATOR HOWARD TO BE PRINTED TO LB500, MR. PRESIDENT. THAT'S ALL THAT I HAVE. (LEGISLATIVE JOURNAL PAGES 1679-1680.) [LB173A LB196 LB259 LB259A LB325 LB547 LB547A LB607 LB607A LB629A LB500]

SPEAKER HADLEY: WE WILL NOW STAND AT EASE UNTIL 12:20. WE WILL COME BACK AT 12:20 AND CONTINUE THE DEBATE ON LB448. [LB448]

EASE

SENATOR KRIST PRESIDING

SENATOR KRIST: MEMBERS, WE ARE READY TO START BUSINESS AGAIN. AND THOSE IN THE QUEUE WISHING TO SPEAK: SENATOR SCHEER, NORDQUIST, KOLTERMAN, KOLOWSKI, MELLO, AND DAVIS. SENATOR SCHEER, YOU'RE RECOGNIZED. [LB448]

SENATOR SCHEER: THANK YOU, MR. PRESIDENT. IF SENATOR NORDQUIST WOULD YIELD TO A FEW QUESTIONS, I WOULD APPRECIATE IT. [LB448]

SENATOR KRIST: SENATOR NORDQUIST, WILL YOU YIELD? [LB448]

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SENATOR NORDQUIST: YES. [LB448]

SENATOR SCHEER: SENATOR NORDQUIST, IN RELATIONSHIP TO THE OPS MOVING OR THE STATE TAKING OVER THE INVESTMENT STRATEGIES OF THE FUND, WHAT PERCENT ARE WE USING AS A RATE OF RETURN THAT THE STATE WILL BE OBLIGATED TO MAINTAIN FOR THE ONCOMING TIME? [LB448]

SENATOR NORDQUIST: RIGHT. SO IT TAKES A LITTLE BIT OF EXPLAINING. WE ASSUME IN OUR ACTUARIAL STUDIES, BOTH OMAHA AND THE STATE, ASSUMES AN 8 PERCENT RATE OF RETURN. THE ASSUMPTION, THAT ASSUMPTION MAY BE TAKEN DOWN HERE AT SOME POINT. THE PUBLIC EMPLOYEES RETIREMENT BOARD IS CONDUCTING...WE APPROPRIATED MONEY FOR THEM TO CONDUCT AN ADDITIONAL STUDY ON THAT, AND PROBABLY LOOKING AT MOVING THAT TO 7.5 PERCENT OR 7.75 (PERCENT). NOW, WE DON'T HAVE TO HIT 8 PERCENT TO AVOID THE LIABILITY THAT WE'RE TALKING ABOUT HERE. THIS WOULD ONLY TAKE EFFECT IF THE STATE PLAN...AND WE DO HAVE MODELS WHERE WE CAN PLUG IN DIFFERENT ASSUMPTIONS. SO IF WE PLUG IN LOW SINGLE-DIGIT RETURNS FOR ABOUT FOUR OR FIVE YEARS IN A ROW, THE STATE PLAN STILL DOESN'T NEED THAT ARC YET. SO IT'S ONLY WHEN WE HAVE INVESTMENT RETURN THAT WOULD BE VERY POOR OR IF WE HIT ANOTHER GREAT RECESSION WHICH... [LB448]

SENATOR SCHEER: UNDERSTAND, BUT I'M NOT TALKING ABOUT THE STATE PLAN, I'M TALKING ABOUT, MORE SPECIFICALLY, THE OMAHA PLAN BECAUSE IT'S MY UNDERSTANDING, CORRECT ME IF I'M WRONG, LONG TERM, AT PRESENT, IT WOULD BE UNDERFUNDED AT ABOUT 75 PERCENT, 80 PERCENT, SOMEWHERE IN THERE, WOULD THAT BE CORRECT? [LB448]

SENATOR NORDQUIST: RIGHT NOW, ITS FUNDING LEVEL IS 74 PERCENT. AND I DON'T WANT TO JUMP IN, BUT THERE'S A...I WANTED TO JUST EXPLAIN THAT IN A LITTLE MORE DETAIL WHEN YOU GET A SECOND. [LB448]

SENATOR SCHEER: GO RIGHT AHEAD. [LB448]

SENATOR NORDQUIST: OKAY. SO THE KEY IS THE REASON THE STATE PLAN'S FUNDING IS IMPORTANT IS THIS ONLY TRIGGERS WHEN THE STATE PLAN FALLS OFF AND NEEDS FUNDING. AND THEN THAT'S THE TRIGGER. [LB448]

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SENATOR SCHEER: OKAY, SO IF...EVEN THOUGH THE OMAHA PROGRAM WOULD NEED SOME ADDITIONAL CAPITAL INFUSION, AS LONG AS THE STATE'S FUND IS CONTINUING TO MAKE ITS INVESTMENT, APPROPRIATE NUMBERS, AND WE WOULD NOT APPROPRIATE ANY FUNDS TO THE STATE PROGRAM, WE WOULD NEVER APPROPRIATE ANY ADDITIONAL TO THE OPS PROGRAM. [LB448]

SENATOR NORDQUIST: THAT IS 100 PERCENT ACCURATE. [LB448]

SENATOR SCHEER: OKAY. SECOND QUESTION, HOW ARE WE GOING TO WORK, BECAUSE I KNOW RIGHT NOW UNDER THE PRESENT SYSTEM, YOU HAVE TEACHERS THAT EITHER WORK FOR OPS OR OUTSIDE OF OPS, BECAUSE IT'S ONE OR THE OTHER. YOU CAN SIMPLY, FOR EXAMPLE, IN THE STATE PROGRAM, YOU CAN RETIRE AT 55 IF YOU HAVE ENOUGH...I THINK 30 YEARS, SO YOU HAVE...RULE OF 85, I BELIEVE, WE'RE STILL USING, RETIRE AT 55. SO IF YOU'RE IN NORFOLK, THEN YOU CAN MOVE TO GRETNA AND GO TO WORK FOR OPS, WORK 10 YEARS AND BE FULLY VESTED IN THE OPS RETIREMENT PROGRAM. HOW ARE WE GOING TO MAKE SURE THAT THAT DOESN'T CONTINUE TO HAPPEN, TO WORK SO THAT WE HAVE SOMEONE THAT IS LITERALLY GETTING FULL RETIREMENT BENEFITS FROM BOTH PROGRAMS? [LB448]

SENATOR NORDQUIST: THAT IS AN EXCELLENT QUESTION, SENATOR SCHEER. AND WITH A MERGED SYSTEM, IF WE JUST HAD ONE SYSTEM, THAT, OBVIOUSLY, WOULDN'T BE AN ISSUE. BUT WITH THE SEPARATE SYSTEMS, THAT'S WHERE WE RUN INTO THAT ISSUE. IN THE RETIREMENT COMMITTEE, IT WAS AN ISSUE THAT CAME UP IN A LOT OF DISCUSSION IN THE RETIREMENT COMMITTEE. AND WE DO HAVE AN INTERIM STUDY INTRODUCED THAT THE COMMITTEE WILL PRIORITIZE, WILL HOLD HEARINGS ON, AND WE WILL WORK TO ADDRESS THAT ISSUE BECAUSE IT'S A CONCERN THAT MANY OF US SHARE. AND IT'S A TOP PRIORITY FOR THIS COMMITTEE MOVING FORWARD. [LB448]

SENATOR SCHEER: OKAY. THANK YOU VERY MUCH, MR. PRESIDENT. [LB448]

SENATOR KRIST: THANK YOU, SENATOR SCHEER AND SENATOR NORDQUIST. SENATOR NORDQUIST, YOU ARE RECOGNIZED. [LB448]

SENATOR NORDQUIST: I'M GOING TO YIELD MY TIME TO SENATOR MELLO. [LB448]

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SENATOR KRIST: SENATOR MELLO, YIELDED 5 MINUTES. [LB448]

SENATOR MELLO: THANK YOU, MR. PRESIDENT, MEMBERS OF THE LEGISLATURE. AS A MEMBER OF THE RETIREMENT SYSTEMS COMMITTEE, I STAND IN SUPPORT OF AM1555 AND THE UNDERLYING BILL. I ALSO WOULD LIKE TO ECHO OTHER SENATORS' PRAISE TO SENATOR NORDQUIST, AS WELL AS THE LEGAL COUNSEL, KATE ALLEN, IN RESPECTS TO THE "IMMENSIVE" AMOUNT OF WORK THAT WENT INTO CRAFTING WHAT WE HAVE IN AM1555. IT'S BEEN AN ISSUE THAT OVER THE LAST SIX YEARS, AS I'VE BEEN ON THE RETIREMENT COMMITTEE, WE'VE HEARD THE INEQUITIES BETWEEN THE OMAHA SCHOOL EMPLOYEES RETIREMENT SYSTEM, OSERS, VERSUS THE STATE EDUCATIONAL EMPLOYEES RETIREMENT PLAN. AND I THINK WITH WHAT THE DIRECTION... WHILE WE KNOW THE LIKELIHOOD OF SEEING A FULL MERGER FROM THE OMAHA PLAN INTO THE STATE PLAN IS UNLIKELY EVER TO POSSIBLY OCCUR, THIS PATHWAY IN FRONT OF US IN AM1555 IS GOING TO GET US TO THAT CLOSE PROXIMITY SOMEWHERE DOWN THE ROAD. AS JUST TIDYING UP, I THINK, WITH WHAT WE'VE HEARD, AND I HEARD A COUPLE SENATORS OFF THE MIKE ASK SOME QUESTIONS, THIS AMENDMENT DOES NOT PUT THE STATE IN A POSITION TO HAVE TO BACKFILL OR TAKE ON ANY OF OPS'S EXISTING LIABILITY. NO EXISTING LIABILITY IS TAKEN ON BY THE STATE WITH THIS AMENDMENT. THE ISSUE, WHAT THE STATE IS COMMITTING TO WITH THIS AMENDMENT, IS THAT IF WE HAVE TO MAKE ANY CHANGES TO THE STATE EMPLOYEES RETIREMENT PLAN, OR THE STATE SCHOOL EMPLOYEES RETIREMENT PLAN I SHOULD SAY, WHICH MAY MEAN INCREASING CONTRIBUTION RATES, DECREASING BENEFITS, OR AS A LAST RESORT, INCREASE AN APPROPRIATION TO THE PLAN, WHATEVER WE DO FOR THE STATE PLAN, WE WILL HAVE TO DO FOR THE OMAHA PLAN. AND, COLLEAGUES, THIS IS NOT NEW POLICY, BECAUSE IN THE SIX YEARS I'VE BEEN IN THE BODY BEFORE THIS YEAR, WE'VE DONE IT TWICE BEFORE. IN 2009, WE INCREASED THE STATE CONTRIBUTION FROM .7 OF A PERCENT TO A FULL PERCENT BOTH FOR THE STATE PLAN AND FOR THE OMAHA PLAN. AND IN 2013, WE DID THE SAME EXACT THING OF INCREASING IT FROM 1 PERCENT TO 2 PERCENT INCREASE BOTH FOR THE STATE PLAN AND FOR THE OMAHA PLAN. SO IN THE LAST SIX YEARS, UNDER BOTH FORMER CHAIRMAN DAVE PANKONIN AND UNDER CURRENT CHAIRMAN SENATOR NORDQUIST, WE HAVE KEPT BOTH OF THOSE PLANS CONSISTENT. AND IT WASN'T JUST KEEPING THEM CONSISTENT, SO TO SPEAK, IN REGARDS TO THE NEW APPROPRIATION, BUT WE ALSO KEPT THEM CONSISTENT IN REGARDS TO THEIR BENEFIT REDUCTIONS, AND, AS WELL, AS INCREASING EMPLOYER CONTRIBUTIONS AND EMPLOYEE CONTRIBUTIONS. SO IN THE LAST SIX YEARS, WE'VE SET THE PRECEDENT OF TREATING BOTH THE STATE PLAN AND THE OMAHA PLAN CONSISTENT. AND WHAT THE RETIREMENT COMMITTEE

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HAD DISCUSSIONS ABOUT, WHAT'S IN FRONT OF US WITH AM1555, IS THAT THIS SHOULD BE THE STATE POLICY MOVING FORWARD. THAT THERE IS, ARGUABLY, THE POTENTIAL, IF WE DON'T TREAT THE OMAHA PLAN THE SAME AS THE STATE PLAN, WE COULD SET THE STATE UP FOR A POTENTIAL LAWSUIT SOMEWHERE DOWN THE ROAD FROM TAXPAYERS IN THE OMAHA PUBLIC SCHOOL DISTRICT TO BE ABLE TO COME FORWARD AND SAY, YOU ARE NOT TREATING OUR SCHOOL DISTRICT THE SAME WAY YOU'RE TREATING EVERY OTHER SCHOOL DISTRICT IN THE STATE WHEN IT COMES TO DEALING WITH RETIREMENT, EVEN THOUGH THE LEGISLATURE HAS THE FULL AUTHORITY UNDER OUR PURVIEW TO TREAT THE PLANS ANY WAY WE WANT BECAUSE THE OMAHA PLAN IS IN STATUTE, AS ARE ALL OTHER SCHOOL RETIREMENT PLANS THAT FALL UNDER THE NPERS SYSTEM. I DON'T THINK WE EVER WANT TO PUT OURSELVES IN A POSITION OF BEING SUED BECAUSE WE DON'T WANT TO TREAT BOTH PLANS EQUALLY IN REGARDS TO TRYING TO CREATE AN INEQUITY THAT WOULD EXIST BETWEEN ALL OTHER SCHOOL DISTRICTS RECEIVING AID FROM THE STATE TO ADDRESS THEIR RETIREMENT CHALLENGES AND ONE SCHOOL DISTRICT NOT RECEIVING THAT AID. BUT THAT ALSO CUTS TO THE POINT THAT I REMINDED ALL OF OUR COMMITTEE MEMBERS WHEN WE DISCUSSING THIS, THAT DOES NOT MEAN THE STATE HAS TO PUT MORE MONEY INTO THE PLAN. [LB448]

SENATOR KRIST: ONE MINUTE. [LB448]

SENATOR MELLO: THERE'S NOTHING IN THIS BILL THAT SAYS THE LEGISLATURE, THE GOVERNOR EVER HAS TO APPROPRIATE ANOTHER DOLLAR TO THE OMAHA PLAN OR TO THE STATE EMPLOYEES RETIREMENT PLAN...STATE SCHOOL EMPLOYEES RETIREMENT PLAN. WE CAN REDUCE BENEFITS, WE CAN INCREASE CONTRIBUTION RATES, WE CAN EVALUATE THE PLANS IN THE FUTURE IF WE EVEN EVER GET TO THAT POINT WHERE WE'RE GOING TO HAVE TO PUT OR ADDRESS AN ACTUARIAL REQUIRED CONTRIBUTION FOR THE PLAN. IT'S A HYPOTHETICAL, COLLEAGUES, THAT MAY HAPPEN 20 YEARS FROM NOW. AND THE REALITY IS WE'VE DONE A GOOD JOB OF TREATING THE OMAHA PLAN AND THE STATE SCHOOL EMPLOYEES PLAN IN AN EQUAL FOOTING THE LAST SIX YEARS. AND WE'VE DONE IT ACTUALLY EVEN BEFORE THAT. WE STARTED DOING THAT IN EARLY THE 2000s. I THINK THIS IS A PRUDENT WAY TO MOVE FORWARD, TREATING BOTH PLANS EQUALLY WITHOUT REQUIRING OR GUARANTEEING THE STATE WILL HAVE TO TAKE ON NEW LIABILITY WHEN THE STATE LEGISLATURE WILL HAVE MULTIPLE WAYS TO ADDRESS THAT POTENTIAL LIABILITY IF IT EVER COMES TO FRUITION. THANK YOU, MR. PRESIDENT. [LB448]

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SENATOR KRIST: THANK YOU, SENATOR MELLO AND SENATOR NORDQUIST. (VISITORS INTRODUCED.) THOSE STILL WISHING TO SPEAK: SENATOR KOLTERMAN, KOLOWSKI, DAVIS, AND SCHEER. SENATOR KOLTERMAN, YOU ARE RECOGNIZED. [LB448]

SENATOR KOLTERMAN: THANK YOU, MR. PRESIDENT. AND, COLLEAGUES, I THINK I NEED TO MAKE SOMETHING REALLY CLEAR, THAT KATE ALLEN AND THE RETIREMENT COMMITTEE HAS DONE AN EXCELLENT JOB OF MANAGING THE STATE'S TEACHER RETIREMENT PLANS. AND I KNOW THAT THEY'RE FUNDED ADEQUATELY TODAY. BUT AGAIN, WHAT CONCERNS ME THE MOST--AND THIS MAY BE THE CONSERVATIVE SIDE OF ME AND BEING IN THE BUSINESS--IS THAT WE'RE TALKING ABOUT DEFINED BENEFIT PLANS HERE THAT WE AS A STATE HAVE THE OBLIGATION TO MAKE SURE THAT THE BENEFITS ARE THERE TO PAY FOR THEM. AND I KNOW THAT WE CAN MAKE CHANGES TO THE PLANS BY REDUCING BENEFITS OR INCREASING CONTRIBUTIONS. BUT IF WE RELY ON THE PERB AND THE FACT THAT ACTUARIALLY WE'RE IN GOOD SHAPE RIGHT NOW BUT IF WE HAVE TO LOWER OUR ACTUARIAL VALUES TO SAY, 7 PERCENT, THAT'S GOING TO CHANGE THE PLANS AS THEY EXIST TODAY. WE DON'T KNOW WHAT THE FUTURE HOLDS. WE'RE AT THE TOP OF OUR MARKETS, SO TO SPEAK. I KNOW WE'RE NOT GETTING GOOD INTEREST RATES. MY CONSERVATIVE VALUES ARE TELLING ME THAT IN THE FUTURE WITH ARC CONTRIBUTIONS, AND THAT'S REALLY THE ONLY PART THAT I'M CONCERNED ABOUT, IS A FUTURE ARC CONTRIBUTION FROM THE STATE OF NEBRASKA TO THE TEACHERS RETIREMENT PLAN. AND IF WE DO IT THERE, WE HAVE TO DO IT THE OMAHA RETIREMENT PLAN FOR THE FUTURE, NOT CURRENT, BECAUSE OMAHA HAS AGREED TO TAKE ON THE CURRENT LIABILITIES. I'M TALKING MAYBE TEN YEARS DOWN THE ROAD. WHO KNOWS? BUT AGAIN, I'M MOSTLY CONCERNED ABOUT THE FUTURE OBLIGATIONS OF THE STATE. AND AGAIN, THEY HAVE DONE A TERRIFIC JOB OF NEGOTIATING EVERYTHING ELSE. I JUST HAVE CONCERNS THERE. AND THAT'S WHERE I'M COMING FROM. SO I'M LOOKING FORWARD TO SOME MORE DIALOGUE. AND SENATOR NORDQUIST HAS DONE A GREAT JOB OF DOING THIS, MANAGING THIS. I'M 100 PERCENT ON BOARD WITH 95 PERCENT OF IT. I JUST AM CURIOUS...WORRIED ABOUT THE FUTURE. [LB448]

SENATOR KRIST: THANK YOU, SENATOR KOLTERMAN. SENATOR KOLOWSKI, YOU'RE RECOGNIZED. [LB448]

SENATOR KOLOWSKI: THANK YOU, MR. PRESIDENT. I ALSO WANT TO STAND IN SUPPORT OF WHAT WE HAVE BEFORE US WITH LB448 AND THE AMENDMENT. I WANT TO THANK SENATOR NORDQUIST AND HIS STAFF FOR THE EXCELLENT

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WORK THEY'VE DONE ON THIS PROCESS, WORKING WITH THE OMAHA PUBLIC SCHOOLS, AND THE REST OF THE STATE TO PUT TOGETHER A VERY SOLID PLAN FOR THE FUTURE. I THINK IF YOU'VE LOOKED AT AND READ ANY OF THE EDITORIALS IN THE NEWSPAPERS IN THE LAST WEEK, ESPECIALLY OVER THE WEEKEND, WE ARE IN GREAT SHAPE IN THESE PROGRAMS IN OUR OWN STATE BECAUSE OF THE WORK THAT SENATOR NORDQUIST AND STAFF HAVE DONE OVER TIME TO BRING US TO WHERE WE ARE ON OUR DEFINED BENEFIT PLANS WITH THESE VARIOUS GROUPS. SO I WANT TO THANK HIM FOR THAT PERSONALLY AND COLLECTIVELY FOR THE STATE AND FOR THE TEACHERS ASSOCIATION AND ALL OTHERS THAT FALL UNDER THIS PLAN. IT'S REALLY GREAT TO GET THIS OMAHA, AND OUTSTATE, EVERYONE ELSE, PLAN WORKED ON, AND A GREAT DEAL OF WORK HAS BEEN DONE, AND I HAVE EVERY CONFIDENCE THAT IT WILL BE A VERY SOLID PROGRAM FOR THE FUTURE. THANK YOU VERY MUCH. [LB448]

SENATOR KRIST: THANK YOU, SENATOR KOLOWSKI. SENATOR DAVIS, YOU'RE RECOGNIZED. [LB448]

SENATOR DAVIS: THANK YOU, MR. PRESIDENT. I WONDER IF SENATOR NORDQUIST WOULD YIELD TO A FEW QUESTIONS. [LB448]

SENATOR KRIST: SENATOR NORDQUIST, WILL YOU YIELD? [LB448]

SENATOR NORDQUIST: YES. [LB448]

SENATOR DAVIS: SO, SENATOR NORDQUIST, I WAS OUT WHEN THIS DEBATE STARTED UP IN HERE AGAIN. AND I'M NOT SURE, THIS MIGHT HAVE BEEN COVERED. BUT WHEN THE STATE HAD TO START PUTTING SOME FUNDING INTO THE FORMULA IN ORDER TO MAKE IT WHOLE, WHICH WAS TWO YEARS AGO, CORRECT? [LB448]

SENATOR NORDQUIST: RIGHT. [LB448]

SENATOR DAVIS: HAVE YOU TALKED ABOUT THE FACT THAT ALL THE TAXPAYERS IN THE STATE ARE CONTRIBUTING TO THAT? [LB448]

SENATOR NORDQUIST: RIGHT. SO I THINK THAT'S ONE OF THE EQUITY ARGUMENTS THAT SENATOR MELLO TALKED TO WHEN HE MENTIONED THE

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FACT THAT LITIGATION COULD COME FORWARD WITHOUT THIS BECAUSE INCOME AND SALES TAXES GENERATED FROM TAXPAYERS IN OMAHA, AS WELL AS THE REST OF THE STATE, GO TO SHORE UP THE STATE PLAN. BUT IF THE OMAHA PLAN EVER HAS A SHORTFALL, IT'S FALLING ON THE PROPERTY TAX OWNERS...PROPERTY TAXPAYERS JUST IN OMAHA. [LB448]

SENATOR DAVIS: THANK YOU, SENATOR NORDQUIST. AND I THINK YOU MIGHT HEAR FROM SOME OTHER PEOPLE IN HERE ABOUT SOME OF THE ISSUES WITH THE RETIREMENT SYSTEM. BUT, YOU KNOW, I THINK WE TALKED THIS BILL THROUGH QUITE EXTENSIVELY SEVERAL TIMES, RECOGNIZING WHAT WE'RE LOOKING AT AND WHAT WE'RE DEALING WITH. I THINK THE BODY REALLY NEEDS TO RECOGNIZE THAT IF PUSH COMES TO SHOVE AND THE OMAHA SYSTEMS FAILS, SOMEBODY IS PROBABLY GOING TO HAVE TO BAIL THEM OUT AND IT'S PROBABLY GOING TO BE US. SO I THINK THIS IS PROBABLY AN OPPORTUNITY FOR US TO STEP UP, TAKE THIS ON, MANAGE IT. AND I THINK WE CAN DO A GOOD JOB. AND I HAVE FAITH THAT WE'RE NOT GOING TO BE GETTING INTO A SITUATION WHERE WE'RE GOING TO HAVE TO BAIL THEM OUT, IF THE STATE TAKES OVER THE PLAN AND STARTS MANAGING THE FUNDS APPROPRIATELY. SO WITH THAT, I WOULD SUPPORT THE BILL AND YIELD THE REST OF MY TIME TO SENATOR NORDQUIST IF HE'D LIKE IT. [LB448]

SENATOR KRIST: SENATOR NORDQUIST, 3 MINUTES. [LB448]

SENATOR NORDQUIST: THANK YOU, MR. PRESIDENT AND MEMBERS. JUST IN GENERAL, THIS BILL HAS...YOU KNOW, EVERYONE GAVE A COMPONENT. THE EMPLOYEES ARE GETTING REDUCED BENEFITS. SO NOW ALL THE EMPLOYEES IN THE OMAHA PLAN WILL BE GETTING THE SAME CALCULATIONS AS THE STATE EMPLOYEES. SO WHETHER YOU'RE WORKING IN OMAHA OR OGALLALA, YOUR BASE...YOUR BENEFITS ARE THE SAME. OMAHA DOESN'T GET ANY ADDITIONAL PERKS. THE DISTRICT IS GIVING UP THE INVESTMENT AUTHORITY. THEY USED TO HAVE AUTONOMOUS INVEST AUTHORITY AND RUN THEIR OWN SYSTEM. WE ARE TAKING THAT OVER FOR THEM...TAKING THAT FROM THEM AND CALLING THE SHOTS. WELL, WITH THAT, IF WE DON'T, FOR THE STATE PLAN, BE ABLE TO AT LEAST HIT A MARK WHICH THAT PLAN IS SUSTAINABLE AT, AND IT DOESN'T NEED TO BE 8 PERCENT FOR THAT PLAN TO BE SUSTAINABLE ANYMORE, IT'S A MUCH LOWER PERCENTAGE BECAUSE, AS I SAID, NEW EMPLOYEES ONLY COST US ABOUT 12 PERCENT OF SALARY, BUT WE'RE CONTRIBUTING ALMOST 22 PERCENT OF SALARY. IF THE STATE PLAN DOESN'T HIT THE MARK, AND WE DO A DIRECT INFUSION OF CASH INTO THAT PLAN, THEN OMAHA GETS A PROPORTIONATE SHARE. IF WE MAKE CHANGES TO AVOID MAKING THAT DIRECT

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INFUSION--WE REDUCE BENEFITS; WE INCREASE CONTRIBUTION RATES--THEN WE NEED TO DO THE SAME TYPE OF CHANGES TO THE OMAHA PLAN TO KEEP THESE IN LINE. EVENTUALLY, YOU KNOW, I CERTAINLY THINK IT'S IN THE BEST INTEREST AND THIS IS PROBABLY STILL TEN YEARS OUT, TO MAKE A FULL MERGER OF THESE PLANS TO MAKE IT SIMPLE, TO COMPLETELY AVOID THE DOUBLE-DIPPING ISSUE SO THAT...AND GIVE TEACHERS THE ABILITY TO MOVE FROM OMAHA TO OTHER DISTRICTS WITHOUT HAVING NEGATIVE CONSEQUENCES OF, WHAT DO I DO ABOUT THE RETIREMENT BENEFITS I'VE EARNED? THANK YOU. [LB448]

SENATOR KRIST: THANK YOU, SENATOR NORDQUIST AND SENATOR DAVIS. SENATOR SCHEER, YOU'RE RECOGNIZED. [LB448]

SENATOR SCHEER: THANK YOU, MR. PRESIDENT. WOULD SENATOR NORDQUIST YIELD TO A LITTLE INFORMATION, PLEASE? [LB448]

SENATOR KRIST: SENATOR NORDQUIST, WILL YOU YIELD? [LB448]

SENATOR NORDQUIST: YES. [LB448]

SENATOR SCHEER: SENATOR NORDQUIST, YOU TOUCHED ON IT VERY BRIEFLY IN YOUR LAST COMMENTS, BUT PERHAPS FOR THE RECORD AND FOR THE REST OF THE BODY, YOU AND I HAD DISCUSSED THAT ALTHOUGH OPS WAS SOMEWHAT UNDERFUNDED, THAT WITH THE CHANGES THAT WERE CONTEMPLATED IN THIS BILL AND RETIREMENT BENEFITS, THAT THOSE DOLLARS WOULD BE LESS THAN ARE NEEDED FOR FUNDS COMING IN AND THAT IT WAS GOING TO OFFSET THE...OVER A PERIOD OF TIME, WOULD BE OFFSETTING THE DEFICIT IN THAT FUND. CAN YOU EXPAND ON THAT A LITTLE BIT? [LB448]

SENATOR NORDQUIST: RUN THAT BY ME AGAIN. I WAS JUST...SORRY. [LB448]

SENATOR SCHEER: YOU WERE TALKING ABOUT THE FACT THAT WITH THE CHANGE IN BENEFITS, IT WAS COSTING THE RETIREMENTS OF ABOUT 13 PERCENT TO 14 PERCENT BUT YOU HAVE MORE COMING IN. THOSE ADDITIONAL DOLLARS THEN WOULD GO TOWARDS FULFILLING THE... [LB448]

SENATOR NORDQUIST: PERFECT. YES, THANK YOU. I UNDERSTAND. THANK YOU, SENATOR SCHEER. SO WHEN WE PASSED THE MAJOR PENSION REFORM BILL IN

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2013 FOR BOTH THE OMAHA PLAN AND THE STATE PLAN, WE CREATED A SECOND TIER OF BENEFITS FOR NEW HIRES STARTING JANUARY 1, 2013. AND WHAT THE ACTUARY DOES EVERY YEAR IS THEY GIVE US A NUMBER BASE, WHAT'S CALLED THE NORMAL COST. AND THAT'S THE COST, IF I'M AN EMPLOYEE COMING IN TODAY AND I...WHAT'S IT COST FOR THE BENEFITS THAT I EARN THIS YEAR? AND THE NORMAL COST FOR AN EMPLOYEE IN THE STATE SYSTEM IS 11.82 PERCENT. IN THE OMAHA SYSTEM IT'S A LITTLE BIT HIGHER BECAUSE THEY HAVE A COUPLE ADD-ONES THAT WE'RE GETTING RID OF AND IT'S 12.02 PERCENT. THAT'S HOW MUCH IF WE HAD A CLEAN SYSTEM, NO LIABILITIES, WE STARTED TODAY, WE ONLY NEED TO PUT IN ABOUT 12 PERCENT OF SALARY TO FUND THE BENEFITS THAT I WOULD BE TAKING OUT AS AN EMPLOYEE. WE ARE CONTRIBUTING, THE EMPLOYEE ARC CONTRIBUTES 9.78 PERCENT...I'M SORRY, THE EMPLOYEE 9.78 PERCENT. THE EMPLOYER MATCHES 101 PERCENT, WHICH IS 9.88 PERCENT, THAT'S THE SCHOOL DISTRICT. AND THEN THE STATE CONTRIBUTES 2 PERCENT. THAT'S 21.66 PERCENT IN BOTH PLANS GOING INTO THE PLAN. BUT AGAIN, WE ONLY NEED 12 PERCENT FOR THE BENEFITS THAT ARE BEING EARNED. SO THAT CUSHION IN BETWEEN THERE, THAT'S MONEY THAT'S GOING INTO THE PLAN TO HELP TAKE CARE OF PAST LIABILITIES. SO IN BOTH PLANS WE HAVE...AND THAT'S WHY ACTUARIAL STUDIES SHOW THAT OUR FUNDED RATIO WOULD BE SO HIGH, 170 PERCENT FUNDED, IF WE MADE NO CHANGES OVER THE NEXT 30 YEARS. NOW IF WE COME ANYWHERE NEAR, AS OUR HISTORICAL INVESTMENT RETURN IS 9.3 PERCENT, OUR ASSUMED IS 8 PERCENT, IF WE EXCEED 7 PERCENT, ANYWHERE BETWEEN 7 PERCENT AND 7.5 PERCENT, WE'RE GOING TO BE ABLE TO PULL BACK ON SOME OF THOSE PIECES. THAT'S GOING TO BE A DEBATE FOR FUTURE LEGISLATURES WHEN I WON'T BE HERE. THAT'S GOING TO BE A DISCUSSION OF DOES THE EMPLOYEE PAY LESS, DOES THE EMPLOYER PAY LESS, DOES THE STATE PAY LESS? THOSE ARE DISCUSSIONS THAT WILL HAPPEN AS THESE PLANS MOVE FORWARD. THANK YOU. [LB448]

SENATOR KRIST: THANK YOU, SENATOR SCHEER AND SENATOR NORDQUIST. SENATOR McCOLLISTER, YOU'RE RECOGNIZED. [LB448]

SENATOR McCOLLISTER: THANK YOU, MR. PRESIDENT. GOOD AFTERNOON, COLLEAGUES. I RISE IN SUPPORT OF LB448 AND AM1555. DURING MY TIME AT THE PLATTE INSTITUTE, WE WROTE A NUMBER OF PAPERS ABOUT THE UNFUNDED PENSION LIABILITIES, PRIMARILY WITH THE CITY POLICE AND FIRE DEPARTMENT FUNDS. AND IT'S DESPICABLE, SOME OF THE UNDERFUNDING THAT HAD OCCURRED THERE. BUT I SALUTE SENATOR NORDQUIST AND THE SHARED SACRIFICE THAT WILL OCCUR WITH THE...THAT HAS OCCURRED WITH

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THIS BILL AND OTHERS. AND IT'S A BREATH OF FRESH AIR WHEN WE SEE RESPONSIBLE FUNDING OF PENSION PLANS. SO WITH THAT, I URGE THE GREEN VOTE ON BOTH THE AMENDMENT AND THE BILL. THANK YOU, MR. PRESIDENT. [LB448]

SENATOR KRIST: THANK YOU, SENATOR McCOLLISTER. THOSE STILL WISHING TO SPEAK: SENATOR GROENE, LINDSTROM, AND KINTNER. SENATOR GROENE, YOU'RE RECOGNIZED. [LB448]

SENATOR GROENE: THANK YOU, MR. PRESIDENT. I SIT ON THE RETIREMENT COMMITTEE AND I VOTED IT OUT OF COMMITTEE WITH SOME PROBLEMS THAT I DIDN'T LIKE. AND I AGREE WITH SENATOR KOLTERMAN. I DON'T LIKE US, THAT THE STATE TAXPAYERS, BEING PUT ON THE LINE IN CASE THE FUNDING AND RETURNS DON'T CONTINUE AT 8 PERCENT OR WHATEVER THE GUESS IS IT'S GOING TO DO. BUT THE FACT THAT THEY'RE GOING TO BE...THE FUND IS GOING TO BE MANAGED BY THE SAME FOLKS WHO HAVE DONE A GOOD JOB WITH THE STATEWIDE PLAN, I LIKE THAT. BUT I'D LIKE TO SEE THAT HOOK PART, HOOK AND LINE REMOVED THAT WE HAVE TO BAIL FOLKS OUT. AND ONE OF THE REASONS I VOTED FOR IT, BECAUSE I LIKE TO SEE A LITTLE URBAN AND RURAL COOPERATION. AND A COUPLE OF MEMBERS BROUGHT UP THAT WE COULD GET SUED. WELL, FOLKS, THERE'S 159 (SIC) SCHOOL DISTRICTS OUT OF 245 THAT GET ABSOLUTELY NO STATE AID TO EDUCATION, NO INCOME TAX OR THEIR SALES TAX BACK IN TEEOSA SPENDING. SO THOSE 159 (SIC) DISTRICTS MATCH 101 PERCENT OF THE 9.78 PERCENT THAT THE EMPLOYEES PUT IN WITH PROPERTY TAXES. SO NOW YOU TALK ABOUT A LAWSUIT. WHO HAS A PLACE TO SUE? THOSE 158 SCHOOL DISTRICTS PAY INCOME SALES TAX TOO. BUT THEY DON'T GET ANY OF IT BACK. I JUST GOT AN ARTICLE IN MY LOCAL PAPER--RESIDENT PROPERTY TAXPAYERS GET NOTICE OF INCREASES. THIS ROUND OF PROPERTY TAX INCREASES AND RELATED OUTRAGE WAS IGNITED LAST SUMMER IN LINCOLN COUNTY WHEN 3,000 RESIDENCES WERE REAPPRAISED. THE VALUATIONS OF MANY OF THOSE PROPERTIES INCREASED 20-30 PERCENT, SOME AS MUCH AS 50 PERCENT. THEN WE GOT A NICE LITTLE LETTER IN THE MAIL. I GOT ONE, TOO, FROM THE STATE OF NEBRASKA. THE STATE PROPERTY TAX AND ASSESSMENT DEPARTMENT SAID THAT WE WERE UNDERVALUED BY 17 PERCENT. SO WE'RE GOING TO GET ANOTHER 17 PERCENT INCREASE. AND EVERYBODY IS SO PROUD OF THAT TAX REBATE, PROPERTY TAX REBATE. I RAN THE NUMBERS ON MY TAXES ON MY HOUSE, ONE OF MY PROPERTIES. I GOT \$107.70 BACK. A 17 PERCENT INCREASE IS GOING TO RAISE MY VALUATION BY \$400 AND SOME DOLLARS. WITH THE NEW DOLLARS, I'LL GET \$167 BACK, ANOTHER \$60 BUCKS. SO MY TAXES WILL BE NET AT \$2,899. LAST YEAR THEY WERE \$2,518 AFTER THE

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REBATE, WHICH ARE NICE LITTLE REFUNDS. I'M STILL GOING TO HAVE A \$386 PROPERTY TAX INCREASE. BOY, WE'RE SO KIND DOWN HERE IN LINCOLN TO HELP WITH PROPERTY TAXES. WE'VE GOT TO FIX TEEOSA. THAT IS THE ANSWER. I DON'T UNDERSTAND WHY THE SMALL SCHOOL DISTRICTS HAVEN'T SUED ALREADY. BUT I KNOW IT'S US SIMPLE FOLKS OUT THERE IN THE RURAL THAT NEED ALL YOUR HELP. YOU SURE DON'T WANT TO HELP US WITH STATE AID TO EDUCATION. YOU WANT TO SEND US DOCTORS AND DENTISTS AND KEEP THE MONEY BACK AT YOUR SCHOOLS THAT ARE BACK IN THE EAST. THAT'S WHERE THAT TUITION MONEY GOES. BUT 158 OUT OF 245 SCHOOL DISTRICTS GET NO STATE AID TO EDUCATION. OUR PUBLIC EMPLOYEES IN THAT SCHOOL DISTRICT, WE MATCH THEIR RETIREMENT 100 PERCENT WITH OUR PROPERTY TAXES. WE SEEM TO BE ABLE TO TAKE CARE OF OURSELVES OUT THERE, DON'T WE? WE NEED TO FIX TEEOSA. YOU WANT A LAWSUIT? YOU'RE PROBABLY GOING TO GET ONE. I HEAR THAT THROWN AROUND A LOT. BUT BACK TO THIS BILL. I VOTED FOR IT OUT OF COMMITTEE, BUT I DO NOT LIKE THE GUARANTEE. I MEAN, YOU'VE ALREADY KEEPING OUR INCOME AND OUR SALES TAX BACK EAST. I GUESS WE MIGHT AS WELL GIVE SOME MORE TO OMAHA WHEN THEY SUE... [LB448]

SENATOR KRIST: ONE MINUTE. [LB448]

SENATOR GROENE: ...THE SCHOOL SYSTEM BECAUSE WE DON'T GET IT BACK. PROPERTY TAXES ARE OUT OF CONTROL, COMPLETELY OUT OF CONTROL. AND EVERY FARMER OUT THERE, EVERY PERSON WHO LIVES IN A SMALL TOWN OUT THERE, WHEN YOU TELL HIM YOU'RE GOING TO GIVE HIM ANOTHER \$40 MILLION OVER THE WHOLE STATE AND HIS TAXES GO UP \$386 OVER AND ON TOP OF YOUR REBATE, YOU WONDER WHY THEY'RE ANGRY. THEY HAVE A RIGHT TO BE. THANK YOU. [LB448]

SENATOR KRIST: THANK YOU, SENATOR GROENE. SENATOR LINDSTROM, YOU'RE RECOGNIZED. [LB448]

SENATOR LINDSTROM: THANK YOU, MR. PRESIDENT. WOULD SENATOR NORDQUIST YIELD TO A QUESTION OR TWO? [LB448]

SENATOR KRIST: SENATOR NORDQUIST, WILL YOU YIELD? [LB448]

SENATOR NORDQUIST: YES. [LB448]

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SENATOR LINDSTROM: THANK YOU, SENATOR NORDQUIST. JUST A QUICK QUESTION, WHY WOULD ANY SENATOR WEST OF OMAHA WANT TO VOTE FOR THIS? [LB448]

SENATOR NORDQUIST: I THINK IT'S VERY MUCH AN EQUITY ISSUE, THAT WE'RE MOVING TO...WE'RE GIVING UP BENEFITS IN THE OMAHA SYSTEM. AND IT'S AN EQUITY ISSUE THAT IF EVERY OTHER...IT'S NOT EVEN WEST OF OMAHA, IT'S WEST OF OPS BECAUSE IF I LIVE ON ONE SIDE OF THE STREET AND I'M IN OPS AND WE HAVE ANOTHER BIG DOWNTURN, I HAVE TO PAY MORE PROPERTY TAXES TO TAKE CARE OF MY SCHOOL'S PENSION PLAN WHERE NO OTHER DISTRICT IN THE STATE DOES THAT HAPPEN. SO, YOU KNOW, IF WE'RE ALL PAROCHIAL IN OUR VIEWS, THEN I GUESS THIS BILL PROBABLY DOESN'T STAND MUCH OF A CHANCE. BUT IF WE'RE SETTING GOOD STATE POLICY AND EVENTUALLY MOVING TOWARD A MERGER OF THESE PLANS, IT'S DEFINITELY THE RIGHT THING TO DO. BUT AGAIN, IF WE JUST LOOK BACK AT OUR LEGISLATIVE HISTORY, SINCE THE GREAT RECESSION, THERE'S BEEN THE SAME MAKEUP OF THIS BODY AS FAR AS DISTRICTS AND WHO THEY REPRESENT. AND THOSE SENATORS WERE NOT PAROCHIAL IN THEIR VIEWS. AT THAT TIME, THEY COULD HAVE SAID, NO, WE'RE NOT PUTTING ANOTHER DOLLAR INTO THE OMAHA PLAN, THAT'S THEIR PROBLEM. BUT THEY DIDN'T. SO I'M HOPEFUL THAT THIS BODY IS EQUALLY AS THOUGHTFUL. [LB448]

SENATOR LINDSTROM: THANK YOU, SENATOR NORDQUIST. THE PROBLEM I HAVE...AND BEING AN OMAHA SENATOR, SO IT PAINS ME TO SAY THIS, BUT I DON'T THINK THIS IS A GOOD PLAN...GOOD BILL FOR THE STATE OF NEBRASKA. SELFISHLY, FROM OMAHA, I THINK IT'S GOOD. BUT I'M NOT GOING TO SUPPORT LB448. ONE MORE QUESTION, SENATOR NORDQUIST. WOULD YOU YIELD TO ONE MORE QUESTION, PLEASE? [LB448]

SENATOR NORDQUIST: YEP. [LB448]

SENATOR KRIST: SENATOR NORDQUIST. [LB448]

SENATOR LINDSTROM: THE DIFFERENCE BETWEEN...I THINK I REMEMBER THE TEN-YEAR NUMBER. WHAT WAS THE ANNUALIZED RETURN FROM THE INVESTMENT COUNCIL VERSUS THE OMAHA PLAN? I BELIEVE IT WAS WITHIN 1 PERCENT OR 100 BASIS POINTS, IS THAT CORRECT? [LB448]

SENATOR NORDQUIST: THE TEN-YEAR RETURN NUMBER? [LB448]

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SENATOR LINDSTROM: YEAH. [LB448]

SENATOR NORDQUIST: I'M GOING TO HAVE TO GET THAT. WE HAVE THE 30-YEAR, AND I HAVE THAT IN FRONT ME. IN THE 30-YEAR, OPS HAS OUTPERFORMED. BUT MAYBE I CAN...HANG ON ONE SECOND. [LB448]

SENATOR LINDSTROM: BY HOW MUCH? I'M SORRY. [LB448]

SENATOR NORDQUIST: THE 30-YEAR, THE STATE'S WAS 9.3 PERCENT RETURN OVER 30 YEARS. AND THE OMAHA ONE WAS 9.5. (PERCENT). THE TEN-YEAR, I HAVE IT HERE, OMAHA RETURNED 8.3 PERCENT; THE STATE RETURNED 7.5 PERCENT. SO ACTUALLY OMAHA OUTPERFORMED OVER THE TEN-YEAR. [LB448]

SENATOR LINDSTROM: OKAY. [LB448]

SENATOR NORDQUIST: THE SHORT TERM IS WHERE OMAHA...REALLY OVER THE LAST FIVE YEARS IS WHERE OMAHA HAS COME UP SHORT. AND I CAN EXPLAIN THAT MAYBE ON MY TIME ON THE MIKE. [LB448]

SENATOR LINDSTROM: OKAY. THANK YOU. SO THAT WOULD BE THROUGH THE '08-09 DOWNTURN, THAT'S REALLY WHAT...THE INVESTMENT DECISIONS THAT WERE MADE OVER THAT TIME PERIOD WHICH CAUSED THE LAG IN... [LB448]

SENATOR NORDQUIST: THAT'S EXACTLY RIGHT. THERE WERE SOME POOR INVESTMENT CHOICES MADE. [LB448]

SENATOR LINDSTROM: OKAY. AND MOVING FORWARD, IF THE INVESTMENT COUNCIL TAKES OVER THE ENTIRE INVESTMENT ALLOCATION, WHAT YOU'RE SAYING AND WHAT I...AND YOU CAN CORRECT ME IF I'M WRONG ON THIS, BUT OMAHA WILL ALWAYS BE UNDERFUNDED BECAUSE OF WHERE THE PERCENTAGES ARE WITH WHERE THE STATE IS FUNDED AND WHERE OMAHA PLAN IS FUNDED, IS THAT CORRECT? [LB448]

SENATOR NORDQUIST: THAT WOULD BE THE ASSUMPTION GOING FORWARD. THE TWO FACTORS--KIND OF X FACTORS, IF YOU WILL--WOULD BE THE ACTUAL EXPERIENCE, SO WHETHER, YOU KNOW, OMAHA FOR SOME REASON HAD A DIFFERENT WORK FORCE MAKEUP, THAT THEY HAD LOWER BENEFITS OR DIDN'T HAVE AS MUCH COSTS, AND THEN ALSO OSERS AND NPERS ARE MANAGING THE

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EXPENSES. SO IF OMAHA WERE TO CONTROL THEIR EXPENSES BETTER, THEN POTENTIALLY OMAHA COULD CATCH UP. BUT THOSE WOULD BE THE TWO FACTORS. BUT ON THE WHOLE, THE SHORT ANSWER WOULD BE MOST LIKELY OMAHA WOULD LAG, YEAH. [LB448]

SENATOR KRIST: ONE MINUTE. [LB448]

SENATOR LINDSTROM: OKAY, THANK YOU. AND AGAIN, I HEAR A LOT OF IFS IN THIS PLAN. AGAIN, IF I'M A WESTERN SENATOR, I'D TAKE A REAL HARD LOOK AT THIS. AGAIN, I JUST DON'T...IT'S NOT SITTING WELL WITH ME. SO I'LL YIELD MY TIME BACK TO THE CHAIR. THANK YOU, MR. PRESIDENT. [LB448]

SENATOR KRIST: THANK YOU, SENATOR LINDSTROM AND SENATOR NORDQUIST. SENATOR KINTNER. [LB448]

SENATOR KINTNER: WELL, THANK YOU, MR. PRESIDENT. YOU KNOW, I GOT ONE GOOD-LOOKING SWEDE TELLING ME THIS IS A GOOD BILL. I'VE GOT ANOTHER GOOD-LOOKING SWEDE TELLING ME IT'S A PILE OF HORSE DUNG. AND SO I'M TRYING TO SORT THROUGH THIS. AND I WAS WALKING OUT AND I SAID I THINK I SMELLED A RAT HERE. AND SENATOR MORFELD TOLD ME, IT'S UNDER MY DESK. DON'T WORRY ABOUT IT. BUT BEFORE I GO LOOK UNDER HIS DESK, I WANT TO TALK TO SENATOR NORDQUIST. CAN YOU YIELD TO A QUESTION OR TWO? [LB448]

SENATOR KRIST: SENATOR NORDQUIST, WILL YOU YIELD? [LB448]

SENATOR NORDQUIST: YES. [LB448]

SENATOR KINTNER: SO WE TALKED A LITTLE BIT OFF MIKE. AND I JUST WANTED TO AMPLIFY A LITTLE OF THAT. SOME OF IT'S BEEN COVERED AND I WANT TO JUST STRESS IT. FIRST OF ALL, GO THROUGH AGAIN--I THINK FOR THE THIRD TIME PROBABLY--BUT SAY IT IN NICE, SIMPLE, SHORT WORDS, WHAT'S THE EXACT REASON WHY SOMEBODY OUTSIDE OF OMAHA WOULD WANT TO LOOK AT THIS AND SAY, HEY, LET'S DO IT. LET'S PUT THE STATE ON THE HOOK FOR THE OMAHA PENSION PLAN? [LB448]

SENATOR NORDQUIST: I WOULD SAY...YOU KNOW, MAYBE I DIDN'T SAY THIS TO SENATOR LINDSTROM. IF...MY CONCERN WOULD BE GOING FORWARD, IF THE

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STATE PLAN DOES HAVE A SHORTFALL AND OMAHA IS IN ANY WAY TIED TO IT, THAT IF WE'RE GOING TO BE PAROCHIAL, OMAHA SENATORS MAY SAY, WE'RE GOING TO BLOCK ANY FUNDING TO THE STATE PLAN THAT GOES TO THESE OTHER DISTRICTS AND COULD CREATE A CRISIS IN THAT PLAN THAT WOULD THEN RESULT IN CHANGES. YOU KNOW, THE ALTERNATIVE, IF WE'RE NOT GOING TO ALLOW OMAHA TO BE PROTECTED BY INCOME AND SALES TAXES, THEN THE ALTERNATIVE WOULD BE CHANGING THE PLAN SO THAT PROPERTY TAXES IN EVERY DISTRICT HAS TO PICK UP THAT SHORTFALL. [LB448]

SENATOR KINTNER: SO IT WOULD SEEM TO ME THAT IF WE HAVE A PROBLEM WITH THE...WE CAN EITHER PAY FOR IT FROM THE STATE OR PAY FOR IT FROM...SO WE'RE JUST SPREADING THE RISK IN A DIFFERENT PLACE. [LB448]

SENATOR NORDQUIST: IT EITHER CAN BE PAID FOR BY INCOME AND SALES TAXES AT THE STATE AND EVERYONE SHOULD BE COVERED THAT WAY, OR EVERYONE SHOULD HAVE TO PAY PROPERTY TAXES IF THERE'S A SHORTFALL, ONE OF THE TWO. [LB448]

SENATOR KINTNER: WELL, IF I HAD A PILE OF MANURE AND I SPREAD IT OVER INTO MY NEIGHBOR'S YARD, IT'S STILL A PILE OF MANURE. IT STILL HAS GOT TO BE CLEANED UP. WHAT'S THE DIFFERENCE? [LB448]

SENATOR NORDQUIST: WELL, I WOULDN'T EQUATE THE TEACHER PENSION PLAN THAT TENS OF THOUSANDS OF PEOPLE IN OUR STATE RELY ON AS A PILE OF MANURE. [LB448]

SENATOR KINTNER: ALL RIGHT. I GUESS MY NEXT QUESTION IS, IF WE'RE GOING TO ABSORB THIS, HAVE WE LOOKED AT MOVING THEM TOWARD A DEFINED CONTRIBUTION PLAN INSTEAD OF A DEFINED BENEFIT PLAN BEFORE WE GO ON THE HOOK FOR THEM? [LB448]

SENATOR NORDQUIST: YOU KNOW, THAT OPTION IS ALWAYS AVAILABLE. WE HAVE LOOKED AT IT. WE'VE STUDY IT EXTENSIVELY. WE SPENT...I BELIEVE SENATOR NELSON HAD A BILL A FEW YEARS BACK THAT WE SPENT \$40,000 ON AN ACTUARIAL STUDY LOOKING AT IT. AND THE FACT OF THE MATTER WAS, IT WOULD HAVE REQUIRED AN UP-FRONT INFUSION OF ABOUT \$400 MILLION TO \$500 MILLION TO MAKE THAT TRANSITION. SO THAT'S WHY WE HAVEN'T MADE THAT TRANSITION. IT'S TOUGH TO MAKE THAT TRANSITION WHEN THE PLANS

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ARE UNDERFUNDED. YOU HAVE TO GET TO A BETTER FUNDING STATUS, AND THEN THE COST TO MAKE THE TRANSITION GOES DOWN. [LB448]

SENATOR KINTNER: SO IF WE BRING THE OMAHA PLAN IN, THAT MEANS EVERY TEACHER IN THE STATE IS NOW...EVERY PUBLIC TEACHER IN THE STATE IS NOW ON THE SAME PLAN? [LB448]

SENATOR NORDQUIST: NO. NO, NO, NO. [LB448]

SENATOR KINTNER: NO? OKAY. [LB448]

SENATOR NORDQUIST: SO WE'RE BRINGING IN THE ASSETS. AND THE NEBRASKA INVESTMENT COUNCIL, THE TREASURER, WE'VE WORKED EXTENSIVELY ON THE TECHNICAL DETAILS WITH TREASURER STENBERG AND THE INVESTMENT COUNCIL. HE WILL BE THE CUSTODIAN OF THE MONEY. THEY WILL INVEST THE MONEY AND SEND WHATEVER OMAHA NEEDS ON A MONTHLY BASIS TO PAY BENEFITS BACK TO OMAHA. AND AGAIN, THE ONLY LIABILITY HAPPENS...OMAHA, IF...NOW THE TWO PLANS ARE GOING TO BE INVESTED THE SAME, SO THIS COULDN'T HAPPEN. BUT IF OMAHA'S PLAN TOOK A DIVE AND NEEDED A HUGE INFUSION OF MONEY AT THIS POINT AND THE STATE PLAN STAYED ABOVE WHERE IT NEEDED TO BE FUNDINGWISE, WE WOULDN'T HAVE ANY LIABILITY AT ALL, NOT A DOLLAR. IT'S ONLY IF, NOW THAT THE TWO PLANS ARE TIED TOGETHER, THE STATE PLAN FALLS OFF, THE OMAHA PLAN THEN WOULD GET A FAIR EQUIVALENT AMOUNT. BUT THAT AGAIN ASSUMES WE MAKE AN APPROPRIATION TOWARDS THAT SHORTFALL, WHICH HASN'T BEEN OUR TREND IN HERE. WHEN THERE'S A SHORTFALL, THE CHAIRMAN OF THE APPROPRIATIONS COMMITTEE COMES TO ME AND SAYS, SENATOR NORDQUIST, WE ARE NOT GOING TO DUMP \$20 MILLION INTO... [LB448]

SENATOR KRIST: ONE MINUTE. [LB448]

SENATOR NORDQUIST: ...THIS PENSION PLAN. WE NEED YOU TO STATUTORILY MAKE SOME CHANGES TO THIS PLAN TO FIX IT. SO WE'RE MAKING THE ASSUMPTION NOW THAT WE ARE JUST GOING TO APPROPRIATE WHATEVER THE SHORTFALL IS. THAT HAS NOT BEEN WHAT THIS LEGISLATURE DOES. AND I DON'T THINK IT WILL BE WHAT THIS LEGISLATURE DOES IN THE FUTURE. [LB448]

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SENATOR KINTNER: ALL RIGHT. WELL, LET ME GIVE YOU ONE MORE. WHO BROUGHT THIS TO YOU DO? WHO ASKED YOU TO INTRODUCE THIS? [LB448]

SENATOR NORDQUIST: YOU CAN TALK TO MY LEGAL COUNSEL ABOUT IT. I CAME TO HER ABOUT THREE DAYS BEFORE THE END OF BILL INTRODUCTION AND SAID...MAYBE A LITTLE SOONER THAN THAT, MAYBE THREE DAYS BEFORE THE START OF SESSION. THIS HAS BEEN A PASSION OF MINE SINCE I BECAME THE CHAIR OF THE RETIREMENT SYSTEMS COMMITTEE, THAT WE NEED TO GET TO A POINT WHERE WE PUT THESE PLANS IN PLACE WHERE THEY ARE ON THE PATHWAY TO MERGING. AND THAT'S WHY IN 2013, WHEN WE PASSED THE MAJOR PENSION REFORM BILL, WE ALIGNED THE BENEFITS ALMOST COMPLETELY. IT WAS NEGOTIATION AT THE TIME THAT WE WEREN'T ABLE TO DO IT COMPLETELY. [LB448]

SENATOR KRIST: TIME, SENATORS. [LB448]

SENATOR NORDQUIST: THANK YOU. [LB448]

SENATOR KINTNER: THANK YOU. [LB448]

SENATOR KRIST: THANK YOU, SENATOR KINTNER AND SENATOR NORDQUIST. SENATOR WATERMEIER, YOU ARE RECOGNIZED. [LB448]

SENATOR WATERMEIER: THANK YOU, MR. PRESIDENT. GOOD AFTERNOON, NEBRASKA. IF SENATOR NORDQUIST WOULD BE READY FOR A QUESTION, I'LL ASK HIM IN A SECOND. I JUST PROBABLY HAVE MISSED THE DISCUSSION. I'VE BEEN IN AND OUT OF THE BODY HERE. BUT I WANT TO GET DOWN AND BOIL DOWN TO MAYBE SOME OF THE HISTORY ABOUT WHY OMAHA HAD A SEPARATE PLAN, SO IF SENATOR NORDQUIST WOULD YIELD. [LB448]

SENATOR KRIST: SENATOR NORDQUIST, WILL YOU YIELD? [LB448]

SENATOR NORDQUIST: YES. [LB448]

SENATOR WATERMEIER: SENATOR NORDQUIST, WHAT WAS THE HISTORY BEHIND THE OMAHA OPS SYSTEM BEING OUTSIDE OF THE STATE PLAN, AND HOW MANY OTHER DISTRICTS WOULD HAVE HAD A SITUATION LIKE THAT? IF YOU COULD JUST REALLY MAKE IT A 30,000-FOOT VIEW. [LB448]

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SENATOR NORDQUIST: AS FAR AS THE OTHER DISTRICTS, THAT I DON'T KNOW. I CAN TELL YOU WHY OMAHA HAD A PLAN, IS THEY STARTED THEIRS FIRST IN 1919. THEY WERE THE FIRST DISTRICT TO HAVE A DEFINED BENEFIT PLAN. THE STATE PLAN DIDN'T COME ALONG UNTIL THE MID '40s. AND AT THAT TIME, WHOEVER CHOSE NOT TO MAKE A MERGER...TALKING TO, I BELIEVE IT WAS SENATOR WICKERSHAM WHO USED TO CHAIR THE RETIREMENT COMMITTEE YEARS AGO, HE SAID AT THAT TIME THEY HAD MADE SOME SMALL CHANGES TO START THE DISCUSSION OF ALIGNMENT TO MAYBE MOVE TOWARDS A MERGER. BUT THAT WAS, YOU KNOW, TWO OR THREE DECADES AGO AND IT STILL HASN'T HAPPENED. SO THIS WOULD BE AS CLOSE AS WE POSSIBLY CAN GET WITHOUT ACTUALLY MAKING THE MERGER. [LB448]

SENATOR WATERMEIER: THANK YOU. AND THAT KIND OF HELPS THE DISCUSSION. I GUESS WHERE I'M AT WITH THIS BILL, AND ANOTHER QUESTION I'LL ASK YOU IS, TWO COMPONENTS TO THE BILL: ONE IS THE ADMINISTRATION OF THE PLAN, THE SECOND PART IS THE LIABILITY IF THE PLAN DOESN'T MEET THE STATE STANDARDS. ARE THE TWO TIED TOGETHER IN AM1555, OR DOES LB448 DO...WELL, LET ME BACK UP. DOES AM1555 REPLACE THE ENTIRE BILL, GUT IT? [LB448]

SENATOR NORDQUIST: IT DOES. [LB448]

SENATOR WATERMEIER: OKAY. SO YOU CANNOT SEPARATE THE TWO ISSUES OUT THE WAY IT STANDS RIGHT NOW IN THE AMENDMENT COMPARED TO THE LB448. [LB448]

SENATOR NORDQUIST: RIGHT. [LB448]

SENATOR WATERMEIER: OKAY. THANK YOU, SENATOR NORDQUIST. THAT WILL BE ALL. I AM PROBABLY GOING TO HAVE TO OPPOSE THIS BILL. IF I COULD GET AN ASSURANCE THAT THE STATE WOULD BE OFF THE LIABILITY SIDE OF IT, I'D BE GLAD TO HELP ADMINISTER THIS PLAN AND HELP THE WHOLE ENTIRE SCHOOL DISTRICT, TO GET US BACK TO EVEN PAR. BUT AS THE WAY IT STANDS RIGHT NOW, I'M GOING TO HAVE TO BE ABLE TO OPPOSE THE AM1555 AND THE LB448. THANK YOU, MR. PRESIDENT. [LB448]

SENATOR KRIST: THANK YOU, SENATOR WATERMEIER AND SENATOR NORDQUIST. THOSE STILL WISHING TO SPEAK: SENATOR NORDQUIST, SCHUMACHER, DAVIS, AND MURANTE. SENATOR NORDQUIST, YOU'RE RECOGNIZED. [LB448]

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SENATOR NORDQUIST: THANK YOU, MR. PRESIDENT AND MEMBERS. AND IT CERTAINLY IS UP TO THE WILL OF THE BODY WHETHER OR NOT TO MOVE FORWARD WITH THIS BILL. I BROUGHT IT FORWARD IN AN ATTEMPT TO REDUCE BENEFITS ON WORKERS IN OMAHA, AS A WAY TO ALIGN THE PLANS. AND THE FACT OF THE MATTER IS, IT'S UNLIKELY YOU'RE GOING TO GET ANYTHING PASSED THIS LEGISLATURE TO TAKE CARE OF THE SCHOOL EMPLOYEES RETIREMENT PLAN WITHOUT TAKING CARE OF THE OMAHA PLAN ANYWAY. IT'S A POLITICAL GIVE-AND-TAKE IN THIS BODY. AND THAT'S JUST THE BOTTOM LINE, THAT THIS LEGISLATURE KIND OF GETS TO THE POINT WHERE THOSE IN THE MINORITY HAVE ABILITY TO STOP THINGS FROM HAPPENING, SHOULD THAT HAPPEN. SO I DON'T THINK THAT THIS SETS ANY DIFFERENT PRECEDENT THAN WE'VE BEEN DOING. IT DOESN'T CREATE ANY OUTLANDISH LIABILITY. THE INVESTMENT DECISIONS OF OMAHA IN THE PAST ARE STILL THERE. AND I THINK IT'S A COMPREHENSIVE PACKAGE THAT EVERYBODY GAVE A LITTLE BIT ON. WE ARE GOING TO MAKE SURE THAT OUR BIGGEST SCHOOL DISTRICT IN THE STATE'S PENSION PLAN REMAINS HEALTHY BY REDUCING BENEFITS AND PROFESSIONALLY MANAGING THEIR INVESTMENTS. AND SHOULD THEY FAIL WITHOUT THIS INTERVENTION NOW, WITHOUT BRINGING THEM TO THE RIGHT TRACK, THERE'S NO DOUBT THAT THE STATE WOULD HAVE TO STEP IN AND BAIL THEM OUT ANYWAY. THERE'S NO DOUBT THEY'RE ALREADY UP AGAINST...CLOSE TO THEIR LEVY LIMIT. IT'S NOT LIKE THEY HAVE A HUGE ABILITY TO RAISE ADDITIONAL PROPERTY TAX MONEY FOR THEIR PENSION. SO IF THERE IS A SHORTFALL, THEY WOULD HAVE TO COME TO THE STATE ANYWAY TO MEET THAT OBLIGATION. SO THIS IS SIMPLY SAYING THAT WHETHER YOU LIVE IN OPS OR ANY OTHER DISTRICT IN THE STATE, YOU ARE PROTECTED WHEN IT COMES TO PENSIONS. IT'S CERTAINLY AN EQUITY ISSUE. BUT SHOULD SENATORS OUTSIDE OF OPS NOT FEEL THIS IS IMPORTANT, THEN THE BILL WILL NOT MOVE FORWARD. THANK YOU. [LB448]

SENATOR KRIST: THANK YOU, SENATOR NORDQUIST. SENATOR SCHUMACHER, YOU'RE RECOGNIZED. [LB448]

SENATOR SCHUMACHER: THANK YOU, MR. PRESIDENT, MEMBERS OF THE BODY. THE PROBLEM WITH THE DEFINED BENEFIT PENSION PLAN HAS BOTHERED ME FROM THE FIRST YEAR I WAS DOWN HERE. IT'S WELL KNOWN THAT DEFINED BENEFIT PLANS ARE REALLY RISKY FOR THE EMPLOYER BASICALLY BECAUSE IF THE EMPLOYEE CONTRIBUTION AND THE OTHER REVENUE SOURCES COME UP SHORT, THE EMPLOYER HAS GOT TO DIG INTO HIS POCKET. AND NORMALLY THESE THINGS WERE COMPUTED ON A GUESSTIMATE OF WHAT KIND OF RATE OF RETURN YOU WOULD HAVE INTO THE FUTURE. IF THAT GUESSTIMATE OF SO

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MUCH COMPOUNDED INTEREST OR DIVIDENDS OR WHATNOT DOES NOT COME IN AND THE COMPOUNDING SLOWS DOWN, YOU GET A BIG DEFICIT THAT CAN ACCUMULATE VERY, VERY QUICKLY. AND WHAT'S BOTHERSOME IS--IN THE STATE PLAN, I ASSUME IT'S IN THIS OMAHA PLAN, TO MANY EMPLOYERS' DISMAY, WAS IN THEIR PLAN BEFORE THEY BAILED ON THE DEFINED BENEFIT MECHANISM--IS THAT THERE'S GOING TO BE SOMEWHERE BETWEEN 7 POINT SOMETHING PERCENT AND 8 PERCENT RETURN EVERY YEAR, YEAR OVER YEAR FOR 30 YEARS. NOW MAYBE THAT COULD BE THE CASE WHEN THE BABY BOOMERS WERE ALL COMING ON-LINE AND THE ECONOMY WAS STEAMING AND THERE WAS NO FOREIGN COMPETITION AND ALL THIS OTHER STUFF. BUT SINCE 2008, WHEN LIFE CHANGED DRAMATICALLY FOR THE FINANCIAL WORLD, THE IDEA OF 8 PERCENT YEAR OVER YEAR MONEY...INCOME HAS JUST NOT BEEN REALISTIC. AND THAT NOT BEING REALISTIC PUTS US IN A POSITION IF WE TAKE ON WHAT HAD VOLUNTARILY APPARENTLY BEEN HELD OFF TO THE SIDE IN THE OMAHA PLAN, TAKE ON THAT RISK NOW. WE ARE TAKING ON AN EVEN BIGGER PIECE OF RISK. THE ECONOMY, NOWHERE CAN I SEE ANY CREDIBLE PREDICTIONS OF OVER 5 PERCENT GROWTH, MOST ARE HANGING AROUND 4 PERCENT GROWTH, AND SOMEHOW WE'RE GOING TO EXPECT A PERPETUAL 8 PERCENT RETURN ON INVESTMENT? CAN'T HAPPEN, NO MATTER WHAT THE ADVISER SAYS HE THINKS WILL HAPPEN. THERE WERE PLENTY OF ADVISERS BEFORE 2008 SAYING THAT WE WERE JUST ON THE CUSP OF ENORMOUS PROSPERITY AND THE REAL ESTATE MARKET WOULD CONTINUE TO GO AND YOU CONTINUE TO MAKE VERY LOW INTEREST RATE LOANS TO PEOPLE WHO DIDN'T HAVE COLLATERAL. ALL OF THOSE SAME ADVISERS ARE ADVISING AGAIN. I THINK THAT I WOULD BE ALL FOR THIS IF THERE WERE A GUARANTEE FROM OMAHA THAT IF IT CAME UP SHORT, THEY WOULD STAND THE LOSS. BUT THAT'S NOT WHAT I'M HEARING SENATOR NORDQUIST SAY. HE'S SAYING, LOOK, STATE, YOU'RE ON THE LINE FOR THE LOSS REGARDLESS AS A PRACTICAL MATTER, SO JUST AS WELL EAT THE LOSS NOW, OR AT LEAST ASSUME THE RISK THAT WE'RE NOT GOING TO GET 7 PERCENT, 8 PERCENT INTEREST. I THINK IF YOU RECOMPUTED THE STATE PLAN AND THE OMAHA PLAN AT A MORE REALISTIC 5 PERCENT, GIVE OR TAKE, INTEREST RATE, WE'D ALL BE JUST REACHING IN OUR POCKETS TRYING TO FIGURE OUT WHERE WE'RE GOING TO GET THE MONEY FROM. AND IT'S ONE OF THE REASONS ALSO THAT WHEN WE STAND IN THIS BODY AND SAY OVER AND OVER WE'RE GOING TO HAVE SOME KIND OF BIG TAX DECREASE IN INCOME TAX OR SALES TAX OR PROPERTY TAX, WE'RE SMOKING SOME OF SENATOR GARRETT'S MARIJUANA BECAUSE IT AIN'T GOING TO HAPPEN. THESE LIABILITIES ARE GOING TO COME HOME TO ROOST. AND RIGHT NOW, WITH THIS BILL, I THINK WE'RE TAKING ON THE LIABILITY AND THE RISK THAT HAS BEEN TAKEN ON BY OMAHA AND THE SCHOOL

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DISTRICT THERE. WE MAY BE STUCK WITH THAT RISK ANYWAY. BUT LET'S NOT KID OURSELVES, THIS IS NO MAGIC BULLET. AND THE IDEA THAT THESE THINGS ARE ALL SOLVENT AND LIFE IS GOING TO BE WONDERFUL FOR 30 YEARS IS JUST... [LB448]

SENATOR KRIST: ONE MINUTE. [LB448]

SENATOR SCHUMACHER: ...DISNEY WORLD. THANK YOU. [LB448]

SENATOR KRIST: THANK YOU, SENATOR SCHUMACHER. SENATOR DAVIS, YOU'RE RECOGNIZED. [LB448]

SENATOR DAVIS: THANK YOU, MR. PRESIDENT. I WANTED TO ADDRESS A LITTLE BIT OF THE RURAL-URBAN ISSUE WITH THIS BILL BECAUSE I THINK IT'S REALLY IMPORTANT THAT WE TALK ABOUT THAT. AND THEN I'M GOING TO YIELD THE REST OF MY TIME TO SENATOR NORDQUIST. SO THE FIRST QUESTION I'LL ASK SENATOR NORDQUIST, ABOUT WHAT PERCENTAGE OF THE TEACHERS IN THE STATE ARE IN THE OMAHA DISTRICT? [LB448]

SENATOR KRIST: SENATOR NORDQUIST, WILL YOU YIELD? [LB448]

SENATOR NORDQUIST: YES. IT'S ABOUT 25 PERCENT. [LB448]

SENATOR DAVIS: SO ABOUT A QUARTER OF THE TEACHERS IN THE STATE ARE ALREADY IN OMAHA. AND OMAHA GENERATES A SIGNIFICANT AMOUNT OF SALES AND REVENUE, SALES TAX AND INCOME TAX THAT COMES INTO THE STATE. WE HIT ON THIS EARLIER, BUT I'M GOING TO HIT ON IT AGAIN. SO THAT SALES AND INCOME TAX, THE PORTION OF IT THAT GOES INTO OUR RETIREMENT PLAN TO MAKE THE STATE PART WHOLE IS NOT GOING TO THE OMAHA DISTRICT. SO I THINK YOU'VE GOT SOME POTENTIAL CONFLICT RIGHT THERE. SECOND POINT IS, IF THE OMAHA DISTRICT GOES DOWN AND THERE'S A HUGE LOSS AND THEY HAVE TO MAKE UP THE MONEY OUT OF PROPERTY TAXES OR SOME OTHER FUNDING, HOW DO YOU THINK IT'S GOING TO HAPPEN? IT'S GOING TO BE THROUGH THE TEEOSA FORMULA BECAUSE THE NEEDS AREN'T GOING TO BE THERE. THERE ARE GOING TO BE HIGHER NEEDS. THE STATE IS GOING TO END UP PICK UP THE BILL NOW...EVENTUALLY, ONE WAY OR THE OTHER. WHEN YOU'VE GOT A CITY THAT IS OUR NUMBER ONE CITY IN THE STATE WITH THE MOST PEOPLE, THE MOST TEACHERS, GENERATING THE MOST SALES AND INCOME

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TAX, I'M TELLING YOU, IT'S GOING TO HAPPEN. WE JUST HAD A BILL NOT LONG AGO WHICH SHOULD HAVE FAILED, AND THAT'S THE WOODMAN OF THE WORLD BUILDING SALES...PROPERTY TAX EXEMPTION. WELL, IT WASN'T JUST THE OMAHA SENATORS THAT VOTED FOR THAT, IT WAS A BUNCH OF OTHER PEOPLE TOO. SO WE'RE GOING TO SEE THIS HAPPEN. AND I THINK IT'S...NOW IS THE TIME TO TRY TO GET THE PLAN IN PLACE HERE WITH THE STATE AND MERGE IT. THE STATE HAS DONE A GOOD JOB MANAGING THE FUNDS. THEY CAN DO A GOOD JOB MANAGING THE OMAHA FUNDS. THERE'S GOING TO BE LESS RISK OVERALL. THE CITY OF OMAHA AND THE OMAHA SCHOOL DISTRICT ARE GOING TO BEAR THE RESPONSIBILITY FOR THE ALL LOSSES PRIOR TO THIS. AND TO SENATOR SCHUMACHER'S QUESTION ABOUT THE RETURNS, I UNDERSTAND THE ANXIETY AND ANGST THAT PEOPLE HAVE OVER AN 8 PERCENT RETURN. PLEASE REMEMBER THAT 8 PERCENT INCLUDES INFLATION. SO IF WE'VE GOT 2 PERCENT OR 3 PERCENT INFLATION RATE, THAT RETURN IS 5 PERCENT. WE HAVEN'T GOTTEN BACK TO WHAT WE CONSIDER TO BE NORMAL RATES OF RETURN, BUT WE WILL AT SOME POINT. THERE'S AN INDICATION THE ECONOMY IS CRANKING UP IN THIS COUNTRY. SO AS THAT HAPPENS, INTEREST RATES ARE GOING TO GO UP. AND OUR INVESTMENTS HAVE DONE QUITE WELL. SO WITH THAT, I'LL YIELD THE REST OF MY TIME TO SENATOR NORDQUIST. [LB448]

SENATOR KRIST: SENATOR NORDQUIST, 2:20. [LB448]

SENATOR NORDQUIST: THANK YOU, MR. PRESIDENT AND MEMBERS. ALL GREAT POINTS FROM SENATOR DAVIS. FIRST OF ALL, YES, IT WOULD COME BACK. AND SENATOR SCHEER ACTUALLY PULLED ME ASIDE AND KIND OF MENTIONED THE SAME THING, THAT IT WOULD COME BACK THROUGH TEEOSA. I MEAN, WE'RE GOING TO PAY FOR IT ONE WAY OR ANOTHER. THE ASSUMED RATE OF RETURN DOES INCLUDE AN INFLATION FACTOR. SO, YES, WHATEVER YOU ASSUME THE INFLATION RATE TO BE, THAT IS TAKEN OUT OF THE ASSUMED RATE OF RETURN. AND SENATOR SCHUMACHER CERTAINLY HAS HIS THOUGHTS ON WHERE OUR ECONOMY IS HEADED. FIRST OF ALL, THE INVESTMENT COUNCIL DOESN'T JUST BUY AN INDEX OF THE U.S. ECONOMY. IT HAS A DIVERSIFIED PORTFOLIO THAT INCLUDES ASSETS THAT THEY SPEND A LOT OF TIME AND ACTUALLY MONEY, TOO, INVESTING IN AND RESEARCHING IN PRIVATE EQUITIES, IN REAL ESTATE, IN OTHER AREAS THAT EXCEED PERFORMANCE OF THE...ON THE WHOLE. NOW GRANTED, YOU DO TAKE ON MORE RISK AND IT DOES TAKE MORE TIME TO MANAGE THOSE ASSETS. BUT WE DON'T JUST BUY A FLAT INDEX OF THE U.S. ECONOMY AND SAY, OH, THE U.S. ECONOMY IS GOING TO GROW AT LESS THAN 5 PERCENT, SO THAT MEANS OUR INVESTMENT RETURN IS GOING TO GROW AT LESS THAN 5 PERCENT. ALL WE CAN DO AT THIS POINT, WE DO HAVE FUND

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MANAGERS ADVISING THE INVESTMENT COUNCIL GOING FORWARD, BUT IF WE LOOK TO OUR PREVIOUS INVESTMENT EXPERIENCE, AS I SAID: IN OMAHA THEIR 30-YEAR NUMBER WAS 9.5 PERCENT; THEIR TEN-YEAR NUMBER WAS 8.3 PERCENT. [LB448]

SENATOR KRIST: ONE MINUTE. [LB448]

SENATOR NORDQUIST: THEIR FIVE-YEAR NUMBER IS 12.6 PERCENT, AND THREE-YEAR NUMBER IS 9.6 PERCENT. YOU KNOW, WE'RE ASSUMING 8 PERCENT YEAR OVER YEAR. AND EVERY MARKER FOR THE PAST 30 YEARS EXCEEDS THAT NUMBER. THE ISSUE WAS OUR BENEFITS WERE OUT OF LINE. OUR BENEFITS WERE TOO HIGH. THAT'S WHY WE PASSED THE 2013 PENSION REFORM BILL TO BRING THE COST OF THE BENEFITS DOWN. AND IN THE STATE PLAN, OUR 30-YEAR NUMBER WAS 9.3 PERCENT; OUR 10-YEAR NUMBER WAS 7.5 PERCENT; OUR 5-YEAR NUMBER, 13.6; OUR 3-YEAR NUMBER, 10.3; LAST YEAR'S RETURN WAS 18 PERCENT. AGAIN...NOW THE TEN-YEAR NUMBER FOR THE STATE WAS A LITTLE BIT LOWER. BUT ALL THE OTHER MARKERS OVER THE PAST 30 YEARS EXCEED THAT 8 PERCENT RATE OF RETURN. SO NOW WE HAVE BROUGHT THESE PLANS INTO ALIGNMENT. WE HAVE REDUCED BENEFITS SO THEY ARE SUSTAINABLE EVEN IF WE DON'T HIT THAT 8 PERCENT. THAT'S THE... [LB448]

SENATOR KRIST: TIME, SENATOR. [LB448]

SENATOR NORDQUIST: ...DIRECTION WE'RE GOING. THANK YOU, MR. PRESIDENT. [LB448]

SENATOR KRIST: THANK YOU, SENATOR DAVIS AND SENATOR NORDQUIST. SENATOR MURANTE, YOU'RE RECOGNIZED. [LB448]

SENATOR MURANTE: THANK YOU, MR. PRESIDENT. MEMBERS, GOOD AFTERNOON. WOULD SENATOR NORDQUIST YIELD TO A QUESTION? [LB448]

SENATOR KRIST: SENATOR NORDQUIST, WILL YOU YIELD? [LB448]

SENATOR NORDQUIST: YES. [LB448]

SENATOR MURANTE: SENATOR NORDQUIST, YOU'VE BEEN ASKED A COUPLE OF TIMES WHY ANY STATE SENATOR OUTSIDE OF OPS WOULD VOTE FOR THIS BILL.

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AND I BELIEVE YOU HAVE RESPONDED--AND I'M GOING TO PARAPHRASE, BUT TELL ME IF I'VE GOT THE GIST CORRECTLY--THAT AT LEAST IN PART, IT'S A MATTER OF FAIRNESS AND EQUITY AND THAT WE SHOULD BE THINKING AS STATE SENATORS RATHER THAN PAROCHIAL INTERESTS, IS THAT GENERALLY...? [LB448]

SENATOR NORDQUIST: RIGHT. I MEAN, THERE'S NO DOUBT THAT THIS BILL RELATES DIRECTLY TO OPS. SO IT'S TOUGH TO MAKE A SELL FOR SOMEBODY WHO DOESN'T LIVE IN OPS, YES. [LB448]

SENATOR MURANTE: SO THERE IS, IN YOUR MIND, A FAIRNESS AND EQUITY ISSUE TO OPS THAT WE SHOULD BE CONSIDERING WITH LB448. [LB448]

SENATOR NORDQUIST: RIGHT. [LB448]

SENATOR MURANTE: THANK YOU, SENATOR NORDQUIST. I APPRECIATE WHERE SENATOR NORDQUIST IS COMING FROM, ASKING FOR FAIRNESS AND EQUITY. AND HE IS A PERSON WHO HAS ALWAYS BEEN STAND UP WITH ME AND I CAN'T SAY THAT THERE'S ANYTHING PERSONAL IN THE COMMENTS I'M ABOUT TO MAKE. BUT I'VE GOT TO TELL YOU THAT IN THE WORLD THAT I LIVE IN, IN SARPY COUNTY, THE IDEA THAT OMAHA PUBLIC SCHOOLS WOULD COME BEFORE THIS LEGISLATURE AND THE POOR SYMPATHETIC SOULS IN THEIR ADMINISTRATION WOULD YEARN FOR FAIRNESS AND EQUITY IS LAUGHABLE. IT WOULD BE LAUGHABLE IF IT WEREN'T SO MADDENING, BECAUSE I LIVE IN A WORLD IN THE LEARNING COMMUNITY COORDINATING COUNCIL WHERE OUR PROPERTY TAX DOLLARS ARE GIVEN DIRECTLY TO OPS. AND EVERY TIME WE COME UP WITH A SOLUTION, ANY SORT OF COMPROMISE, WE SAY YOU WANT MONEY? OKAY, WE'LL FIGURE OUT HOW TO GET YOU MONEY, LET'S JUST TALK FUNDING SOURCE. WE'RE TOLD NOT JUST ABSOLUTELY NOT, WE CAN'T HAVE A COMPROMISE. WE'RE TOLD, YEAH, THE COMMON LEVY WAS INSTITUTED FOR THE PURPOSES OF GETTING MORE MONEY INTO FAILING SCHOOLS EAST OF 72nd STREET. IT'S NOT EVEN DOING THAT, BUT WE CAN'T GET RID OF IT. AND THE REASON, WE'RE TOLD, IS BECAUSE THEY HAVE THE HAMMER. IF I HEAR ABOUT THE HAMMER ONE MORE TIME, I THINK I'M GOING TO LOSE IT. THEY HAVE THE HAMMER OVER THE SUBURBAN SCHOOL DISTRICTS. AND EVEN IF THEY GOT MORE MONEY OUT OF ABOLISHING THE COMMON LEVY, BY GOD, THEY ARE NOT GOING TO LOSE THAT HAMMER. AND THEN THEY COME TO THE NEBRASKA STATE LEGISLATURE AND ASK FOR FAIRNESS AND EQUITY. SO YOU'LL HAVE TO FORGIVE ME IF I'M NOT FEELING SO MUCH SYMPATHY FOR THE POOR SOULS IN

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THE ADMINISTRATION OF OMAHA PUBLIC SCHOOLS, BECAUSE THERE ARE SOLUTIONS OUT THERE, SOLUTIONS THAT HAVE OVERWHELMING CONSENSUS ON THIS FLOOR. AND IF WE COULD GET TO A VOTE ON IT, WE'D GET IT DONE. BUT WE CAN'T GET TO A VOTE ON IT. SO WHILE I AGREE WITH SENATOR LINDSTROM'S SPEECH, THAT NOBODY WEST OF 72nd STREET HAS AN INTEREST IN VOTING FOR THIS BILL, THAT'S CERTAINLY TRUE. ANYONE IN A SUBURBAN SCHOOL DISTRICT IN DOUGLAS OR SARPY COUNTY HAS TO LOOK AT THIS WITH A DEGREE OF OUTRAGE BECAUSE I APPRECIATE WHERE SENATOR NORDQUIST IS COMING FROM. AND I DON'T HOLD HIM AT ALL RESPONSIBLE FOR THE COMMENTS THAT I'M MAKING RIGHT NOW. HE'S NOT PART OF THE PROBLEM. BUT WE'VE GOT TO DO SOMETHING ABOUT THIS. WE CAN'T CONTINUE TO HAVE AN EDUCATION SYSTEM THAT EDUCATES A SIGNIFICANT PERCENTAGE OF THE STUDENTS IN THE STATE OF NEBRASKA... [LB448]

SENATOR KRIST: ONE MINUTE. [LB448]

SENATOR MURANTE: ...WHERE 60 PERCENT OF THE TAXPAYERS, 60 PERCENT OF THE PARENTS WHO SEND THEIR KIDS TO SCHOOLS ARE OUTRAGED BY IT. AND TO THOSE PEOPLE WHO ARE HOLDING FAST SAYING, NO CHANGES, ABSOLUTELY NOT, I WOULD SUBMIT TO YOU THAT IT IS IN THE LONG-TERM BEST INTERESTS OF THE LEARNING COMMUNITY TO COME UP WITH SOME SORT OF FUNDING SOURCE COMPROMISE OR YOU'RE GOING TO LOSE THE WHOLE THING EVENTUALLY, BECAUSE ENOUGH PRESSURE OVER ENOUGH PERIOD OF TIME AND THERE WILL BE ACTION. AND THAT PRESSURE IS NOT GOING AWAY, NO MATTER WHO REPRESENTS DISTRICT 49 OR PAPILLION OR WEST OMAHA. SO, SENATOR NORDQUIST, I APPRECIATE WHAT YOU'RE TRYING TO DO HERE. I PROBABLY CAN'T SUPPORT LB448. BUT I THINK WE NEED TO TAKE INTO CONSIDERATION THE ENTIRE FUNDING PICTURE THAT WE'RE LOOKING AT IN THE DOUGLAS AND SARPY COUNTY SCHOOL DISTRICTS. THANK YOU, MR. PRESIDENT. [LB448]

SENATOR KRIST: THANK YOU, SENATOR MURANTE. SENATOR GROENE, YOU'RE RECOGNIZED. [LB448]

SENATOR GROENE: THANK YOU, MR. PRESIDENT. I APPRECIATE SENATOR NORDQUIST. HE DOES A GOOD JOB AS CHAIRMAN OF THE RETIREMENT COMMITTEE. HE IS...HIM AND KATE DO A GOOD JOB KNOWLEDGEWISE. AND LIKE I SAID, I VOTED FOR THIS OUT OF COMMITTEE BECAUSE I THINK MANAGEMENT NEEDS TO BE TAKEN OVER BY THE STATE. BUT THE LIABILITY PORTION I DO NOT

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LIKE AND I VOTED FOR IT IN THE IDEA OF COOPERATION BETWEEN URBAN AND RURAL, IN THE FUTURE THAT WE'LL LOOK AT TEEOSA. BUT, SENATOR NORDQUIST, WOULD YOU ANSWER A COUPLE OF QUESTIONS JUST TO CLARIFY? I THINK I KNOW THE ANSWER, BUT THE BODY NEEDS TO KNOW IT. [LB448]

SENATOR KRIST: SENATOR NORDQUIST, WILL YOU YIELD? [LB448]

SENATOR NORDQUIST: YES. [LB448]

SENATOR GROENE: YOU MEAN THE BENEFIT CHANGES WILL JUST BE FOR NEW HIRES, RIGHT? [LB448]

SENATOR NORDQUIST: RIGHT. [LB448]

SENATOR GROENE: ALL THE BABY BOOMERS RETIRING HERE ARE GOING TO GET THEIR SAME... [LB448]

SENATOR NORDQUIST: RIGHT. SO, YEAH. SO THAT'S THE SHORT ANSWER, IS YES. THE LONGER ANSWER IS THAT OUR COURTS HAVE UPHELD THAT IT'S A CONTRACT AND WE CAN'T CHANGE FOR CURRENT EMPLOYEES. [LB448]

SENATOR GROENE: AND OPS'S BENEFITS ARE BETTER THAN THE STATEWIDE PLAN, RIGHT? [LB448]

SENATOR NORDQUIST: THAT'S WHERE THE... [LB448]

SENATOR GROENE: THEY'VE GOT SOME COLAs ON.... [LB448]

SENATOR NORDQUIST: COLA AND SERVICE ANNUITY BENEFITS, YEP. [LB448]

SENATOR GROENE: SO THEY PAY THE SAME AMOUNT IN AS WE...EVERYBODY ELSE DOES, 9.78 PERCENT MATCH? [LB448]

SENATOR NORDQUIST: YEP. [LB448]

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SENATOR GROENE: SO THEY HAVE BETTER BENEFITS. SO THEY'RE DRAWING DOWN THEIR PILE OF MONEY A LITTLE BIT FASTER. SO THAT COMPOUNDS THE PROBLEM THAT THEY MIGHT HAVE MORE PROBLEMS THAN THE STATEWIDE ISSUE, RIGHT? [LB448]

SENATOR NORDQUIST: RIGHT. I WOULD JUST ADD THAT THE STATE DOES PAY FOR ONE OF THOSE BENEFITS. WE PAY FOR THE SERVICE ANNUITY BENEFIT. SO THAT IS ANOTHER PART OF THIS BILL, THAT GETTING RID OF THAT IN THE LONG RUN IS THE MONEY THAT THE STATE ISN'T ALREADY GIVING THEM. SO THERE'S SOME TRADE-OFF THERE. [LB448]

SENATOR GROENE: BUT THEY HAVE TWO PROBLEMS. THEY HAVE A PROBLEM: THEIR BENEFITS ARE HIGHER THAN OURS; PLUS, IF IT DON'T GET 8 PERCENT THEY'VE GOT COMING FROM THE BOTTOM AND THE TOP... [LB448]

SENATOR NORDQUIST: RIGHT. THAT'S EXACTLY RIGHT. [LB448]

SENATOR GROENE: SO WE COULD HAVE MORE PROBLEMS THERE, RIGHT? [LB448]

SENATOR NORDQUIST: THAT...WITH NO PASSAGE OF... [LB448]

SENATOR GROENE: THANK YOU. YEAH, THANK YOU. [LB448]

SENATOR NORDQUIST: YES. THANK YOU. [LB448]

SENATOR GROENE: ANYWAY, I WANT TO SYMPATHIZE. BUT THEY JUST GAVE A 13.6 PERCENT PAY RAISES OVER THE NEXT THREE YEARS TO THEIR EMPLOYEES: 5.2 PERCENT, 2.7 PERCENT, 5.7 PERCENT. THEY KNOW THEY HAVE A PROBLEM; \$34.1 MILLION IT'S GOING TO COST THEM. WHAT IF THEY GAVE A \$20 MILLION PAY RAISE AND TOOK \$14 MILLION AND PUT IT IN THEIR RETIREMENT TO START FIXING THAT THING? IT'S IN THEIR HANDS, THE OMAHA PUBLIC SCHOOL DISTRICT'S SCHOOL BOARD. THEY COULD BE WORKING ON IT THEMSELVES. THEY SHOULDN'T...DON'T NEED TO BE COMING TO US WITH THEIR HAND OUT. IF THEY GOT MONEY LIKE THAT, MY SCHOOL DISTRICT CAN'T GIVE THAT KIND OF PAY RAISES. OUR BASE SALARY ISN'T GOING TO BE \$41,000 FOR NEW HIRES. THEY'VE GOT MONEY. THEY GET STATE AID TO EDUCATION. THE REST OF US DON'T. THE 159 (SIC--158) OF US DON'T, SCHOOL DISTRICTS. WHAT ARE THEY

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DOING TO WORK ON THIS PLAN, THIS PROGRAM? YES, I'D LOVE TO SEE THE STATE TAKE OVER THE MANAGEMENT OF IT BECAUSE OUR STATE RETIREMENT BOARD DOES A GREAT JOB WITH OUR RETIREMENT PLANS. AND WHERE'S THE FAIRNESS TO THE STATE EMPLOYEES THAT DON'T HAVE A DEFINED BENEFIT PLAN? WE'RE NOT BAILING THEM OUT. THE MONEY THAT BAILS THESE PLANS OUT, THESE DEFINED BENEFITS IN THE FUTURE, TAKES AWAY FROM THE BUDGET TO GIVE THOSE GUYS RAISES, ALL THE STATE EMPLOYEES, ALL THE CAPITOL EMPLOYEES, ALL THE ROADS DEPARTMENT EMPLOYEES. WE'RE VERY LUCKY. THE COUNTY EMPLOYEES, WE'RE VERY LUCKY IN THIS STATE THAT WE ONLY HAVE A FEW PRIVILEGED THAT GET DEFINED BENEFITS BECAUSE WE WOULD BE IN AS BIG A PROBLEM AS STATEWIDE. IN THE PAST, THE LEADERS OF THE STATE AT LEAST SAVED US FROM THAT. MAYBE WHAT WE OUGHT TO BE LOOKING AT IS NEW HIRES GETTING INTO THE DEFINED CONTRIBUTION PLANS. THAT'S THE FIX THAT NEEDS TO HAPPEN IN THE FUTURE. BUT DON'T GIVE ANYBODY CREDIT THAT WE DID GREAT MANAGEMENT. PAST PEOPLE DID, BUT THEY DIDN'T GIVE DEFINED BENEFITS TO MORE AND MORE EMPLOYEES...OF GOVERNMENT EMPLOYEES. BUT IT'S NOT FAIR TO THE REST OF THE STATE EMPLOYEES IF WE START BAILING OUT A PRIVILEGED CLASS. [LB448]

SENATOR KRIST: ONE MINUTE. [LB448]

SENATOR GROENE: THOSE ARE THE FACTORS THAT NEED TO BE TAKEN INTO EFFECT. THIRTEEN POINT SIX PERCENT PAY RAISE AND THEY CAN'T BAIL OUT THEIR OWN RETIREMENT PLAN OVER THE NEXT THREE YEARS. I JUST...THAT'S ALL I GOT TO SAY. THANK YOU. [LB448]

SENATOR KRIST: THANK YOU, SENATOR GROENE. SENATOR FRIESEN, YOU'RE RECOGNIZED. [LB448]

SENATOR FRIESEN: THANK YOU, MR. PRESIDENT. I WAS NOT GOING TO SPEAK ON THIS ISSUE. I WAS LISTENING AND HOPEFULLY LEARNING SOMETHING. BUT WHEN SOMEBODY SAYS SOMETHING ON THE FLOOR THAT NEEDS CORRECTING, I WILL CORRECT IT. WHEN WE'VE TALKED ABOUT THE INCOME, TAXES AND SALES TAXES GENERATED, I REALIZE THAT OMAHA GENERATES A LOT OF MONEY THERE. BUT A RECENT STUDY SHOWS THAT RURAL NEBRASKA PAYS MORE IN INCOME TAX AND PROPERTY TAXES THAN THE URBAN AREAS. I WILL JUST READ YOU A SMALL PORTION OF THE STUDY HERE. THERE IS A COMMON MISCONCEPTION THAT NEBRASKA'S FARMERS AND RANCHERS PAY LITTLE OR NO STATE INCOME TAXES, SO IT BALANCES OUT THE FACT THAT THEY PAY MORE

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IN PROPERTY TAXES. BUT A LOOK AT PROPERTY AND INCOME TAXES COMBINED OVER THE PAST SEVERAL YEARS SHOWS THE TRUE PICTURE OF NEBRASKANS IN AREAS OF THE STATE THAT HAVE HIGH AMOUNTS OF AGRICULTURAL LAND. THEY PAID MORE IN TAXES--BOTH ON A PER-CAPITA BASIS AND AS A SHARE OF INCOME--THAN PEOPLE IN AREAS THAT HAVE THE LEAST AGRICULTURAL LAND, THE URBAN AREAS. THE DATA SHOW THAT ALTHOUGH INCOME TAXES PAID IN RURAL AREAS ARE LOWER, PROPERTY TAXES THERE ARE HIGHER SO THAT RURAL RESIDENTS PAY MORE WHEN BOTH TAXES ARE COMBINED. IT WAS ONCE TRUE THAT URBAN NEBRASKANS GENERALLY PAID SLIGHTLY HIGHER MORE PER PERSON THAN RURAL NEBRASKANS, BUT THIS SITUATION REVERSED AROUND 2007. AND SINCE THEN, IT'S GOTTEN EVEN WORSE. BY 2012, THE LAST YEAR FOR WHICH SUCH DATA ARE AVAILABLE, RURAL NEBRASKANS PAID MORE THAN \$1,000 PER PERSON MORE THAN THEIR URBAN COUNTERPARTS, A DIFFERENCE OF NEARLY 40 PERCENT. MEASURED AS A SHARE OF INCOME RATHER THAN PER-PERSON, TAXES ARE ALSO HIGHER IN RURAL NEBRASKA. THE SKYROCKETING VALUE OF NEBRASKA'S FARM AND RANCH LAND HAS CONTRIBUTED TO THIS GROWING IMBALANCE. IN 2003 TO 2012, AGRICULTURAL LAND IN NEBRASKA SAW A 116 PERCENT INCREASE IN VALUE FOR TAX PURPOSES, WHILE COMMERCIAL AND RESIDENTIAL PROPERTY EACH INCREASED 45 PERCENT. NEBRASKA NOW RELIES ON AGRICULTURAL LAND FOR 26 PERCENT OF ALL PROPERTY TAX REVENUE, UP FROM 19 PERCENT IN 2003. AND WHILE AGRICULTURE'S SHARE OF PROPERTY TAXES INCREASED IN RECENT YEARS, THE STATE'S RURAL POPULATION HAS NOT GROWN. THE STATE HAS TAKEN STEPS TO RELIEVE PRESSURE ON AG LANDOWNERS, SUCH AS REDUCING THE VALUATION OF AGRICULTURAL LAND FOR TAX PURPOSES TO 75 PERCENT OF ITS MARKET VALUE SINCE 2007. THESE EFFORTS HAVE NOT BEEN AS EFFECTIVE AS INTENDED, HOWEVER, AS AGRICULTURAL PROPERTY TAXES HAVE STILL RISEN STEEPLY IN RECENT YEARS. FURTHERMORE, INCREASES IN THE VALUE OF AG LAND HAVE NOT NECESSARILY TRANSLATED INTO BOOSTS IN INCOME FOR FARMERS AND RANCHERS. IN OTHER WORDS, THEIR GROUND IS WORTH MORE, BUT IT DOES NOT NECESSARILY GENERATE MORE MONEY. OUR CURRENT TAX IMBALANCE THAT HAS RURAL NEBRASKANS PAYING MORE IN COMBINED PROPERTY AND INCOME TAXES HAS CAUSED PROBLEMS REGARDING FISCAL ISSUES LIKE SCHOOL FUNDING. OUR AG PRODUCERS HAVE SEEN THEIR SHARE OF OUR K-12 BILL INCREASE ALONG WITH THE RISE IN THEIR PROPERTY TAXES. IF NEBRASKA HEEDS THE CALLS OF SOME AND CUTS INCOME TAXES, THESE FISCAL ISSUES AND RURAL-URBAN TAX DISPARITIES ARE LIKELY TO BE EXACERBATED. SO AGAIN, WHEN SOMEONE STATES ON THE FLOOR THAT MORE FUNDING COMES FROM THIS AREA OR THAT AREA, I TAKE ISSUE WITH IT. AND WHETHER OR NOT THIS ISSUE HERE I'LL STILL LEARN MORE ABOUT HOW RETIREMENT SYSTEMS

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ARE FUNDED. BUT I JUST WANT TO POINT OUT AGAIN WHAT PROPERTY TAXES AND INCOME TAXES IN RURAL AREAS AND URBAN AREAS, HOW THEY'RE RELATED. THANK YOU, MR. PRESIDENT. [LB448]

SENATOR KRIST: THANK YOU, SENATOR FRIESEN. SENATOR CAMPBELL, YOU'RE RECOGNIZED. [LB448]

SENATOR CAMPBELL: I WOULD YIELD MY TIME TO SENATOR NORDQUIST. [LB448]

SENATOR KRIST: SENATOR NORDQUIST, 5 MINUTES. [LB448]

SENATOR NORDQUIST: THANK YOU, MR. PRESIDENT AND MEMBERS. JUST A COUPLE THINGS TO RESPOND TO AND CLARIFY. FIRST OF ALL, THIS IS NOT A BILL BROUGHT ON BEHALF OF OPS. AS A MATTER OF FACT, THEIR BOARD VOTED JUST LAST MONDAY TO SUPPORT IT. THERE WAS NO VOTE OF SUPPORT FROM THEIR BOARD OR OF THEIR ADMINISTRATION PRIOR. THIS HAS BEEN AN ISSUE THAT I TOOK ON SIMPLY BECAUSE I WANTED TO REDUCE BENEFITS, BRING IT IN ALIGNMENT WITH THE STATE PLAN, AND I THREW OUT THOSE CONVERSATIONS. WHAT IS IT GOING TO TAKE FOR US TO GET TO AN ALIGNMENT OF BENEFITS, THE STATE TAKING OVER THE INVESTMENT FUNCTION FOR THIS PLAN? SO THEY DO SUPPORT IT NOW IN ITS CURRENT FORM, BUT IT HAS BEEN A LONG PROCESS FOR THEM, FOR THE OSERS BOARD OF TRUSTEES, AND EVERYONE AT THE NEGOTIATING TABLE. I DID WANT TO MENTION THAT, YOU KNOW, IF THE...I MENTIONED BRIEFLY IN MY OTHER TIME, THERE IS...THE TWO MAIN PIECES WHERE OMAHA'S BENEFITS ARE RICHER THAN THE STATE PLAN--THERE'S A SERVICE ANNUITY AND A MEDICAL COLA. THE SERVICE ANNUITY, THE STATE PAYS FOR THAT. SO IF WE DON'T MOVE FORWARD WITH LB448, OMAHA SCHOOL EMPLOYEES ARE GOING TO CONTINUE TO RECEIVE BETTER BENEFITS AND THE STATE IS GOING TO PAY FOR ONE OF THOSE COMPONENTS OF THE BETTER BENEFITS. AND AGAIN, WITHOUT MOVING FORWARD WITH LB448, WE CONTINUE TO ALLOW OMAHA TO MANAGE THEIR INVESTMENTS AND WE CONTINUE TO ALLOW THEM TO HAVE HIGHER BENEFITS THAN THE REST OF THE TEACHERS AROUND THE STATE. THIS WAS VERY MUCH A NEGOTIATED COMPROMISE. IT TOOK BRINGING PEOPLE TO THE TABLE MANY TIMES. AND, AGAIN, IF IT DOESN'T MOVE FORWARD AS WE'VE PUT IT TOGETHER HERE, IT JUST WON'T MOVE FORWARD. AND OMAHA SCHOOL EMPLOYEES WILL CONTINUE TO RECEIVE THEIR EXCESSIVE BENEFITS...THEIR MORE RICH BENEFITS, AND THE STATE EVENTUALLY DOES PICK UP A COMPONENT OF THAT IN MAKING UP THE DIFFERENCE IN TEEOSA. THANK YOU. [LB448]

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SENATOR KRIST: THANK YOU, SENATOR NORDQUIST. SENATOR KOLTERMAN, YOU'RE RECOGNIZED, AND THIS IS YOUR THIRD TIME. [LB448]

SENATOR KOLTERMAN: THANK YOU, MR. PRESIDENT. AS I...I'VE HAD SOME SKEPTICISM WHEN THIS BILL CAME. AND AGAIN, I CAN'T SAY ENOUGH ABOUT KATE ALLEN AND WHAT SHE'S DONE HERE, AND I KNOW THEY'VE NEGOTIATED VERY HARD. BUT THE QUESTION THAT I KEEP COMING BACK TO IN MY OWN MIND IS, OMAHA PUBLIC SCHOOLS SYSTEMS RETIREMENT PLAN, OSERS, AT THE PRESENT TIME, ARE STRONGER BENEFITS THAN THE STATE TEACHER RETIREMENT PLAN. AND THEY DO HAVE A MEDICAL COST-OF-LIVING ADJUSTMENT. AND IF YOU LOOK AT THEIR...YOU KNOW, WE KEEP HEARING THAT THEY HAVEN'T PERFORMED MAYBE AS WELL FINANCIALLY OR INVESTMENTWISE. IF YOU LOOK AT THEIR TEN-YEAR INVESTMENTS, THEY ACTUALLY OUTPERFORMED THE STATE TEACHER RETIREMENT INVESTMENTS. THEIR TEN-YEAR WAS 8.3 PERCENT AND OURS WAS 7.5 PERCENT. THE OTHER SIDE OF THIS WHOLE THING IS...AND NOBODY TESTIFIED AGAINST THIS BILL IN COMMITTEE, BUT I CAN'T IMAGINE WHY TEACHERS WOULDN'T HAVE BEEN THERE SAYING, WHAT ARE YOU DOING HERE? AND SO AS I SIT AND EVALUATE THIS, THE REASON I DIDN'T WANT THIS TO COME OUT WAS I THOUGHT WE NEEDED MORE TIME TO TALK ABOUT HOW EDUCATION IS FUNDED. I'M NOT SAYING WE SHOULDN'T MERGE THE TWO PLANS AT SOME POINT IN TIME. BUT I JUST DON'T SEE THE SENSE IN MERGING IT AT THIS TIME WITHOUT HAVING THE RETIREMENT COMMITTEE, AS WELL AS THE SCHOOL COMMITTEE, EDUCATION, DO THEIR STUDY ON HOW WE'RE GOING TO FUND EDUCATION BECAUSE I THINK THAT COULD MAKE A...COULD PLAY INTO HOW WE EVENTUALLY DO MERGE THE TWO PLANS TOGETHER. SO I DIDN'T VOTE FOR IT COMING OUT OF COMMITTEE. I THOUGHT IT WAS TOO EARLY. AND I'M STILL PROBABLY IN THAT POSITION. THANK YOU. [LB448]

SENATOR KRIST: THANK YOU, SENATOR KOLTERMAN. SENATOR KOLOWSKI, YOU'RE RECOGNIZED. [LB448]

SENATOR KOLOWSKI: THANK YOU, MR. PRESIDENT. AND I YIELD MY TIME TO SENATOR NORDQUIST, PLEASE. [LB448]

SENATOR KRIST: SENATOR NORDQUIST, 4:40. [LB448]

SENATOR NORDQUIST: THANK YOU, SENATOR KOLOWSKI. I'M JUST GOING TO GO BACK ONE MORE TIME. AND I READ IT I THINK WHEN SENATOR SCHEER AND I

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WERE TALKING ON THE MIKE, AND TRY TO EXPLAIN THIS PIECE ONE MORE TIME. IF YOU LOOK AT THE COMMITTEE AMENDMENT ON PAGE 9 AND 10, THERE IS STATUTORY LANGUAGE RIGHT NOW THAT SAYS EVERY YEAR, IF THE LEGISLATURE APPROPRIATES MONEY FOR AN ACTUARIAL SHORTFALL, THAT MONEY SHALL BE TRANSFERRED TO THE SCHOOL RETIREMENT SYSTEM. BUT AGAIN, THE LEGISLATURE WOULD HAVE TO APPROPRIATE THAT MONEY. AND THEN THE NEW LANGUAGE WOULD SAY: ANY YEAR IN WHICH A DEPOSIT IS MADE TO THE SCHOOL RETIREMENT PLAN, IF THE ACTUARY EMPLOYED BY THE CLASS V DISTRICT, OMAHA, DETERMINES THAT AN ACTUARIALLY REQUIRED CONTRIBUTION RATE IS...ACTUARIALLY REQUIRED CONTRIBUTION IS NEEDED FOR THAT PLAN, THEN AN EQUIVALENT BASED ON PAYROLL CONTRIBUTION IS MADE TO THAT PLAN. THOSE ARE THE PARAMETERS. SO THAT'S ASSUMING THERE IS A SHORTFALL IN THE STATE PLAN AND THEN THE LEGISLATURE AT THAT TIME SAYS, YES, WE ARE GOING TO SOLVE THAT SHORTFALL WITH AN INFUSION OF FUNDS. THEN AND ONLY THEN...AND OMAHA HAS A SHORTFALL IN THEIR PLAN, THEN AND ONLY THEN DOES A PROPORTION BE GIVEN TO OMAHA. IF THE ACTUARY SAYS THERE'S A SHORTFALL IN THE STATE PLAN AND THE LEGISLATURE SAYS, AS SENATOR MELLO HAS SAID TO ME SEVERAL TIMES, WE ARE NOT SOLVING THIS WITH GENERAL FUNDS, YOU ARE GOING TO FIX IT, AND THE LEGISLATURE MAKES CHANGES TO THE PLAN, THEN NO MONEY WOULD BE GIVEN TO OMAHA, TO THE OMAHA PLAN. THAT'S AS SIMPLE AS I CAN EXPLAIN IT. AGAIN, WITHOUT A BILL MOVING FORWARD, THE PLAN STAYS AS IT IS WITH CURRENT BENEFITS AND THE STATE FUNDING SOME OF THOSE ADDITIONAL BENEFITS. THANK YOU. [LB448]

SENATOR KRIST: THANK YOU, SENATOR NORDQUIST. SENATOR MELLO, YOU'RE RECOGNIZED. [LB448]

SENATOR MELLO: THANK YOU, MR. PRESIDENT, MEMBERS OF THE LEGISLATURE. I APOLOGIZE. I HAPPENED TO STEP OFF THE FLOOR FOR A MEETING. BUT IN TALKING WITH MEMBERS, APPARENTLY THERE IS A PURVIEW THAT THE RETIREMENT COMMITTEE, MAYBE WE DIDN'T EXPLAIN ENOUGH DURING SOME OF SENATOR NORDQUIST'S OPENINGS OFF THE MIKE THAT THIS PLAN IS NOT, QUOTE, UNQUOTE, BAILING ANY DISTRICT OUT. THIS IS...COLLEAGUES, IF WE DON'T PASS THIS BILL, THINGS WILL SIMPLY GO ON AS NORMAL. BUT PREPARE YOURSELVES, WHEN I'M GONE FROM THIS BODY, THAT YOU WILL HAVE A LAWSUIT ON YOUR HANDS, THAT OMAHA TAXPAYERS HAVE THE ABILITY NOW TO SUE THE STATE BASED ON INEQUALITY THAT CURRENTLY EXISTS IN LAW REGARDS TO THE STATE PLAN AND THE OMAHA PLAN. LOOK, THIS IS NOT SOMETHING THAT IF WE DON'T PASS THIS BILL...I THINK SENATOR NORDQUIST

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AND THE RETIREMENT COMMITTEE DID OUR DUE DILIGENCE. WE TALKED THIS ISSUE THROUGH. BUT THAT ALSO, AS SENATOR NORDQUIST JUST WALKED THROUGH, ALL OF THIS IS BASED UPON THE STATE HAVING AN ACTUARIALLY REQUIRED CONTRIBUTION AND THE STATE CHOOSING TO APPROPRIATE MORE MONEY TO THAT SOLUTION. THAT'S THE ONLY TIME THAT THIS ONE COMPONENT THAT SEEMS TO HAVE PEOPLE UP IN ARMS OVER THIS BILL, THAT ONLY KICKS IN IF ALL THESE OTHER CRITERIA GETS MET. OH, AND BY THE WAY, WE'RE ALSO REDUCING BENEFITS IN THE OMAHA PLAN AS PART OF THIS EFFORT. SO IN RESPECT TO TRYING TO SEE THE NEGOTIATION THAT OCCURRED, THIS WAS NOT SIMPLY A WE'RE GOING TO APPROPRIATE MONEY TO OMAHA, SO TO SPEAK, AND DEAL WITH THEIR SHORTFALL AND RETIREMENT PLAN. COLLEAGUES, THAT IS THE FURTHEST FROM THE TRUTH AND I THINK IF YOU READ THE COMMITTEE AMENDMENT, YOU'LL UNDERSTAND THAT THIS IS A PROCESS-BY-PROCESS SCENARIO, THAT THE POWER STILL LIES WITHIN THE LEGISLATURE TO MAKE THAT DETERMINATION. AND THE REALITY IS BY NOT TAKING ACTION ON THIS BILL, WE SIMPLY WILL GO ON AS IS. WE SET THE STATE UP FOR A LAWSUIT IN REGARDS TO OMAHA TAXPAYERS WHO ARE ABLE THEN TO FILE A LAWSUIT AGAINST THE STATE BECAUSE THE INEQUITIES IN THE SENSE OF THE PROPERTY TAXES THAT THEY'RE PAYING FOR OMAHA PUBLIC SCHOOL DISTRICT IN COMPARISON TO EVERY OTHER SCHOOL DISTRICT THAT'S SEEING A RECUPERATION FROM STATE AID THAT'S BEING CUT PUT INTO THE STATE RETIREMENT PLAN TO COVER THEIR RETIREMENT COSTS. THAT'S LIKELY JUST GOING TO HAPPEN. IT MAY NOT HAPPEN NEXT YEAR. IT MAY NOT HAPPEN THIS YEAR IF THIS BILL DOESN'T PASS. BUT, COLLEAGUES, WE'VE TALKED ABOUT THIS IN COMMITTEE REALIZING THERE ARE GROUNDS TO MOVE FORWARD ON THAT. AND WE'RE TRYING TO STEM WHAT WE KNOW IS AN INEQUITY RIGHT NOW THAT IS NOT GOING TO COST THE STATE MORE MONEY, SO TO SPEAK, BECAUSE YOU AS A LEGISLATURE IN THE FUTURE HAVEN'T MADE THE DETERMINATION OF HOW YOU WOULD SOLVE AN ACTUARIALLY REQUIRED CONTRIBUTION. AND I THINK THAT, MORE THAN ANYTHING, CANNOT BE REITERATED ENOUGH. THE LEGISLATURE HAS THE AUTHORITY TO MAKE THE DETERMINATION OF HOW IT'S GOING TO ADDRESS AN ACTUARIALLY REQUIRED CONTRIBUTION IN THE FUTURE, WHETHER THAT'S A REDUCTION IN BENEFITS, WHETHER THAT'S AN INCREASE IN CONTRIBUTION RATES, OR THAT'S AN APPROPRIATION, THAT'S A DECISION WE GET TO MAKE. THAT'S NOT BAKED INTO THE EXISTING STATUTE. AND I THINK FOR SOME REASON THERE'S THIS ARGUMENT THAT'S BEING PUT ON THE FLOOR THAT WE'RE AUTOMATICALLY GOING TO HAVE TO PUT MONEY INTO OMAHA'S PLAN, WHICH IS OBVIOUSLY NOT THE CASE IF YOU READ THE AMENDMENT. WE HAD A VERY LENGTHY CONVERSATION IN COMMITTEE REITERATING IT OVER AND OVER AGAIN. WE'RE NOT COMMITTING THE STATE TO

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ANYTHING MORE THAN SAYING HOWEVER YOU TREAT THE STATE PLAN, YOU'VE GOT TO TREAT THE OMAHA PLAN IN A VERY SIMILAR WAY. THAT YOU'VE GOT TO ADDRESS THE ACTUARIALLY REQUIRED CONTRIBUTION AT THE STATE LEVEL THE SAME WAY YOU WOULD HAVE TO DO IT THEN AT THE OMAHA LEVEL. THAT DOESN'T MEAN THAT YOU CAN'T RAISE CONTRIBUTION RATES. THAT DOESN'T MEAN YOU CAN'T REDUCE BENEFITS. YOU CAN DO THAT, COLLEAGUES, BECAUSE WE'VE DONE IT BEFORE OVER THE LAST SIX YEARS. WE'RE SIMPLY TRYING TO USE WHAT HAS BEEN, ESSENTIALLY, THE LEGISLATURE'S NONFORMAL POLICY IN STATUTE OVER THE LAST SIX YEARS. WE'RE TRYING TO MAKE THAT THE ONGOING STATE STATUTE SO THAT YOU SEE PARITY BETWEEN BOTH OF THE MAJOR PLANS. COLLEAGUES, I REALLY THINK THIS HAS BEEN A LONG, HARD NEGOTIATION SENATOR NORDQUIST TOOK ON BEHALF OF THE RETIREMENT COMMITTEE TO START TO MERGE THESE PLANS INTO ONE REALIZING THAT MAY NEVER HAPPEN. BUT MOVING THESE EFFORTS FORWARD... [LB448]

SENATOR KRIST: ONE MINUTE. [LB448]

SENATOR MELLO: ...AND REDUCING BENEFITS IN THE OMAHA LEVEL AND MAKING SURE THAT WE TREAT THEIR PLAN THE SAME WAY WE TREAT THE STATE PLAN, COLLEAGUES, THAT'S REAL PENSION REFORM. AND IT'S NOT AUTOMATICALLY...WE'RE JUMPING TO CONCLUSIONS OF WHAT WE THINK MAY HAPPEN. I REMIND YOU, THE STATE PLAN WILL BE FULLY 100 PERCENT VESTED... 100 PERCENT FULLY FUNDED NOT WITHIN 30 YEARS, BUT WELL IN ADVANCE OF THAT. AND I BELIEVE IT WAS CLOSER TO 14 YEARS WE'LL SEE THE STATE PLAN 100 PERCENT FUNDED. THAT'S DRAMATICALLY CHANGES THE OUTLOOK OF WHAT WE'RE DOING HERE. AND I THINK IF EVERYONE TAKES A STEP BACK AND REVIEWS THE COMMITTEE AMENDMENT AND SEES THE COMPLEXITIES MOVING FORWARD, WE'RE SIMPLY TRYING TO CREATE A UNIFORMITY WITHIN EXISTING POLICIES. THANK YOU, MR. PRESIDENT. [LB448]

SENATOR KRIST: THANK YOU, SENATOR MELLO. THOSE STILL WISHING TO SPEAK: SENATOR KINTNER, STINNER, AND McCOY. SENATOR KINTNER, YOU'RE RECOGNIZED. [LB448]

SENATOR KINTNER: WELL, THANK YOU, MR. PRESIDENT. I JUST HEARD SENATOR MELLO TALK ABOUT THE POSSIBILITY OF HIGHER TAXES WITH INEQUITIES THAT MAY EXIST IN THE OMAHA TEACHERS' PENSION PLAN VERSUS THE STATE'S. AND I WOULD ECHO WHAT SENATOR MURANTE SAID, THAT IF YOU'RE IN LEARNING

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COMMUNITY, YOU'RE ALREADY PAYING HIGHER PROPERTY TAXES THAN THE REST OF THE STATE. THAT IS A MAJOR INEQUITY THAT'S THERE RIGHT NOW THAT'S CAUSING HARDSHIP ON DISTRICTS. THE TWO DISTRICTS I REPRESENT, ONE LOSES OVER \$2 MILLION A YEAR, I THINK ONE LOSES CLOSE TO \$1.5 MILLION A YEAR, AND THAT'S RIGHT NOW. THAT'S NOT A FUTURE PROBLEM. THAT'S RIGHT NOW. AND, YOU KNOW, I'M NOT MUCH IN THE MOOD TO DO ANYTHING FOR OPS RIGHT NOW. THEY REALLY HAVEN'T BEEN NEGOTIATING IN GOOD FAITH ON WORKING TO SOLVE THE LEARNING COMMUNITY PROBLEMS. THEY'VE JUST BEEN DEMAND...THEY WANT TO BE BOUGHT OFF. THEY WANT TO BE BOUGHT OFF WITH TAX DOLLARS. IN ORDER TO BE QUIET AND QUIT CAUSING TROUBLE, THEY GOT THEIR HAND OUT AND THEY WANT MORE TAX DOLLARS. NOW I'M NOT OPPOSED TO HELPING THEM WITH PROBLEMS ONCE WE DETERMINE THE SCOPE OF THE PROBLEMS AND WE DETERMINE WHAT THEY'RE CURRENTLY DOING. BUT THEY DON'T WANT A STUDY. THEY WANT MONEY RIGHT NOW OR WE'RE GOING TO KEEP PUSHING TO KEEP THE LEARNING COMMUNITY TOGETHER. I PERSONALLY AM NOT GOING TO LIFT A FINGER TO DO ONE THING FOR OPS WHEN THEY CONTINUE THE BEHAVIOR THAT THEY'RE CONTINUING RIGHT NOW. WE ALL ACKNOWLEDGE THEY HAVE PROBLEMS. WE ACKNOWLEDGE THAT WE WANT TO HELP THEM; WE WANT TO STUDY TO FIND OUT THE SCOPE OF THE PROBLEMS. AND THEN THEY SAY, NO, MAYBE NOT, SHOW ME THE MONEY. WELL, I'M NOT IN ANY MOOD TO DO ANYTHING WITH THEIR PENSION PLAN, TO DO ANYTHING FOR THEM AT ALL WHEN ALL THEY'VE DONE IS, IN MY OPINION, FROM WHAT I CAN TELL, IS ACT IN BAD FAITH AND TRY TO HOLD UP THE WHOLE PROCESS, KEEP THE HAMMER OVER THE OTHER SCHOOL DISTRICTS AND THE LEGISLATURE. AND THAT'S JUST NOT THE WAY TO DO IT AND I'M NOT GOING TO REWARD BAD BEHAVIOR. THANK YOU, MR. PRESIDENT. [LB448]

SENATOR SCHEER PRESIDING

SENATOR SCHEER: THANK YOU, SENATOR KINTNER. SENATOR STINNER, YOU'RE RECOGNIZED. [LB448]

SENATOR STINNER: THANK YOU, MR. PRESIDENT. WILL SENATOR NORDQUIST PLEASE YIELD? [LB448]

SENATOR SCHEER: SENATOR NORDQUIST, WILL YOU YIELD? [LB448]

SENATOR NORDQUIST: YES. [LB448]

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SENATOR STINNER: I'M JUST TRYING TO GET MY HEAD AROUND THIS WHOLE THING. SO WE HAVE AN OPS PENSION PLAN THAT'S 71 PERCENT FUNDED WITH THE EXISTING PARTICIPANTS HAVING A CERTAIN AMOUNT OF BENEFITS THAT WILL CARRY OUT IF YOU'RE PART OF THAT PLAN. [LB448]

SENATOR NORDQUIST: YEAH, 74 PERCENT FUNDED. YES. [LB448]

SENATOR STINNER: 74? [LB448]

SENATOR NORDQUIST: YEP. [LB448]

SENATOR STINNER: SO AS WE MOVE FORWARD, THEY CARRY THAT PLAN WITH THEM AND, OBVIOUSLY, IT'S 26 PERCENT SHORT. WHO MAKES UP THAT SHORTAGE IN THE END? [LB448]

SENATOR NORDQUIST: WELL, RIGHT NOW IT WOULD FALL BACK ON PROPERTY TAXES IN THE DISTRICT. WHEN THE STATE PLAN...IN THE PAST, WHEN THE STATE PLAN HAS NEEDED AN INFUSION OF CASH...AND THE PLANS USED TO TRACK A LITTLE MORE THAN THEY DID. THERE WAS AN INVESTMENT DECISION MADE BY THE OMAHA BOARD OF TRUSTEES TO REDUCE THEIR INVESTMENT AND EQUITIES AND KIND OF PULL...INVEST MORE IN FIXED-INCOME ASSETS. THAT KIND OF TOOK THEM ON A DIFFERENT TRACK THAN THE STATE PLAN. BUT THE...I GUESS I KIND OF LOST TRACK WHERE I WAS GOING THERE. (LAUGH) BUT, YEAH, SO IN THE STATE PLAN... [LB448]

SENATOR STINNER: BUT THE FACT OF THE MATTER IS, THE STATE DOES NOT MAKE UP THE 26 PERCENT. [LB448]

SENATOR NORDQUIST: RIGHT. WHEN THE... [LB448]

SENATOR STINNER: AND IF IT GROWS TO 50 PERCENT SHORTAGE, THE OMAHA PUBLIC SCHOOLS HAS TO MAKE IT UP BY VIRTUE OF TAXPAYER MONEY. [LB448]

SENATOR NORDQUIST: YEAH. AND THAT DOES GET MADE UP THROUGH THE TEEOSA FORMULA. WHEN THE STATE...WHEN THEY...WHEN WE SAW THE ECONOMIC DOWNTURN IN '08 AND '09, AND EVEN WHEN THE PLAN...SO WE MADE TWO CHANGES AFTER THE '08-09 DOWNTURN UNDER SENATOR PANKONIN, WE INCREASED THE AMOUNT OF STATE MONEY THAT...WE HAVE A BASELINE STATE

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FUNDING GOING INTO BOTH PLANS. IT USED TO BE 0.7 PERCENT OF PAYROLL. SENATOR PANKONIN HAD A BILL TO TAKE IT TO 1 PERCENT OF PAYROLL. AND THEN IN 2013, WE TOOK IT TO 2 PERCENT OF PAYROLL FOR BOTH PLANS. SO THE STATE HAS STEPPED IN TO HELP BOTH PLANS WHEN WE SAW THE GREAT RECESSION. [LB448]

SENATOR STINNER: OKAY. SECOND THING IS WE TALK ABOUT THE FACT THAT IF WE HAVE A CALL BASED ON A SHORTFALL COMPUTED BY THE ACTUARIES, AND LET'S JUST DO A HYPOTHETICAL. RIGHT TODAY, THE STATE PLAN IS WHAT PERCENTAGE? IF IT WAS MERGED IN, BECAME 100 PERCENT, WHAT PERCENTAGE WOULD BE OPS VERSUS THE STATE? [LB448]

SENATOR NORDQUIST: IT'S ROUGHLY 25 PERCENT. THE OMAHA PLAN WOULD BE ABOUT 25 PERCENT AND THE STATE PLAN WOULD MAKE IT ABOUT 75 PERCENT. [LB448]

SENATOR STINNER: OKAY, SO IT'S NOT 50/50. SO IF IT'S A... [LB448]

SENATOR NORDQUIST: RIGHT. OMAHA'S... [LB448]

SENATOR STINNER: ...MILLION OR \$2 MILLION...AND I GET THE FACT THAT, IF WE HAVE A SHORTFALL OR A CALL, WE START TO ADJUST BENEFITS, WE LOOK AT A WHOLE LOT OF THINGS, AND THEN LOOK AT APPROPRIATIONS APPROPRIATING A CERTAIN AMOUNT. [LB448]

SENATOR NORDQUIST: RIGHT. [LB448]

SENATOR STINNER: I UNDERSTAND THAT. SO IT IS AT 25 PERCENT. SO IF IT WAS A MILLION-DOLLAR CALL, IT WOULD BE \$250,000 GO THERE. [LB448]

SENATOR NORDQUIST: UM-HUM. [LB448]

SENATOR STINNER: THERE WAS ALSO A MENTION OF A LAWSUIT, I THINK SENATOR MELLO ALLUDED TO IT, AND IT'S BEEN...HAS ANYBODY GOT AN INDEPENDENT ATTORNEY'S OPINION ON HOW VALID THAT LAWSUIT WOULD BE? [LB448]

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SENATOR NORDQUIST: I DON'T HAVE ANY INFORMATION ALONG THOSE LINES, NO. [LB448]

SENATOR STINNER: AND WOULD THAT LAWSUIT ENTAIL MAKING UP THIS 26 PERCENT SHORTFALL IN THE PENSION IF...? [LB448]

SENATOR NORDQUIST: THAT'S...I...THEY WOULD...I DON'T KNOW. I WOULDN'T KNOW. BUT...YEAH. [LB448]

SENATOR STINNER: OH, OKAY. I'M JUST TRYING TO QUANTIFY... [LB448]

SENATOR NORDQUIST: YEAH. [LB448]

SENATOR STINNER: ...SOME OF THESE THINGS. [LB448]

SENATOR NORDQUIST: I DON'T KNOW WHAT THE... YOU KNOW, IF THAT HAPPENED AND IF THERE WAS A JUDGMENT AGAINST THE STATE, IT COULD BE GOING FORWARD OR IT COULD BE LOOKING BACK... [LB448]

SENATOR SCHEER: ONE MINUTE. [LB448]

SENATOR NORDQUIST: ...AND MAKING UP PREVIOUS... YOU KNOW, WHERE WE DO HAVE LITIGATION AGAINST THE STATE FOR OUR STATE TROOPERS WHICH IS SAYING THE STATE HAS TO GO BACK AND PAY BACK ALL THE CONTRIBUTION RATE INCREASES WE DID OVER, WITH THE STATE TROOPERS, OVER THE COURSE OF A COUPLE DECADES AND THAT'S... [LB448]

SENATOR STINNER: OKAY, JUST...MY... [LB448]

SENATOR NORDQUIST: SORRY. [LB448]

SENATOR STINNER: MY LAST QUESTION WOULD BE, IS THERE ANY MERIT TO THE STATE TAKING OVER THIS AND HARMONIZING THE PENSIONS BUT JUST US MATCHING IT AND NOT HAVE THIS LIABILITY IF WE WOULD FALL SHORT? [LB448]

SENATOR NORDQUIST: YOU KNOW, THE ISSUE IS THAT IN THE NEGOTIATION EVERYONE... YOU KNOW, OMAHA REALLY DIDN'T WANT TO GIVE UP THEIR

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INVESTMENT AUTHORITY TO THE STATE, SO...AND THE EMPLOYEES DIDN'T WANT TO GIVE UP THE HIGHER BENEFIT. SO EVERYONE GAVE TO PUT THIS PACKAGE TOGETHER AND I JUST THINK IT WOULD COMPLETELY FALL APART IF THAT PIECE WERE REMOVED. [LB448]

SENATOR STINNER: THANK YOU, SENATOR. [LB448]

SENATOR SCHEER: THANK YOU, SENATOR NORDQUIST AND SENATOR STINNER. SENATOR McCOY, YOU'RE RECOGNIZED. [LB448]

SENATOR McCOY: THANK YOU, MR. PRESIDENT AND MEMBERS. I RISE IN OPPOSITION TO AM1555 AND LB448. THIS IS...WHILE THIS MAY BE THE FIRST TIME THAT I CAN RECALL THIS PARTICULAR PIECE OF LEGISLATION OR ONE LIKE IT BEFORE US IN MY TIME IN THE LEGISLATURE, IT'S CERTAINLY NOT THE FIRST TIME WE'VE HAD A DISCUSSION, ALBEIT, I BELIEVE, MOSTLY AN INTERIM STUDY THAT I THINK...AS SENATOR NORDQUIST REFERENCED FROM SENATOR JOHN NELSON SEVERAL YEARS AGO. THIS IS A DISCUSSION THAT WE HAVE HAD A GOOD CHUNK OF MY TIME HERE AND SENATOR NORDQUIST'S TIME, AS WELL, AND SENATOR MELLO'S AND OTHERS OF US THAT CAME INTO OFFICE AT THE BEGINNING OF 2009. I SHARE MANY OF THE SAME QUESTIONS...OR, I SHOULD SAY, RESERVATIONS ON THIS AND HAVE QUESTIONS ON THIS BILL THAT SOME OF MY OTHER COLLEAGUES HERE ON FLOOR HAVE HAD IN EARLIER DISCUSSION ON THIS BILL TODAY, PARTICULARLY THOSE OF SENATOR MURANTE WITH MYSELF AS ANOTHER SENATOR WHO HAS A NUMBER OF DISTRICTS ON THE PERIPHERY OF THE LEARNING COMMUNITY AND THE ANGST THAT THAT CAUSES THE TAXPAYER, THE GOOD TAXPAYERS OF MY DISTRICT AND THOSE OF US THAT ARE IN THAT LEARNING COMMUNITY AREA. AND I JUST FIND THIS...WELL, FRANKLY, I GUESS I WOULD SAY I'M VERY SKEPTICAL OF THE ASSURANCES EVEN THOUGH I KNOW SENATOR NORDQUIST HAS DONE A LOT OF WORK ON THIS ISSUE, AS HAS SENATOR MELLO. I REMAIN VERY SKEPTICAL THAT WE WERE NOT GOING...WELL, I WOULDN'T...IT WOULDN'T BE WE, THE LEGISLATURE, I'M SURE IT WOULD BE LONG AFTER MY TIME HERE, I REMAIN SKEPTICAL THE LEGISLATURE WOULDN'T HAVE A DISCUSSION, A VERY PROLONGED ONE, ABOUT A LARGE INFUSION OF GENERAL FUND DOLLARS INTO THIS SYSTEM IN ORDER TO ESSENTIALLY BAIL OUT, DOWN THE ROAD, OPS. AND I MIGHT ALSO ADD THAT...AND I MAY HAVE TO HIT MY LIGHT AGAIN, DEPENDING ON HOW MANY OTHER FOLKS ARE GOING TO TALK ABOUT THIS, TO TALK ABOUT THE FACT THAT I THINK WE SHOULD BE EXPLORING IN GREATER DETAIL THE MOVE FROM A DEFINED BENEFIT PLAN TO A DEFINED CONTRIBUTION PLAN. AND I THINK ONE OF THE WAYS THAT WE CAN DO THAT, THERE ARE SEVERAL WAYS AND THIS

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WAS ONE OF THE THINGS THAT'S BEEN TALKED ABOUT, I THINK, ON SENATOR NELSON'S INTERIM STUDY. AND I THINK SENATOR NORDQUIST REFERENCED \$300 OR \$400 MILLION SHORTFALL THAT WOULD HAVE TO BE PAID UP-FRONT IN ORDER TO DO THAT. HOWEVER, THERE ARE OTHER MANNERS IN WHICH THAT COULD BE DONE IN SOME SORT OF HYBRID MODEL SO THAT YOU DIDN'T HAVE TO COME UP WITH ALL THAT MONEY NOW IN ORDER TO MOVE TO SUCH A PLAN NOW VERSUS CATCHING UP AND HAVING IT BE BETTER FUNDED IN ORDER TO DO THAT FIRST, AS SENATOR NORDQUIST REFERENCED EARLIER. I THINK WE NEED TO LOOK CLOSELY AT THAT. I FIND IT TROUBLING THAT WE WOULD TRY TO TIE THE STATE PLAN AND THE OMAHA PUBLIC SCHOOLS PLAN TOGETHER IN THIS MANNER PROPOSED UNDER THIS BILL. AND I FIND THAT AN ISSUE AND A MOVE IN WHICH I'M NOT COMFORTABLE WITH, AS A SENATOR WHO REPRESENTS SCHOOL DISTRICTS ON THE PERIPHERY OF OMAHA PUBLIC SCHOOLS. AND THAT'S WHY I OPPOSE THIS BILL. THANK YOU, MR. PRESIDENT. [LB448]

SENATOR SCHEER: THANK YOU, SENATOR McCOY. SENATOR KRIST, YOU'RE RECOGNIZED. [LB448]

SENATOR KRIST: THANK YOU, MR. PRESIDENT. GOOD AFTERNOON, COLLEAGUES. AND GOOD AFTERNOON, NEBRASKA. TO BRING IN THE FACT THAT YOU DO NOT LIKE THE LEARNING COMMUNITY AND YOU DON'T APPRECIATE WHAT OMAHA IS DOING TO YOUR DISTRICT IN ANY WAY AS A FUNCTION OF THE LEARNING COMMUNITY IS AT BEST DISINGENUOUS AND PROBABLY, AT THE WORST, ANOTHER SOUND BITE ABOUT THE LEARNING COMMUNITY. WE'RE TALKING, AS SENATOR McCOY POINTS OUT, ABOUT WHETHER OR NOT IT IS SMART TO ATTACH TWO RETIREMENT PROGRAMS--OF TEACHERS, I MIGHT ADD, OF TEACHERS--ACROSS THIS STATE TO MAKE IT A MORE SOLID, SUSTAINABLE SYSTEM IN THE FUTURE. I'M NOT SURE THE WORD "LEARNING COMMUNITY" COMES INTO THAT CONVERSATION AT ALL. AND ONCE AGAIN, WE'RE GOING TO TALK ABOUT SOUTH SARPY, POTENTIALLY, AND ABOUT DC WEST AS BEING THE OUTLIERS THAT SHOULDN'T BE PART OF THE LEARNING COMMUNITY. AND, SENATOR KINTNER, I AGREE WITH YOU. BUT I THINK THAT TO TALK ABOUT THE ADMINISTRATION OF OPS AS PART OF THIS ISSUE, AGAIN, IS DISINGENUOUS AND A SOUND BITE. YOU HEARD FROM SENATOR NORDQUIST THAT IT IS HE WHO WOULD LIKE TO SEE THE DEFINED BENEFITS PROGRAM REDUCED IN ONE OF OUR AREAS. LET'S SAY THAT THAT AREA IS, I DON'T KNOW, CAIRO, EGYPT; ALTHOUGH WE'RE NOT TALKING INTERNATIONAL HERE, WE'RE TALKING ABOUT THE STATE OF NEBRASKA, SO SUPPOSE WE WANT TO BLEND THOSE DEFINED BENEFITS PROGRAMS. AND AS, AGAIN, SENATOR McCOY STATED, SENATOR NELSON'S STUDY GAVE US SOME OTHER ALTERNATIVES. WE HAVE TO AT SOME

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POINT LOOK AT DEFINED BENEFITS ACROSS THE BOARD AND LOOK AT OTHER OPTIONS BECAUSE THE DEFINED BENEFITS PROGRAM IS NOT WORKING FOR US ACROSS THE STATE. IT'S VERY EXPENSIVE. YOU HEARD SENATOR LINDSTROM, IF YOU WERE HERE FOR ANY PART OF THE OTHER DISCUSSION, AS AN INVESTMENT PERSON IN THIS WORLD, TALK ABOUT THAT. SENATOR KINTNER, SENATOR MURANTE, AND A GROUP OF US WERE IN THE LEARNING COMMUNITY...THE SUPERINTENDENTS FOR THE LEARNING COMMUNITY WHO DID THEIR STUDY AND BROUGHT ALTERNATIVES TO US. AND I THINK THAT IF YOU WANT TO BAD-MOUTH THE LEARNING COMMUNITY, THAT'S ONE THING. BUT THE ADMINISTRATION, THE SUPERINTENDENTS, TERRY HAACK FROM BENNINGTON, KEVIN RILEY FROM GREYBROOK, WHO CAME FORWARD WITH SOME REAL, HONEST RECOMMENDATIONS, AND THOSE RECOMMENDATIONS WERE VERY CLEAR: WE NEED TO DEAL WITH POVERTY FOR THE EDUCATION SYSTEM ACROSS THIS STATE, NOT JUST IN THE LEARNING COMMUNITY. I THINK YOU CAN TELL I'M A LITTLE FIRED UP. I'M FIRED UP BECAUSE EVERY CHANCE WE GET, WE TALK ABOUT THE LEARNING COMMUNITY. SENATOR McCOY IS RIGHT ON TARGET. HE'S TALKING ABOUT WHETHER OR NOT THESE TWO PROGRAMS OR ANY PROGRAMS CAN BE BLENDED TOGETHER IN TERMS OF RETIREMENT PROGRAMS ACROSS THE STATE. BACK TO TOPIC: DO YOU AGREE WITH AM1555 AND THE UNDERLYING LB448? DO YOU THINK THAT THOSE RETIREMENT PROGRAMS CAN BE MORE SUSTAINABLE IF THEY'RE COMBINED AND, IF NOT, USING THE EXAMPLE OF OMAHA, WITH ANY DISTRICTS ACROSS THE STATE? AND I THINK YOU'VE HEARD GOOD DEBATE, WITH THE EXCEPTION OF BAD-MOUTHING THE LEARNING COMMUNITY, ON BOTH SIDES OF THAT ISSUE. [LB448]

SENATOR SCHEER: ONE MINUTE. [LB448]

SENATOR KRIST: I'M GOING TO STAND IN SUPPORT OF AM1555 AND LB448 ON GENERAL FILE BECAUSE I THINK WE SHOULD HAVE A DISCUSSION ABOUT WHETHER OR NOT PROGRAMS CAN BE MORE SUSTAINABLE IF THE INVESTMENT SIDE OF THE HOUSE IS LARGER AND THE DEFINED BENEFITS START TO GO DOWN SO WE ARRIVE AT A DIFFERENT CONCLUSION ABOUT HOW TO TAKE CARE OF OUR TEACHERS ACROSS THE STATE LONG TERM. THANK YOU, MR. PRESIDENT. [LB448]

SENATOR SCHEER: THANK YOU, SENATOR KRIST. (VISITORS INTRODUCED.)
SENATOR MURANTE, YOU'RE RECOGNIZED. [LB448]

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SENATOR MURANTE: THANK YOU, MR. PRESIDENT. MEMBERS, GOOD AFTERNOON. LET ME ASSURE YOU THAT WHEN THOSE OF US WHO OPPOSE THE LEARNING COMMUNITY TALK ABOUT IT ON THIS FLOOR, IT IS BECAUSE THE REFORMS WE SEEK ARE GENUINE AND SINCERE AND NOT THAT THEY ARE SOME SORT OF DISINGENUOUS SOUND BITE. IF YOU WANT TO TALK TO ME OFF THE MICROPHONE WHEN WE'RE NOT ON THE RECORD, I SUSPECT YOU WILL HEAR A VERY COMPARABLE STORY TO THE ONES YOU'VE HEARD. AND I GOT TO TELL YOU, THE IDEA THAT WE'VE BEEN TALKING ABOUT THE LEARNING COMMUNITY THROUGHOUT THIS SESSION, I BELIEVE I'VE HAD TWO FLOOR SPEECHES--WELL, THAT'S TEN MINUTES--WE HAVEN'T HAD A BILL ON THE FLOOR, SO IF YOU ASK ME, WE HAVEN'T SPENT NEARLY ENOUGH TIME TALKING ABOUT THE LEARNING COMMUNITY COORDINATING COUNCIL AND HOW TO GET FUNDING TO THE KIDS WHO NEED IT IN A WAY THAT'S SUSTAINABLE. SO THAT'S NOT A SOUND BITE TO ME. AND IF IT'S...IF YOU CAN'T UNDERSTAND WHY WHEN OPS COMING TO THIS LEGISLATURE ASKING FOR FAIRNESS AND EQUITY DOES NOT ELICIT A RESPONSE FROM SUBURBAN SCHOOL...FROM THE SENATORS REPRESENTING SUBURBAN SCHOOL DISTRICTS, THEN I DON'T KNOW WHAT TO TELL YOU, BECAUSE IT SEEMS PRETTY STRAIGHTFORWARD TO ME. THAT'S ALL WE WANT. WE'RE NOT TRYING TO HIJACK A PROCESS. WE'RE NOT TRYING TO DEPRIVE KIDS OF AN EDUCATION. WE'RE NOT EVEN TRYING TO TAKE MONEY AWAY FROM OPS. WE'RE JUST LOOKING FOR SOME COMMONSENSE REFORMS, TRYING TO FIND SOME SORT OF CONSENSUS TO PROVIDE A SUSTAINABLE EDUCATION SYSTEM GOING FORWARD. AND THAT IS NOT A SOUND BITE AND IT'S NOT DISINGENUOUS. YOU MAY NOT AGREE WITH IT AND YOU MAY QUESTION OUR MOTIVES. BUT TO THOSE WHO QUESTION OUR MOTIVES, I WILL SPEAK FOR MYSELF WHEN I SAY, GIVE ME THE OPPORTUNITY TO PUT MY MONEY WHERE MY MOUTH IS. I WOULD LOVE TO HAVE THAT VOTE. BUT TEN MINUTES OF FLOOR SPEECHES OVER THE COURSE OF A 90-DAY LEGISLATIVE SESSION IS NOT TOO MUCH TIME TO DISCUSS THE ENTIRE EDUCATION SYSTEM IN THE DOUGLAS AND SARPY COUNTY AREA. SO, YES, WHEN ISSUES INVOLVING OMAHA PUBLIC SCHOOLS COME BEFORE THE LEGISLATURE, LET ME ASSURE YOU, THERE IS GOING TO BE A DISCUSSION ABOUT THE ENTIRETY OF THE EDUCATION SYSTEM IN DOUGLAS AND SARPY COUNTY. AND YOU CAN'T TALK ABOUT THE EDUCATION SYSTEM IN DOUGLAS AND SARPY COUNTY WITHOUT TALKING ABOUT THE LEARNING COMMUNITY. SO WE'LL CONTINUE TO HAVE THIS DISCUSSION AND IT WILL CONTINUE GOING FORWARD. I DON'T INTEND TO SPEND A CONSIDERABLE AMOUNT OF TIME HOLDING UP SENATOR NORDQUIST'S BILL BECAUSE, I GOT TO TELL YOU, IN THE WORLD OF NEGOTIATIONS ON THE LEARNING COMMUNITY, SENATOR NORDQUIST AND SENATOR MELLO HAVE BEEN VOICES OF REASON IN THAT DISCUSSION... [LB448]

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SENATOR SCHEER: ONE MINUTE. [LB448]

SENATOR MURANTE: ...WHICH IS WHY I SAID PREVIOUSLY I DON'T HOLD SENATOR NORDQUIST AT ALL RESPONSIBLE FOR THE FRUSTRATIONS THAT I HAVE EXPRESSED TWICE THIS YEAR. THANK YOU, MR. PRESIDENT. [LB448]

SENATOR SCHEER: THANK YOU, SENATOR MURANTE. MR. CLERK, THERE IS AN AMENDMENT TO THE COMMITTEE AMENDMENT? [LB448]

CLERK: MR. PRESIDENT, SENATOR KOLTERMAN WOULD MOVE TO AMEND THE COMMITTEE AMENDMENTS WITH FA66. (LEGISLATIVE JOURNAL PAGE 1681.) [LB448]

SENATOR SCHEER: SENATOR KOLTERMAN, YOU'RE RECOGNIZED TO OPEN ON YOUR AMENDMENT TO THE COMMITTEE AMENDMENTS. [LB448]

SENATOR KOLTERMAN: THANK YOU. I THINK I STARTED OUT THE CONVERSATION FROM MY FIRST FLOOR DEBATE ON THIS BILL. I WAS SUPPORTIVE OF ALL THE ASPECTS OF THIS EXCEPT FOR THE FUNDING PART, FUTURE FUNDING PART. SO WHAT MY AMENDMENT DOES IS, IF YOU TURN TO PAGE 10, SECTION (b), IT STRIKES THAT SECTION AND TAKES THE FUNDING, FUTURISTIC FUNDING, AWAY FROM THE STATE OF NEBRASKA AND THE TEACHER RETIREMENT PLAN. SO IN OTHER WORDS, EVERYTHING ELSE WOULD STAY INTACT. WE WOULD LET THE STATE MANAGE THE MONEY. WE WOULD REDUCE SOME OF THE BENEFITS. WE'D CONTINUE TO LET THE STATE AND OMAHA PUBLIC SCHOOLS MANAGE THE RETIREMENT PLANS, BUT ANY FUTURISTIC FUNDING WOULD BE ELIMINATED. [LB448]

SENATOR SCHEER: THANK YOU, SENATOR KOLTERMAN. SENATOR McCOY, YOU'RE RECOGNIZED. [LB448]

SENATOR McCOY: THANK YOU, MR. PRESIDENT AND MEMBERS. AND I TOOK A QUICK GLANCE AT SENATOR KOLTERMAN'S AMENDMENT, WHICH I BELIEVE I SUPPORT FULLY. I WANT TO MAKE SURE I COMPLETELY UNDERSTAND, AS I HAD A DISCUSSION OFF THE MICROPHONE WITH SOMEONE ABOUT WHAT IT WILL DO. BUT I HAVE A COUPLE OF QUESTIONS ON THE UNDERLYING BILL FOR SENATOR NORDQUIST IF HE WOULD YIELD, PLEASE. [LB448]

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SENATOR SCHEER: SENATOR NORDQUIST, WOULD YOU YIELD? [LB448]

SENATOR NORDQUIST: YES. [LB448]

SENATOR McCOY: THANK YOU, SENATOR. I WANT TO DOVETAIL A COUPLE QUESTIONS TO YOU ON WHAT I HAD TALKED ABOUT IN A PREVIOUS TIME ON THE MICROPHONE ON THE UNDERLYING COMMITTEE AMENDMENT, AM1555, A FEW MINUTES AGO AND THAT IS--LET'S TALK FOR A MOMENT--AS I RECALL, AND CORRECT ME IF I AM WRONG, BUT AS I RECALL IN THE DISCUSSIONS ABOUT...ON SENATOR JOHN NELSON'S INTERIM STUDY THAT TALKED ABOUT THE COST OF MOVING THESE PLANS TO DEFINED CONTRIBUTION, AWAY FROM DEFINED BENEFIT, THERE WAS A WAY TO MITIGATE THAT, OR SEVERAL WAYS TO MITIGATE THAT UP-FRONT COST OF THAT. CAN YOU HELP WALK THROUGH WITH ME? I'M A LITTLE HAZY AS RECALLING EXACTLY HOW THAT WOULD WORK. BUT AS I RECALL, THERE WERE A COUPLE OF HYBRID WAYS THAT YOU COULD GO ABOUT DOING THAT. WE JUST DIDN'T GO DOWN ANY OF THOSE PATHWAYS AT THE TIME. IS THAT CORRECT? [LB448]

SENATOR NORDQUIST: RIGHT. SO IT REALLY DEPENDS IF YOU DECIDE TO GO DOWN A PATHWAY OF A DEFINED CONTRIBUTION PLAN OR A CASH BALANCE PLAN, AND I CAN SPEAK TO WHAT THE DIFFERENCES ARE AND EVERYTHING (INAUDIBLE). [LB448]

SENATOR McCOY: IF YOU WOULD, PLEASE, GO AHEAD. AND IF I NEED TO HIT MY LIGHT AGAIN, I WILL. [LB448]

SENATOR NORDQUIST: YEAH. NO, THAT'S ALL RIGHT. [LB448]

SENATOR McCOY: I'D LOVE FOR THE...ESPECIALLY FOR THE MEMBERS WHO ARE NEW ENOUGH TO THE BODY THAT DIDN'T HAVE THE OPPORTUNITY TO BE PRIVY TO SOME OF THOSE CONVERSATIONS. AND I EVEN RECALL THE OMAHA WORLD-HERALD EDITORIALIZING ABOUT THE POTENTIAL BENEFITS OF SUCH A CASH BALANCE SYSTEM IF ONE COULD BE ARRIVED AT GOING FORWARD, AS I RECALL, ANYWAY. PLEASE, GO AHEAD, TAKE AS MUCH TIME AS YOU NEED. [LB448]

SENATOR NORDQUIST: RIGHT, RIGHT. [LB448]

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SENATOR McCOY: IF NEED BE, I'LL HIT MY LIGHT AGAIN. [LB448]

SENATOR NORDQUIST: SO IF YOU GO FORWARD WITH A DEFINED CONTRIBUTION, A 401(k), ESSENTIALLY, TYPE SYSTEM, THAT'S YOUR MOST EXPENSIVE OPTION BECAUSE YOU ARE CLOSING DOWN, ESSENTIALLY, THE DEFINED BENEFIT PLAN. YOU HAVE...NOW YOU CAN CHOOSE TO SAY NEW EMPLOYEES GO TO THE 401(k) OR YOU CAN SAY...THAT'S THE MOST LIKELY OPTION THAT WOULD AVOID ANY LEGAL CHALLENGES. IF YOU DECIDED TO START REDIRECTING CURRENT EMPLOYEES TO A 401(k), YOU WOULD OPEN YOURSELF UP TO LEGAL CHALLENGES. BUT ALL OF THE LIABILITY THAT'S IN THE CURRENT PLAN, WE KNOW THERE ISN'T ENOUGH FUNDING IN THAT PLAN RIGHT NOW TO PAY...IF THE PLAN SHUT DOWN TODAY, WE ONLY HAVE ENOUGH MONEY TO PAY 83 PERCENT OF THE BENEFITS. THAT'S 83 PERCENT FUNDED. SO THAT OTHER...THAT SHORTFALL, AND I WAS TRYING TO FIND...RIGHT NOW IN THE SCHOOL PLAN, THE ACTUARIALLY ACCRUED LIABILITY IS \$1.8 BILLION. IT'S A \$12.2 BILLION PLAN. THE UNFUNDED LIABILITY IS ACTUALLY DOWN OVER THE COURSE OF THE PLAN. IT'S ACTUALLY DOWN FROM LAST YEAR FROM \$2.2 BILLION TO \$1.8 (BILLION). ESSENTIALLY, ALL ASSUMPTIONS BEING MET, WE WOULD STILL NEED AN ADDITIONAL \$1.8 BILLION INTO THE PLAN TO PAY OUT THE BENEFITS OF EVERYTHING THAT'S BEEN ACCRUED TO DATE. THAT'S THE LONG-TERM COST IF YOU WERE TO MOVE TO A 401(k) STYLE SYSTEM. NOW, IF YOU DID A HYBRID OPTION, YOU...A CASH BALANCE, ACCORDING TO THE IRS, IS DEEMED THE SAME AS A DEFINED BENEFIT IN THAT YOU'RE PUTTING MONEY IN. [LB448]

SENATOR SCHEER: ONE MINUTE. [LB448]

SENATOR NORDQUIST: AND WHILE WE KIND OF VISUALIZE THE CASH BALANCE AS BEING A SEPARATE ACCOUNT, IT'S STILL POOLED. ALL THE MONEY IS STILL POOLED TOGETHER AND YOU GET A SEPARATE ACCOUNT STATEMENT. IT WOULD SAY, BEAU McCOY'S BALANCE IS THIS, YOU KNOW, EVERY MONTH AND, AT THE END, WHATEVER YOUR BALANCE IS, IT IS. THAT IS STILL POOLED ASSETS. AND INSTEAD OF A DEFINED BENEFIT, WHERE THEY TAKE YOUR YEARS OF SERVICE TIMES YOUR AGE IN SOME FORMULA TO DETERMINE YOUR BENEFIT TO PULL OUT OF THE FUND, THEY JUST ESSENTIALLY ARE PULLING OUT WHATEVER YOUR ACCOUNT BALANCE IS. THAT WOULD REDUCE THE COST. BUT THE ISSUE BEING, AS I MENTIONED WHEN WE WERE TALKING ABOUT THIS BILL EARLIER, NEW EMPLOYEES, NEW SCHOOL EMPLOYEES COMING INTO THE SYSTEM, THEIR BENEFITS, ACCORDING TO THE ACTUARY, COST US ABOUT 12 PERCENT OF PAY.

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WE ARE PAYING 21 PERCENT OF PAY INTO THE SYSTEM, COMBINED WITH EVERYBODY. THAT EXCESS HELPS PAY DOWN THAT 8.1... [LB448]

SENATOR SCHEER: TIME, SENATORS. [LB448]

SENATOR NORDQUIST: SORRY. [LB448]

SENATOR SCHEER: THANK YOU, SENATOR NORDQUIST AND SENATOR McCOY. SENATOR KINTNER, YOU'RE RECOGNIZED. [LB448]

SENATOR KINTNER: WELL, THANK YOU, MR. PRESIDENT. YOU KNOW, WE TALKED ABOUT THIS UP ONE SIDE, DOWN THE OTHER SIDE, AND WE'VE TALKED ABOUT LEARNING COMMUNITY A LITTLE BIT. I THINK SENATOR MURANTE HAS STATED IT VERY WELL. BUT I WANTED TO TELL YOU, YOU KNOW, KIND OF WHAT WE WERE NEGOTIATING. AND, YOU KNOW, YOU KNOW, I HAD A COUPLE PLANS FOR DEALING WITH IT. THE SCHOOL BOARD, THE SUPERINTENDENTS HAD A PLAN WHICH I THOUGHT HAD SOME MERIT. CHAIRMAN SULLIVAN HAD A PLAN. WE WERE KIND OF HASHING THROUGH ALL THAT. AS IT WAS GETTING LATE, YOU KNOW, I SAID, YOU KNOW, LET'S JUST... YOU KNOW, THEY ALL SUSPEND THE LEVY AND DID A FEW THINGS. AND WHAT I THOUGHT WOULD PROBABLY BE THE EASIEST THING TO DO IS SUSPEND THE COMMON LEVY FOR A YEAR AND DO A STUDY ON POVERTY SO WE COULD ACTUALLY ADDRESS WHATEVER PROBLEMS OPS HAS, AND I THINK RALSTON WAS IN THERE. AND IT WAS A VERY SIMPLE, SIMPLE PROPOSAL THAT WOULD GIVE THE SCHOOL DISTRICTS THAT ARE LOSERS, GIVE ALL THE SCHOOL DISTRICTS ONE YEAR OF RELIEF FROM THE COMMON LEVY. EVERYTHING GOES ON WITH THE LEARNING COMMUNITY. HERE WE SIT IN THE LAST TWO WEEKS AND WE'VE GOT NOTHING, NOT A DARN THING. I DON'T KNOW HOW YOU GET ANY MORE REASONABLE THAN THAT. WE'VE TALKED IN GOOD FAITH. AND WHEN I SAY WE, I THINK THAT... I THINK THE EDUCATION COMMITTEE, I THINK THE SUPERINTENDENTS, I THINK THE SARPY SENATORS, AND HERE WE ARE WITH NOTHING. WE DON'T EVEN GET A CHANCE TO VOTE ON ANYTHING. IT'S JUST SITTING THERE. I THINK IF WE HAD SOMETHING ON THE FLOOR, WE COULD AT LEAST VOTE ON IT. BUT WE CAN'T, AND THAT IS THE PROBLEM. AND I THOUGHT WE'VE COME A LONG WAY. I THOUGHT WE WERE A LOT CLOSER WITH THE EDUCATION COMMITTEE THAN WE'VE EVER BEEN. BUT ONCE AGAIN WE'VE GOT NOTHING. AND THAT, MR. PRESIDENT, IS A BIG, BIG, BIG DISAPPOINTMENT FOR, I WOULD SAY, THE VAST MAJORITY OF ONE-THIRD OF THE FAMILIES OF OUR STATE THAT ARE STUCK IN

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THE LEARNING COMMUNITY. AND I WILL YIELD THE REMAINDER OF MY TIME TO SENATOR McCOY. [LB448]

SENATOR SCHEER: SENATOR McCOY, YOU ARE YIELDED 2:05. [LB448]

SENATOR McCOY: THANK YOU, MR. PRESIDENT. THANK YOU, SENATOR KINTNER. IF I COULD, I'D LIKE TO ENGAGE SENATOR NORDQUIST IN A COUPLE QUESTIONS, PLEASE, MR. PRESIDENT. [LB448]

SENATOR SCHEER: I'M SORRY, WHO WOULD YOU LIKE TO YIELD? [LB448]

SENATOR McCOY: SENATOR NORDQUIST. [LB448]

SENATOR SCHEER: SENATOR NORDQUIST, WOULD YOU YIELD, PLEASE? [LB448]

SENATOR NORDQUIST: YES. [LB448]

SENATOR McCOY: SENATOR NORDQUIST, IF YOU'D...I'D LIKE TO GIVE YOU THE OPPORTUNITY TO PICK UP WHERE YOU WERE LEFT OFF AS WE RAN OUT OF TIME, IF YOU WOULD, PLEASE. [LB448]

SENATOR NORDQUIST: RIGHT. SO THE...YEAH, THANK YOU, SENATOR McCOY. SO THE 401(k) STYLE DEFINED CONTRIBUTION PLAN, WHEN YOU SHUT DOWN THE CASH BALANCE, YOU START PUTTING THE MONEY INTO THESE NEW INDIVIDUAL INVESTMENT ACCOUNTS OVER HERE, YOU HAVE TO PAY ALL THE LIABILITY IN THIS OTHER PLAN. THE CASH BALANCE, YOU MAINTAIN THE ACCOUNT AND IT JUST...YOU'RE ABLE TO DRAW ON IT AT DIFFERENT LEVELS OVER TIME. SO IT HELPS SMOOTH THE COST OF IT. THE ISSUE WITH THE CASH BALANCE VERSUS THIS IS WHEN SOMEBODY IS GOING INTO THE DEFINED BENEFIT PLAN, THEY GET HIRED, WE'RE PUTTING 21 PERCENT OF PAY AWAY FOR THEM FOR 12 PERCENT BENEFIT CALCULATION. IF WE PUT ALL THAT 21 PERCENT INTO THEIR OWN... [LB448]

SENATOR SCHEER: ONE MINUTE. [LB448]

SENATOR NORDQUIST: ...ACCOUNT WITHIN THE LARGER FUND, THEN THERE IS NO MONEY STILL GOING TO HELP PAY OFF THAT LIABILITY. WHAT YOU COULD

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DO IS YOU COULD SAY, FOR NEW HIRES, BECAUSE THE BENEFITS ARE WORTH ABOUT 12 PERCENT OF PAY, THAT WE'RE GOING TO PUT 12 PERCENT INTO AN ACCOUNT FOR YOU BECAUSE, ESSENTIALLY, THE MONEY WOULD END UP BEING...SHOULD END UP BEING ABOUT THE SAME AS THE BENEFIT YOU'RE GOING TO DRAW OUT IN THE LONG RUN IF THE INVESTMENT RETURN ENDS UP BEING THE SAME. AND THEN THE STATE WOULD PUT THE EXCESS...WOULD STILL HAVE TO PAY THE EXCESS OFF. BUT IT'S THAT CUSHION BETWEEN THE 21 PERCENT GOING INTO THE PLAN, 12 PERCENT, ESSENTIALLY, COMING OUT, THAT IS HELPING US PAY DOWN THAT UNFUNDED LIABILITY OVER THE LONG RUN. [LB448]

SENATOR McCOY: I APPRECIATE THAT, SENATOR. AS I RECALL, SOME METHODOLOGY TO THAT OR SOME, I SHOULD SAY, SOME METHOD OF WHAT YOU JUST DESCRIBED IS, ESSENTIALLY, WHAT SOME STATES HAVE DONE AROUND THE COUNTRY. IT STRIKES ME AS ONE OF THE STATES THAT WE TALKED ABOUT I BELIEVE... [LB448]

SENATOR SCHEER: TIME, SENATORS. THANK YOU, SENATOR NORDQUIST AND SENATOR McCOY. (VISITORS INTRODUCED.) SENATOR NORDQUIST, YOU'RE RECOGNIZED. [LB448]

SENATOR NORDQUIST: THANK YOU, MR. PRESIDENT AND MEMBERS. YOU KNOW, I'D BE HAPPY TO CONTINUE SOME DIALOGUE WITH SENATOR McCOY. I WOULD JUST SAY--NOW THAT I'M ON MY TIME, I'LL EDITORIALIZE FOR JUST A MINUTE-- THAT THERE IS BENEFIT TO A DEFINED BENEFIT PLAN OUTSIDE OF JUST THE CASH. IT IS...AND WE JUST HAD CONFIRMATION HEARINGS THIS MORNING. WE TALKED TO A SCHOOL ADMINISTRATOR AND TROOPER THAT WERE BEING APPOINTED TO THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND THEY SAY, YES, TALKING TO THEIR COWORKERS WHO THEY REPRESENT ON THE PUBLIC EMPLOYEES RETIREMENT BOARD, A DEFINED BENEFIT PLAN IS A RECRUITMENT TOOL AND A RETENTION TOOL. WE LOSE A LOT OF PEOPLE OUT OF EDUCATION, AND THIS IS ONE WAY TO KEEP THEM IN THE EDUCATION SYSTEM. IT'S ONE WAY TO RECRUIT PEOPLE TO THE EDUCATION SYSTEM, AS WELL AS THE OTHER SYSTEMS THAT DO HAVE DEFINED BENEFIT PLANS. AND AT THE END OF THE DAY, THESE PLANS ARE A SIMPLE EQUATION THAT YOU JUST NEED TO MONITOR. AND UNFORTUNATELY, WE GOT A LITTLE GENEROUS WITH OUR BENEFITS BACK IN THE EARLY PART OF THE LATE '90s, EARLY 2000s, BEFORE ANY OF US WERE IN THIS BODY. YOUR BENEFITS THAT YOU PAY OUT AND THE EXPENSES TO ADMINISTER THOSE BENEFITS HAVE TO EQUAL THE CONTRIBUTIONS GOING IN AND YOUR INVESTMENT RETURN. THAT'S THE SIMPLE EQUATION. THEY

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ACTUALLY COST LESS TO ADMINISTER THAN ANY OTHER PLAN. THEY'RE NOT LIKE PRIVATE INVESTMENT FEES WHERE YOU HAVE, YOU KNOW, 2 PERCENT. IT COSTS US LESS THAN A QUARTER OF A PERCENT TO MANAGE AND ADMINISTER...MANAGE ALL THE MONEY AND ADMINISTER THE BENEFITS. SO THERE CERTAINLY ARE BENEFITS THERE. BUT I DON'T KNOW IF SENATOR McCOY HAD ADDITIONAL QUESTIONS. WOULD SENATOR McCOY YIELD TO A QUESTION? [LB448]

SENATOR SCHEER: SENATOR McCOY, WILL YOU YIELD, PLEASE? [LB448]

SENATOR McCOY: YES. [LB448]

SENATOR NORDQUIST: MY QUESTION IS, SENATOR McCOY, DO YOU HAVE ANY ADDITIONAL QUESTIONS FOR ME? (LAUGH) I'M NOT GOING TO YIELD YOU MY TIME. [LB448]

SENATOR McCOY: I DO. [LB448]

SENATOR NORDQUIST: BUT IF YOU HAVE ANY ADDITIONAL QUESTIONS... [LB448]

SENATOR McCOY: I GUESS, DESCRIBE TO ME IF YOU COULD...AND AGAIN, THIS IS YOUR TIME, SENATOR NORDQUIST, AND I HAVE MY LIGHT ON SO I CAN ASK THIS IN A LITTLE GREATER DETAIL. BUT ONE OF MY QUESTIONS WOULD BE, AND WHICH WAS ACTUALLY GOING TO BE ONE OF MY NEXT QUESTIONS FOR YOU, AND THAT IS, ARE DEFINED BENEFIT PLANS, IT WOULD SEEM TO ME IN EVERYTHING THAT I READ AND STUDY AS WE'VE...AS YOU AND I AND OTHERS HAVE BEEN IN THE LEGISLATURE A NUMBER OF YEARS NOW, THAT DEFINED BENEFIT PLANS ARE MOST POPULAR WITH THOSE WHO ARE CLOSER TO THAT RETIREMENT AGE, CLEARLY. AND THE NEWER HIRES, YOUNGER HIRES, PROBABLY IN MUCH THE SAME WAY THAT MANY OF US YOU AND I'S AGE AND YOUNGER FEEL ABOUT SOCIAL SECURITY, WE WONDER WHETHER OR NOT THEY'RE SUSTAINABLE, AND TO JUST WHAT DEGREE ARE WE PAYING FOR THE RETIREMENT OF OTHERS, AND ARE WE GOING TO EVER BE ABLE TO RECOUP THAT SAME TYPE OF VALUE IN OUR RETIREMENT YEARS? SO AGAIN, THIS IS YOUR TIME, NOT MINE. [LB448]

SENATOR NORDQUIST: RIGHT. [LB448]

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SENATOR McCOY: BUT THAT'S A...I DON'T SEE THAT JUST AS A PHILOSOPHICAL QUESTION BECAUSE THAT REALLY IS THE ISSUE AT HEART HERE OF WHAT WE'RE DEALING WITH. [LB448]

SENATOR NORDQUIST: RIGHT. RIGHT. YEAH. JUST GENERALLY SPEAKING AND, YOU KNOW, AGAIN, NOTHING IN THIS BILL WOULD NECESSARILY CHANGE OUR DEFINED BENEFIT OR, YOU KNOW, WE'RE NOT TALKING ABOUT TAKING A DIFFERENT DIRECTION HERE, BUT THE DISCUSSION IS A GREAT DISCUSSION TO HAVE. WE TALKED TODAY TO A TROOPER THAT CAME BEFORE US FOR CONFIRMATION BEFORE...TO BE ON THE PUBLIC EMPLOYEES RETIREMENT BOARD. AND HE SAID HE'S GLAD WE HAVE A DEFINED BENEFIT PLAN BECAUSE, QUITE FRANKLY, AS YOU SAID, YOUNG TROOPERS JUST DON'T SEE THE VALUE OF IT. AND HE'S AFRAID THAT, HAVE WE MOVED TO SOME, YOU KNOW, SOME SORT OF AN OPTIONAL SYSTEM OR VOLUNTARY SYSTEM, THAT PEOPLE JUST WOULDN'T SAVE ENOUGH FOR RETIREMENT. AND WE SEE THAT ACROSS THE COUNTRY. IT REALLY IS BECOMING A TREND WHERE, ESPECIALLY WITH BABY BOOMERS RETIRING, THAT AT THE END OF THE DAY PEOPLE JUST ARE NOT RETIRING WITH ENOUGH. AND A DEFINED BENEFIT PLAN, NOW THERE ARE OTHER OPTIONS... [LB448]

SENATOR SCHEER: ONE MINUTE. [LB448]

SENATOR NORDQUIST: ...BESIDES A DEFINED BENEFIT PLAN TO REQUIRE PARTICIPATION, BUT IT'S ONE TOOL TO MAKE SURE THAT PEOPLE DO HAVE WHAT THEY NEED WHEN THEY RETIRE. YEAH. AND IF YOU HAVE ANY OTHER QUESTIONS, WE HAVE LESS THAN A MINUTE, BUT... [LB448]

SENATOR McCOY: I WOULD, SENATOR. I GUESS MY QUESTION WOULD BE, THOUGH, IS THAT OR IS THAT NOT...IN A DEFINED CONTRIBUTION OR A CASH BALANCE PLAN, SOME SORT OF A HYBRID MODEL, THAT'S ESSENTIALLY THE RESPONSIBILITY OF THOSE WHO WOULD BE ONE OF THOSE FUTURE RETIREES, ONE OF THOSE YOUNGER WORKERS OR YOUNGER TROOPERS, AS YOU SAID, IN THAT TYPE OF A MODEL, THAT'S THEIR RESPONSIBILITY. THAT'S THE RUB, THE GIVE AND THE TAKE, WITH THAT TYPE OF A SYSTEM, IS IT NOT, WHEN YOU TALK ABOUT SAVING FOR RETIREMENT? [LB448]

SENATOR NORDQUIST: IT IS. I WOULD SAY THAT WE HAVE HAD TESTIMONY BEFORE THE APPROPRIATIONS COMMITTEE OF WHAT HAPPENS WHEN PEOPLE

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DON'T RETIRE WITH ENOUGH SAVINGS AND THOSE ASSETS GET EATEN UP AND THEN THE LITANY OF STATE PROGRAMS, INCLUDING FOOD STAMPS,... [LB448]

SENATOR SCHEER: TIME, SENATORS. [LB448]

SENATOR NORDQUIST: ...MEDICAID. THANK YOU. [LB448]

SENATOR SCHEER: THANK YOU, SENATOR NORDQUIST AND McCOY. WAITING IN THE QUEUE: SENATOR LARSON, McCOY, AND MELLO. SENATOR LARSON, YOU'RE RECOGNIZED. [LB448]

SENATOR LARSON: THANK YOU, MR. PRESIDENT. THIS HAS BEEN INTERESTING, ESPECIALLY WHEN WE'RE CONSIDERING AND TRYING TO WORK OUT EXACTLY THE BENEFITS THAT...THE POSSIBILITY OF MORE GENEROUS BENEFITS THAT OMAHA TEACHERS ARE RECEIVING VERSUS THE REST OF THE STATE. AND AS I LOOK BACK ON THIS AND I HEAR SENATOR NORDQUIST TALK ABOUT THE EXCESS AND THE GENEROUS BENEFITS THAT EXPLODED IN THE 1990s AND HOW WE ARE NOW PAYING FOR THOSE...AND WE TALK ABOUT DEFINED CONTRIBUTION AND THINGS OF THAT NATURE, WHICH I WOULD BE HAPPY TO ACTUALLY MOVE OUR ENTIRE SYSTEM TO DEFINED CONTRIBUTION. I THINK WE HAVE NEARING IN \$800 MILLION IN THE CASH RESERVE OF ONE-TIME, \$500 MILLION PAYMENT. TO JUST PLOP THAT DOWN IN THERE AND MOVE EVERYBODY ELSE TO A DEFINED CONTRIBUTION MIGHT ACTUALLY BE A GOOD WAY TO SAVE THE NEBRASKA TAXPAYERS A LOT OF MONEY OVER THE NEXT FIVE DECADES. AND I BRING THAT UP IN THE SENSE OF I REMEMBER WHAT WE DID...TWO YEARS AGO NOW? WHEN WE REDID THE RETIREMENT, THE TEACHERS, THEY DID STAY AT THAT 9.7 PERCENT OR 9.3 PERCENT, WHICHEVER IT IS, AND THEY DIDN'T DROP DOWN TO THE 7 PERCENT THAT THEY WERE SUPPOSED TO SUNSET BACK DOWN TO. WELL, THE STATE WAS SUPPOSED TO SUNSET IT BACK DOWN TO 0.7 PERCENT FROM 1.0 PERCENT. WELL, THE TEACHERS, THEY JUST STAYED THE SAME AND THE STATE DOUBLED WHAT THEY WERE PUTTING IN. NOW, WHEN WE LOOK AT THE TEEOSA FORMULA AND HOW MANY SCHOOLS ARE UNEQUALIZED, SPECIFICALLY IN DISTRICTS SUCH AS MY OWN OR SENATOR SULLIVAN'S OR SENATOR DAVIS', ALL THOSE EQUALIZED SCHOOL DISTRICTS GET TO USE TEEOSA MONEY TO PAY THEIR PORTION, THE SCHOOL DISTRICT'S PORTION OF THE RETIREMENT FUND, WHAT THE SCHOOL OWES. SO THE STATE IS GIVING THEM TEEOSA MONEY. THEY GET TO USE THAT MONEY TO PAY FOR TEACHER RETIREMENT. THE UNEQUALIZED SCHOOL DISTRICTS USE ONLY PROPERTY TAXES TO PAY THEIR PORTION OF TEACHER RETIREMENT. AND, YET, HERE WE

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ARE ON THE STATE LEVEL DOUBLING THE PORTION THAT THE STATE IS OWED TO TEACHER RETIREMENT FROM 1 PERCENT TO 2 PERCENT. SO ESSENTIALLY, EVERY UNEQUALIZED SCHOOL DISTRICT GETS SCREWED TWICE BECAUSE THEY SEND THEIR SALES AND INCOME TAX DOLLARS DOWN HERE, WE SPEND A BILLION ON TEEOSA OR STATE AID, THE EQUALIZED SCHOOL DISTRICTS GET TO USE SOME OF THAT MONEY TO PAY THEIR TEACHER RETIREMENT, AND UNEQUALIZED SCHOOL DISTRICTS GET NONE. AND THEIR SALES AND INCOME TAX DOLLARS, WHAT THEY OWE INTO THE STATE'S PORTION OF THE TEACHERS' RETIREMENT, IS DOUBLED. SO AS I LISTEN TO THIS DEBATE AS A WHOLE AND WHAT THE POSSIBILITY OR THE REMOTE POSSIBILITY OF THE ART CALCULATIONS AND WHAT NOT WORKING INTO OPS OR THOSE...THAT RETIREMENT SYSTEM HAVING MORE GENEROUS BENEFITS, IT CONCERNS ME ON THE SIMPLE FACT, ESPECIALLY WITH SCHOOL AID AND STATE FUNDING WHERE IT IS, HOW MUCH MORE ARE WE GOING TO PUT ON THE BACK OF PROPERTY TAXPAYERS IN RURAL NEBRASKA? WHAT MAKES A KID IN O'NEILL OR VENANGO... [LB448]

SENATOR SCHEER: ONE MINUTE. [LB448]

SENATOR LARSON: ...OR HENDERSON OR HOWELLS WORTH LESS THAN A KID IN OMAHA? IF THE STATE CONSTITUTION SAYS IT IS THE STATE'S RESPONSIBILITY TO PROVIDE A K-12 EDUCATION FOR EVERYONE, A FREE K-12 EDUCATION--AND I WON'T GET INTO WHAT I KNOW YOU'RE ALL DREADING ME GETTING INTO, WE CAN GET INTO THAT ANOTHER DAY, MAYBE LATER TODAY--BUT IF IT'S THE STATE'S RESPONSIBILITY TO PROVIDE THAT EDUCATION, THE STATE IS HELPING PROVIDE THAT EDUCATION FOR THE...EVERY EQUALIZED SCHOOL DISTRICT. THE STATE IS NOT HELPING THE KIDS IN O'NEILL. THE PROPERTY TAXPAYERS OF O'NEILL PUBLIC SCHOOLS ARE. THE PROPERTY TAXPAYERS OF CREIGHTON PUBLIC SCHOOLS ARE. THEY RECEIVE A VERY MINUSCULE AMOUNT ON THE SALES TAX OR INCOME OR SALES TAX REBATE, BUT NOTHING IN THE TERMS OF EQUALIZATION AID. SO WHEN WE'RE TALKING ABOUT RETIREMENT, WE HAVE TO REMEMBER THAT POINT AS WELL. THANK YOU, MR. PRESIDENT. [LB448]

SENATOR SCHEER: TIME, SENATOR. THANK YOU, SENATOR LARSON. SENATOR McCOY, YOU'RE RECOGNIZED. [LB448]

SENATOR McCOY: THANK YOU, MR. PRESIDENT AND MEMBERS. I'M GOING TO CONTINUE AND I'M GOING TO ASK SENATOR NORDQUIST A COUPLE MORE QUESTIONS HERE IN A MOMENT. BUT I WANT TO TALK ABOUT THAT FOR JUST A

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MINUTE BECAUSE...WELL, I'LL JUST ASK SENATOR NORDQUIST. WOULD SENATOR NORDQUIST YIELD, PLEASE? [LB448]

SENATOR SCHEER: SENATOR NORDQUIST, WILL YOU YIELD? [LB448]

SENATOR NORDQUIST: YEP. [LB448]

SENATOR McCOY: THANK YOU, SENATOR. I DIDN'T WANT TO POSE A HYPOTHETICAL QUESTION THAT WOULD GIVE...WITHOUT GIVING YOU THE OPPORTUNITY TO ANSWER IT. BUT FROM MY READING, AND HELP ME TRACK WITH IF YOU THINK THIS IS THE SAME, CONSISTENT WITH, AS CHAIR...AND I KNOW YOU READ A GREAT DEAL OF PUBLICATIONS ON THE ISSUE OF RETIREMENT AND THE TRENDS AND WHATNOT THAT WE'RE SEEING THROUGHOUT THE COUNTRY, NOT JUST HERE IN NEBRASKA. BUT AS WE TALK ABOUT YOUNGER WORKERS, SENATOR NORDQUIST, AND I KNOW THAT WE'RE IN THAT AGE GROUP WHERE THERE IS A GOOD NUMBER OF WORKERS NOW IN THE WORK FORCE, NOT JUST HERE IN NEBRASKA, BUT ACROSS THE COUNTRY, THAT ARE YOU AND I'S AGE AND YOUNGER--AND THAT'S GOING TO RAPIDLY INCREASE HERE IN THE NEXT PROBABLY FIVE YEARS AS WE GO FROM THAT MID-30s TO NEAR 40 AGE RANGE--IT REALLY SEEMS TO ME, EVERYTHING I READ, THAT THOSE YOUNGER WORKERS ENTERING THE WORK FORCE, THAT AGE GROUP NOW, MOST OF US ARE HAVING CHILDREN, SOME YOUNGER CHILDREN, SOME OLDER CHILDREN, WHEN YOU START THINKING A LITTLE MORE ABOUT COLLEGE AND RETIREMENT AND ALL THAT, VERY...IT WOULD SEEM TO ME THAT YOU HAVE A LOT OF THESE YOUNGER WORKERS THAT WANT SOME CONTROL OVER THEIR OWN DESTINY, SO TO SPEAK, IN THE WAY OF RETIREMENT. IS THAT ACCURATE? IS THAT WHAT YOU SEE, AS FAR AS TRENDS GO, THAT MORE WORKERS WANT A 401(k) STYLE RETIREMENT SYSTEM OR SOME HYBRID MODEL THEREOF RATHER THAN A...THAN KIND OF THE, I WOULD CALL, MY WORDS, DINOSAUR OF THE PAST, AND THAT BEING A DEFINED BENEFIT PLAN THAT'S MORE OF THE OLD TWENTIETH CENTURY MODEL? [LB448]

SENATOR NORDQUIST: I WOULD SAY THAT THAT PROBABLY IS THE GENERAL INCLINATION. I'M SURE, IF THEY SAT DOWN AND SAW THE BENEFIT CALCULATION AT THE END OF WHAT THEY WOULD DO IF THEY...YOU KNOW, THE ISSUE IS A LOT OF PEOPLE IN OUR GENERATION DO SWITCH JOBS FREQUENTLY AND THIS IS ONE WAY TO KEEP THEM IN A JOB. BUT I WOULD SAY PROBABLY, YEAH, YOU'RE RIGHT, YOUNG PEOPLE DON'T THINK ENOUGH ABOUT RETIREMENT. [LB448]

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SENATOR McCOY: WELL, I JUST KNOW I WAS DRIVING DOWN HERE THE OTHER DAY, SENATOR, AND IT MADE ME THINK ABOUT THIS WITH THIS BILL AGAIN AS YOU'RE TALKING ABOUT, YOU KNOW, A LOT OF NEW, YOUNG TEACHERS COMING ON BOARD, NOT JUST IN OMAHA BUT, THANKFULLY, ACROSS THE STATE. WE ARE BLESSED WITH THAT HERE IN OUR STATE. YOU HAVE A LOT OF YOUNG PEOPLE WANT TO RETURN TO THEIR COMMUNITIES MAYBE THAT THEY GREW UP IN, IN RURAL NEBRASKA. BUT I HEARD AN INTERESTING STATISTIC ON THE RADIO THAT I WAS, FRANKLY, I WAS A LITTLE FLABBERGASTED BY, AND IT WAS THAT THOSE UNDER THE AGE OF 35 TODAY IN AMERICA ARE TYPICALLY CHANGING JOBS EVERY THREE-AND-A-HALF TO FOUR YEARS. AND TO ME, THAT WAS STARTLING BECAUSE--YOU KIND OF THINK OF THE BABY-BOOMER GENERATION, KIND OF YOU AND I'S PARENTS' AGE--IT WAS PRETTY COMMON TO WORK 20, 30, MAYBE 40 YEARS OR MORE AT ONE...AND ESPECIALLY THE GREATEST GENERATION, BUT EVEN A GOOD CHUNK OF THE BABY-BOOMER GENERATION, THOSE DAYS ARE GONE. SO HOW DO WE, I GUESS, IN THE CONFINES OF LB448, SENATOR NORDQUIST, HOW DO WE PUT TOGETHER A SYSTEM FOR THE LONG TERM THAT FITS THAT GENERATION... [LB448]

SENATOR SCHEER: ONE MINUTE. [LB448]

SENATOR McCOY: ...THAT'S COMING UP? AND ARE WE TALKING ABOUT A FIX WITH WHAT YOU'RE PROPOSING? AND IT'S A VERY WELL-THOUGHT-OUT EFFORT. I JUST FEAR, IS IT A FIX THAT, LONG RANGE, EVEN FITS WHERE YOUNG NEBRASKANS ARE TODAY AND HOW DO WE WORK THROUGH THAT DICHOTOMY OF THE OLDER GENERATION THAT, ESSENTIALLY, THE YOUNGER WORKERS ARE PAYING FOR THEIR RETIREMENT AND YET THOSE YOUNGER WORKERS ARE GOING TO NEED A RETIREMENT? HOW DO WE WORK THROUGH THAT? I DON'T...I JUST...IT'S HARD FOR ME TO SEE HOW WE'RE DOING THAT THROUGH...FOR TEACHERS THROUGH LB448. [LB448]

SENATOR NORDQUIST: RIGHT. WELL, I WOULD JUST SAY, A COUPLE POINTS TO BE MADE THERE. FIRST OF ALL, ANYONE WHO LEAVES BEFORE THEY'RE VESTED IN THE RETIREMENT SYSTEM IS ABLE TO PULL OUT THEIR CONTRIBUTION, WHICH RIGHT NOW TEACHERS ARE CONTRIBUTING 9.78 PERCENT. SO, YOU KNOW, KIND OF, A LOT OF PEOPLE SAY THE RULE OF THUMB IS SOMEWHERE BETWEEN 10 AND 12 PERCENT. SO EVEN IF THEY WERE TO LEAVE EMPLOYMENT AND WITHDRAW THEIR OWN FUNDS, THEY HAVE STARTED A... [LB448]

SENATOR SCHEER: TIME, SENATORS. [LB448]

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SENATOR NORDQUIST: THANK YOU, MR. PRESIDENT. [LB448]

SENATOR SCHEER: THANK YOU, SENATOR NORDQUIST AND SENATOR McCOY.
SENATOR MELLO, YOU'RE RECOGNIZED. [LB448]

SENATOR MELLO: THANK YOU. MR. PRESIDENT, MEMBERS OF THE LEGISLATURE, I'M GOING TO HAVE TO RESPECTFULLY STAND IT OPPOSITION TO FA66 IN PART BECAUSE IT SOUNDS LIKE SENATOR McCOY IS, JUST ON A SIDE NOTE, IS FUNDAMENTALLY, PHILOSOPHICALLY OPPOSED TO DEFINED BENEFIT PENSION PLANS, WHICH THAT'S NOT WHAT THIS BILL IS ABOUT, FIRST OFF. IT'S NOT ABOUT CREATING OR ELONGATING A PENSION PLAN AS MUCH AS IT'S TRYING TO ADDRESS, WHAT I WOULD SAY, AND I THINK A NUMBER OF PEOPLE WHO HAVE REVIEWED THE ISSUE, IS AN INEQUITY BETWEEN PROPERTY TAXPAYERS IN ONE DISTRICT VERSUS EVERYONE ELSE IN THE STATE. AND THE REALITY IS, THE CONCEPTS THAT ARE IN THIS COMMITTEE AMENDMENT, REALLY, THE ONLY REASON WE CONNECTED AN EXISTING POLICY THAT THE RETIREMENT COMMITTEE IS DOING RIGHT NOW, WHICH IS, EVERY TIME THE STATE TAKES AN ACTION ON THE STATE SCHOOL EMPLOYEES' RETIREMENT PLAN, THE LEGISLATURE HAS DONE A CORRESPONDING CHANGE ON THE OMAHA SCHOOL EMPLOYEES' RETIREMENT PLAN. WE'VE DONE THAT BOTH IN REGARDS TO DECREASING BENEFITS, INCREASING CONTRIBUTION RATES, AND INCREASING THE STATE CONTRIBUTION. THAT'S WHAT IS AT THE CRUX OF FA66 IS STRIKING THAT OUT OF THE COMMITTEE AMENDMENT WHERE THE REASON THAT THAT WAS INCLUDED AS PART OF THE COMMITTEE AMENDMENT IN THIS NEGOTIATION SENATOR NORDQUIST DID ON THE BILL WAS BECAUSE THE STATE IS GOING TO BE TAKING OVER THE INVESTMENT OBLIGATIONS FROM OMAHA PUBLIC SCHOOLS. SO WITHOUT THIS COMPONENT, SO IF WE ADOPT FA66, WHAT YOU HAVE AS A SCENARIO IS THE STATE TAKING CONTROL OF OMAHA'S INVESTMENTS FOR THEIR PENSION PLAN. AND LET'S SAY THE OMAHA INVESTMENT...THE OMAHA INVESTMENTS ARE...THE STATE INVESTMENT COUNCIL'S RETURNS FOR THE YEAR DROP DRAMATICALLY, 10-PERCENT DROP, LIKE WE SAW IN THE GREAT DEPRESSION...GREAT RECESSION FOUR YEARS AGO. SO WE SEE A 10-PERCENT REDUCTION IN INVESTMENT GAINS. THE OMAHA PUBLIC SCHOOL DISTRICT, ESSENTIALLY, HAS TO LIVE WITH WHATEVER HAPPENS. THEY'RE GOING TO HAVE TO FIND A WAY TO ADDRESS THAT 10 PERCENT REDUCTION BECAUSE THEY...IT WAS NOT ANY...UNDER ANY FAULT OF THEIR OWN OF WHAT HAPPENED WITH THE STATE INVESTMENT COUNCIL'S DECISIONS. AND THAT WAS THE NEGOTIATION THAT SENATOR NORDQUIST DID ON AM1555 WAS THAT, IF THE STATE IS GOING TO TAKE OVER OMAHA'S INVESTMENT OBLIGATIONS, WE NEED TO HAVE A CORRESPONDING BENEFIT TO

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THEM IN CASE OF EMERGENCY. AND IN THAT...IN CASE OF EMERGENCY IS IF FOR WHATEVER REASON THE STATE SCHOOL EMPLOYEES' PLAN HAS AN OBLIGATION THROUGH AN ACTUARIALLY REQUIRED CONTRIBUTION, WHATEVER THE LEGISLATURE DOES WITH STATE PLAN, THEY'LL DO THE CORRESPONDING ACTION WITH THE OMAHA PLAN. COLLEAGUES, THAT SEEMS LIKE A FAIRLY REASONABLE COMPROMISE THAT IF WE'RE GOING TO TAKE OVER THE INVESTMENT OBLIGATIONS ON BEHALF OF THE LONE SCHOOL DISTRICT THAT'S NOT PART OF THE OVERALL STATE PLAN, AND FOR WHATEVER REASON OUR STATE INVESTMENT COUNCIL FAILS TO MEET ITS OBLIGATIONS, THAT THE STATE IS WILLING AND ONLY WILLING TO MEET THOSE OBLIGATIONS IF IT ALSO HAS THE DIRECT IMPACT ON THE STATE PLAN. THAT'S EVEN THE BIGGER ARGUMENT THAT OMAHA WAS WILLING TO GIVE UP, WHICH IS, EVEN IF THE STATE PLAN DOESN'T REQUIRE A CONTRIBUTION TO MEET ITS ACTUARIALLY REQUIRED CONTRIBUTION, AN OMAHA PLAN DOES, EVEN UNDER THIS AMENDMENT. THE STATE DOESN'T HAVE AN OBLIGATION TO GIVE ANYTHING TO THE OMAHA PLAN. THEY WERE WILLING TO GO THAT FAR IN THIS COMPROMISE, WHICH IS, ONLY IF THE STATE PLAN REQUIRES ACTION DO WE HAVE TO TAKE ACTION ON THE OMAHA PLAN. OUR PLAN DOESN'T LOOK LIKE IT'S GOING TO NEED ACTION, COLLEAGUES, BECAUSE WE'RE GOING TO BE FULLY FUNDED IN 14 YEARS. THAT'S 17 YEARS, ROUGHLY, GIVE OR TAKE, AHEAD OF WHAT WE THOUGHT TWO YEARS AGO WHEN WE WENT THROUGH THE WHOLESALE EDUCATION PENSION REFORM PLAN. COLLEAGUES, THIS IS A REASONABLE COMPROMISE THAT WAS NEGOTIATED. AND OBVIOUSLY, IF WE ADOPT FA66, I CAN'T IMAGINE WE'RE GOING TO MOVE FORWARD WITH THIS BILL... [LB448]

SENATOR SCHEER: ONE MINUTE. [LB448]

SENATOR MELLO: ...BECAUSE WE WOULD SOMEHOW BE...WE WOULD BE TELLING OMAHA TAXPAYERS, WE'RE GOING TO TAKE AWAY FROM YOU THE MANAGEMENT OF YOUR INVESTMENTS, OF YOUR PENSION PLAN, AND WHATEVER WE DECIDE TO DO WITH IT DOESN'T MATTER, YOU'RE GOING TO HAVE TO DEAL WITH WHATEVER OBLIGATIONS COME FROM OUR DECISIONS. COLLEAGUES, THAT'S NOT GOOD POLICY AND, ARGUABLY, THEY'RE BETTER OFF JUST US NOT PASSING THIS BILL IF WE ADOPT FA66. I CAN APPRECIATE SENATOR McCOY HAS LONGSTANDING HAD THIS PHILOSOPHICAL OPPOSITION TO DEFINED BENEFIT PLANS. THAT'S AN UNDERSTANDING WE'VE COME TO A NUMBER OF YEARS AGO. BUT THAT'S NOT WHAT I THINK THIS GENERAL BILL IS TRYING TO DO. AND MY CONCERN IS FA66, ESSENTIALLY, GUTS THE COMPROMISE THAT WAS NEGOTIATED. WHILE I UNDERSTAND MY FRIEND SENATOR KOLTERMAN'S CONCERNS, IF WE ADOPT THIS AMENDMENT, IT'S BEST JUST TO LET THIS BILL

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DIE AND LOOK TO SOME FUTURE LEGISLATURE TO TRY TO ADDRESS SOME OF THE REFORMS THAT WILL BE NEEDED. THANK YOU, MR. PRESIDENT. [LB448]

SENATOR SCHEER: THANK YOU, SENATOR MELLO. SENATOR NORDQUIST, YOU'RE RECOGNIZED. [LB448]

SENATOR NORDQUIST: THANK YOU, MR. PRESIDENT AND MEMBERS. I, TOO, RISE IN OPPOSITION TO FA66. YOU KNOW, THE FACT OF THE MATTER IS THIS VERY MUCH WAS A NEGOTIATION BETWEEN THE DISTRICT, THE...MY OFFICE LEADING THE NEGOTIATIONS, BECAUSE THIS ESSENTIALLY WAS, YOU KNOW, MY PROPOSAL PUT FORWARD, BUT BETWEEN THE DISTRICT AND THE SCHOOL EMPLOYEES, AS WELL AS BRINGING OTHER PARTIES IN FOR THEIR EXPERTISE. AND, YOU KNOW, WITHOUT THE COMPONENT THAT FA66 IS STRIKING, IT ISN'T AN AGREEMENT THAT I CAN STAND BEHIND. AND IF THIS FLOOR AMENDMENT IS ADOPTED, I'LL ASK THE SPEAKER TO MOVE PAST THE BILL. BUT BACK TO OUR DISCUSSION WITH SENATOR McCOY, YOU KNOW, SO YOUNG WORKERS, IF THEY DECIDE TO LEAVE THE TEACHING PROFESSION OR LEAVE THE DISTRICT, THEY CAN WALK AWAY WITH 9.78 PERCENT OF THEIR PAY THAT'S BEEN...THEY'VE BEEN PUTTING INTO THE PLAN. THE ISSUE IS, ULTIMATELY,...AND SENATOR McCOY KIND OF BROUGHT UP THE...WHETHER YOUNG WORKERS SHOULD BE SUBSIDIZING A...SHOULD BE SUBSIDIZING THE LIABILITY OF PREVIOUS BENEFITS. AND THE FACT OF THE MATTER IS, THAT'S KIND OF THE WAY DEFINED BENEFITS...THEY'RE INTERGENERATIONAL. THEY...FUNDING DOES FLOW THAT WAY. IT ISN'T, YOU KNOW, YOU GET WHAT YOU PAID IN, IT'S AN INVESTMENT OVER THE LONG RUN. EVERYONE--EVERYONE--WILL PULL OUT MORE THAN THEY PUT IN OVER THE LONG RUN. MOST DEFINED BENEFIT PLANS, ABOUT 60 PERCENT OF THE BENEFITS THAT ARE PAID OUT, 60-65 PERCENT OF THE BENEFITS THAT ARE PAID OUT COME FROM THE INVESTMENT RETURN, NOT FROM THE INITIAL CONTRIBUTIONS THAT GO IN. BUT THE QUESTION THAT COMES UP THEN IS, IF NOT HAVING HIGHER CONTRIBUTION RATES FOR EVERYBODY AND TRYING TO REDUCE THAT UNFUNDED LIABILITY THAT'S ACCRUED, THEN WHERE DOES THAT COME FROM? AND THE ONLY OTHER QUESTION IS THE GENERAL...THE ONLY OTHER ANSWER IS THE GENERAL FUND. THE STATE WOULD HAVE TO COME UP WITH \$1.8 (BILLION), WHERE WE'RE AT RIGHT NOW, \$1.8 BILLION ESSENTIALLY TO PAY OUT EVERYONE IN THE SYSTEM. NOW THAT ISN'T GOING TO BE AN INVOICE THAT COMES IN TODAY, BUT IT CERTAINLY IS A COST THAT WOULD HAVE TO BE PAID IF YOU DON'T HAVE THOSE YOUNGER WORKERS SUBSIDIZING AND HELPING CONTRIBUTE MORE. EVERYONE ALONG THE COURSE OF THE PLAN IS PAYING MORE. AND, YES, THERE WERE BENEFIT ENHANCEMENTS GIVEN IN THE LATE '90s AND EARLY 2000s

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BECAUSE THE MARKETS WERE STRONG AND PEOPLE THOUGHT THOSE MARKETS WERE GOING TO LAST FOREVER. THAT CERTAINLY ISN'T THE WAY THINGS ARE WORKING ANYMORE. WE HAVE TRIED TO PULL BACK ON THOSE. WE HAVE PULLED BACK ON THOSE AND WE'LL CONTINUE TO MONITOR THESE PLANS. SO THOSE ARE MY THOUGHTS. AND THE LAST QUESTION SENATOR McCOY HAD...WOULD SENATOR McCOY YIELD TO A QUESTION? [LB448]

SENATOR SCHEER: SENATOR McCOY, WILL YOU YIELD, PLEASE? [LB448]

SENATOR McCOY: YES. [LB448]

SENATOR NORDQUIST: SENATOR McCOY, IF YOU HAVE ANY ADDITIONAL QUESTIONS, I'D BE HAPPY TO... [LB448]

SENATOR McCOY: WELL, I DO. AGAIN, WE'RE ON YOUR TIME THOUGH. [LB448]

SENATOR NORDQUIST: IT'S ALL RIGHT. [LB448]

SENATOR McCOY: BUT I WILL ASK YOU A QUESTION IF THAT'S FINE. AND I'LL GIVE A SLIGHT RESPONSE TO WHAT SENATOR MELLO SAID EARLIER. AND, YEAH, I DO HAVE A PHILOSOPHICAL OPPOSITION, LONG RANGE, TO DEFINED BENEFIT PLANS BECAUSE I SEE THEM AS ADVERSE TO A FUTURISTIC WAY OF LOOKING AT HOW TO MANAGE RETIREMENT SYSTEMS FOR GOVERNMENTAL ENTITIES. AND I JUST THINK WE SHOULD THINK MORE OUT OF THE BOX. THERE ARE WAYS TO USE HYBRID SYSTEMS, WHETHER THEY BE CASH BALANCE OR OTHERS. OTHER STATES DO IT AND DO IT EFFECTIVELY. AND I JUST HAVE REAL QUESTIONS ABOUT WHETHER OR NOT THIS IS THE DIRECTION TO GO... [LB448]

SENATOR SCHEER: ONE MINUTE. [LB448]

SENATOR McCOY: ...AND ESPECIALLY IN LIGHT OF THE FACT THAT, IF GIVEN THE OPPORTUNITY TO DO SOMETHING DIFFERENT, I'M NOT SURE WHY WE WOULDN'T EXPLORE WITH MORE ZEST AND MORE ZEAL A DIFFERENT ALTERNATIVE. WE JUST HAVEN'T SEEN A DIFFERENT ALTERNATIVE BROUGHT TO THE TABLE THAT I'M AWARE OF SINCE SENATOR NELSON PROPOSED AND STUDIED THIS WITH AN INTERIM STUDY. HAS THAT HAPPENED, SENATOR NORDQUIST? DID I MISS SOMETHING? PERHAPS I HAVE. [LB448]

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SENATOR NORDQUIST: NO, THAT...YOU'RE RIGHT, SENATOR McCOY. NO ONE IN THIS BODY HAS INTRODUCED A BILL. ANYONE WHO INTRODUCES A BILL, AS LONG AS I'M CHAIR OF THE RETIREMENT COMMITTEE, I PROMISE TO GIVE IT A PUBLIC HEARING. SO ANYONE IN THIS BODY IS ABLE TO INTRODUCE ANY PROPOSAL THEY'D LIKE ON THAT MATTER. [LB448]

SENATOR McCOY: THANK YOU, SENATOR. [LB448]

SENATOR SCHEER: THANK YOU, SENATORS McCOY AND NORDQUIST. SEEING NO ONE IN THE QUEUE, SENATOR KOLTERMAN, YOU'RE RECOGNIZED TO CLOSE ON YOUR AMENDMENT TO THE COMMITTEE AMENDMENTS. [LB448]

SENATOR KOLTERMAN: THANK YOU, MR. PRESIDENT. FROM THE GET-GO, MY CONCERN HAS BEEN ABOUT THE STATE'S LIABILITY TO THIS BILL. IF, IN FACT, WE DO SUCH A GOOD JOB, AND YOU'VE HEARD THE INTRODUCER SAY THAT IT'S VERY REMOTELY POSSIBLE THAT WE'D EVER HAVE TO HAVE AN ARC GOING FORWARD, IF THAT INDEED IS THE CASE, THIS AMENDMENT SHOULD ADDRESS THAT. AND IF IT'S THAT REMOTE THAT AN ARC WOULD TAKE PLACE IN THE FUTURE BECAUSE WE'RE DOING SUCH A GOOD JOB, THEN OMAHA PUBLIC SCHOOLS SHOULDN'T BE AFRAID OF...THEY'RE ALREADY ACCEPTING THE LIABILITY TO TAKE IT FROM 72 PERCENT FUNDED TO 100 PERCENT, SO I THINK THAT IT'S ONLY FAIR THAT THEY CONTINUE TO TAKE ON THE LIABILITY GOING FORWARD. EVERYTHING ELSE STAYS IN PLACE. I'D APPRECIATE A GREEN VOTE ON FA66 TO AM1555. THANK YOU. [LB448]

SENATOR SCHEER: THANK YOU, SENATOR KOLTERMAN. THE QUESTION IS, SHALL THE AMENDMENT TO THE COMMITTEE AMENDMENTS TO LB448 BE ADOPTED? ALL THOSE IN FAVOR VOTE AYE; ALL THOSE OPPOSED VOTE NAY. SENATOR KOLTERMAN, FOR WHAT DO YOU RISE? [LB448]

SENATOR KOLTERMAN: CALL OF THE HOUSE. [LB448]

SENATOR SCHEER: THERE HAS BEEN A REQUEST FOR A CALL OF THE HOUSE. THE QUESTION IS, SHALL THE HOUSE GO UNDER CALL? ALL THOSE IN FAVOR VOTE AYE; ALL THOSE OPPOSED VOTE NAY. HAVE ALL THOSE VOTED THAT WISH? RECORD, MR. CLERK. [LB448]

CLERK: 26 AYES, 0 NAYS TO PLACE THE HOUSE UNDER CALL. [LB448]

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SENATOR SCHEER: THE HOUSE IS UNDER CALL. SENATORS, PLEASE RECORD YOUR PRESENCE. THOSE UNEXCUSED SENATORS OUTSIDE THE CHAMBER PLEASE RETURN (MICROPHONE MALFUNCTION)...ALL AUTHORIZED PERSONNEL PLEASE LEAVE THE FLOOR. THE HOUSE IS UNDER CALL. SENATORS BRASCH, LARSON, KINTNER, COASH, BURKE HARR, KUEHN, PANSING BROOKS, MORFELD, PLEASE REPORT TO THE FLOOR. SENATOR PANSING BROOKS, COASH, LARSON, AND MORFELD, PLEASE REPORT TO THE FLOOR, THE HOUSE IS UNDER CALL. SENATOR PANSING BROOKS, COASH, AND LARSON, PLEASE REPORT TO THE FLOOR, THE HOUSE IS UNDER CALL. ALL ARE ACCOUNTED FOR, SENATOR KOLTERMAN. HOW WOULD YOU LIKE TO PROCEED? [LB448]

SENATOR KOLTERMAN: RECORD VOTE (MICROPHONE MALFUNCTION). [LB448]

SENATOR SCHEER: OKAY. THE QUESTION IS, SHALL THE AMENDMENT TO THE COMMITTEE AMENDMENTS TO LB448 BE ADOPTED? ALL THOSE IN FAVOR VOTE AYE. ALL THOSE OPPOSED VOTE NAY. HAVE ALL THOSE VOTED THAT WISH? RECORD, MR. CLERK. I'M SORRY, SENATOR... [LB448]

SENATOR MURANTE: I'D LIKE TO REQUEST A ROLL CALL VOTE... [LB448]

SENATOR SCHEER: ROLL CALL VOTE... [LB448]

SENATOR MURANTE: ...IN REVERSE ORDER. [LB448]

SENATOR SCHEER: ...IN REVERSE ORDER. MR. CLERK. [LB448]

CLERK: DID YOU SAY REVERSE, SENATOR? [LB448]

SENATOR MURANTE: YES. [LB448]

CLERK: THANK YOU. (ROLL CALL VOTE TAKEN, LEGISLATIVE JOURNAL PAGE 1681.) 21 AYES, 17 NAYS, MR. PRESIDENT, ON THE AMENDMENT. [LB448]

SENATOR SCHEER: AMENDMENT IS NOT ADOPTED. I RAISE THE CALL, RETURN TO AM1555. SEEING NO ONE IN THE QUEUE, SENATOR NORDQUIST, YOU'RE WELCOME TO CLOSE. [LB448]

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SENATOR NORDQUIST: THANK YOU, MR. PRESIDENT AND MEMBERS. AM1555 REPLACES THE BILL. THE KEY COMPONENTS OF IT, GETTING BACK TO THE BASICS HERE: WE'VE REDUCED BENEFITS FOR NEW HIRES STARTING JULY 1, 2015. FIRST OF THAT, WE ELIMINATE THE STATE SERVICE ANNUITY WHICH THE STATE PAYS FOR THE OMAHA PLAN. SO THE ONLY WAY WE CAN GET RID OF THAT IS BY PASSING A BILL TO GET RID OF IT, AND WE WILL SAVE THE STATE MONEY ON THAT COMPONENT. WE ELIMINATE THE MEDICAL COLA, WHICH IS AN ADDITIONAL COST-OF-LIVING ADJUSTMENT. WE MAKE THE NORMAL RETIREMENT AGE 65, RATHER THAN 62, FOR OMAHA SCHOOL EMPLOYEES. AND WE SET THE NORMAL RETIREMENT AGE AT 65 WITH SIX MONTHS OF SERVICE, WHICH WOULD BE THE SAME AS THE STATE. WE MAKE CHANGES TO THE GOVERNANCE WHERE THE OSERS BOARD WILL NOW MANAGE THE BENEFIT ADMINISTRATION BUT NOT THE INVESTMENT CHANGES. THE INVESTMENT COUNCIL WILL ASSUME INVESTMENT AUTHORITY STARTING JANUARY 1, 2016. AND AS I SAID, THE OSERS STAFF WILL CONTINUE TO DO THE BENEFIT CALCULATION. AND THEN THE KEY FUNDING PROVISION THAT WE'VE SPENT A LOT OF TIME TALKING ABOUT THAT WHEN THE SCHOOL PLAN NEEDS FUNDING, THEN...AND THE OMAHA PLAN NEEDS FUNDING, IF THE STATE INJECTS CASH INTO THE SCHOOL PLAN, THEN OMAHA WOULD GET A PROPORTIONATE AMOUNT. IF THAT DOES NOT HAPPEN, IF THE CHANGES ARE MADE BY REDUCING BENEFITS OR CHANGING CONTRIBUTION RATES ON EMPLOYEES OR EMPLOYERS, THEN SIMILAR CHANGES WOULD BE MADE TO THE OMAHA PLAN. THANK YOU, MR. PRESIDENT. [LB448]

SENATOR SCHEER: THANK YOU, SENATOR NORDQUIST. THE QUESTION IS, SHALL THE COMMITTEE AMENDMENTS TO LB448 BE ADOPTED? ALL THOSE IN FAVOR VOTE AYE; ALL THOSE OPPOSED VOTE NAY. HAVE ALL THOSE VOTED THAT WISH TO? SENATOR NORDQUIST,... [LB448]

SENATOR NORDQUIST: COULD I GET A...COULD I GET A... [LB448]

SENATOR SCHEER: ...FOR WHAT PURPOSE DO YOU RISE? [LB448]

SENATOR NORDQUIST: NO PURPOSE. THANK YOU. [LB448]

SENATOR SCHEER: (LAUGHTER) WELL, THANK YOU FOR RISING. MR. CLERK. [LB448]

CLERK: 25 AYES, 17 NAYS ON ADOPTION OF COMMITTEE AMENDMENTS. [LB448]

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SENATOR SCHEER: THE COMMITTEE AMENDMENTS ARE ADOPTED. SEEING NO ONE IN THE QUEUE, SENATOR NORDQUIST, YOU ARE...OH. SENATOR WAIVES CLOSING ON LB448. ALL THOSE IN FAVOR VOTE AYE; ALL THOSE OPPOSED VOTE NAY. SENATOR NORDQUIST, FOR WHAT DO YOU RISE? [LB448]

SENATOR NORDQUIST: YEAH. MY PURPOSE THIS TIME IS TO REQUEST A CALL OF THE HOUSE AND A ROLL CALL VOTE IN REGULAR ORDER. [LB448]

SENATOR SCHEER: THERE HAS BEEN A REQUEST TO PLACE THE HOUSE UNDER CALL. THE QUESTION IS, SHALL THE HOUSE GO UNDER CALL? ALL THOSE IN FAVOR VOTE AYE; ALL OPPOSED VOTE NAY. HAVE ALL THOSE VOTED THAT WISH? RECORD, MR. CLERK. [LB448]

CLERK: 44 AYES, 0 NAYS TO PLACE THE HOUSE UNDER CALL. [LB448]

SENATOR SCHEER: THE HOUSE IS UNDER CALL. SENATORS, PLEASE RECORD YOUR PRESENCE. THOSE UNEXCUSED SENATORS OUTSIDE THE CHAMBER PLEASE RETURN TO THE CHAMBER AND RECORD YOUR PRESENCE. ALL UNAUTHORIZED PERSONNEL PLEASE LEAVE THE FLOOR. THE HOUSE IS UNDER CALL. SENATOR COASH, SENATOR CHAMBERS, PLEASE RETURN TO THE FLOOR. THE HOUSE IS UNDER CALL. SENATOR COASH, PLEASE RETURN TO THE FLOOR. THE HOUSE IS UNDER CALL. MR. CLERK, WOULD YOU PROCEED. [LB448]

CLERK: (ROLL CALL VOTE TAKEN, LEGISLATIVE JOURNAL PAGE 1682.) 25 AYES, 19 NAYS ON THE ADVANCEMENT, MR. PRESIDENT. [LB448]

SENATOR SCHEER: THE BILL ADVANCES. MR. CLERK. I RAISE THE CALL. [LB448]

CLERK: MR. PRESIDENT, A BILL, LB448A BY SENATOR NORDQUIST. (READ TITLE.) [LB448A]

SENATOR SCHEER: SENATOR NORDQUIST, YOU'RE...RISE TO OPEN. [LB448A]

SENATOR NORDQUIST: THANK YOU, MR. PRESIDENT AND MEMBERS. THE A BILL GIVES CASH FUND AUTHORITY TO THE INVESTMENT COUNCIL SO, AS THEY BEGIN TO MAKE APPROPRIATIONS TO ADMINISTER THE INVESTMENTS FOR THE OMAHA SCHOOL EMPLOYEES' RETIREMENT SYSTEM, THEY CAN CHARGE THAT SYSTEM FUNDS. BUT THE MONEY WILL COME OUT OF THE OMAHA SCHOOL

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EMPLOYEES' RETIREMENT SYSTEM. BUT THIS IS CASH FUND AUTHORITY FOR THE INVESTMENT COUNCIL. THANK YOU. [LB448A]

SENATOR SCHEER: THANK YOU, SENATOR NORDQUIST. SEEING NO ONE IN THE QUEUE, SENATOR NORDQUIST YOU'RE...WAIVES CLOSING. THE QUESTION BEFORE US IS ADVANCEMENT OF LB448A TO E&R INITIAL. ALL THOSE IN FAVOR VOTE AYE; ALL THOSE OPPOSED VOTE NAY. RECORD, MR. CLERK. [LB448A]

CLERK: 25 AYES, 10 NAYS, MR. PRESIDENT, ON THE ADVANCEMENT OF LB448A. [LB448A]

SENATOR SCHEER: THE BILL ADVANCES. MR. CLERK. [LB448A]

CLERK: MR. PRESIDENT, SOME ITEMS, IF I MAY. RESOLUTIONS: SENATOR SCHUMACHER, LR340; SENATOR McCOY, LR341, LR342, LR343. AN AMENDMENT TO BE PRINTED, SENATOR MELLO TO LB605A. (LEGISLATIVE JOURNAL PAGES 1682-1688.) [LR340 LR341 LR342 LR343 LB605A]

MR. PRESIDENT, SELECT FILE, SENATOR LARSON'S LB330. THE E&R AMENDMENTS HAVE BEEN CONSIDERED AND WERE ADOPTED ON MAY 6. WHEN THE LEGISLATURE LEFT THE ISSUE, SENATOR LARSON HAD PENDING AM1479 AS AN AMENDMENT TO THAT AMENDMENT. AND SENATOR KOLTERMAN HAD PENDING AM1558. SENATOR KOLTERMAN, I UNDERSTAND YOU WANT TO WITHDRAW AM1558. SENATOR KOLTERMAN, IS THAT RIGHT? JUST A MINUTE. (LEGISLATIVE JOURNAL PAGE 1446.) [LB330]

SENATOR SCHEER: ANY OBJECTIONS? HEARING NONE, IT IS WITHDRAWN. [LB330]

CLERK: SENATOR KOLTERMAN, I NOW HAVE AM1614 AS AN AMENDMENT TO SENATOR LARSON'S AMENDMENT. (LEGISLATIVE JOURNAL PAGE 1541.) [LB330]

SENATOR KOLTERMAN: CORRECT. [LB330]

SENATOR SCHEER: SENATOR KOLTERMAN, BEFORE I HAVE YOU OPEN, I'D LIKE TO HAVE SENATOR LARSON REFRESH US ON HIS AMENDMENT. SENATOR LARSON, YOU'RE RECOGNIZED. [LB330]

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SENATOR LARSON: THANK YOU, MR. PRESIDENT. AM1479 IS WHAT WE CONSIDER A CLEANUP AMENDMENT AFTER WHAT HAPPENED ON GENERAL FILE. WE CHANGED THE OPERATIVE DATE FOR THE ACTUAL CHANGING OF CIDER FROM A WINE TO A BEER. THAT WAY, IT GIVES THE DISTRIBUTORS A LITTLE BIT OF LEAD TIME, SINCE THE BILL DOES HAVE THE EMERGENCY CLAUSE ON IT, SO THEY HAVE A LITTLE BIT OF LEAD TIME TO GET READY AND PREPARE FOR IT. IT ALSO ADDS THE SEVERABILITY CLAUSE, SINCE WE ARE DOING A LOT WITH THE LIQUOR STATUTES IN LB330. THAT WAY, IF ANY ONE PORTION OF IT WAS DEEMED UNCONSTITUTIONAL, THE REST OF THE BILL WOULD SURVIVE INTACT. AND ALSO, WE CHANGE, ON PAGE 2, LINE 13, WE CHANGE "POSSESS" TO..."POSSESSION WITH THE INTENT TO SELL." AND I UNDERSTAND SENATOR KOLTERMAN JUST WANTS TO CHANGE IT TO THE POSSESSION PART. BUT THE CONCEPT WAS WITH THE POSSESSION WITH THE INTENT TO SELL IS BETTER, ESPECIALLY WITH THE TOURISM AND PEOPLE BRINGING THIS, POSSIBLY BRINGING THIS INTO THE STATE, THAT MIGHT NOT KNOW THAT THE STATE OF NEBRASKA HAS MADE IT ILLEGAL AND WE ARE GOING TO CHARGE THEM UNDER SENATOR KOLTERMAN'S NEW AMENDMENT UP TO...ESSENTIALLY TREAT IT THE SAME AS MARIJUANA. I THINK THAT'S A \$300 FINE ON THE FIRST OFFENSE. AND LIKE I SAID, THIS IS A LEGAL PRODUCT BOTH ON THE FEDERAL LEVEL AND OTHER STATES. THE DIFFERENCE BETWEEN THIS AND MARIJUANA IS THE SIMPLE FACT THAT IT IS...MARIJUANA IS OUTLAWED BY THE FEDERAL GOVERNMENT. SO I'M NOT QUITE SURE WHY WE EVEN WANT TO...IN SENATOR KOLTERMAN'S ORIGINAL AMENDMENT, WE WERE PENALIZING IT TO THE POINT WHERE WE'D PENALIZE COCAINE AND HEROIN. MIND YOU, THIS IS POWDERED ALCOHOL. NOW HIS NEW AMENDMENT MOVES IT DOWN TO WHERE WE'D PENALIZE MARIJUANA, WHICH I WOULD STILL SAY, AS I SAID, FOR A LEGAL PRODUCT ON THE FEDERAL LEVEL AND LEGAL IN MANY OTHER STATES, IT'S CONCERNING THAT WE'RE GOING TO PENALIZE PEOPLE THAT MUCH FOR THIS. SO AM1479 JUST CHANGES IT TO "POSSESS WITH THE INTENT TO SELL." THANK YOU. [LB330]

SENATOR SCHEER: THANK YOU, SENATOR LARSON. SENATOR KOLTERMAN, YOU'RE RECOGNIZED TO OPEN ON YOUR AMENDMENT. [LB330]

SENATOR KOLTERMAN: THANK YOU, MR. PRESIDENT. COLLEAGUES, LAST TIME WE TALKED ABOUT THIS, I TOOK NOTE OF THE FACT THAT YOU WERE CONCERNED ABOUT THE PENALTIES THAT WERE THERE. SO I WORKED WITH FOUR OTHER SENATORS, ACTUALLY FIVE OTHER SENATORS, TO GET THE WORDING CORRECT. AND I'D REALLY LIKE TO THANK SENATOR PATTY PANSING BROOKS, SENATOR CHAMBERS, SENATOR MORFELD, SENATOR HANSEN, AND SENATOR COASH WHO ALL HELPED ME WORK ON THIS AMENDMENT. AND I

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KNOW THAT SOME OF THEM MIGHT NOT EVEN VOTE FOR IT, BUT THAT'S WHAT I REALLY APPRECIATE ABOUT THE CONGENIALITY AND WILLING TO SUPPORT EACH OTHER. SO WHAT AM1614 TO AM1479 DOES: SENATOR LARSON'S AM1479 ONLY APPLIES TO DISTRIBUTORS AND ONLY PENALIZES THEM IF THEY POSSESS POWDERED ALCOHOL WITH THE INTENT TO SELL BUT DOES NOT ADDRESS POSSESSION OF AN EVERYDAY CITIZEN. MY AMENDMENT, AM1614, CHANGES THE FINE FOR A CITIZEN POSSESSING POWDERED ALCOHOL TO THE FOLLOWING. FIRST OFFENSE IS AN INFRACTION. IF THEY'RE FOUND GUILTY OF AN INFRACTION, THEY RECEIVE A CITATION AND CAN BE FINED UP TO \$300. THE SECOND OFFENSE, THEY'RE GUILTY OF A CLASS IV MISDEMEANOR. THEY RECEIVE A CITATION, FINED \$400, AND MAY BE IN PRISON NOT TO EXCEED FIVE DAYS. AND THIRD OFFENSE, THEY WOULD BE GUILTY OF A CLASS IIIA MISDEMEANOR, RECEIVE A CITATION, BE FINED \$500, AND BE IMPRISONED NOT TO EXCEED SEVEN DAYS. THIS LANGUAGE MIRRORS THE SAME PENALTY FOR A PERSON BEING IN POSSESSION OF ONE OUNCE OR LESS OF MARIJUANA, WHICH IS ANOTHER SUBSTANCE THAT'S ILLEGAL IN NEBRASKA BUT LEGAL IN OTHER STATES. I WOULD ASK FOR YOUR SUPPORT OF AM1614. IT CLEANS UP EVERYTHING WE INTENDED TO DO WITH THE ORIGINAL AMENDMENT AND IT WORKS HAND IN HAND WITH SENATOR LARSON'S AMENDMENT. THANK YOU. [LB330]

SENATOR SCHEER: THANK YOU, SENATOR KOLTERMAN. SENATOR HADLEY FOR AN ANNOUNCEMENT. [LB330]

SPEAKER HADLEY: THANK YOU, MR. PRESIDENT. MEMBERS OF THE BODY, I JUST WANT TO GIVE YOU A HEADS UP ON WHAT WE'RE GOING TO TRY TO DO THE REST OF THE WEEK SO YOU CAN HAVE YOUR...PLAN YOUR SCHEDULES. I MAY HAVE TO DEVIATE DEPENDING ON HOW THINGS GO AND THE SPEED AT WHICH THEY GO AND WHICH ORDER. TOMORROW WE HAVE A BILLS THAT NEED TO CATCH UP WITH THEIR SUBSTANTIVE BILLS. WE'LL HAVE FINAL READING BILLS WITH MOTIONS TO RETURN TO SELECT FILE FOR A SPECIFIC AMENDMENT WITH THE CONCURRENCE OF THE PRINCIPLE INTRODUCER. AND THEN WE WILL CONTINUE WITH SELECT AND GENERAL FILE WHERE WE LEAVE OFF TODAY. WEDNESDAY, WE'LL HAVE FINAL READING OF ALL THE CONSENT CALENDAR BILLS. I THINK THAT'S ABOUT 40 BILLS WE'LL HAVE FINAL READING. WE'LL HAVE FINAL READING OF LB268. THE REPEAL OF THE DEATH PENALTY WILL BE WEDNESDAY MORNING, GENERAL FILE OF PRIORITY BILLS. AND WEDNESDAY IS ALSO THE DEADLINE FOR THE GOVERNOR TO RETURN THE BUDGET BILLS WITH HIS SIGNATURE AND ANY LINE-ITEM VETOES WILL COME BACK WEDNESDAY. THURSDAY, WE WILL TAKE UP THE OVERRIDES OF ANY BUDGET BILL VETOES.

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AND FINAL READING OF ALL BILLS WITH FISCAL IMPACTS WILL BE ON THURSDAY. BOTH TONIGHT AND TOMORROW NIGHT ARE LATE NIGHTS WITH A MEAL PROVIDED FOR SENATORS. TONIGHT'S ADJOURNMENT TIME WILL BE DEPENDENT ON THE PROGRESS ON THE AGENDA WE MAKE TODAY. MY HOPE IS THAT WE DON'T, YOU KNOW, HAVE TO STAY TERRIBLY LATE TONIGHT. BUT TOMORROW NIGHT, IT WILL BE THE LATER OF THE TWO NIGHTS. WE JUST DO HAVE SOME PROBLEMS WITH GETTING BILLS UP TO BILL DRAFTERS AND GETTING THEM BACK. AND THOSE OF YOU WHO HAVE BEEN HERE BEFORE, YOU KNOW WE SOMETIMES EVEN STAND AT EASE WAITING FOR THEM, BUT WE HAVE TO KEEP A QUORUM HERE. SO IF YOU HAVE ANY QUESTIONS ABOUT WHAT WE'RE GOING TO GO THROUGH FOR THE REST OF THE WEEK, PLEASE, DON'T HESITATE TO STOP BACK AND SEE ME. THANK YOU, MR. PRESIDENT.

SENATOR SCHEER: THANK YOU, SPEAKER HADLEY. THOSE IN THE QUEUE: SENATOR LARSON, COASH, HANSEN, AND MORFELD. SENATOR LARSON, YOU'RE RECOGNIZED. [LB330]

SENATOR LARSON: THANK YOU, MR. PRESIDENT. SENATOR KOLTERMAN IS RIGHT. MINE ONLY PUTS THE PENALTY ON DISTRIBUTORS. AS I SAID, THIS IS A LEGAL PRODUCT IN THE UNITED STATES AND A LEGAL PRODUCT IN MANY OTHER STATES. I DO NOT AGREE WITH THE CONCEPT OF PENALIZING INDIVIDUALS TO THAT EXTENT FOR HAVING A LEGAL PRODUCT. POSSESSION IS...POSSESSION OF POWDERED ALCOHOL SHOULD NOT BE THAT STRICT. AND FRANKLY, LB330, AND IT IS STILL WITH AM1479, YOU STILL WILL NOT BE ABLE TO SELL POWDERED ALCOHOL ANYWHERE IN THE STATE OF NEBRASKA. SO ESSENTIALLY, IT WILL HAVE TO BE BROUGHT IN FROM OTHER STATES, MEANING THAT MOST OF THE INDIVIDUALS THAT GET CAUGHT WITH THIS WILL BE OUTSIDE OF NEBRASKA OR BE FROM OUTSIDE OF NEBRASKA THAT DON'T KNOW THAT IT IS ILLEGAL. IT WILL NOT BE ABLE TO BE SOLD UNDER LB330 AS IT CURRENTLY IS. I DON'T UNDERSTAND WHY WE WANT TO CONTINUE TO CRIMINALIZE CERTAIN PRODUCTS WHEN, ON THE FLIP SIDE, WE'RE DEALING WITH PRISON AND CRIMINAL JUSTICE ISSUES. THIS ISN'T A DRUG. THIS IS A LEGAL PRODUCT RECOGNIZED BY OUR FEDERAL GOVERNMENT. IF WE ARE TRULY CONCERNED ABOUT OUR CRIMINAL JUSTICE SYSTEM AND OUR COURTS AND HOW THEY ARE OVERWORKED, WHY DO WE WANT TO CRIMINALIZE SOMETHING ELSE TO THIS EXTENT? I DON'T THINK SENATOR KOLTERMAN IS A LAWYER, SO I DON'T THINK HE NEEDS THE WORK. BUT IN THAT SENSE, HE IS GOING TO HELP A NUMBER OF OTHER PEOPLE. THIS IS NOT GOOD PUBLIC POLICY. NOW I DON'T WANT TO SPEND A TON OF TIME ON AM1614. I'D LIKE TO MOVE THROUGH THIS BILL. WE'VE BEEN HERE FOR THE THIRD TIME NOW AND

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HAVE GOT CAUGHT UP THROUGH LATE NIGHTS AND LUNCHESS AND EVERYTHING ELSE. SO HOPEFULLY, THIS DISCUSSION CAN GO FAST. LIKE I SAID, IT'S ALREADY GOING TO BE BANNED IN THE STATE OF NEBRASKA. IT WILL NOT BE SOLD. WHY DO WE WANT TO CRIMINALIZE IT EVEN MORE? WHY DO WE WANT TO PUNISH PEOPLE? WHY DO WE WANT TO CLOG OUR COURTS? IT DOESN'T MAKE SENSE. THANK YOU, MR. PRESIDENT. [LB330]

SENATOR SCHEER: THANK YOU, SENATOR LARSON. SENATOR COASH, YOU'RE RECOGNIZED. [LB330]

SENATOR COASH: THANK YOU, MR. PRESIDENT. COLLEAGUES, I LISTENED CAREFULLY TO THE FIRST ROUND OF DEBATE ON THIS ISSUE WHEN SENATOR KOLTERMAN BROUGHT HIS ORIGINAL AMENDMENT. I WAS PRETTY OUTSPOKEN ABOUT MY OPPOSITION TO THAT AMENDMENT. AND I AM, ALTHOUGH OPPOSED TO HIS AMENDMENT, HAPPIER TO SEE WHAT WE HAVE IN FRONT OF US, WHICH IS AT LEAST A REASONABLE APPROACH TO THIS ISSUE. I DON'T WANT TO REPEAT MUCH OF WHAT SENATOR LARSON HAS SAID, BUT I WANT TO MAKE SURE YOU UNDERSTAND WHAT YOU'RE VOTING FOR. WITH THE COMMITTEE AMENDMENT THAT WAS ALREADY ADOPTED, THIS BODY MADE A DECISION THAT POWDERED ALCOHOL WOULD NOT BE SOLD IN THIS STATE, SO THAT'S ALREADY PART OF THIS BILL. WHAT AM1614 DOES IS IT CRIMINALIZES NOW THE POSSESSION OF THE PRODUCT, WHICH MEANS IT CAN BE PURCHASED OUTSIDE OF THE STATE BUT, BROUGHT INTO THE STATE, IT BECOMES A CRIME. THIS IS PROBLEMATIC FOR ME. BUT IF WE'RE GOING TO CRIMINALIZE IT, I FELT IT SHOULD BE A...THE PENALTY OUGHT TO BE MORE COMMENSURATE WITH THE TYPE OF CRIME THAT WE'RE DOING. I WANT TO REMIND YOU, HOWEVER, THAT IF YOU'RE A MINOR, IF YOU'RE UNDER THE AGE OF 21 AND YOU'RE CAUGHT, IF THIS AMENDMENT WERE TO BECOME LAW, WITH POWDERED ALCOHOL, YOU WOULD NOT ONLY GET AN INFRACTION, BUT YOU WOULD GET CHARGED WITH MINOR IN POSSESSION OF ALCOHOL. SO NOTHING CHANGES WITH REGARD TO MINORS, WHETHER OR NOT WE ADOPT SENATOR KOLTERMAN'S AMENDMENT. IF AM1640 IS ADOPTED, A MINOR GETS AHOLD OF THIS, THEY STILL GET CHARGED WITH MINOR IN POSSESSION. IF AN ADULT GETS AHOLD OF THIS, WITHOUT THE AMENDMENT THEY DO NOT GET CHARGED WITH A CRIME. WITH SENATOR KOLTERMAN'S AMENDMENT, A MINOR IS GOING TO GET NICKED TWICE: ONCE FOR POSSESSION OF ALCOHOL AND ONCE FOR POSSESSING POWDERED ALCOHOL. AN ADULT WHO IS CAUGHT WITH POWDERED ALCOHOL, SHOULD SENATOR KOLTERMAN'S AMENDMENT BE ADOPTED, WILL BE CHARGED WITH POSSESSION OF SOMETHING HE OR SHE SHOULDN'T BE POSSESSING AND CHARGED WITH AN INFRACTION UNDER AM1614. SO AGAIN, WE ARE CRIMINALIZING WHAT CAN BE

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A LEGAL PRODUCT ELSEWHERE. I APPRECIATE SENATOR KOLTERMAN BRINGING THIS APPROACH. I WON'T SUPPORT THE AMENDMENT. HOWEVER, IF IT IS ADOPTED, I'LL STILL SUPPORT THE BILL. I WOULD ENCOURAGE YOU TO DO SO AS WELL. THANK YOU, MR. PRESIDENT. [LB330]

SENATOR SCHEER: THANK YOU, SENATOR COASH. SENATOR HANSEN, YOU'RE RECOGNIZED. [LB330]

SENATOR HANSEN: THANK YOU, MR. PRESIDENT. I WOULD YIELD MY TIME TO SENATOR MORFELD. [LB330]

SENATOR SCHEER: SENATOR MORFELD, YOU'RE YIELDED 4 MINUTES and 53 SECONDS. [LB330]

SENATOR MORFELD: THANK YOU, MR. PRESIDENT. THANK YOU, SENATOR HANSEN. I WANT TO, FIRST OFF, THANK SENATOR KOLTERMAN FOR BEING WILLING TO WORK WITH US AT LEAST TO MAKE THE PENALTIES A BIT MORE REASONABLE UNDER HIS CURRENT AMENDMENT. I'M STILL TRYING TO FIGURE OUT HOW I STAND ON THE ENTIRE BILL WITH MAKING POSSESSION OF POWDERED ALCOHOL ILLEGAL, AND FOR A FEW REASONS. FIRST, IN MY DISTRICT, WHICH ENCOMPASSES THE FLAGSHIP UNIVERSITY, WE HAVE STUDENTS FROM ALL 50 STATES, ALL DIFFERENT KINDS OF COUNTRIES, A VAST MAJORITY OF WHICH POWDERED ALCOHOL IS LEGAL RIGHT NOW. AND MANY OF THESE STUDENTS WILL BE COMING TO THE UNIVERSITY AND MANY OF THEM WILL BE OVER THE AGE OF 21, FROM DIFFERENT STATES, AND THEY WON'T BE AWARE THAT THIS TYPE OF SUBSTANCE IS ILLEGAL, BECAUSE IN A VAST MAJORITY OF THE STATES IT IS NOT ILLEGAL. NOW, IGNORANCE IS NO EXCUSE TO VIOLATING THE LAW. AND THAT'S ONE OF THE THINGS...FIRST THINGS YOU LEARN IN LAW SCHOOL. THAT BEING SAID, I HAVE SERIOUS CONCERNS, PARTICULARLY BEFORE THE AMENDMENT, BUT STILL EVEN A LITTLE BIT AFTER THE AMENDMENT. NOW, THERE'S A FEW THINGS I'M CLEARING UP WITH LEGAL COUNSEL FROM JUDICIARY HERE, BUT ONE OF MY CONCERNS IS THAT UNDER THE CURRENT BILL IT APPEARS AS THOUGH POSSESSION OF THIS ACTUALLY...OR VIOLATION...POSSESSION AND VIOLATION OF THE LIQUOR CONTROL ACT WOULD ACTUALLY BE A DEFAULT CLASS III MISDEMEANOR, WHICH I'LL DOUBLE CHECK AND CONFIRM THAT RIGHT AFTER, WHICH WOULD BE A MUCH HIGHER PENALTY THAN WHAT'S PROVIDED FOR UNDER SENATOR KOLTERMAN'S AMENDMENT, WHICH IS CURRENTLY ON THE BOARD HERE AND THAT WE'RE DISCUSSING. AND SO WHILE I'M GOING TO CLEAR THAT UP HERE IN THE NEXT

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FEW MINUTES AND...BECAUSE I BELIEVE I'M HEARING MIXED MESSAGES FROM SOME OF THE OTHER SENATORS THAT ARE SPEAKING ON THIS ISSUE RIGHT NOW, AND EXACTLY WHAT SENATOR KOLTERMAN'S AMENDMENT TO SENATOR LARSON'S AMENDMENT WOULD DO. THAT BEING SAID, I DO WANT PEOPLE TO PROCEED WITH CAUTION WITH CRIMINALIZING THE POSSESSION OF THIS. AND I KNOW THAT WE'VE ALREADY DETERMINED THAT ON GENERAL FILE, BUT THIS HAS REAL IMPACT, NOT ONLY ON OUR YOUTH, BUT THIS IS ALSO FOR ADULTS. AND I THINK WE NEED TO TAKE A STEP BACK FOR A FEW MOMENTS AND REALLY DECIDE WHETHER OR NOT WE WANT TO CRIMINALIZE THE POSSESSION OF THIS. NOW, I CAN SEE THE SALE OF IT. I CAN UNDERSTAND THAT. BUT WE HAVE TO UNDERSTAND THAT THE VAST MAJORITY OF STATES THIS IS LEGAL. AND PEOPLE WILL BE TRAVELING THROUGH NEBRASKA WITH ABSOLUTELY NO CLUE THAT POWDERED ALCOHOL, WHICH IS COMMON IN SOME STATES, IS ILLEGAL IN NEBRASKA. AND WITH THAT, THANK YOU, MR. PRESIDENT. [LB330]

SENATOR SCHEER: THANK YOU, SENATOR MORFELD. YOU ARE NEXT IN THE QUEUE. [LB330]

SENATOR MORFELD: AND I WOULD YIELD MY TIME TO SENATOR HANSEN. THANK YOU. [LB330]

SENATOR SCHEER: SENATOR HANSEN, YOU'RE YIELDED 4 MINUTES AND 53 SECONDS. [LB330]

SENATOR HANSEN: THANK YOU, MR. PRESIDENT, AND THANK YOU, SENATOR MORFELD. I WOULD LIKE TO TOO START OFF BY THANKING SENATOR KOLTERMAN FOR HIS COLLEGIALLY AND WORKING WITH THOSE WHO HAD CONCERNS ON THIS ISSUE. BOTH HE AND HIS OFFICE HAVE BEEN VERY, VERY HELPFUL AND OPEN TO...OPEN TO DIFFERENT PERSPECTIVES, AND I APPRECIATE THAT AND WANTED TO THANK HIM. I WANTED TO RISE, JUST AS ONE POINT, AS I KNOW WE'RE GOING TO TALK ABOUT POWDERED ALCOHOL FOR A LITTLE BIT, ONE OF THE INITIAL CONCERNS WAS PRESENTED TO ME, AS A MEMBER OF THE GENERAL AFFAIRS COMMITTEE, EARLY ON, WITH LB330, WAS THE ISSUE THAT THERE COULD BE...UNDER...AT LEAST ONE INTERPRETATION THAT POWDERED ALCOHOL CURRENTLY ISN'T COVERED OR REGULATED IN ANY WAY. SO IN THE SENSE OF IF, ULTIMATELY, HOWEVER WE DECIDE TO REGULATE OR PROHIBIT POWDERED ALCOHOL, HOWEVER WE DECIDE TO...WHAT PUNISHMENTS WE DECIDE FOR THE POSSESSION, USE, WHAT HAVE YOU, ALL THESE POLICY DECISIONS, IF THE UNDERLYING LB330, I BELIEVE THERE IS, CURRENTLY, THE

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ARGUMENT THAT POWDERED ALCOHOL ISN'T COVERED. I'M GOING TO READ A RELEVANT SECTION UNDER THE NEBRASKA LIQUOR CONTROL ACT, SECTION 53-103.01: ALCOHOL MEANS THE PRODUCT OF DISTILLATION OF ANY FERMENTED LIQUID, WHETHER RECTIFIED OR DILUTED, WHATEVER THE ORIGIN THEREOF, AND INCLUDES SYNTHETIC ETHYL ALCOHOL AND ALCOHOL PROCESSED OR SOLD IN GASEOUS FORM; ALCOHOL DOES NOT INCLUDE DENATURED ALCOHOL OR WOOD ALCOHOL. SO UNDER THIS DEFINITION OF ALCOHOL, IT SPECIFICALLY REFERENCES LIQUID OR GASEOUS FORM. IT DOES NOT INCLUDE A DEFINITION FOR SOLID. I BELIEVE THAT WAS THE DEFINITION WE HAD INCLUDED AS OUR ORIGINAL COMMITTEE AMENDMENTS COMING OUT OF THE GENERAL AFFAIRS COMMITTEE SUCH THAT WE WOULD THEN INCLUDE POWDERED ALCOHOL UNDER OUR DEFINITION OF ALCOHOL AND THEN ALLOW FOR THE REST OF THE PROVISIONS OF THE LIQUOR CONTROL ACT TO APPLY TO THAT. THAT BEING SAID, I DO SHARE SOME OF THE SAME CONCERNS...AND I'VE BEEN WORKING WITH SENATOR MORFELD AS WELL, TO HAVE A COMPLETE INTERPRETATION OF HOW, CURRENTLY, I GUESS, THE STACKED AMENDMENTS AND THE PRIOR AMENDMENTS TO THE BILL ACT. I DO SHARE SIMILAR CONCERNS OF...(GAVEL)...THANK YOU, MR. PRESIDENT, I DO SHARE SENATOR MORFELD'S CONCERNS AND WILL CONTINUE TO WORK ON THAT, INCLUDING THE CURRENT IDEA THAT WE HAVE IN THE AMENDMENTS ADOPTED IN GENERAL FILE AND ALREADY IS THAT POSSESSION AND USE IS ALREADY BANNED, BUT WITHOUT A SPECIFIC PUNISHMENT AND THE IDEA THAT THAT LEADS TO A AUTOMATIC PENALTY THROUGH THE NEBRASKA LIQUOR CONTROL ACT. SO WITH THAT I'LL JUST THANK SENATOR KOLTERMAN FOR CONTINUING TO WORK WITH US AGAIN. AND THANK YOU, MR. PRESIDENT. [LB330]

SENATOR SCHEER: THANK YOU, SENATOR HANSEN. SENATOR KOLTERMAN YOU'RE RECOGNIZED. [LB330]

SENATOR KOLTERMAN: THANK YOU, MR. PRESIDENT. SEE HOW CONGENIAL THEY ALL ARE? THEY'RE ALL GOING TO HELP ME, BUT THEY DON'T WANT TO VOTE FOR MY AMENDMENT. SERIOUSLY THOUGH, IT'S REALLY INTERESTING TO ME, AS WE HAVE STARTED THIS DISCUSSION OVER THE LAST 30 DAYS, WE STARTED OUT ABOUT 30 DAYS AGO WITH FIVE STATES THAT HAD BANNED THIS PRODUCT. LAST TIME WE VISITED, WE BROUGHT THIS UP, A WEEK AGO, IT WAS UP TO NINE. TODAY THERE ARE 14 STATES THAT HAVE BANNED THIS PRODUCT, ACCORDING TO THE NATIONAL CONFERENCE OF STATE LEGISLATURES IN THEIR MOST RECENT REPORT. AND SO THE THING THAT I WANT TO IMPRESS UPON YOU IS--I'VE NEVER CHANGED MY ATTITUDE ABOUT THIS PRODUCT. THIS PRODUCT IS NOT GOOD FOR CHILDREN. I DON'T LIKE THE IDEA OF EVEN HAVING IT IN OUR

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STATE. I'VE TALKED TO LIQUOR CONTROL COMMISSIONERS. THEY DON'T WANT TO HAVE TO DEAL WITH IT. I'VE TALKED TO THE DISTRIBUTORS. THEY DON'T WANT TO HAVE TO MARKET IT. AND SO MY CONCERN IS--IF WE BANNED...OR MY POSITION IS--IF WE BAN IT FROM POSSESSION AND POTENTIAL TO SELL, WE DON'T HAVE A PROBLEM WITH IT AT ALL. AND SO I WOULD ASK YOU TO CONTINUE TO VOTE GREEN, CONTINUE TO SUPPORT ME LIKE YOU HAVE IN THE PAST ON AM1614, VOTE GREEN, VOTE GREEN, AND VOTE GREEN TO ALL THE AMENDMENTS AND THE BILL. THANK YOU. [LB330]

SPEAKER HADLEY PRESIDING

SPEAKER HADLEY: SENATOR McCOY, YOU ARE RECOGNIZED. [LB330]

SENATOR McCOY: THANK YOU, MR. PRESIDENT AND MEMBERS. I DO RISE IN SUPPORT OF AM1614, SENATOR KOLTERMAN'S AMENDMENT. AND IT OCCURS TO ME, I REMEMBER A PROFESSOR AT COLLEGE QUOTED ARISTOTLE, AT LEAST I BELIEVE IT WAS ARISTOTLE, IF MY MEMORY SERVES ME CORRECT, THAT IGNORANCE OF THE LAWS IS AN EXCUSE FOR NO MAN. AND I REMEMBER THAT QUOTE BECAUSE IT STRIKES ME WHEN SENATOR LARSON SAID EARLIER, WELL, SOMEBODY COULD TRANSPORT ACROSS STATE LINES, COME FROM ANOTHER STATE AND NOT REALIZE. WELL, WE EXPECT THOSE WHO COME TO OUR STATE TO UNDERSTAND THE LAWS. WE CERTAINLY EXPECT THAT WHEN IT COMES TO...I'LL JUST USE AN EXAMPLE--CONCEALED CARRY OF FIREARMS. SOMEONE COULD BE TRAVELING ACROSS THE COUNTRY, BUT THAT'S THEIR DUTY AS ONE WHO WOULD CARRY A CONCEALED WEAPON UNDERSTAND THE LAWS IN NEBRASKA, THE SAME AS THEY WOULD UNDERSTAND THE LAWS IN IOWA OR COLORADO OR ANY OTHER STATE THAT THEY MAY TRAVEL IN. THAT IS YOUR RESPONSIBILITY AS A CITIZEN; THE SAME AS IT IS FOR THIS. I WILL JUST TELL YOU, AS A DAD WITH FOUR YOUNG KIDS, A PRODUCT LIKE THIS SCARES ME TO DEATH. I RECALL WHAT SENATOR PANSING BROOKS SAID, I THINK, ON GENERAL FILE ON THIS BILL WHEN SHE TALKED...IF I'M REMEMBERING THE STORY CORRECTLY, WHEN SHE TALKED ABOUT HER KIDS EXPRESSING...OR BEING DUBIOUS ABOUT JUST HOW SAFE THIS WOULD BE IN A PARTY TYPE OF AN ATMOSPHERE FOR YOUNG PEOPLE. I WOULD HAVE THOSE SAME CONCERNS--JUST WHAT LEVEL OF POTENCY COULD THIS BE MIXED AT? I THINK IT'S A PRODUCT THAT WE JUST WANT TO STEER CLEAR OF COMPLETELY IN NEBRASKA. I WASN'T AWARE OF THE INFORMATION THAT SENATOR KOLTERMAN BROUGHT TO THE FLOOR ABOUT HOW MANY STATES HAVE BANNED THIS JUST SINCE THIS DISCUSSION STARTED THIS SESSION. BUT THAT'S A PRETTY ASTOUNDING NUMBER, IF YOU THINK ABOUT IT, CONSIDERING ALREADY YOU HAVE WELL

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OVER HALF OF OUR, I BELIEVE, OF OUR STATE LEGISLATURES ACROSS THE COUNTRY HAVE ALREADY ADJOURNED FOR THE YEAR. SO THAT TELLS YOU THAT OTHER STATES ARE DISCOVERING THAT THIS IS A PRODUCT, MAYBE, THEY DON'T WANT TO HAVE BE SOLD IN THEIR STATES EITHER. WOULD SENATOR LARSON YIELD TO A QUESTION, PLEASE? [LB330]

SPEAKER HADLEY: SENATOR LARSON, WILL YOU YIELD? [LB330]

SENATOR LARSON: YES. [LB330]

SENATOR McCOY: THANK YOU, SENATOR. SENATOR LARSON, CAN YOU HELP REFRESH MY MEMORY FROM THE DISCUSSION ON GENERAL FILE AS TO WHEN YOU TALK ABOUT THIS BILL, AND I'M TALKING, BY GUESSING, IN GENERAL HERE, MORE THAN JUST SPECIFIC TO THIS AMENDMENT, THAT'S MORE ON THE PENALTY PHASE OF THINGS--ARE THERE ANY SORT OF...I TRIED TO GLANCE THROUGH AGAIN TO REFRESH MY MEMORY, ARE THERE ANY SORT OF LIMITATIONS ON THE POTENCY LEVELS, THE STRENGTHS, CAN THIS BE DISTILLED DOWN TO EVEN BE MORE POTENT OF A POWDERED FORM THAN OTHERS? WHAT GUIDELINES ARE THERE (INAUDIBLE)? [LB330]

SENATOR LARSON: LB330 OPERATES, ESSENTIALLY, JUST LIKE THE REST OF THE ALCOHOL WITH THE LIQUOR CONTROL COMMISSION. IT WOULD GIVE THEM, IN THEIR ORIGINAL BILL, ON GENERAL FILE NOW...WITH SENATOR KOLTERMAN'S AMENDMENT ON GENERAL FILE, WE'VE, ESSENTIALLY, BANNED THE SELLING OF POWDERED ALCOHOL. BUT AS ORIGINALLY INTRODUCED, IT WOULD HAVE GIVEN THE LIQUOR CONTROL COMMISSION THE ABILITY TO REGULATE ALL POWDERED ALCOHOL. IT'S KIND OF LIKE WE WOULD FLY AT 30,000 FEET, WE GAVE THEM THE ABILITY TO REGULATE IT, AND THEN THE LIQUOR CONTROL COMMISSION COULD HAVE REGULATED THE POTENCY, THE SHIPPING... YOU KNOW, THE SHIPPING PACKAGES, THE SELLING PACKAGES, AND ALL OF THAT, INSTEAD OF THE LEGISLATURE COMING IN, LIKE WE DO WITH CONTROLLED SUBSTANCES LIKE K2... [LB330]

SPEAKER HADLEY: ONE MINUTE. [LB330]

SENATOR LARSON: ...WHERE WE HAVE TO SAY X, Y, AND Z. WITH THIS, WE CAN JUST DELEGATE IT DOWN TO THE LIQUOR CONTROL COMMISSION AND THEY WOULD BE LIKE...THEY, ESSENTIALLY, AT THAT POINT CAN REGULATE WHAT WOULD AND WOULDN'T COME IN. AND THEY'VE DONE THAT WITH OTHER

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ALCOHOLS AND HAVE DONE AN AMAZING JOB. AND I THINK WE HAVE A GREAT LIQUOR CONTROL COMMISSION FOR THAT. [LB330]

SENATOR McCOY: I WOULD AGREE WITH THAT TO A POINT. TO ME THOUGH, SENATOR, IT WOULD SEEM THAT THIS IS, FOR ONE, IT'S MUCH EASIER TO TRANSPORT. AND I'M NOT SURE WHAT TYPE OF A SOLUTION, THERE'S PROBABLY A VARIETY OF LIQUIDS THAT THIS COULD BE DISSOLVED INTO, ARE GOING TO AFFECT THE POTENCY LEVEL. I JUST FEAR...I THINK OF ONE...SPORTING EVENTS, ANY TYPE OF A LARGE TYPE OF AN ATMOSPHERE THAT YOU'RE GOING TO... [LB330]

SENATOR LARSON: YEAH. [LB330]

SENATOR McCOY: ...HAVE A LOT OF FOLKS AT. THIS APPEARS TO ME TO BE SOMETHING THAT COULD... [LB330]

SPEAKER HADLEY: TIME, SENATOR. [LB330]

SENATOR McCOY: THANK YOU. [LB330]

SPEAKER HADLEY: THANK YOU, SENATOR McCOY AND SENATOR LARSON. SENATOR BLOOMFIELD, YOU'RE RECOGNIZED. [LB330]

SENATOR BLOOMFIELD: GOOD AFTERNOON, COLLEAGUES. THANK YOU, MR. PRESIDENT. I THOUGHT WE MADE IT FAIRLY PLAIN ON GENERAL FILE THAT WE REALLY DIDN'T WANT THIS STUFF IN THE STATE. BUT NOW WE'VE GONE TO DECIDING WHAT PENALTY SHOULD BE IF YOU HAVE SOME, BUT YOU'RE REALLY NOT GOING TO SELL IT. I WONDER IF SENATOR KOLTERMAN WOULD YIELD TO A QUESTION OR TWO. [LB330]

SPEAKER HADLEY: SENATOR KOLTERMAN WILL YOU YIELD? [LB330]

SENATOR KOLTERMAN: YES, I WILL. [LB330]

SENATOR BLOOMFIELD: THANK YOU, SENATOR. AT WHAT POINT...HOW MUCH OF THIS STUFF DO YOU GET CAUGHT WITH BEFORE THE LAW DECIDES YOU SHOULD PROBABLY PLAN TO SELL IT? IS IT A PACKAGE OR IS IT 50 POUNDS? OR...IS THERE

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A LEVEL SET TO WHAT AMOUNT YOU CAN HAVE BEFORE IT'S DETERMINED THAT YOU'RE MAYBE GOING TO SELL IT? [LB330]

SENATOR KOLTERMAN: WELL, ORIGINALLY IN THE ORIGINAL AMENDMENT THAT I HAD, IT BANNED YOU FROM SELLING IT, PERIOD. I DIDN'T SPECIFY AN AMOUNT. [LB330]

SENATOR BLOOMFIELD: OKAY. SO IF YOU GET CAUGHT WITH THIS IN THE STATE OF NEBRASKA, IF YOU HAVE LIKE A SUGAR PACKET FULL, I THINK IT WOULD BE EASY ENOUGH TO ASSUME THAT THAT WAS PROBABLY FOR YOUR OWN USE. BUT IF YOU HAD A 20-POUND BAG FULL OF IT, WOULDN'T IT SEEM LIKE MAYBE YOU WERE GOING TO SELL THAT? [LB330]

SENATOR KOLTERMAN: ABSOLUTELY. [LB330]

SENATOR BLOOMFIELD: COLLEAGUES, I THINK AS WE GO FORWARD ON THIS, THERE'S A LOT OF WORK NEEDS TO BE DONE HERE YET. THERE NEEDS TO BE LIMITS SET ON HOW MUCH YOU CAN HAVE BEFORE IT'S DETERMINED YOU WERE PROBABLY GOING TO SELL. WE HAVE THAT WITH MARIJUANA NOW. IF YOU HAVE AN OUNCE OR SO, AND I DON'T KNOW WHAT IT IS, THAT'S ASSUMED TO BE FOR YOUR OWN PERSONAL USE. BUT IF YOU CARRY A BALE OF IT AROUND THAT'S...THEY'RE PROBABLY FIGURING YOU'RE, MAYBE, GOING TO SELL A LITTLE OF IT. I THINK WE GOT A LOT OF WORK TO DO ON THIS YET. I THINK IT'S APPROPRIATE THAT WE GET SOME FINES IN PLACE. I THINK THEY OUGHT TO BE STIFFER THAN WHAT WE'RE LOOKING AT. WE DON'T NEED THIS GARBAGE IN THE STATE OF NEBRASKA, PERIOD. AND I WOULD YIELD SENATOR McCOY ANY TIME I HAVE REMAINING. [LB330]

SPEAKER HADLEY: SENATOR McCOY, 2 MINUTES AND 45 SECONDS. [LB330]

SENATOR McCOY: THANK YOU, MR. PRESIDENT. THANK YOU, SENATOR BLOOMFIELD. WOULD SENATOR LARSON YIELD AGAIN, PLEASE? [LB330]

SPEAKER HADLEY: SENATOR LARSON, WILL YOU YIELD? [LB330]

SENATOR LARSON: YES. [LB330]

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SENATOR McCOY: THANK YOU SENATOR. AND I WANT TO CONTINUE WITH, I THINK, WHERE WE ENDED OUR DISCUSSION A FEW MINUTES AGO. AND I THINK SENATOR BLOOMFIELD BRINGS UP A VERY GOOD POINT. WITHOUT ANY SORT OF A LIMITATION ON THE AMOUNT THAT ONE POSSESSES, HOW WOULD LAW ENFORCEMENT DETERMINE WHAT WOULD BE USED FOR PERSONAL CONSUMPTION AND WHAT WOULD BE ENOUGH IN POSSESSION TO BE DEEMED MORE THAN WHAT YOU WOULD USE? IN OTHER WORDS, SOME OF US MAY...I'LL EQUATE WITH ONE THING, AND WE MAY RUN OUT OF TIME, PEOPLE HAVE DIFFERENT PATTERNS. YOUR FAMILY MAY GROCERY SHOP DIFFERENT THAN MY FAMILY. YOU MAY GROCERY SHOP EVERY TWO WEEKS, SOME FAMILIES MAY GROCERY SHOP EVERY THREE DAYS. SO YOU MAY STOCK UP, YOU MAY NOT, DEPENDING ON YOUR HABITS OF YOUR OWN INDIVIDUAL FAMILIES. SO HOW WOULD YOU DETERMINE, SENATOR LARSON, WHAT AMOUNT WOULD BE DEEMED FOR PERSONAL CONSUMPTION OR WHAT WOULD BE...AMOUNT WOULD BE DEEMED FOR TRAFFICKING OR SELLING, MARKETING? [LB330]

SENATOR LARSON: WELL, IN AM1479, WHICH IS MY AMENDMENT, IT WOULD ACTUALLY FOCUS JUST ON THE SELLING PORTION AND THAT WOULD BE UP TO THE COURT TO DECIDE. IT WOULD BE UP TO THE DISTRICT ATTORNEY TO PROVE THAT THEY HAD THE INTENT TO SELL. WHEN WE TALK ABOUT JUST POSSESSION, AND WHAT SENATOR KOLTERMAN IS ATTEMPTING TO DO, OBVIOUSLY, IT'S JUST PURE POSSESSION AND... [LB330]

SPEAKER HADLEY: ONE MINUTE. [LB330]

SENATOR LARSON: ...IT DOESN'T NECESSARILY DIFFERENTIATE BETWEEN THE POSSESSION AND THE INTENTIONS TO SELL, BECAUSE IT DOESN'T RELATE BACK INTO THOSE DRUG STATUES. ON YOUR PREVIOUS QUESTION, YOU WERE KIND OF TALKING ABOUT, LAST TIME AT THE MIKE, IN TERMS OF YOUR CONCERNS OF THE ABILITY TO...HAVING EASY ACCESSIBILITY TO SPORTING EVENTS AND WHATNOT. I CAN TELL YOU THAT I CAN JUST AS EASILY PUT A FLASK IN MY BACK POCKET AS A PACKAGE OF POWDERED ALCOHOL. SO REGARDLESS OF WHERE IT'S GOING, THE EASE OF BEING ABLE TO ACCESS THESE PRODUCTS IS GOING TO BE NOT COMPLICATED. [LB330]

SENATOR McCOY: I WOULD AGREE WITH YOU, SENATOR. BUT THE DIFFERENCE WOULD BE IS THIS--YOU COULD WALK INTO MEMORIAL STADIUM, DUMP A PACKET, IN A BATHROOM STALL, INTO A WATER BOTTLE AND LAW ENFORCEMENT WOULD HAVE NO IDEA WHAT WOULD BE IN THAT...BUT WOULD

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ASSUME IT WOULD BE WATER, A FLASK. YOU'RE PROBABLY NOT GOING TO FILL...
[LB330]

SPEAKER HADLEY: TIME, SENATOR. THANK YOU, SENATOR BLOOMFIELD,
SENATOR McCOY, AND SENATOR LARSON. SENATOR LARSON, YOU'RE
RECOGNIZED. [LB330]

SENATOR LARSON: THANK YOU, MR. PRESIDENT. I WANTED TO ADDRESS A FEW
THINGS WHILE WE'RE ON THE MIKE AND RESPOND TO A FEW THINGS. YES,
AM1479 DOES MAKE IT ILLEGAL TO SELL THIS PRODUCT ALL ACROSS THE STATE
OF NEBRASKA, AND THERE WILL BE PUNISHMENT WHEN YOU SELL THIS
PRODUCT ALL ACROSS THE STATE OF NEBRASKA. IT DOES NOT AFFECT THE
PURE POSSESSION. AND IT WILL BE UP TO THE DISTRICT ATTORNEY OR
WHOEVER THE...IS CHARGING THE FILES TO PROVE THAT YOU HAD AN INTENT
TO SELL, JUST LIKE IT IS FOR THEM TO PROVE YOU HAVE AN INTENT TO SELL
OTHER DRUGS OR NARCOTICS. SENATOR McCOY WANTS TO BRING UP, OH, IT'S
THE INDIVIDUAL'S DUTY TO KNOW WHEN THEY ARE MOVING INTO ANOTHER
STATE THAT OTHER THINGS MIGHT BE ILLEGAL, JUST LIKE PEOPLE THAT HAVE
CONCEALED CARRY PERMITS HAVE TO KNOW THE LOCAL STATE LAWS. WELL, I
THINK THERE'S A CLEAR AND EVIDENT DIFFERENCE BETWEEN CONCEALED
CARRY AND THE CONCEPT OF WHAT, I WOULD SAY, LESSER STATE LAWS, SUCH
AS THE PROHIBITION OF POWDERED ALCOHOL. IT'S LIKE IF THE STATE WERE TO
OUTLAW BLUE SHOES. WE CAN'T HAVE BLUE SHOES IN THE STATE OF
NEBRASKA. AND IF YOU HAVE BLUE SHOES, WE'RE GOING TO PUT A PENALTY ON
YOU. NOT EVERYBODY IS GOING TO KNOW THAT YOU CAN'T HAVE BLUE SHOES.
EVERYBODY UNDERSTANDS, ESPECIALLY WITH FIREARMS, THAT THEY ARE AN
EXTREMELY REGULATED AND CONTROLLED PRODUCT. SENATOR
KOLTERMAN...WILL SENATOR KOLTERMAN YIELD TO A QUESTION? [LB330]

SPEAKER HADLEY: SENATOR KOLTERMAN, WILL YOU YIELD? [LB330]

SENATOR KOLTERMAN: CERTAINLY. [LB330]

SENATOR LARSON: SENATOR KOLTERMAN, YOU MENTIONED THAT 14 STATES
HAD PASSED LAWS PERTAINING TO POWDERED ALCOHOL. HOW MANY OF THOSE
JUST BANNED THE SELLING OF POWDERED ALCOHOL, AND HOW MANY OF
THOSE BANNED THE POSSESSION AS WELL? [LB330]

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SENATOR KOLTERMAN: I CAN'T TELL YOU THAT. ACCORDING TO THE ARTICLE...
[LB330]

SENATOR LARSON: ALL RIGHT. THANK YOU, SENATOR KOLTERMAN. ON THE SIMPLE FACT THAT WE'RE GOING TO STAND UP ON THE MIKE AND SAY 14 STATES HAVE ALREADY TAKEN ACTION, WELL, YOU MIGHT AS WELL PUT 15, BECAUSE WE HAVE ALREADY TAKEN ACTION ON THAT IN LB330. YOU CANNOT SELL POWDERED ALCOHOL IN THE STATE OF NEBRASKA WHEN LB330 PASSES. SO WE WILL CHALK UP NUMBER 15. DO WE WANT TO CRIMINALIZE POSSESSION? MAYBE SENATOR KOLTERMAN, I DON'T KNOW IF HE WENT TO TECUMSEH YESTERDAY, OR IF HE'S BEEN THROUGH THE STATE PENITENTIARY SYSTEM, OR GONE THROUGH THE COURT SYSTEM, AT HOW BACKLOGGED AND INUNDATED THEY ARE WITH CASES. AND WE ARE ABOUT READY TO CRIMINALIZE POWDERED ALCOHOL. IT'S ASININE THAT WE WOULD EVEN CONSIDER TO CONTINUE TO PLUG UP OUR COURT SYSTEM WITH SOMETHING LIKE THIS. KIDS WON'T BE ABLE TO...WE'RE NOT GOING TO SELL IT IN NEBRASKA. IF HE WANTS TO PROTECT THE KIDS, THEY WON'T BE ABLE TO BUY IT HERE. AND FRANKLY, IT GOES BACK, IF WE WANT TO REALLY HARKEN BACK TO IT, IT GOES BACK TO PARENTING. IF HE'S HERE TO PROTECT THE KIDS, THEY WON'T BE ABLE TO BUY IT HERE, THAT MEANS THEY'RE GOING TO HAVE TO BUY IT SOMEWHERE ELSE...ACTUALLY SOMEONE ELSE IS GOING TO HAVE TO BUY IT SOMEWHERE ELSE, BRING IT IN AND GIVE IT TO THEM. AND AS SENATOR COASH MENTIONED, THEY WILL HAVE TO...THEY'LL GET MIPed TWICE. THAT'S A GREAT WAY TO REALLY HELP OUT THE YOUTH OF THE STATE OF NEBRASKA. LET THEM EXPLAIN ANOTHER THING ON THEIR COLLEGE APPLICATION OR THEIR SCHOLARSHIPS.
[LB330]

SPEAKER HADLEY: ONE MINUTE. [LB330]

SENATOR LARSON: LET THEM EXPLAIN THAT ON THAT FIRST JOB APPLICATION. YOU KNOW WHAT, INDIVIDUALS DO MAKE MISTAKES SOMETIMES, BUT THAT'S NOT SOMETHING THAT THE YOUTH OF NEBRASKA SHOULD BE FACING, TWO MIPs AND \$300 FINE FOR...FOR THEIR FIRST OFFENSE--RIDICULOUS. LIKE I SAID, MAYBE SENATOR KOLTERMAN, SENATOR BLOOMFIELD WANT TO INUNDATE THE COURT SYSTEM AND ADD ANOTHER PENALTY FOR EVERYBODY TO PAY. MAYBE THEY'RE REALLY LOOKING FORWARD TO THE JUDGE'S RETIREMENT BILL THAT'S UP NEXT AND THE EXTRA FEES THAT ARE GOING TO GO INTO THAT THROUGH THIS...ON THE BACKS OF EVERYBODY ELSE. THANK YOU, MR. PRESIDENT. [LB330]

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SPEAKER HADLEY: SENATOR BRASCH, YOU'RE RECOGNIZED. [LB330]

SENATOR BRASCH: THANK YOU, MR. PRESIDENT; AND THANK YOU, COLLEAGUES. I UNDERSTAND THE PENALTY REDUCTION IN THIS PARTICULAR SITUATION. BUT A SITUATION I WOULD LIKE TO HAVE ADDRESSED AND TO BE VERY CLEAR ON IS WHAT IF ANY PERSON WHO KNOWINGLY OR INTENTIONALLY POSSESSING POWDERED ALCOHOL, WHETHER IT'S HERE...AND IT HAS TO BE HERE ILLEGALLY, EVEN THOUGH IT'S A LEGAL SUBSTANCE, THEY BOUGHT IT OFF THE INTERNET, SOMEHOW THEY HAVE THIS POWDERED ALCOHOL AND THEY FRAUDULENTLY MIX IT INTO SOMEONE ELSE'S ALCOHOL, A BEVERAGE, OR A CONSUMABLE ITEM, BE IT FOOD OR DRINK. SO IF THEY FRAUDULENTLY MIX THIS, AND A PERSON UNAWARE THAT THIS HAS HAPPENED, SAY ONE OF THE BILLS THAT SENATOR MORFELD JUST INTRODUCED HERE, THEY ARE EXTREMELY INTOXICATED, THEY DON'T KNOW WHAT HAPPENED TO THEM, BUT THEY'VE DISCOVERED THAT SOMEONE HAD OBTAINED IT ILLEGALLY, BROUGHT IT TO A POST-PROM PARTY, OR AFTER A FOOTBALL GAME, OR WITH INTENTIONS OF DATE RAPE HAS FRAUDULENTLY MIXED POWDERED ALCOHOL INTO A DRINK OR A FOOD ITEM. SHOULDN'T THERE BE ESCALATED PENALTIES ON THAT? AND IF THOSE PENALTIES DO EXIST IN ANOTHER STATUTE, DO WE NEED TO BRING THIS TO THIS PARTICULAR BILL? SENATOR COASH, WOULD YOU LIKE TO YIELD TO A QUESTION? [LB330]

SPEAKER HADLEY: SENATOR COASH, WILL YOU YIELD? [LB330]

SENATOR COASH: YES, I WILL. [LB330]

SENATOR BRASCH: YOU EXPRESSED CONCERNS ABOUT THE PENALTY. WOULD YOU THINK THAT IF SOMEONE POSSESSED IT AND FRAUDULENTLY MIXED IT INTO SOMEONE ELSE'S DRINK OR BEVERAGE WITHOUT THEM KNOWING IT, DO YOU BELIEVE THERE SHOULD BE ANOTHER PENALTY? MORE...I GUESS, A GREATER PENALTY? [LB330]

SENATOR COASH: A GREATER PENALTY THAN WHAT SENATOR KOLTERMAN IS PROPOSING? [LB330]

SENATOR BRASCH: YES, FOR TAKING IT...AND MIXING IT FRAUDULENTLY WITH... [LB330]

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SENATOR COASH: WITHOUT THE OTHER PERSON'S KNOWLEDGE? [LB330]

SENATOR BRASCH: WITHOUT THE OTHER PERSON'S KNOWLEDGE. [LB330]

SENATOR COASH: SURE. [LB330]

SENATOR BRASCH: AND THEY CALLED THE 911 NUMBER, THEY'RE VERY ILL, AND YOU'VE DISCOVERED THAT SOMEONE DID POSSESS THIS AND BROUGHT IT TO A POST-PROM PARTY. [LB330]

SENATOR COASH: YES. SENATOR BRASCH, I WILL CHECK FOR YOU, BUT I BELIEVE THAT THAT IS ALREADY A CRIME IN ANOTHER STATUTE, SIMILAR TO WHERE...YOU KNOW, WE CALL THEM ROOFIES AND THINGS LIKE THAT WHERE YOU...WITHOUT THE OTHER'S CONSENT SPIKE THEIR DRINKS, THAT IS...AND I'LL SEE IF I CAN FIND IT, AND IF IT'S NOT THERE, I'LL LET YOU KNOW, BUT I BELIEVE THAT WE'VE ALREADY ADDRESSED IN OUR STATUTE NONCONSENSUAL SPIKING OF DRINKS WITH DRUGS AND THINGS LIKE THAT. [LB330]

SENATOR BRASCH: AND WOULD THAT STATUTE CROSS OVER TO... [LB330]

SENATOR COASH: I'M GOING TO CHECK ON THAT AND MAKE SURE YOU KNOW ABOUT THAT. [LB330]

SENATOR BRASCH: OKAY. ALL RIGHT. YES. THAT IS MY CONCERN AT THIS POINT, IS WHAT ABOUT A VICTIM IN THIS CASE THAT HAS IT ADDED INTO A BEVERAGE OR A FOOD AND THEY ARE UNAWARE OF IT, AND THAT PERSON WHO FRAUDULENTLY MIXED IT JUST WALKS AWAY WITH, BASICALLY, A WARNING OR A MINOR INFRACTION? COLLEAGUES, I HAVE NO OTHER QUESTIONS. AND THANK YOU, MR. SPEAKER. THANK YOU, COLLEAGUES. [LB330]

SPEAKER HADLEY: THANK YOU, SENATOR BRASCH AND SENATOR COASH. SENATOR MORFELD, YOU'RE RECOGNIZED. [LB330]

SENATOR MORFELD: THANK YOU, MR. PRESIDENT. AFTER DISCUSSING THIS A LITTLE BIT WITH SENATOR COASH AND LEGAL COUNSEL, I'M STILL CONCERNED ABOUT AM1614 AND CREATING NEW PENALTIES UNDER THE STATUTE IN TERMS OF POSSESSION OF THIS POWDERED ALCOHOL. I DO BELIEVE THAT...WELL, LET ME STEP BACK FOR A MOMENT. I DON'T KNOW HOW I FELT, NECESSARILY, ABOUT

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PROHIBITING THE SALE OF POWDERED ALCOHOL. I VOTED AGAINST BANNING THAT. THAT BEING SAID, WE'VE ALREADY CROSSED THAT BRIDGE. AND I THINK AFTER WE BANNED THE SALE OF POWDERED ALCOHOL, I THINK WE NEED TO SEE HOW THIS PLAYS OUT, BOTH THROUGHOUT THE UNITED STATES, WE NEED TO LOOK INTO THE DANGERS OF POWDERED ALCOHOL A BIT MORE, AND THEN GO BACK TO THE DRAWING BOARD AS TO WHETHER OR NOT WE NEED TO CRIMINALIZE THIS IN LIGHT OF THERE BEING A LOT OF OTHER CRIMINAL PENALTIES ALREADY ON THE BOOKS AND A LOT OF OTHER ISSUES. SO I RISE IN OPPOSITION TO AM1614, AND I URGE THE REST OF YOU TO VOTE AGAINST IT. THANK YOU. [LB330]

SPEAKER HADLEY: THANK YOU, SENATOR MORFELD. SENATOR McCOY, YOU'RE RECOGNIZED. [LB330]

SENATOR McCOY: THANK YOU, MR. PRESIDENT AND MEMBERS. WOULD SENATOR LARSON YIELD, PLEASE? [LB330]

SPEAKER HADLEY: SENATOR LARSON WILL YOU YIELD? [LB330]

SENATOR LARSON: YES. [LB330]

SENATOR McCOY: THANK YOU, SENATOR. I APPRECIATE YOUR PASSION ON THIS ISSUE AND YOUR ANALOGY THAT YOU DREW. I GUESS I WOULD HAVE TO RESPECTFULLY DISAGREE. I DON'T...ON THE ANALOGY THAT THIS IS...THIS WOULD BE LIKE WEARING BLUE SHOES IF ONE STATE HAD BANNED, HAD A PROHIBITION AGAINST BLUE SHOES. I MEAN, I THINK WE'RE...AND I SAID FULL WELL WHEN I MENTIONED CONCEALED CARRY, I DIDN'T...I DIDN'T MAKE THE CONNECTION THAT IT WAS ON THE SAME LEVEL AS THIS, ALTHOUGH I WOULD DARE SAY IT'S PROBABLY NOT TERRIBLY FAR BEHIND, IN MY OPINION, BUT, NOR DO I THINK IT'S QUITE AS SIMPLE OR AS INNOCUOUS AS BLUE SHOES. THIS IS A FAIRLY SIGNIFICANT SUBJECT WE'RE SPEAKING OF HERE AND ONE IN WHICH IT MAKES IT MUCH EASIER, I BELIEVE, TO ESSENTIALLY CONSUME, TO USE, TO...I USE THE WORD "SMUGGLE" NOT IN THE SENSE OF SMUGGLING IT ACROSS STATE LINES, BUT TO SMUGGLE IT INTO PUBLIC GATHERINGS, PLACES WHERE ALCOHOL WOULD BE PROHIBITED. WOULD YOU, AT LEAST, AGREE TO THAT OR DO YOU NOT BELIEVE THAT THAT'S THE CASE? [LB330]

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SENATOR LARSON: I THINK THAT THIS, AS WELL AS SOMETHING SUCH AS A FLASK, IS VERY EASY TO SMUGGLE INTO PUBLIC AREAS. I DON'T KNOW IF YOU HAVE ONE, THEY'RE USUALLY FAIRLY SMALL AND... [LB330]

SENATOR McCOY: I'M FAMILIAR WHAT A FLASK IS. [LB330]

SENATOR LARSON: ...GROWING UP IN WESTERN NEBRASKA, SENATOR McCOY, I'M SURE YOU HAVE SEEN A FEW, WHETHER OR NOT YOU OWN ONE OR NOT I DON'T KNOW, BUT THEY'RE FAIRLY...THEY'RE FAIRLY EASY TO MOVE, IF YOU WANT TO SAY THAT. AND I THINK THIS WOULD BE SIMILAR TO THAT. [LB330]

SENATOR McCOY: THAT'S TRUE, EXCEPT FOR THE FACT THAT TYPICALLY ANYONE WHO SEES A FLASK OR SEES SOMEONE USE A FLASK WOULD PROBABLY ASSUME THAT IT'S NOT APPLE JUICE IN SAID FLASK. WOULD THAT BE A FAIR CHARACTERIZATION? [LB330]

SENATOR LARSON: THAT WOULD BE A FAIR CHARACTERIZATION IF YOU GOT CAUGHT DRINKING THAT FLASK THAT THEY WOULDN'T THINK SO. IF I HAD THAT FLASK I WOULD PROBABLY GO INTO THE BATHROOM STALL AND DO IT THERE INSTEAD OF IN PUBLIC, IF IT'S NOT ALLOWED IN THAT CERTAIN PLACE, BUT THERE'S ALWAYS WAYS AROUND EVERYTHING. [LB330]

SENATOR McCOY: THAT'S TRUE. HOWEVER, IF YOU SEE SOMEONE DRINKING A WATER BOTTLE, WHICH IS LIKE I SEE SITTING ON SENATOR SCHUMACHER'S DESK, AS WE SPEAK, COMMON SENSE WOULD TELL YOU, AT LEAST I WOULD HOPE, SENATOR, THAT IT'S WATER, PURE AND UNADULTERATED. [LB330]

SENATOR LARSON: COULD BE VODKA. [LB330]

SENATOR McCOY: IT COULD. MY QUESTION TO YOU WOULD BE, ALTHOUGH I HIGHLY DOUBT THAT IT IS, MY QUESTION IS--DOES THIS POWDERED ALCOHOL...DOES IT...WHEN YOU DISSOLVE IT INTO, LET'S SAY, A LIQUID SUCH AS WATER, IS IT CLEAR? DOES IT TURN A COLOR? DOES IT HAVE A SMELL LIKE ALCOHOL? DOES IT HAVE A TASTE? IS IT COLORLESS? TASTELESS? WHAT IS THIS...DO THESE SUBSTANCES VARY? [LB330]

SENATOR LARSON: YEAH, IT WILL VARY IN THE EXACT SENSE AS YOU'VE DESCRIBED, SENATOR McCOY. AND ESSENTIALLY...LB330, AS ORIGINALLY

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INTRODUCED, WOULD HAVE GIVEN THE LIQUOR CONTROL COMMISSION THE ABILITY TO REGULATE ALL OF THAT. THEY COULD HAVE BANNED...THE LIQUOR CONTROL COMMISSION COULD HAVE BANNED COLORLESS POWDERED ALCOHOL OR THEY COULD HAVE BANNED POWDERED ALCOHOL WITH MIXED X AND Y. NOW SINCE WE HAVE...AND WHEN YOU...YOU COULD HAVE BANNED THAT SALE OF THOSE CERTAIN THINGS. NOW, WE'VE ALREADY BANNED THE ABILITY TO SELL POWDERED ALCOHOL IN LB330. NOW WE'RE TRYING TO BAN THE POSSESSION, YOU KNOW. YOU BRING UP GREAT QUESTIONS THAT MIGHT BE BETTER DIRECTED AT SENATOR KOLTERMAN IN THE SENSE OF WHEN SOMEBODY'S BRINGING IT IN THE STATE AND HE WANTS TO BAN THAT POSSESSION... [LB330]

SPEAKER HADLEY: ONE MINUTE. [LB330]

SENATOR LARSON: ...HOW DO YOU PROVE THAT IT IS COLORLESS OR ODORLESS OR A NUMBER OF THOSE THINGS? I WOULD HAVE PREFERRED TO LET THE LIQUOR CONTROL COMMISSION REGULATE IT LIKE THEY REGULATE ALL OTHER TYPES OF ALCOHOL, BOTH LIQUID, SOLID, AND GASEOUS FORMS OF ALCOHOL. AND THIS WILL BE THE ONLY ONE THAT THEY DON'T REGULATE. [LB330]

SENATOR McCOY: THAT'S TRUE, SENATOR, AND YOU'RE RIGHT, THESE QUESTIONS COULD BE DIRECTED AT SENATOR KOLTERMAN. THE REASON I'M DIRECTING THEM TO YOU IS BECAUSE I HAVE A LOT OF CONFIDENCE IN OUR LIQUOR CONTROL COMMISSION. HOWEVER, ON A PRODUCT SUCH AS THIS, THIS RISES TO A LEVEL IN WHICH I WOULD IMAGINE, REGARDLESS OF HOW GOOD OUR COMMISSION IS, THEY WOULD STRUGGLE, IF GIVEN THE... [LB330]

SPEAKER HADLEY: TIME, SENATOR. THANK YOU, SENATOR McCOY. THANK YOU, SENATOR LARSON. SENATOR BAKER, YOU'RE RECOGNIZED. SENATOR BAKER WAIVES. SENATOR BLOOMFIELD. [LB330]

SENATOR BLOOMFIELD: THANK YOU, MR. PRESIDENT. COLLEAGUES, ONCE AGAIN, I WOULD LIKE TO JUST KEEP THIS STUFF OUT OF THE STATE. I HAVE NO PROBLEM AT ALL CRIMINALIZING IT. IF WE'RE GOING TO FLOOD THE COURTS, GOING TO FILL UP OUR JAILS WITH THIS, BALONEY. PEOPLE KNOW THAT IT WON'T BE A LEGAL SUBSTANCE. YOU DON'T SIT IN THE DORM ROOM AT THE UNIVERSITY OF NEBRASKA VERY LONG AND SHOW THIS STUFF AND HAVE SOMEBODY TELL YOU--HEY, THAT'S NOT LEGAL HERE IN NEBRASKA. YOU DON'T SNEAK IT INTO A FOOTBALL GAME AND HAVE SOMEBODY TELL YOU--THAT'S

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NOT LEGAL HERE IN NEBRASKA. YOU MAY COME IN WITH A PACKET IF YOU'RE PASSING THROUGH, BUT IF YOU LIVE IN THIS STATE, YOU'RE GOING TO KNOW IT'S NOT A LEGAL SUBSTANCE. I WONDER IF SENATOR McCOY WOULD YIELD TO A QUESTION. [LB330]

SPEAKER HADLEY: SENATOR McCOY, WILL YOU YIELD? [LB330]

SENATOR McCOY: YES. [LB330]

SENATOR BLOOMFIELD: THANK YOU, SENATOR McCOY. I BELIEVE WE'VE ESTABLISHED THE FACT THAT YOU KNOW WHAT A FLASK LOOKS LIKE. [LB330]

SENATOR McCOY: I'M SURE THERE ARE MANY DIFFERENT VARIATIONS OF A FLASK, SENATOR BLOOMFIELD, BUT I THINK I'M FAMILIAR WITH THE GENERAL PRINCIPLES BEHIND WHAT ONE LOOKS LIKE. [LB330]

SENATOR BLOOMFIELD: HOW MANY OF THEM ARE YOU FAMILIAR WITH THAT YOU CAN STICK IN YOUR BILLFOLD? [LB330]

SENATOR McCOY: THERE MAY BE SOME INGENIOUS ONE THAT HAS AN ATTACHMENT FOR AN iPhone ON THE OUTSIDE OF IT THAT FITS IN A POCKET, SENATOR BLOOMFIELD, I'VE NEVER SEEN ONE. [LB330]

SENATOR BLOOMFIELD: OKAY. THAT'S...COLLEAGUES, AS I UNDERSTAND POWDERED ALCOHOL, IT COULD COME IN A PACKET THAT WOULD EASILY FIT IN YOUR BILLFOLD OR ANYWHERE ELSE THAT YOU, BASICALLY, PUT A SUGAR PACK. SO THE IDEA THAT IT'S NO EASIER TO TRANSPORT HIDDEN THAN A FLASK WOULD BE IS SADLY MISTAKEN. AND AGAIN, I WOULD YIELD MY TIME TO SENATOR McCOY. THANK YOU, MR. PRESIDENT. [LB330]

SPEAKER HADLEY: SENATOR McCOY, YOU'RE YIELDED 2 MINUTES AND 45 SECONDS. [LB330]

SENATOR McCOY: THANK YOU, MR. PRESIDENT. WOULD SENATOR LARSON YIELD, PLEASE? [LB330]

SPEAKER HADLEY: SENATOR LARSON, WILL YOU YIELD TO A QUESTION? [LB330]

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SENATOR LARSON: YES. [LB330]

SENATOR McCOY: THANK YOU, SENATOR. WALK ME THROUGH, IF YOU WOULD, PLEASE, SENATOR, LIQUOR CONTROL COMMISSION, THEY HAVE THE POWERS, AS A COMMISSION, TO PUT IN PLACE RULES AND REGULATIONS AND PENALTIES FOR WHOM? [LB330]

SENATOR LARSON: ESSENTIALLY, THE LIQUOR CONTROL COMMISSION WOULD HAVE THE ABILITY TO CONTROL THE PRODUCT OF POWDERED ALCOHOL. [LB330]

SENATOR McCOY: WELL, ANY PRODUCT (INAUDIBLE)? [LB330]

SENATOR LARSON: YEAH, ANY...ANY TYPE OF ALCOHOL. [LB330]

SENATOR McCOY: WE JUST HAPPEN TO BE TALKING ABOUT POWDERED ALCOHOL. [LB330]

SENATOR LARSON: THAT IS...BUT THAT IS AN ASSUMPTION, BECAUSE AS LB330 IS NOW, AND WHAT SENATOR KOLTERMAN WANTS TO DO WITH AM1614, THE LIQUOR CONTROL COMMISSION STILL WON'T HAVE THE ABILITY TO DO THAT, BECAUSE WE...WE ALREADY ON GENERAL FILE, ESSENTIALLY, MADE IT ILLEGAL TO SELL. SO WE'VE ALREADY TAKEN IT OUT OF THE LIQUOR CONTROL COMMISSION'S HANDS. WE'RE JUST DEBATING WHETHER...SO WE'RE JUST DEBATING WHETHER OR NOT NOW TO CRIMINALIZE POSSESSION. BUT AS INTRODUCED, LB330 WOULD HAVE HAD THE ABILITY TO...WOULD HAVE GIVEN THE ABILITY TO THE LIQUOR CONTROL COMMISSION TO REGULATE THINGS SUCH AS...THEY COULD HAVE APPROVED PACKAGING--IF IT LOOKS TOO APPEALING TO KIDS, LIKE FUN DIP, YOU SEE THE FUN DIP. [LB330]

SENATOR McCOY: UM-HUM. [LB330]

SENATOR LARSON: THINGS LIKE THAT IF IT LOOKS LIKE IT'S A PACKAGING TOWARDS KIDS, LIQUOR CONTROL COMMISSION CAN SAY WE'RE NOT GOING TO APPROVE THAT. THEY'VE DONE THAT TO A NUMBER OF PRODUCTS OF LIQUID ALCOHOL. THE LIQUOR CONTROL COMMISSION COULD SAY, YOU KNOW, THEY COULD OUTLAW THE COLORLESS, ODORLESS TYPES SO THEY COULDN'T BE DISSOLVED AND JUST LOOK LIKE WATER. THEY HAVE THE ABILITY TO

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REGULATE ALL OF THAT COMING IN. THEY DO NEED THE PENALTIES FROM US IN THE SENSE OF...MAKE IT...IF THEY WANTED TO MAKE IT ILLEGAL, WHICH WE'VE ALREADY DONE AND THAT'S WHAT WE'RE DEBATING AT THIS POINT IS PENALTIES. [LB330]

SPEAKER HADLEY: ONE MINUTE. [LB330]

SENATOR LARSON: BUT LB330, AS INTRODUCED, WOULD HAVE JUST GIVEN THEM SCOPE TO COMPLETELY REGULATE IT. [LB330]

SENATOR McCOY: TRUE, BUT WHERE I'M TRYING TO GO, SENATOR LARSON, I'VE GOT MY LIGHT ON SO WE MAY HAVE TO CONTINUE THIS WHEN MY LIGHT IS ON AGAIN, BUT THEY REALLY ONLY HAVE THE POWER, DO THEY NOT, TO PROVIDE PENALTIES FOR DISTRIBUTORS OF ALCOHOL, NOT PENALTIES ON CITIZENS, CORRECT? [LB330]

SENATOR LARSON: EXACTLY. AND LB330, AS INTRODUCED, THEY WOULD HAVE BEEN ABLE TO IMPOSE THOSE PENALTIES ON DISTRIBUTORS BECAUSE WE WEREN'T ALLOWING POSSESSION, WE WERE JUST GIVING THEM THE ABILITY TO COMPLETELY REGULATE IT. AS I SAID, LB330, AS AMENDED ON GENERAL FILE, AND THEN THROUGH MY AMENDMENT, AM1479, THEY WON'T HAVE THE ABILITY TO OFFER THOSE PENALTIES AT ALL BECAUSE THE LEGISLATURE IS OFFERING THOSE PENALTIES. [LB330]

SPEAKER HADLEY: TIME, SENATOR. THANK YOU, SENATOR McCOY. AND THANK YOU, SENATOR LARSON. SENATOR BRASCH, YOU'RE RECOGNIZED [LB330]

SENATOR BRASCH: THANK YOU, MR. SPEAKER. AND WE'RE STILL TRYING TO FIND STATUTES THAT WILL TELL US IF A PERSON FRAUDULENTLY MIXES POWDERED ALCOHOL INTO ANOTHER PERSON'S FOOD OR DRINK UNKNOWINGLY AND IF THIS WILL BE AN INCREASE IN PENALTIES. AS I'VE ALSO BEEN LOOKING ON SEARCH ENGINES FOR A SOLUTION, I KEEP COMING ACROSS ARTICLES ABOUT TEENS AND COLLEGE STUDENTS AND BINGE DRINKING, AND ALSO ON TEENS USING POWDERED CAFFEINE, BEING RESPONSIBLE FOR DEATHS. I AM CONCERNED ABOUT WHAT THE RESULTS WILL BE EVEN IF IT'S NOT LEGAL TO PURCHASE IT HERE, IT WILL COME HERE. WILL IT COME TO OUR HIGH SCHOOL CAMPUSES? WILL IT COME TO OUR COLLEGE CAMPUSES? HOW WILL THIS AFFECT OUR YOUTH? WE ARE HEARING NEWS STORIES ABOUT THE USE OF K2 AND HOW SEVERAL PROBLEMS HAVE OCCURRED, HOW THE CITY HAS GONE

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INTO AN EMERGENCY RESPONSE WITH THOSE SELLING THAT AT DIFFERENT SHOPS, NOT THE K2, BUT THE INGREDIENTS, A VERY SIMPLE POTPOURRI. SO UNTIL I HAVE MORE ANSWERS ON ARE THERE INCREASED PENALTIES IN PLACE FOR ANYONE WHO IS A VICTIM OF UNKNOWINGLY CONSUMING THIS THROUGH SOMEONE WHO HAS SPIKED THEIR DRINK OR FOOD ITEM, I'M CURIOUS IF SENATOR PANSING BROOKS WOULD YIELD TO A QUESTION. [LB330]

SPEAKER HADLEY: SENATOR PANSING BROOKS, WILL YOU YIELD? [LB330]

SENATOR PANSING BROOKS: YES, I WILL. [LB330]

SENATOR BRASCH: THANK YOU, SENATOR. YOU WERE ONE OF THE INDIVIDUALS CONCERNED ABOUT THIS. DO YOU HAVE ANY THOUGHTS ABOUT, LEGALLY HERE, IF SOMEONE DOES ADD THIS TO...FRAUDULENTLY TO ANOTHER PERSON'S DRINK OR ALCOHOL SUCH AS A POST-PROM PARTY OR DATE RAPE, YOUR THOUGHT? [LB330]

SENATOR PANSING BROOKS: YES, I HAVE BEEN CONCERNED ABOUT THAT, BUT I DO BELIEVE UNDER OUR CRIMINAL LAWS THAT THERE WOULD BE ENOUGH ABILITY TO GO AFTER THIS AS AN ASSAULT OR AS SOMETHING...ACTUALLY BURKE HAS REALLY WORKED WITH...SENATOR HARR HAS WORKED IN THIS AREA MORE THAN I, BUT I DO THINK THAT OUR LAWS WOULD BE ABLE TO TAKE CARE OF SOME SORT OF BEHAVIOR WHERE SOMEBODY WOULD BE PUTTING IT INTO A DRINK AND USING IT FOR A DATE RAPE SITUATION OR SOMETHING LIKE THAT. [LB330]

SENATOR BRASCH: SO AT THAT POINT, IT NO LONGER BECOMES A MINOR INFRACTION FOR THE INDIVIDUAL? [LB330]

SENATOR PANSING BROOKS: YES, THAT WOULD BE A SERIOUS FELONY AT THAT POINT. [LB330]

SENATOR BRASCH: VERY GOOD. I HAVE NO OTHER QUESTIONS. [LB330]

SENATOR PANSING BROOKS: THANK YOU. [LB330]

SENATOR BRASCH: THANK YOU. I WILL YIELD THE REST OF MY TIME TO SENATOR McCOY. [LB330]

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SPEAKER HADLEY: SENATOR McCOY, YOU'RE YIELDED 1 MINUTE AND 30 SECONDS. AND YOU'RE NEXT IN THE QUEUE AND THAT WOULD BE YOUR THIRD TIME. [LB330]

SENATOR McCOY: THANK YOU, MR. PRESIDENT. THANK YOU, SENATOR BRASCH. I'VE DONE A LITTLE BIT OF RESEARCH ON THIS ISSUE, AND WE HAVE IN MY OFFICE, YOU KNOW, AND ONE OF THE THINGS THAT OCCURRED TO ME, AND I'M SURE THERE MAY BE OTHERS OF YOU THAT HAVE DONE THIS. I KNOW AS OUR FAMILY HAS TRAVELED FROM TIME TO TIME, IN ORDER TO SAVE SPACE, ESPECIALLY IF YOU'RE FLYING AND YOU'RE GOING TO DEAL WITH WATER THAT MAY NOT BE AS PALATABLE AS WHAT THE GREAT WATER WE HAVE HERE IN NEBRASKA, SOMETIMES YOU'LL TAKE LITTLE CRYSTAL LIGHT PACKETS, AT LEAST WE DO, THAT YOU CAN DUMP IN A WATER BOTTLE THAT HELP MAKE IT A LITTLE EASIER FOR THE KIDS TO GET PLENTY OF LIQUIDS WHILE YOU'RE TRAVELING. AND IT OCCURS TO ME, IN THE COURSE OF PULLING UP SOME ARTICLES, YOU SEE A LOT PICTURES OF WHAT THESE POWDERED ALCOHOL PACKETS CAN LOOK LIKE...TO SENATOR BLOOMFIELD'S COMMENTS EARLIER. I'M LOOKING AT ONE RIGHT NOW THAT'S...IT'S BOOZY PINK LEMONADE. I FIND THAT DISCONCERTING TO SAY THE LEAST, BECAUSE LIQUOR CONTROL COMMISSION, AS SENATOR LARSON TALKED ABOUT, MAY HAVE HAD CONTROL OVER THE DISTRIBUTORS, BUT IT WOULDN'T REGULATE IF SOMEONE BRINGS IN ONE OF THESE PRODUCTS ACROSS STATE LINES TO, SAY, AN EVENT, WHICH WE HAVE COMING UP IN OMAHA HERE IN THE NEXT FEW WEEKS, COLLEGE WORLD SERIES, IT'S A GREAT EXAMPLE. THE LIQUOR CONTROL COMMISSION WOULDN'T HAVE ANY ABILITY TO REGULATE THAT, IT'S MY UNDERSTANDING, AND SOMEONE CAN CORRECT ME IF I'M WRONG, IF SOMEONE WERE TO SET UP A STAND IN MUCH THE SAME WAY THAT THE STANDS ARE SET UP FOR ANY OTHER PRODUCT AROUND DOWNTOWN OMAHA, COULD SELL THESE PACKETS AND WITHOUT AN AMENDMENT SUCH AS THE ONE WE HAVE BEFORE US, AS SENATOR KOLTERMAN OR ONE LIKE IT, ON THE BOOKS, I DON'T KNOW HOW LAW ENFORCEMENT WOULD REGULATE THIS. CERTAINLY LIQUOR CONTROL COMMISSION COULDN'T REGULATE IT, BECAUSE BY THE DEFINITION OF WHAT WE DEEM A DISTRIBUTOR SUCH AN INDIVIDUAL WHO WOULD BRING SOME OF THIS PRODUCT ACROSS STATE LINES AND SELL IT WOULDN'T BE CONSIDERED A DISTRIBUTOR. AT LEAST IN THE CLASSIC DEFINITION THAT WE HAVE...THAT WE HAVE THAT I'M AWARE OF. SO I STRUGGLE TO SEE HOW WE'RE ACTUALLY CLOSING THE LOOP AND MAKING SURE THERE AREN'T ANY LOOPHOLES HERE WITHOUT PASSING AN AMENDMENT OR SOMETHING LIKE IT, LIKE SENATOR KOLTERMAN'S. I DON'T KNOW HOW WE ACTUALLY ARE REGULATING THIS. THE LIQUOR CONTROL COMMISSION, AS I SAID EARLIER, DOES A FINE JOB, BUT I

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DON'T...I WOULD DARE SAY THAT NO ONE REALLY ANTICIPATED A PRODUCT, OR PRODUCTS, PLURAL, QUITE LIKE THIS WHEN WE GAVE THE LIQUOR CONTROL COMMISSION THEIR REGULATORY DUTIES AND RESPONSIBILITIES. THIS CERTAINLY PUTS LAW ENFORCEMENT IN A VERY DIFFICULT POSITION. WOULD SENATOR LARSON YIELD TO A QUESTION, PLEASE? [LB330]

SPEAKER HADLEY: SENATOR LARSON, WILL YOU YIELD? [LB330]

SENATOR LARSON: YES. [LB330]

SENATOR McCOY: THANK YOU, SENATOR. HELP ME UNDERSTAND, TOO, AND I HAVE A FURTHER QUESTION AND I ASSUME YOUR ANSWER MAY BE--WELL, LIQUOR CONTROL COMMISSION WOULD BE ABLE TO REGULATE THIS. I WOULD IMAGINE THERE'S A GREAT DEAL OF DIFFERENCE WHEN IT COMES TO THE STRENGTH OF THE DIFFERENCES BETWEEN THESE PRODUCTS, THE POWDERED ALCOHOL, WOULD THAT BE ACCURATE? [LB330]

SENATOR LARSON: YEAH, I THINK SO. AND OBVIOUSLY, IT WOULD BE...I KNOW THAT AS I THINK I SAID...MENTIONED ON THE MIKE LAST TIME THAT THERE WAS A LOT OF CONCERNS ABOUT SNORTING AND AN NPR REPORTER TRIED THAT AND SAID IT WAS LIKE GLASS SHARDS GOING UP HIS NOSE. SO I DON'T THINK THAT'S A WORRY. AND I KNOW IT'S NOT YOUR...WASN'T PART OF YOUR QUESTION, I JUST WANTED TO TALK TO YOU BECAUSE YOU BROUGHT UP THE COLLEGE WORLD SERIES CONCEPT OF SOMEONE SETTING UP A STAND AND SELLING, THAT WOULD BE BOOTLEGGING, WHICH IS ALREADY ILLEGAL. SINCE WE...AND BECAUSE WHAT AM1479 DOES, IT BANS ALL THE INTENT TO SELL, DOESN'T MATTER IF YOU'RE A DISTRIBUTOR OR AN INDIVIDUAL. SO IF SOMEONE DID THAT AT THE COLLEGE WORLD SERIES, IT WOULD BE BOOTLEGGING. THEY WOULD BE SELLING ILLEGAL ALCOHOL...CLASS I MISDEMEANOR. [LB330]

SENATOR McCOY: BUT, EXPLAIN TO ME THOUGH HOW THAT WOULD STILL FIT IN WITH POWDERED ALCOHOL, ESPECIALLY IF IT WOULDN'T COME THROUGH NORMAL DISTRIBUTION CHANNELS. [LB330]

SENATOR LARSON: ESSENTIALLY, I THINK...HOW I UNDERSTOOD YOUR ARGUMENT WAS SOMEONE COULD BRING IT OVER FROM IOWA OR A STATE THAT IT WAS LEGAL AND THEN SELL IT IN NEBRASKA. THAT IS CURRENT LAW; THAT IS ILLEGAL. YOU CAN'T BRING OVER VODKA OR RUM OR ANYTHING ELSE FROM

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ANOTHER STATE AND SELL IT WITHIN NEBRASKA. IT'S BOOTLEGGING REGARDLESS. [LB330]

SENATOR McCOY: BUT DO THE BOOTLEGGING...DO THE STATUTES THAT YOU'RE TALKING ABOUT SPECIFICALLY SPEAK TO A PRODUCT LIKE THIS? [LB330]

SENATOR LARSON: YES, IN THE...IN THE ORIGINAL LB330, WE WOULD HAVE...WE WOULD HAVE PUT, ESSENTIALLY, POWDERED ALCOHOL AS A DEFINITION, AND WITH... [LB330]

SPEAKER HADLEY: ONE MINUTE. [LB330]

SENATOR LARSON: ...WITH LB330 AS PASSED, IF IT DOES PASS WITH LB330 AND AM1479, THEN, YES, IT WILL DIRECTLY SPEAK TO POWDERED ALCOHOL, SO THAT WOULD BE ILLEGAL. IT WOULD BE CONSIDERED BOOTLEGGING STILL. [LB330]

SENATOR McCOY: OKAY. WELL THAT'S GOOD TO KNOW. I STILL WOULD HAVE CONCERNS OVER...AND, OBVIOUSLY, WOULD DEPEND ON WHAT AMOUNT OF LIQUID YOU DISSOLVE THESE PRODUCTS INTO. BUT I WOULD IMAGINE MOST NEBRASKANS, JUST THE SAME AS MOST AMERICANS AND PEOPLE AROUND THE WORLD, DEPENDING ON WHAT ADULT BEVERAGE, ALCOHOLIC BEVERAGE YOU MIGHT OR MIGHT NOT BE CONSUMING, YOU'RE USED TO KNOWING THE OUNCES OR THE... YOU'RE ABLE TO JUDGE HOW MUCH PRODUCT YOU CONSUMED. HOW DOES ONE WITH A PRODUCT LIKE THIS, I'M THINKING ESPECIALLY WHEN WE'RE PROBABLY TALKING ABOUT YOUNG NEBRASKANS, PRIMARILY, ALTHOUGH NOT EXCLUSIVELY...HOW... [LB330]

SPEAKER HADLEY: TIME, SENATOR. [LB330]

SENATOR McCOY: THANK YOU, MR. PRESIDENT. [LB330]

SPEAKER HADLEY: THANK YOU, SENATOR McCOY. THANK YOU, SENATOR LARSON. SENATOR MORFELD, YOU'RE RECOGNIZED. [LB330]

SENATOR MORFELD: THANK YOU, MR. SPEAKER. AFTER CONSULTING WITH LEGAL COUNSELS FROM BOTH COMMITTEES AND THOSE LEGAL COUNSELS CONSULTING ALSO WITH BILL DRAFTING, I THINK THAT WE'VE CLEARED UP A FEW THINGS. FIRST, THE QUESTION AT HAND THAT I WAS CONCERNED ABOUT

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WAS WHETHER OR NOT THERE WAS A DEFAULT PENALTY UNDER THE LIQUOR CONTROL ACT FOR POSSESSION OF A SUBSTANCE THAT WAS BANNED FOR SALE UNDER THE LIQUOR CONTROL ACT. WE FOUND OUT THAT THERE, IN FACT, NOW IS, OR THERE ALWAYS WAS. THAT PENALTY IS MUCH HARSHER THAN THE PENALTIES PROVIDED UNDER SENATOR KOLTERMAN'S AMENDMENT, AM1614. SO RIGHT NOW, POSSESSION OF THIS SUBSTANCE UNDER THE BILL, LB330, WOULD BE AN AUTOMATIC CLASS IV MISDEMEANOR; AND THEN, FOR SECOND TIME POSSESSION, A CLASS II MISDEMEANOR. MUCH MORE HARSHER PENALTIES THAN AM1614, AS PROVIDED BY SENATOR KOLTERMAN, WHICH IS WHY I WILL NOW SUPPORT AM1614, PROVIDED BY SENATOR KOLTERMAN, WHICH FOLLOWS THE MARIJUANA PENALTY TRACK, AN INFRACTION FIRST TIME OFFENSE MISDEMEANOR...EXCUSE ME...CLASS IV MISDEMEANOR AND THEN A CLASS III MISDEMEANOR FOR THE THIRD TIME OFFENSE. I URGE THE REST OF YOU TO SUPPORT AM1614 AS IT MAKES THE PENALTIES MUCH MORE REASONABLE THAN THE CURRENT DEFAULT. AND WITH THAT I YIELD THE REST OF MY TIME TO SENATOR COASH. THANK YOU. [LB330]

SPEAKER HADLEY: SENATOR COASH, YOU'RE RECOGNIZED AND IT'S 3 MINUTES AND 17... [LB330]

SENATOR COASH: THANK YOU, MR. PRESIDENT. COLLEAGUES, I THINK THIS DEBATE HAS ILLUSTRATED THE REASON THAT THE GENERAL AFFAIRS COMMITTEE, IN ORIGINAL LB330 SAID--LET THE LIQUOR CONTROL COMMISSION REGULATE THIS PRODUCT. WITH THE GENERAL FILE DEBATE, WE TOOK IT OUT OF LIQUOR CONTROL COMMISSION'S HANDS AND NOW IT'S IN OUR HANDS AND THAT'S WHY WE HAVE TO DEAL WITH THIS. SENATOR MORFELD IS RIGHT. I, AS WELL, HAVE TO PLUG MY NOSE NOW AND VOTE FOR AM1614 BECAUSE IT REDUCES THE PENALTY. AND WITHOUT THAT IT DEFAULTS TO A LARGER PENALTY. SO I URGE MY COLLEAGUES TO DO SO. I WANT TO FOLLOW UP ON A CONVER...ON WHAT I HEARD ON THE MIKE FROM SENATOR McCOY AND SENATOR LARSON. SENATOR McCOY, YOU HAD SOME QUESTIONS ABOUT WHAT THE LIQUOR CONTROL COMMISSION CAN DO. THEY REGULATE LICENSEES. DISTRIBUTORS HAVE A LICENSE, BUT RETAILERS HAVE A LICENSE. SO GAS STATIONS WHO SELL OFF SALE, BARS, THAT'S WHO THE COMMISSION CAN REGULATE. IF SOMEONE COMES IN FROM OUT OF STATE AND DECIDES THEY'RE GOING TO SELL ALCOHOL WITHOUT A LICENSE, THEY GET IN BIG TROUBLE UNDER THE CURRENT LAW ALREADY. THEY'RE CHARGED WITH A CLASS I MISDEMEANOR; WHICH MEANS YOU CAN GO TO JAIL FOR SELLING ALCOHOL WITHOUT A LICENSE. SO NO MATTER WHAT WE DO WITH THIS BILL, WE'RE CRIMINALIZING THE...WE'VE ALREADY CRIMINALIZED THE SALE WITHOUT A

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LICENSE. WE HAVE A COMMISSION TO REGULATE SELLERS OF ALCOHOL. IF YOU DECIDE TO SELL ALCOHOL OUTSIDE OF THAT COMMISSION, YOU'RE GOING TO NEED A CLASS I MISDEMEANOR. AND NOTHING ABOUT THIS BILL CHANGES THAT. WHAT SENATOR KOLTERMAN IS DOING IS HE'S CHANGING THE PENALTY FROM A PRETTY HARSH PENALTY FOR POSSESSION TO A POSSESSION THAT'S MORE IN LINE WITH WHAT WE DO WITH MARIJUANA. AND WITHOUT THAT IT DEFAULTS TO A HIGHER PENALTY; THAT'S WHY I'M GOING TO SUPPORT IT. SENATOR BRASCH ASKED ABOUT PENALTIES FOR SPIKING SOMEONE'S DRINK WITH THIS PRODUCT. SOMEONE WITHOUT THEIR CONSENT HAVING THIS PRODUCT PUT INTO THEIR DRINK. [LB330]

SPEAKER HADLEY: ONE MINUTE, SENATOR. YOU'RE NEXT IN THE QUEUE. [LB330]

SENATOR COASH: THANK YOU, MR. PRESIDENT. SENATOR BURKE HARR HAS ALREADY LOOKED THIS UP; AND I'M NEXT, I'LL GIVE HIM MY TIME; IT'S MY UNDERSTANDING THAT'S ALREADY COVERED UNDER SECOND AND THIRD DEGREE ASSAULTS. SO SENATOR BRASCH'S CONCERN ABOUT WHETHER OR NOT THIS PRODUCT WILL BE CRIMINALIZED IF YOU PUT IT INTO SOMEBODY ELSE'S DRINK HAS BEEN ANSWERED. I THANK SENATOR HARR FOR LOOKING THAT UP. AND I BELIEVE I'M NEXT IN THE QUEUE, SO I'LL WAIVE REMAINDER OF MY TIME. [LB330]

SPEAKER HADLEY: ARE YOU WAIVING NEXT IN THE QUEUE ALSO? [LB330]

SENATOR COASH: I WILL USE MY TIME IN THE QUEUE TO YIELD TO SENATOR BURKE HARR. [LB330]

SPEAKER HADLEY: SENATOR HARR, YOU'RE YIELDED FIVE MINUTES. [LB330]

SENATOR HARR: THANK YOU. JUST QUICKLY, AND WHAT SENATOR COASH SAID IS CORRECT. IT WOULD DEPEND ON THE CIRCUMSTANCE AND HOW MUCH ALCOHOL WAS USED AS TO WHETHER THE ALCOHOL IS A DANGEROUS INSTRUMENT OR NOT. BUT AN AVERAGE SPIKING OF A DRINK, IF IT'S JUST ONE OR TWO, WOULD BE A CLASS III MISDEMEANOR...IT WOULD BE ASSAULT THIRD DEGREE, WHICH IS A CLASS I MISDEMEANOR. HOWEVER, IF YOU WERE TO PUT IN A LARGE PORTION OF ALCOHOL AND/OR A DRUG SUCH AS GHB, WHICH IS A DATE RAPE DRUG, IT BECOMES ASSAULT SECOND DEGREE, WHICH IS A CLASS II. ASSAULT, WHICH IS CURRENTLY A CLASS III FELONY, ALTHOUGH IF LB605 BECOMES LAW, IT WOULD BECOME A CLASS IIA. IN ADDITION, IF YOU DO

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SOMETHING SIMILAR TO SPIKING SOMEONE'S DRINK, AND THEN IT LEADS TO A SEXUAL ASSAULT, THAT'S AN ADDITIONAL CHARGE. SO YOU WOULD HAVE THE SEXUAL ASSAULT AND THEN YOU WOULD ALSO HAVE THE ASSAULT ON THE INDIVIDUAL TO PUT THEM IN THAT CAPACITY. SO THIS IS COVERED ALREADY UNDER STATUTE. UNFORTUNATELY, IT'S NOT A NEW CONCEPT THAT POWDERED ALCOHOL IS INTRODUCED TO US, SAD BUT TRUE. SO WITH THAT I WOULD YIELD THE REMAINDER OF MY TIME. THANK YOU, MR. SPEAKER. [LB330 LB605]

SPEAKER HADLEY: SENATOR BAKER, YOU ARE RECOGNIZED. [LB330]

SENATOR BAKER: QUESTION. [LB330]

SPEAKER HADLEY: QUESTION HAS BEEN CALLED. DO I SEE FIVE HANDS? I DO. THE QUESTION IS: SHALL DEBATE CEASE? ALL THOSE IN FAVOR VOTE AYE; ALL THOSE OPPOSED VOTE NAY. RECORD, MR. CLERK. [LB330]

CLERK: 25 AYES, 4 NAYS, MR. PRESIDENT, TO CEASE DEBATE. [LB330]

SPEAKER HADLEY: DEBATE DOES CEASE. SENATOR KOLTERMAN, YOU ARE RECOGNIZED TO CLOSE. [LB330]

SENATOR KOLTERMAN: THANK YOU, MR. PRESIDENT. THANK YOU, COLLEAGUES, FOR THE GREAT DISCUSSION. WE'RE BACK TO WHERE WE STARTED. THE AMENDMENT YOU SEE BEFORE YOU, AM1614, CLEANS UP THE PREVIOUS AMENDMENT. IT CLARIFIES WHAT MY INTENT WAS. SOME PEOPLE ASKED--WHY ARE YOU DOING THIS? MY ANSWER IS PURE AND SIMPLE--I DON'T THINK IT'S NEEDED. WHY AM I BYPASSING THE LIQUOR CONTROL COMMISSION? IF YOU THINK ABOUT WHAT HAS TRANSPIRED IN THE LAST 30 TO 45 DAYS WITH THE OIL AND GAS COMMISSION, WHEN YOU GIVE SOMEBODY THAT'S APPOINTED THE ABILITY TO REGULATE, SOMETIMES THEY CAN THUMB THEIR NOSE AT YOU. I DON'T THINK THAT'S GOING TO HAPPEN HERE. BUT IF WE'RE GOING TO BAN IT, WHY DON'T WE BAN IT AND PUT INTO STATUTE WHAT WE WANT FOR THE PENALTIES. THE PENALTIES ARE PRETTY SMALL IF YOU ARE CONVICTED OF HAVING THIS FIRST POSSESSION. SO I WOULD ENCOURAGE AND APPRECIATE A GREEN LIGHT ON AM1614. AND AGAIN, MY INTENT IS NOT BEEN TO SABOTAGE LB330. I THINK THAT'S GOOD LEGISLATION. I THINK WE NEED TO MOVE FORWARD WITH THAT AS WELL. SO I ENCOURAGE YOU TO SUPPORT AM1614. THANK YOU. [LB330]

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SPEAKER HADLEY: THE QUESTION FOR THE BODY IS THE ADOPTION OF THE AMENDMENT. [LB330]

SENATOR KOLTERMAN: I WOULD LIKE TO REQUEST A ROLL CALL VOTE OR CALL OF THE HOUSE, EXCUSE ME, CALL OF THE HOUSE. [LB330]

SPEAKER HADLEY: OKAY. THERE HAS BEEN A REQUEST TO PLACE THE HOUSE UNDER CALL. THE QUESTION IS: SHALL THE HOUSE GOING UNDER CALL? ALL THOSE IN FAVOR VOTE AYE; ALL THOSE OPPOSED VOTE NAY. RECORD, MR. CLERK. [LB330]

CLERK: 36 AYES, 0 NAYS TO PLACE THE HOUSE UNDER CALL. [LB330]

SPEAKER HADLEY: THE HOUSE IS UNDER CALL. SENATORS, PLEASE RECORD YOUR PRESENCE. THOSE UNEXCUSED SENATORS OUTSIDE THE CHAMBER PLEASE RETURN TO THE CHAMBER AND RECORD YOUR PRESENCE. ALL UNAUTHORIZED PERSONNEL PLEASE LEAVE THE FLOOR. THE HOUSE IS UNDER CALL. SENATOR NORDQUIST, CHECK IN; SENATOR GLOOR, SENATOR KRIST, SENATOR MURANTE, SENATOR HUGHES, SENATOR HILKEMANN. SENATOR GLOOR, SENATOR KRIST, SENATOR MURANTE, AND SENATOR HILKEMANN. MR. CLERK, THERE HAS BEEN A REQUEST FOR A ROLL CALL VOTE. [LB330]

CLERK: (ROLL CALL VOTE TAKEN, LEGISLATIVE JOURNAL PAGES 1688-1689.) 40 AYES, 0 NAYS ON THE AMENDMENT. [LB330]

SPEAKER HADLEY: THE AMENDMENT IS ADOPTED. I RAISE THE CALL. MR. CLERK. WE ARE BACK TO THE LARSON AMENDMENT AS AMENDED. SENATOR LARSON, YOU ARE RECOGNIZED. [LB330]

SENATOR LARSON: MR. PRESIDENT, AM I THE ONLY ONE IN THE QUEUE? [LB330]

SPEAKER HADLEY: THAT'S CORRECT. [LB330]

SENATOR LARSON: CAN I USE THIS AS MY CLOSING? [LB330]

SPEAKER HADLEY: YOU MAY. [LB330]

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SENATOR LARSON: THANK YOU. COLLEAGUES, AM1479, GIVE IT A GREEN VOTE, LET'S MOVE ON. AND I KNOW SENATOR DAVIS HAS AN AMENDMENT WAITING IN THE WINGS THAT I'M SURE YOU GUYS WILL ENJOY HEARING ABOUT. SO GREEN ON AM1479, AND WE CAN MOVE FORWARD. THANK YOU. [LB330]

SPEAKER HADLEY: THE QUESTION IS THE ADOPTION OF THE AMENDMENT. ALL IN FAVOR VOTE AYE; OPPOSED VOTE NAY. RECORD, MR. CLERK. [LB330]

CLERK: 32 AYES, 5 NAYS, MR. PRESIDENT, ON THE ADOPTION OF SENATOR LARSON'S AMENDMENT. [LB330]

SPEAKER HADLEY: THE AMENDMENT IS ADOPTED. MR. CLERK. [LB330]

CLERK: MR. PRESIDENT, THE...SENATOR SCHUMACHER, FA57. [LB330]

SPEAKER HADLEY: SENATOR SCHUMACHER, YOU ARE RECOGNIZED TO OPEN ON YOUR AMENDMENT. [LB330]

SENATOR SCHUMACHER: I WITHDRAW THAT, PLEASE. [LB330]

SPEAKER HADLEY: WITHOUT OBJECTION. [LB330]

CLERK: MR. PRESIDENT, SENATOR DAVIS WOULD MOVE TO AMEND WITH AM1546. (LEGISLATIVE JOURNAL PAGE 1449.) [LB330]

SPEAKER HADLEY: SENATOR DAVIS, YOU'RE RECOGNIZED TO OPEN ON YOUR AMENDMENT. [LB330]

SENATOR DAVIS: THANK YOU, MR. PRESIDENT. I AM INTRODUCING AM1546 TO REMOVE THE LANGUAGE IN LB330 THAT CHANGES NEBRASKA'S CLASSIFICATION OF "HARD CIDER" FROM "WINE" TO "BEER" WHICH WOULD, EFFECTIVELY, PUT NEBRASKA'S STATUTORY DEFINITIONS OF BEER AND WINE OUT OF SYNC WITH THE FEDERAL DEFINITIONS. MY AMENDMENT STRIKES SECTIONS 3 AND 4 WHICH CREATE A DEFINITION FOR HARD CIDER AND ADD HARD CIDER TO THE DEFINITION OF BEER. IT ALSO STRIKES SECTION 11, WHICH WOULD NO LONGER BE NEEDED AS IT RELATES TO FARM WINERIES ABILITY TO MANUFACTURE AND DISTRIBUTE HARD CIDER. WE ALL KNOW THAT BEER IS MADE FROM GRAIN AND

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WINE IS MADE FROM FRUIT. HARD CIDER IS MADE FROM FRUIT, SPECIFICALLY APPLES OR PEARS. I ENCOURAGE EACH OF YOU TO READ THE EXISTING LANGUAGE IN THE BILL. IT CLASSIFIES THE PARTICULAR TYPE OF WINE AS BEER. IN FACT, IT WOULD STILL BE CONSIDERED WINE AT THE FEDERAL LEVEL, NOT JUST STATE STATUTE. THIS CHANGE EFFECTIVELY CREATES AN ADVANTAGE FOR MAJOR OUT-OF-STATE BEER COMPANIES, LIKE ANHEUSER-BUSCH, MILLER, COORS, AND SAM ADAMS. IN THE PROCESS, IT GIVES FALSE HOPE TO NEBRASKA'S CRAFT BREWERIES AND REMOVES AN EXISTING RIGHT OF NEBRASKA'S FARM WINERIES. POPULAR HARD CIDER, SUCH AS ANGRY ORCHARD MADE BY SAM ADAMS, ARE PLENTIFUL ON THE SHELVES OF NEBRASKA'S LIQUOR RETAILERS, BUT ARE PRESENTLY DISTRIBUTED AS WINE AND THEREFORE INVOICED SEPARATELY FROM BEER. DEFINING HARD CIDER AS BEER IN NEBRASKA WILL STREAMLINE THE DISTRIBUTION PROCESS AND LOWER THE EXCISE TAX FOR THE BIG OUT-OF-STATE BEER COMPANIES SINCE BEER IS TAXED AT A LOWER RATE THAN WINE. THE STATUTORY CHANGE IN LB330 THAT CLASSIFIES HARD CIDER AS BEER GIVES THE IMPRESSION THAT NEBRASKA'S CRAFT BREWERIES WILL NOW BE ABLE TO MAKE THE HARD CIDER, BUT IF THEY DO, THEY WILL, ACTUALLY, BE OUT OF FEDERAL COMPLIANCE BECAUSE BY FEDERAL LAW, HARD CIDER/WINE IS MANUFACTURED BY WINERIES, NOT BREWERIES. FURTHERMORE, LB330, AS DRAFTED, WOULD REMOVE THE RIGHT OF NEBRASKA'S FARM WINERIES TO MAKE AND DISTRIBUTE HARD CIDER BECAUSE BEER IS MANUFACTURED BY BREWERIES NOT WINERIES. SENATOR LARSON'S AM613, WHICH WE ADOPTED ON GENERAL FILE AND IS NOW SECTION 11 OF THE BILL, WAS AN ADMIRABLE ATTEMPT TO REMEDY THIS, BUT IT DOESN'T GO FAR ENOUGH. HIS AMENDMENT DOESN'T GIVE THE FARM WINERIES THE RIGHT TO MANUFACTURE HARD CIDER BUT DOES NOT ALLOW THEM TO DISTRIBUTE IT. IT DOES GIVE THEM THE RIGHT TO MANUFACTURE IT, BUT NOT TO DISTRIBUTE IT. SIMPLY PUT, DEFINING HARD CIDER, WINE, AS BEER IN NEBRASKA WOULD SIMPLIFY THE MAJOR NATIONAL/INTERNATIONAL BEER COMPANIES DISTRIBUTION PROCESS FOR A PRODUCT THAT IS SKYROCKETING IN SALES. AT THE SAME TIME, IT WOULD NOT BENEFIT AND COULD NEGATIVELY IMPACT NEBRASKA'S HOMEGROWN BEER AND WINE INDUSTRY. I URGE YOU TO ADOPT AM1546 AND STAND WITH OUR LOCAL NEBRASKA INDUSTRIES. THANK YOU VERY MUCH. [LB330]

SPEAKER HADLEY: THANK YOU, SENATOR DAVIS. SENATOR McCOY, YOU ARE RECOGNIZED. [LB330]

SENATOR McCOY: THANK YOU, MR. PRESIDENT. WOULD SENATOR LARSON YIELD, PLEASE? [LB330]

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SPEAKER HADLEY: SENATOR LARSON, WILL YOU YIELD? [LB330]

SENATOR LARSON: YES. [LB330]

SENATOR McCOY: THANK YOU, SENATOR. I WANT TO CONTINUE WITH A FEW QUESTIONS I HAVE ABOUT THE OVERARCHING ISSUE. I HAVEN'T HAD THE OPPORTUNITY, WHICH I WILL, I ORIGINALLY HIT MY LIGHT BEFORE SENATOR DAVIS' AMENDMENT CAME UP. SO I WANT TO SPEAK TO THE UNDERLYING BILL. WE'LL TAKE A PACKET OF THIS POWDERED ALCOHOL, AND LET'S SAY SOMEONE IS IN A VEHICLE... [LB330]

SENATOR LARSON: UM-HUM. OKAY. [LB330]

SENATOR McCOY: ...WITH AN OPEN PACKET. [LB330]

SENATOR LARSON: OKAY. [LB330]

SENATOR McCOY: IS THAT THE SAME AS AN OPEN CONTAINER? [LB330]

SENATOR LARSON: YOU KNOW, I THINK THAT'S GOING TO BE SOMETHING THAT'S GOING TO BE LEFT UP TO THE COURTS. I CAN'T TELL YOU IF THAT'S GOING TO BE AN OPEN CONTAINER OR NOT. IF IT WAS MIXED IN WITH THE DRINK ALREADY, I WOULD SAY THAT'S AN OPEN CONTAINER, BUT IN STATUTE, WE DON'T NECESSARILY DEFINE THAT IT IS. AND I'M NOT SURE ANY STATE HAS DEFINED THAT, WHETHER OR NOT THAT OPEN PACKET WILL BE DEFINED. I KNOW ON THE PACKETS THAT THEY SAY MIX WITH THREE OUNCES OR FIVE OUNCES OF ALCOHOL ON THERE...TO GO TO YOUR SOLUTION ISSUES THAT WE'VE DISCUSSED. SO IF IT WAS ALREADY PREMIXED, THEN PROBABLY. IF IT WASN'T PREMIXED, IF IT WAS JUST OPEN, I'M NOT SURE. I KNOW WE HAVE LAWS, WITH LIKE WINE, YOU CAN CORK A BOTTLE OF WINE AND TAKE IT HOME, AND THAT'S NOT AN OPEN CONTAINER. [LB330]

SENATOR McCOY: CORRECT, BUT SPECIFICALLY THE PACKETS, BECAUSE I THINK WE'RE PUTTING LAW ENFORCEMENT IN A VERY, VERY PRECARIOUS SITUATION HERE. WE'RE PRETTY SPECIFIC WHEN IT COMES TO, SENATOR, TO DEFINING, I BELIEVE, WHAT CONSTITUTES AN OPEN CONTAINER AND WHAT DOESN'T, AND IF YOU...IF SOMEONE IS ON THEIR WAY HOME FROM WORK, STOPS AT THE CONVENIENCE STORE AND PICKS UP A 12-PACK OF BEER, CLEARLY THAT'S NOT

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AN OPEN CONTAINER, UNLESS ONE ACTUALLY POPS THE TOP, IT'S NOT AN OPEN CONTAINER. THIS HOWEVER... [LB330]

SENATOR LARSON: JUST THE POSSESSION UNDER WHAT WE JUST DID WILL...I MEAN, IT WILL BE ILLEGAL JUST TO POSSESS IT. ARE YOU ASKING IF THEY'RE GOING TO GET THE POSSESSION CHARGE AND THE OPEN CONTAINER CHARGE? [LB330]

SENATOR McCOY: THAT'S EXACTLY WHAT MY POINT IS. BECAUSE YOU COULD HAVE, YES, THE...YOU COULD GET, ESSENTIALLY, STOPPED FOR POSSESSION, BUT ARE YOU GOING TO GET STOPPED AND ALSO GET TICKETED WITH... [LB330]

SENATOR LARSON IF IT'S MIXED, I'D SAY DEFINITELY. [LB330]

SENATOR McCOY: WELL, BUT SEE HERE...WELL, THAT'S IN THE EYES OF THE BEHOLDER, SENATOR, BECAUSE... [LB330]

SENATOR LARSON: IT WILL BE UP TO THE JURY AND THE... [LB330]

SENATOR McCOY: I WOULD SAY THAT YOU COULD EASILY DOWN A PACKET SUCH AS THIS WITH NO LIQUID AT ALL; AND IS THAT CONSIDERED THEN AN OPEN CONTAINER? IN OTHER WORDS, YOU COULD TEAR A PACKET AND DOWN IT WITH NO LIQUID WHATSOEVER. TO ME THAT WOULD BE AN OPEN CONTAINER. IF I'M A LAW ENFORCEMENT OFFICER, I WOULD CONSIDER THAT AN OPEN CONTAINER. IT'S EVERY BIT...IT COULD BE EVERY BIT OR MORE AS DANGEROUS TO NEBRASKANS OUT THERE IN PUBLIC DRIVING OR PEDESTRIANS OR WHATEVER THE CASE MAY BE THAN IT WOULD BE IF YOU HAD AN OPEN CONTAINER OF WHAT WE WOULD NORMALLY CONSIDER ALCOHOL, BE IT HARD LIQUOR, BEER, WINE, SPIRITS OF ANY KIND. [LB330]

SENATOR LARSON: AS I SAID, I THINK IF IT'S MIXED, IT DEFINITELY WOULD BE. IF IT'S NOT MIXED, THAT IS GOING TO GO TO THE DISTRICT ATTORNEY ON WHETHER OR NOT THEY FILE...OBVIOUSLY, I THINK THE OFFICER WILL WRITE IT DOWN, DICTATE IT. IF THE OFFICER WRITES THAT TICKET, WHICH MOST OF THEM, AS YOU SAID, PROBABLY WOULD, THEN THE DISTRICT ATTORNEY IS EITHER GOING TO HAVE TO PROSECUTE IT OR SAY THAT IT WASN'T. [LB330]

SPEAKER HADLEY: ONE MINUTE. [LB330]

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SENATOR LARSON: WAS THAT TIME? [LB330]

SENATOR McCOY: NO, I THINK IT WAS ONE MINUTE, SENATOR. [LB330]

SENATOR LARSON: OH, I'M SORRY. [LB330]

SENATOR McCOY: BUT I THINK WE'RE PUT IN A POSITION HERE, WITHOUT BUILDING SOME OF THESE SAFEGUARDS INTO THE ACTUAL LEGISLATION, SENATOR, I FEAR WE'RE LEAVING TOO MUCH UP TO THE COURTS. WE'RE LEAVING TOO MUCH UP TO WHETHER OR NOT A COUNTY ATTORNEY, PROSECUTOR, LOOKS AT THIS AND SAYS, WELL, I WOULD CONSIDER THIS AN OPEN CONTAINER OR NOT, BECAUSE DOES A CONTAINER MEAN...IS IT A LIQUID? IS IT A SOLID? IS IT A POWDER? WHAT'S DEEMED AN OPEN CONTAINER? AND IF ANYTHING, THIS COULD BE EVEN MORE INTOXICATING THAN SOME SORT OF HARD LIQUOR AND COULD BE EVEN MORE DANGEROUS TO SOMEONE'S DRIVING, BUT YOU COULD EASILY HAVE SOMEBODY SAY--WELL, I DON'T MIND GETTING PICKED UP FOR POSSESSION, BUT I CAN DRIVE WITH THIS AND I'M NOT GOING TO GET CAUGHT AND TICKETED FOR AN OPEN CONTAINER. [LB330]

SENATOR LARSON: FRANKLY, SENATOR McCOY... [LB330]

SPEAKER HADLEY: ONE MINUTE. SORRY, TIME. TIME. THANK YOU, SENATOR McCOY; THANK YOU, SENATOR LARSON. SENATOR LARSON, YOU'RE NEXT IN THE QUEUE. [LB330]

SENATOR LARSON: THANK YOU, MR. PRESIDENT. AND I'M GOING TO FOCUS DIRECTLY ON AM1546. I RISE IN VEHEMENT OPPOSITION TO AM1546. THIS IS ONE OF THE CENTERPIECES OF LB330, IN THE SENSE THAT WE HAVE A REAL PROBLEM IN THE DISTRIBUTION INDUSTRY AND HOW WE CLASSIFY CIDER THAT IS CAUSING HEADACHES FOR RETAILERS, DISTRIBUTORS, AND MANUFACTURERS. SENATOR DAVIS CAN PUT THE PURE AND FLUFFY "THIS IS HERE TO HELP THE FARM WINERIES" NOTE ON THIS, BUT LET ME WALK YOU THROUGH THE FACTS. I'LL FOCUS ON THE FARM WINERIES FIRST. FARM WINERIES ARE THE ONLY PART OF THE LIQUOR CONTROL ACT THAT HAVE THE ABILITY TO OWN ALL THREE TIERS OF THE SYSTEM: MANUFACTURING, DISTRIBUTION, AND RETAILING. THE ONLY ONE. AND, FRANKLY, I'M NOT A HUGE FAN OF THAT. THEY HAVE A SWEETHEART DEAL, WHERE THEY'RE THE ONLY PART THAT GETS TO OWN ALL THREE TIERS AND ALSO ARE CHARGED A MUCH LESS TAX THAN EVERYTHING ELSE. SO IF SENATOR DAVIS WANTS TO TALK ABOUT--OH, WE'RE LOWERING THE

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TAX ON THESE THINGS, FARM WINERIES, I WANT TO SAY ONLY PAID SIX CENTS PER GALLON, IF THAT, SIX CENTS IF THAT PER GALLON. SO HE WANTS TO TALK ABOUT THE SWEETHEART DEAL FOR THE BIG GUYS OR WHAT NOT. IN REALITY, IT'S THE SWEETHEART DEAL FOR THE FARM WINERIES THAT THEY'RE LOOKING FOR. SO BEFORE YOU STEP, YOU HAVE TO KNOW WHERE YOU'RE STEPPING AND PRESENT THE CASE IN THE RIGHT WAY. ALSO, HE TALKS ABOUT WHILE THIS IS BEING PITCHED AS SOMETHING FOR CRAFT BREWERIES. HE'S RIGHT. THEY WOULD HAVE TO GET AN ADDITIONAL FEDERAL LICENSE TO DO THIS UNDER CURRENT FEDERAL LAW. THAT DOESN'T NECESSARILY MEAN THAT THEY WON'T. SO THERE'S THOSE TWO ASPECTS OF HIS AMENDMENT. AND THEN LET'S BRING IT INTO THE SYSTEMATIC PROBLEMS THAT WE'RE HAVING WHEN WE CLASSIFY CIDER AS A WINE INSTEAD OF A BEER. WE HAD THIS CONVERSATION ON GENERAL FILE. HARD CIDERS--THEY LOOK LIKE A BEER; THEY'RE PACKAGED LIKE A BEER. THEY HAVE THE ABV LIKE A BEER. THEY'RE TREATED LIKE A BEER IN ALMOST ALL SETTINGS. THEY'RE SOLD LIKE A BEER. THEY'RE MARKETED LIKE A BEER. IT'S THE OLD ADAGE--IF IT WALKS LIKE A DUCK AND QUACKS LIKE A DUCK, IT'S PROBABLY A DUCK, REGARDLESS OF HOW THE FERMENTATION VERSUS THE BREWING SIDE OF THINGS. SO THERE'S THAT PART OF IT. BUT THE REAL PROBLEM COMES WITHIN THE DISTRIBUTION. UNDER NEBRASKA'S CURRENT LIQUOR CONTROL ACT, HARD CIDER HAS TO BE DISTRIBUTED WITH WINE AND LIQUORS. WELL, THAT REQUIRES, ESSENTIALLY, A DELIVERY FEE TO BE CHARGED OR YOU HAVE TO COME AND PICK IT UP. AS HARD CIDER HAS CONTINUED TO EXPAND AND GROW, THE WINE AND LIQUOR DISTRIBUTORS HAD A HARD TIME KEEPING UP WITH DEMAND BECAUSE OF OUR CURRENT STATUTES, HOW THEY'RE WRITTEN, EITHER CHARGING A DELIVERY FEE OR CUSTOMERS HAVING TO COME AND PICK IT UP. [LB330]

SPEAKER HADLEY: ONE MINUTE. [LB330]

SENATOR LARSON: SO BEER DISTRIBUTORS MOVED TO FILL IN THE GAP, BECAUSE THEY HAVE A DISTRIBUTION METHOD, THE TRUCKS; AND THEY DON'T CHARGE A DELIVERY FEE. BUT WHEN THEY STARTED DELIVERING HARD CIDER, ALL OF A SUDDEN THEY HAD TO CHARGE AN EXTRA DELIVERY FEE; THEY HAD TO INVOICE THEM FOR THAT CIDER BECAUSE, UNDER OUR STATUTE IT COULDN'T BE PAID FOR IMMEDIATELY, BUT THEY ALSO HAD TO INVOICE THEM FOR THE BEER...OR THE...BUT THE...THE CUSTOMER HAD TO PAY FOR THE BEER IMMEDIATELY. SO ALL OF A SUDDEN, FOR ONE DROP-OFF, YOU HAVE AT LEAST THREE INVOICES. NOW, IF WE WANT TO TALK ABOUT BUREAUCRATIC MESS, THIS IS THAT. AND THEN THAT FURTHER COMPLICATED THE LIQUOR CONTROL

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COMMISSION'S ABILITY TO AUDIT AND REGULATE THE PRODUCT. SO, COLLEAGUES, THIS IS REALLY... [LB330]

SPEAKER HADLEY: TIME, SENATOR. [LB330]

SENATOR LARSON: THANK YOU. [LB330]

SPEAKER HADLEY: THANK YOU, SENATOR LARSON. SENATOR COASH, YOU'RE RECOGNIZED. [LB330]

SENATOR COASH: THANK YOU, MR. PRESIDENT. COLLEAGUES, I WANT TO SPEAK BRIEFLY ABOUT SENATOR DAVIS' AMENDMENT. I AM OPPOSED TO IT. AND I WANT TO EXPLAIN WHY. FIRST OF ALL, THIS IS SOMETHING I KNOW SOMETHING ABOUT. AM1546 APPLIES TO A PRODUCT THAT I WANT TO DESCRIBE FOR YOU. IT LOOKS LIKE BEER BECAUSE IT'S PACKAGED LIKE BEER. IT'S PACKAGED IN KEGS, NOT IN BARRELS. IT'S PACKAGED IN SIX PACKS, NOT IN BIG LITER BOTTLES. WHEN YOU GO TO THE STORE TO FIND THE PRODUCT, YOU DON'T LOOK IN THE WINE AISLE, YOU LOOK IN THE BEER AISLE. THE ONLY THING THAT MAKES THIS PRODUCT CLASSIFIED AS THE WAY IT IS IS THE CORE INGREDIENT WHICH IS FRUIT. BECAUSE THE CORE INGREDIENT IS FRUIT, IT IS CLASSIFIED AS WINE. BUT IT'S NOT PACKAGED LIKE WINE. IT'S NOT MARKETED LIKE WINE. IT HAS, ROUGHLY, THE SAME ALCOHOL CONTENT AS BEER. WINE HAS A LOT MORE ALCOHOL IN IT THAN THIS PRODUCT DOES. AND WHAT LB330 DOES, IT SAYS IF IT LOOKS LIKE BEER, IS SOLD LIKE BEER, PACKAGED LIKE BEER, IT OUGHT TO BE CLASSIFIED LIKE BEER. AND THAT'S THE PURPOSE OF THE ORIGINAL LB330, WHICH WAS SUPPORTED IN THE COMMITTEE. SENATOR DAVIS IS TAKING IT...BASICALLY, REMOVING WHAT WE HAD DONE, WHICH IS HIS RIGHT TO DO, BECAUSE...AND HE'S EXPLAINED HIS REASONS. I JUST WANT YOU TO UNDERSTAND MY REASONS FOR SUPPORTING THIS. IT HAS NOTHING TO DO WITH THE TAX. BOTH PRODUCTS, WHETHER TAXED AS WINE OR TAXED AS BEER, THE STATE GETS WHAT THEY NEED, BUT IT IS SOMETHING THAT WE OUGHT TO THINK ABOUT AS IT RELATES TO DISTRIBUTORS OF THE PRODUCT. AND THEY CAME IN AND SAID--LOOK, I SELL BEER, THAT'S ALL I SELL. BUT NOW THAT I JUST WANT TO SELL THIS ONE PRODUCT, THAT DOESN'T LOOK LIKE BEER, I GOT TO GO GET THIS ADDITIONAL ENDORSEMENT ON THE LICENSE THAT I HOLD, IT DOESN'T MAKE SENSE TO DO JUST FOR ONE PRODUCT. I WILL TELL YOU, RETAILERS, i.e., GAS STATIONS, LIQUOR STORES; IF YOU WENT IN AND ASKED THEM WHERE IS YOUR BEER, WHERE'S YOUR HARD CIDER, THEY WOULD SAY...IF YOU ASKED THEM WHERE THE HARD CIDER WAS, THEY'D SAY, WELL, IT'S OVER

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THERE WITH THE REST OF THE BEER. THE RETAILERS DON'T LOOK AT THIS PRODUCT AS WINE, BECAUSE IT'S NOT PACKAGED LIKE THAT, IT'S NOT SOLD LIKE THAT. SO FOR THAT REASON, I WOULD URGE YOU TO OPPOSE AM1546. AND I WILL YIELD ANY REMAINING TIME TO SENATOR LARSON. [LB330]

SPEAKER HADLEY: SENATOR LARSON, 2 MINUTES. [LB330]

SENATOR LARSON: THANK YOU, SENATOR COASH. WILL SENATOR DAVIS YIELD TO A QUESTION? [LB330]

SPEAKER HADLEY: SENATOR DAVIS, WILL YOU YIELD? [LB330]

SENATOR DAVIS: YES. [LB330]

SENATOR LARSON: THANK YOU, SENATOR DAVIS. DO YOU THINK THAT FARM WINERIES SHOULD BE TREATED THE SAME AS OUR CRAFT BREWERIES IN THE STATE OF NEBRASKA? [LB330]

SENATOR DAVIS: SENATOR LARSON, I DON'T THINK... [LB330]

SENATOR LARSON: BECAUSE THEY BOTH OFFER EXCELLENT ECONOMIC INVESTMENT. [LB330]

SENATOR DAVIS: ARE YOU ASKING ME A QUESTION? [LB330]

SENATOR LARSON: YES. YES. DO YOU BELIEVE THEY SHOULD BE TREATED THE SAME? [LB330]

SENATOR DAVIS: I DO. [LB330]

SENATOR LARSON: SO YOU DON'T THINK THAT FARM WINERIES SHOULD HAVE THE ABILITY FOR SELF-DISTRIBUTION? [LB330]

SENATOR DAVIS: I THINK THAT FARM WINERIES SHOULD BE ABLE TO SELF-DISTRIBUTE THEIR HARD CIDER WHEN THEY'RE READY TO DO SO. [LB330]

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SENATOR LARSON: WELL, CRAFT BREWERIES DON'T HAVE THE ABILITY TO SELF-DISTRIBUTE THEIR BEER, BUT YOU JUST STATED THAT YOU FEEL THAT FARM WINERIES SHOULD BE TREATED THE SAME AS CRAFT BREWERIES. [LB330]

SENATOR DAVIS: WHAT YOU'RE TRYING TO DO IS TAKE AWAY THE ABILITY OF FARM WINERIES TO SELF-DISTRIBUTE THEIR PRODUCT. [LB330]

SENATOR LARSON: SENATOR DAVIS, DO YOU... [LB330]

SPEAKER HADLEY: ONE MINUTE. [LB330]

SENATOR LARSON: ...THINK THAT CRAFT BREWERIES AND FARM WINERIES SHOULD BE TAXING THE ALCOHOL THEY PRODUCE AT THE SAME LEVEL? [LB330]

SENATOR DAVIS: SENATOR LARSON, WHAT I'M TRYING TO DO WITH THIS BILL IS GIVE SOME FAIRNESS TO THE FARM WINERIES BECAUSE... [LB330]

SENATOR LARSON: THANK YOU, SENATOR DAVIS. AND FRANKLY, I'M TRYING TO DO THE SAME TO THE CRAFT BREWERIES BECAUSE WHAT THE FARM WINERIES HAVE IS NOT FAIR. THEY ARE THE ONLY PART THAT CAN OWN ALL THREE TIERS OF THE SYSTEM. THEY'RE THE ONLY ORGANIZATION THAT CAN MAKE, DISTRIBUTE, AND SELL. THEY ALSO HAVE A SIX-CENT TAX VERSUS ALL OTHER WINES THAT ARE IN THE STATE OF NEBRASKA THAT ARE TAXED AT 95 CENTS. FARM WINERIES HAVE, BY FAR AND AWAY, THE SWEETEST DEAL, NO PUN INTENDED, COMPARED TO EVERY OTHER MANUFACTURER OF ALCOHOL. [LB330]

SPEAKER HADLEY: TIME, SENATOR. [LB330]

SENATOR LARSON: THANK YOU. [LB330]

SPEAKER HADLEY: THANK YOU, SENATOR LARSON AND SENATOR DAVIS. SENATOR WATERMEIER, YOU'RE RECOGNIZED. [LB330]

SENATOR WATERMEIER: THANK YOU, MR. PRESIDENT. GOOD AFTERNOON, NEBRASKA. I'M GOING TO RISE IN SUPPORT OF SENATOR DAVIS' AM1546. AND A LITTLE BIT OF BACKGROUND IN MY DISTRICT, IT IS QUITE A LEARNING PROCESS. BUT IN GENERAL, LB330 TAKES AWAY THE RIGHT OF NEBRASKA'S FARM

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WINERIES TO SELF-DISTRIBUTE HARD CIDER. AND IF NEBRASKA'S CRAFT BREWERIES MAKE HARD CIDER, THEY WILL BE IN VIOLATION OF THE FEDERAL LAW. CALLING A WINE A BEER IN NEBRASKA DOES NOT CHANGE THE FEDERAL CLASSIFICATION. WINE IS STILL WINE ON THE FEDERAL LEVEL AND CAN ONLY BE MADE BY WINERIES. AND I APPRECIATE...I'M GOING TO YIELD THE REST OF MY TIME TO SENATOR DAVIS IN A SECOND HERE. BUT I APPRECIATE WHAT SENATOR LARSON IS STATING. THEY DO HAVE WHAT HE DESCRIBED AS A SWEET DEAL IN THE FACT OF IT'S DIFFERENT THAN WHAT NEBRASKA HAS ON ITS OTHER BUSINESSES. THEY DO HAVE ALL THREE STAGES, THE THREE-TIER EFFECT. THEY PRODUCE IT, THEY DISTRIBUTE IT, AND THEY SELL IT. BUT WE DID THAT FOR A REASON. THERE WAS HISTORY TO THAT. NEBRASKA DECIDED THROUGH THE LEGISLATURE TO INCENTIVIZE THE WINERIES IN THIS STATE. THEY'RE REQUIRED TO USE A CERTAIN AMOUNT OF PERCENTAGE OF NEBRASKA-GROWN PRODUCTS, I BELIEVE. THERE'S LOTS OF THINGS THAT WENT ON BEHIND THE SCENE OF THAT. AND THERE IS A REASON THAT THEY COULD BE CALLED, THEY COULD BE DESCRIBED AS A SWEETHEART DEAL. THERE'S VOLUME REQUIREMENTS. THERE'S USE OF PRODUCT MADE FROM NEBRASKA REQUIREMENTS. THERE'S A LOT OF THINGS THAT GO ON BEHIND THE SCENES OF THAT. AND I ACTUALLY HAVE IN MY DISTRICT A FARM WINERY WHO HAS BEEN DEVELOPING WITH THE UNIVERSITY THE ABILITY TO CREATE HARD CIDER. IF THIS BILL GOES INTO EFFECT, THEY'RE GOING TO BE REQUIRED TO USE A DISTRIBUTOR IN NAME ONLY. THEY'RE ONLY GOING TO HAVE TO PAY THEM TO BE A DISTRIBUTOR. THEY'RE STILL GOING TO DO THE PHYSICAL DISTRIBUTING OF IT. AND I KNOW THAT'S A VERY LIMITED BASIS. AND I DO APPRECIATE WHAT SENATOR LARSON HAD MEANT. IT LOOKS LIKE A BEER. IT'S SOLD LIKE A BEER. IT'S IN THE BEER SECTION OF THESE RETAILERS. BUT REMEMBER WHAT WE ARE TRYING TO DO. AND I CAN'T RECITE THE YEAR IN WHICH WE DID IT, BUT NEBRASKA TRIED TO INCENTIVIZE ITS FARM WINERIES. AND WITH THAT, I'LL YIELD THE REST OF MY TIME TO SENATOR DAVIS TO EXPLAIN HIS AM1546 A LITTLE BIT FURTHER. THANK YOU, MR. PRESIDENT. [LB330]

SPEAKER HADLEY: SENATOR DAVIS, YOU'RE YIELDED 2:45. [LB330]

SENATOR DAVIS: THANK YOU, SENATOR WATERMEIER. I JUST WANTED TO MAKE A FEW POINTS. SENATOR LARSON TALKED ABOUT ALL THE BARRIERS THAT ARE PUT IN PLACE BY THE DISTRIBUTION PROCESS AND HOW COMPLICATED THIS IS AND DIFFICULT. YOU KNOW, AND I THINK THESE BEER DISTRIBUTORS KNOW WHAT THEY'RE DOING. THEY HAVE AN APPROACH TO DOING IT. THE DELIVERY COSTS ARE ALL MONITORED IN. IF THEY NEED TO GET A LICENSE, THEY GET THE LICENSE AND THE TAXES ARE COLLECTED AND PAID. SO I DON'T THINK

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THAT'S A LEGITIMATE ARGUMENT FOR NOT...FOR MAKING THIS MODIFICATION. LET'S REMEMBER HERE WHAT WE'RE TALKING ABOUT A LITTLE BIT IS FEDERAL RULES. SO SENATOR LARSON WAS TALKING ABOUT THE POWDERED ALCOHOL INDUSTRY AND HOW WE NEEDED TO STANDARDIZE OUR RULES AND REGULATIONS WITH THE FEDERAL RULES AND REGULATIONS ON THAT. BUT HE WANTS TO DIFFERENTIATE THE WINE AND BEER INDUSTRY HERE. SO IF YOU READ THE BILL, YOU'LL SEE THAT THE DEFINITION OF BEER IS LAID OUT AND IT ADDS "AND HARD CIDER." AND THEN YOU GO DOWN TO HARD CIDER AND IT'S DESCRIBED AS A WINE. SO, I MEAN, IF YOU TALK ABOUT IT, IT'S BEER EQUALS WINE. I DON'T THINK THAT'S AN APPROPRIATE APPROACH. SO ONE OTHER THING I THINK IS IMPORTANT TO RECOGNIZE IS THAT, IN NEBRASKA, FOR A FARM WINERY TO QUALIFY, 75 PERCENT OF THE PRODUCT HAS TO COME FROM NEBRASKA GRAPES. SO THAT'S A REQUIREMENT THE LEGISLATURE PUT IN PLACE FOR THOSE FARM WINERIES TO MAKE SURE THAT WE WERE ONLY INCENTIVIZING AND DEVELOPING OUR OWN INDUSTRY. WE HAVE THE...WE HAVE FARM WINERIES THAT MAYBE ARE GETTING CLOSE, AS SENATOR WATERMEIER SAID, TO PRODUCING THEIR PRODUCT. WHY DO WE WANT TO PUT SOMETHING IN PLACE THAT'S GOING TO PREVENT THEM FROM DOING SO AND AT THE SAME TIME INCENTIVIZE THE LARGE OUT-OF-STATE BEER MANUFACTURERS. [LB330]

SPEAKER HADLEY: ONE MINUTE. [LB330]

SENATOR DAVIS: THANK YOU, MR. PRESIDENT. SO I'M NOT GOING TO TAKE A LOT OF TIME HERE, BUT I THINK THAT IT'S IMPORTANT FOR US TO CALL A SPADE A SPADE HERE. AND, YOU KNOW, BEER IS NOT WINE. HARD CIDER IS A WINE. IT'S MADE FROM FRUIT. LET'S NOT CHANGE OUR RULES AND LAWS. ONE OTHER THING, I WILL READ A LITTLE BIT OF A NOTE THAT WAS SENT OUT TO THE FARM WINERIES ABOUT THE SPECIFIC ISSUES OF FEDERALLY PERMITTED WINERIES PRODUCING, PACKAGING, AND LABELING THE CIDER. THERE ARE NO FEDERAL VIOLATIONS THAT I SEE. I SHOULD NOTE THAT THE BEER WHOLESALER WILL HAVE TO HAVE AUTHORIZATION UNDER THE FEDERAL PERMIT TO DISTRIBUTE WINE, THE ONLY ACCOMMODATION THAT THE FEDERAL GOVERNMENT CAN MAKE FOR THE BEER INDUSTRY. BEER AND WINE ARE DEFINED AS DIFFERENT PRODUCTS UNDER FEDERAL LAW WITH DIFFERENT TAX RATES, SO WE CAN'T HAVE THE AUTHORITY TO RECLASSIFY CIDER AS A TYPE OF BEER FEDERALLY. THIS MEANS A BREWERY CANNOT PRODUCE A PRODUCT CALLED CIDER OR HARD CIDER... [LB330]

SPEAKER HADLEY: TIME, SENATOR. [LB330]

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SENATOR DAVIS: THANK YOU, MR. PRESIDENT. [LB330]

SPEAKER HADLEY: THANK YOU, SENATOR WATERMEIER AND SENATOR DAVIS.
SENATOR McCOLLISTER, YOU'RE RECOGNIZED. [LB330]

SENATOR McCOLLISTER: THANK YOU, MR. SPEAKER. GOOD AFTERNOON,
COLLEAGUES. A FEW QUESTIONS FOR SENATOR DAVIS, IF HE'D YIELD. [LB330]

SPEAKER HADLEY: SENATOR DAVIS, WILL YOU YIELD? [LB330]

SENATOR DAVIS: I WILL. [LB330]

SENATOR McCOLLISTER: I'M STILL NOT ENTIRELY CLEAR ON THE DIFFERENCE
BETWEEN A FARM WINERY AND A CIDER MANUFACTURER. ARE THESE THE
SAME PEOPLE? [LB330]

SENATOR DAVIS: THEY CAN BE, YES. [LB330]

SENATOR McCOLLISTER: BUT NOT NECESSARILY? [LB330]

SENATOR DAVIS: NOT NECESSARILY. [LB330]

SENATOR McCOLLISTER: OKAY. SECONDLY,... [LB330]

SENATOR DAVIS: BUT... [LB330]

SENATOR McCOLLISTER: ...WHAT'S THE CURRENT DISTRIBUTION SYSTEM FOR
EACH OF THOSE TWO SYSTEMS? [LB330]

SENATOR DAVIS: SO, YOU KNOW, YOU PROBABLY NEED TO TALK TO SENATOR
LARSON ABOUT THAT. WHEN WE TALK ABOUT SELF-DISTRIBUTING, MAYBE
SENATOR COASH COULD ANSWER THAT, TOO, BUT WHEN WE TALK ABOUT SELF-
DISTRIBUTING, THAT MEANS THEY CAN TAKE THEIR PRODUCT TO A POINT OF
SALE. OTHERWISE, EVERYTHING IS FILTERED THROUGH THE DISTRIBUTORS, ALL
OTHER ALCOHOL. [LB330]

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SENATOR McCOLLISTER: AND SO WHEN THAT TRANSACTION OCCURS, IS THERE A TAX LEVIED? [LB330]

SENATOR DAVIS: YES. [LB330]

SENATOR McCOLLISTER: OKAY. THE...WHAT IS THE TAX RATE FOR, IF YOU KNOW, FOR A HARD CIDER VERSUS A BEER? [LB330]

SENATOR DAVIS: I CAN'T ANSWER THAT, SENATOR McCOLLISTER. THE FISCAL NOTE TALKS ABOUT THE REDUCTION AND LOSS IN REVENUE. THAT'S REALLY NOT MY PURPOSE FOR BRINGING THIS AMENDMENT. IT'S MORE TO TRY TO PROTECT THE FARM WINERIES. [LB330]

SENATOR McCOLLISTER: WELL, SPECIFICALLY, HOW IS A CIDER MANUFACTURER HARMED BY THE ADOPTION OF THE LARSON BILL? [LB330]

SENATOR DAVIS: THE LARSON BILL WILL PROHIBIT A FARM WINERY FROM SELF-DISTRIBUTING THE PRODUCT, SO THEY'LL HAVE TO GO TO THE DISTRIBUTORS. THEY WILL PROBABLY END UP DISTRIBUTING THE PRODUCT THEMSELVES. THEY'LL JUST HAVE TO PAY A FEE TO THE DISTRIBUTORS FOR DOING SO. RIGHT NOW THEY CAN, IF THEY WERE MAKING IT RIGHT NOW, THEY COULD TAKE IT AND SELF-DISTRIBUTE IT WITHOUT PAYING THE FEE TO THE DISTRIBUTOR. [LB330]

SENATOR McCOLLISTER: SO THE BILL WOULD EXCLUDE THAT POSSIBILITY... [LB330]

SENATOR DAVIS: CORRECT. [LB330]

SENATOR McCOLLISTER: ...OF SELF-DISTRIBUTION. [LB330]

SENATOR DAVIS: YES. [LB330]

SENATOR McCOLLISTER: THANK YOU, SENATOR DAVIS. I YIELD THE BALANCE OF MY TIME. [LB330]

SPEAKER HADLEY: SENATOR McCOY, YOU ARE RECOGNIZED. [LB330]

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SENATOR McCOY: THANK YOU, MR. PRESIDENT. I WAS GOING TO HAVE SOME QUESTIONS FOR SENATOR LARSON, BUT I DON'T SEE HIM IN THE CHAMBER. WOULD SENATOR COASH YIELD, PLEASE? [LB330]

SPEAKER HADLEY: SENATOR COASH, WILL YOU YIELD TO A QUESTION? [LB330]

SENATOR COASH: YES, I WILL. [LB330]

SENATOR McCOY: I'M SORRY, SENATOR COASH, DIDN'T MEAN TO PULL YOU AWAY FROM A CONVERSATION. BUT AS VICE CHAIR, I DON'T SEE SENATOR LARSON IN THE ROOM, SO I HAD A COUPLE QUESTIONS, IF YOU COULD. CAN YOU HELP ME UNDERSTAND WITH...IT'S MY UNDERSTANDING WITH THE COMMITTEE AMENDMENT ON LB330 THAT THERE WAS A GOOD NUMBER OF BILLS THAT BECAME PART OF LB330. IS THAT CORRECT? [LB330]

SENATOR COASH: WELL, SENATOR LARSON INTRODUCED LB330, WHICH HAD A LOT OF COMPONENTS TO THEM. A LITTLE BIT UNUSUAL, BUT THIS...THE IDEA OF HARD CIDER WAS ONE OF THE ORIGINAL COMPONENTS IN THE INTRODUCED LB330. [LB330]

SENATOR McCOY: OH, OKAY, I SEE. SO THIS WAS NOT A CHRISTMAS TREE BILL, PER SE, IN THAT THIS WASN'T A SEPARATE BILL THAT WAS AMENDED INTO LB330. THIS WAS ACTUALLY HARD-WIRED AS PART OF THE ORIGINAL BILL. [LB330]

SENATOR COASH: THAT'S CORRECT. THAT IS CORRECT. [LB330]

SENATOR McCOY: ALL RIGHT. I APPRECIATE THAT. THANK YOU, SENATOR COASH. WOULD SENATOR LARSON YIELD, PLEASE? [LB330]

SPEAKER HADLEY: SENATOR LARSON, WILL YOU YIELD? [LB330]

SENATOR LARSON: YES. [LB330]

SENATOR McCOY: THANK YOU, SENATOR, AND... [LB330]

SENATOR LARSON: EXCUSE MY... [LB330]

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SENATOR McCOY: NO, NO, NO. [LB330]

SENATOR LARSON: I WAS... [LB330]

SENATOR McCOY: THAT'S FINE. I COMPLETELY UNDERSTAND. SENATOR COASH WAS ABLE TO ANSWER THAT QUESTION, WHICH I APPRECIATE VERY MUCH. I'M GOING TO ASK A QUESTION BACK ON THE UNDERLYING BILL. AND IT'S NOT THAT I DON'T WANT TO TALK ON THIS AMENDMENT, BUT WE HAVE A LOT OF DIFFERENT THINGS GOING ON IN THIS BILL, WHICH IS THE REASON I ASKED THE QUESTION OF SENATOR COASH A MOMENT AGO, SENATOR LARSON, BECAUSE THIS IS, MORE OR LESS, AN ALTOGETHER DIFFERENT SUBJECT THAN A GOOD DEAL OF THE REST OF THE SUBJECT MATTER IN LB330, AS FAR AS POWDERED ALCOHOL GOES, CORRECT? [LB330]

SENATOR LARSON: WELL, AS LB330 WAS INTRODUCED, IT WAS INTRODUCED AS THE OMNIBUS GENERAL AFFAIRS ALCOHOL BILL, SO WE DEALT WITH EVERYTHING PERTAINING... THAT I, AS THE COMMITTEE CHAIR, WANTED TO DEAL WITH THROUGH THE LIQUOR CONTROL COMMISSION. I'M SURE IN DECEMBER OR NOVEMBER YOU GOT A LETTER FROM THE LIQUOR CONTROL COMMISSION OUTLINING EVERYTHING THAT THEY WOULD LIKE TO SEE CHANGED OR THE POSSIBILITY OF SEEING CHANGED. THERE'S ABOUT 16 THINGS IN THERE. AS GENERAL AFFAIRS COMMITTEE CHAIRMAN, I HAD THE PREROGATIVE TO PICK WHICHEVER ONES THAT I WANTED, AND I THINK I PICKED 10 OR 11 OF THEM. AND WE PACKAGED THEM INTO LB330, AND THEN THERE WERE A NUMBER OF OTHER BILLS INTRODUCED IN THE COMMITTEE--SENATOR SCHILZ HAD TWO, I THINK--THAT WE THEN CHRISTMAS TREED INTO LB330. BUT... [LB330]

SENATOR McCOY: SO YOU HAVE A FUNCTION OF SOME, FOR LACK OF A BETTER TERM--YOU USED IT, BUT I THINK WE PROBABLY ALL DO SOMEWHAT--THERE ARE SOME BILLS CHRISTMAS TREED, AND THEN OTHERS THAT I GUESS I... THE WORD THAT I WOULD USE IS "HARD-WIRED" INTO THE GREEN COPY OF THE BILL. IS THAT FAIR CHARACTERIZATION? [LB330]

SENATOR LARSON: THERE WERE... YEAH, THERE WERE... WELL, YEAH. LB330 HAD HARD-WIRED PROBABLY 10 OR 11 ISSUES IN IT, AND THEN SENATOR SCHILZ HAD 2. AND I WOULD HAVE TO GO BACK. THERE MIGHT BE ONE OTHER ONE THAT CHRISTMAS TREED IN. [LB330]

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SENATOR McCOY: THE REASON I ASKED THAT QUESTION, SENATOR, IT'S HARD, IT'S A STRUGGLE TO READ THROUGH THE TRANSCRIPT AND TRY TO UNDERSTAND WITH THE COMMITTEE STATEMENT TESTIMONY ON THE DIFFERENT PARTS BECAUSE, TYPICALLY, AND I'M NOT IN ANY WAY, SHAPE, OR FORM CALLING INTO QUESTION HOW YOU DID THAT, IT'S JUST IT'S DIFFICULT TO FOLLOW, I'LL SAY AS A MEMBER WHO IS NOT PART OF THE GENERAL AFFAIRS COMMITTEE, BECAUSE TYPICALLY WE WOULD BE USED TO INDIVIDUAL BILLS BEING INTRODUCED THAT YOU COULD CALL UP A TRANSCRIPT FOR AND READ THROUGH AND TRY TO DETERMINE WHO TESTIFIED ON WHAT. THIS IS MUCH MORE COMPLICATED BECAUSE SOME PEOPLE CAME UP AND TESTIFIED TO...I MEAN IT'S VERY DIFFICULT TO READ THROUGH WHAT WAS GOING ON WITH THIS HEARING. [LB330]

SENATOR LARSON: WHICH HAS BEEN...YEAH, AND JUDGING ON THE LB330 HEARING, SINCE I SAT THROUGH IT, A LOT OF THE OPPOSITION THAT CAME THROUGH LB330 WAS GEARED TOWARDS THE 24-HOUR PROVISION THAT WOULD HAVE, IN MY MIND...YOU KNOW, I'M VERY FREE MARKET. [LB330]

SPEAKER HADLEY: ONE MINUTE. [LB330]

SENATOR LARSON: I THINK YOUR FORMER COMPANY SHOULD BE ABLE TO BUILD A ROOF WHATEVER TIME OF NIGHT THEY WANT AND...OR WHEREVER THEY WANT AND...JUST AS I FELT LIKE A BAR SHOULD BE ABLE TO OPERATE WHEN THEY WANT AS A LEGITIMATE BUSINESS. BUT JUDGING FROM MOST OF THE OPPOSITION TESTIMONY TO LB330, IT WAS IN THAT PROVISION WHICH WAS TAKEN OUT, AS YOU KNOW. [LB330]

SENATOR McCOY: SURE. I WANT TO ASK A QUESTION ABOUT ANOTHER COMPONENT OF THIS THAT I DON'T THINK HAS GOTTEN TALKED ABOUT, AND HOPEFULLY WE'LL HAVE TIME HERE. OTHERWISE, I'LL HIT MY LIGHT AGAIN SO WE CAN TALK ABOUT IT. IT'S MY UNDERSTANDING--AND HELP WALK ME THROUGH THIS, SENATOR LARSON--THAT IN THE PAST, IF ALCOHOL WAS GOING TO BE SOLD WITHIN 150 FEET OF A CHURCH, A MANDATORY HEARING WITH THE LIQUOR CONTROL... [LB330]

SPEAKER HADLEY: TIME, SENATOR. [LB330]

SENATOR McCOY: THANK YOU, MR. PRESIDENT. [LB330]

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SPEAKER HADLEY: THANK YOU, SENATOR McCOY. THANK YOU, SENATOR LARSON. SENATOR DAVIS, YOU ARE RECOGNIZED. [LB330]

SENATOR DAVIS: THANK YOU, MR. PRESIDENT. I KIND OF WANTED TO GET BACK TO THE LETTER THAT I WAS MAKING REFERENCE TO EARLIER WHICH CAME FROM THE TOBACCO TAX AND TRADE BUREAU. AND IT WAS SENT TO MEMBERS HERE AND THEN IT MOVED ON TO THE FARM WINERIES. AND IT JUST TALKS A LITTLE BIT ABOUT WHAT'S GOING ON. AND SO I'LL JUST READ IT TO EVERYONE: STATES HAVE CONSIDERED AND PROBABLY PASSED SIMILAR LEGISLATION TO WHAT NEBRASKA IS CURRENTLY WORKING ON. AS STATED PREVIOUSLY, THIS DOESN'T AFFECT FEDERAL REQUIREMENTS. UNDER FEDERAL LAW, A CIDER IS APPLE WINE, SO A CIDER PRODUCER STILL HAS TO QUALIFY AS A BONDED WINERY. UNDER THE PROVISIONS OF 27 C.F.R. 25.81, A BREWER CAN ALTERNATE BREWERY PREMISES WITH WINERY PREMISES. LIKewise, WINERIES CAN ALTERNATE WINERY PREMISES WITH BREWERY PREMISES UNDER 27 C.F.R. 24.135. THIS WOULD ALLOW A BREWER TO TEMPORARILY OPERATE AS A WINERY ONCE THE WINERY APPLICATION PROCESS IS COMPLETE. AT THIS TIME, THIS IS THE ONLY ACCOMMODATION THAT TTB CAN MAKE FOR THE BEER INDUSTRY. BEER AND WINE ARE DEFINED AS DIFFERENT PRODUCTS UNDER FEDERAL LAW WITH DIFFERENT TAX RATES. SO TTB DOESN'T HAVE THE AUTHORITY TO RECLASSIFY CIDER AS A TYPE OF BEER. THIS MEANS A BREWERY CANNOT PRODUCE A PRODUCT CALLED CIDER OR HARD CIDER AND ANY LABELING THAT A BREWERY USES ON PACKAGES COULD NOT USE THESE TERMS TO DESCRIBE THE CONTENTS. ONE THING TTB CAN DO IS BEEF UP GUIDANCE ON THIS ISSUE AND THEY ARE PLANING TO OPERATE A CIDER PAGE WHAT THEY'RE GOING TO SET UP. AS FAR AS THE SPECIFIC ISSUES IN YOUR E-MAIL, AS LONG AS A FEDERALLY PERMITTED WINERY IS PRODUCING, PACKAGING, AND LABELING THE CIDER, THERE ARE NO FEDERAL VIOLATIONS THAT I SEE. I SHOULD NOTE THE BEER WHOLESALER WILL HAVE TO HAVE AUTHORIZATION UNDER THE FEDERAL PERMIT TO DISTRIBUTE WINE. THIS MAY REQUIRE THE WHOLESALER TO AMEND THEIR FEDERAL BASIC PERMIT TO SHOW THAT THEY WILL PURCHASE FOR RESALE WINE AND BEER, IF IT DOESN'T ALREADY. SO ESSENTIALLY, WHAT WE'RE DOING IS WE'RE TRYING...WE'RE GOING TO SET SOMETHING UP THAT ISN'T REALLY IN COMPLIANCE WITH THE FEDERAL LAWS AND DOESN'T HELP OUR FARM WINERIES WHO HAVE CERTAIN REQUIREMENTS THAT ARE PUT IN PLACE BY THE STATE OF NEBRASKA IN ORDER TO QUALIFY FOR THE EXEMPTIONS. WE HAVE A GROWING WINE INDUSTRY IN THE STATE. I JUST TALKED TO SOMEONE WHO IS FAMILIAR TO EVERYBODY HERE IN THE LEGISLATURE AND HER SPOUSE IS PUTTING IN SEVEN ACRES OF ADDITIONAL GRAPES HERE NEAR LINCOLN. SO OUR INDUSTRY IS GROWING. LET'S KEEP IT MOVING. LET'S INCENTIVIZE IT AND

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HELP IT TO BECOME A STRONGER INDUSTRY IN THE STATE WHICH DIVERSIFIES OUR AGRICULTURAL ECONOMY. I'M SUPPORTIVE OF THE BREWERIES TOO. THEY'RE GREAT INDUSTRIES. I'VE CERTAINLY ENJOYED THEIR PRODUCT SEVERAL TIMES, WANT TO SEE THEM MOVE FORWARD. BUT I THINK THESE ARE TWO SEPARATE PRODUCTS. ONE IS A WINE. ONE IS A BEER. I DON'T CARE HOW THEY'RE DRUNK. THE DISTRIBUTORS CAN FIGURE OUT A WAY TO INVOICE SEPARATELY AND DISTRIBUTE SEPARATELY. THAT'S NOT AN INSOLVABLE PROBLEM. WHAT WE HAVE NOW IS GOOD POLICY AND I THINK WE SHOULD KEEP IT. THANK YOU, MR. PRESIDENT. [LB330]

SPEAKER HADLEY: THANK YOU, SENATOR DAVIS. SENATOR LARSON, YOU'RE RECOGNIZED. [LB330]

SENATOR LARSON: THANK YOU, MR. PRESIDENT. WILL SENATOR DAVIS YIELD TO A QUICK QUESTION? [LB330]

SPEAKER HADLEY: SENATOR DAVIS, WILL YOU YIELD? [LB330]

SENATOR DAVIS: I WILL. [LB330]

SENATOR LARSON: THANK YOU, SENATOR DAVIS. YOU'VE TALKED A LOT ABOUT THE FARM WINERIES DISTRIBUTING HARD CIDER. DO YOU KNOW IF THERE ARE ANY FARM WINERIES CURRENTLY DISTRIBUTING HARD CIDER? [LB330]

SENATOR DAVIS: WELL, SENATOR WATERMEIER SAID HE HAS ONE WHO IS WORKING HARD ON IT RIGHT NOW, BUT I DON'T KNOW IF THERE ARE ANY PRESENTLY. [LB330]

SENATOR LARSON: NO, AT...THANK YOU. COLLEAGUES, THERE ARE NO FARM WINERIES THAT CURRENTLY DISTRIBUTE HARD CIDER. AND TALKING TO THE FARM WINERIES, IT SOUNDS LIKE THEY'RE ALL QUITE A WAYS OFF FROM THAT. SO TO HAVE THE CONCEPT OR TO USE THE ARGUMENT THAT WE'RE TAKING SOMETHING AWAY FROM THE FARM WINERIES IS NOT TRUE. NONE OF THEM DO IT CURRENTLY. YOU CAN MAKE THE ARGUMENT THAT THEY WOULD HAVE THE ABILITY TO DISTRIBUTE HARD CIDER. BUT THEN I COULD COME BACK WITH THE ARGUMENT OF, WHY SHOULD THE FARM WINERIES HAVE THE ABILITY TO SELF-DISTRIBUTE WHEN NO OTHER ORGANIZATION HAS THAT ABILITY? IN SENATOR HADLEY'S DISTRICT, I THINK THEY HAVE THUNDERHEAD BREWING COMPANY. IF

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HE COULD SHAKE HIS HEAD IF THAT'S RIGHT OR WRONG, (INAUDIBLE). THANK YOU, SPEAKER HADLEY. THEY CAN'T SELF-DISTRIBUTE THEIR PRODUCT AND THEY ARE ALSO TAXED AT A HIGHER RATE, THE BEER TAX, WHICH I WANT TO SAY IS 64 CENTS, OR IT MIGHT BE A LITTLE LESS SINCE THEY'RE UNDER THE 20,000 BARRELS. FARM WINERIES ARE AT 6 CENTS AND THEY TAX OTHER WINE AT 95 CENTS. WE WANT TO TALK ABOUT SPECIAL PRIVILEGES IN NEBRASKA STATUTE. THE FARM WINERIES HAVE IT ALL. THEY HAVE EVERY SINGLE ADVANTAGE. SENATOR DAVIS SAID HE WANTS TO TREAT FARM WINERIES THE SAME AS THE CRAFT BREWERIES. LET'S DO IT. MAYBE I'LL INTRODUCE AN AMENDMENT TO DO JUST THAT, OR WE CAN WORK ON IT OVER THE INTERIM. IF WE WANT TO TREAT NEBRASKA BUSINESSES THE SAME, SMALL BUSINESSES THAT ARE ADDING ECONOMIC INVESTMENT INTO OUR RURAL COMMUNITIES, LET'S TREAT THEM THE SAME. EVERYONE ELSE HAS TO GO THROUGH A DISTRIBUTOR. WHY SHOULDN'T THEY? IT'S AN ACTUAL ISSUE THAT I HAVE. IT IS A SPECIAL SWEETHEART DEAL FOR ONE SUBSET, AND IT'S A SUBSET THAT ISN'T EVEN USING IT, NOR ARE THERE ANY OF THE FARM WINERIES ANYWHERE CLOSE TO BEING ABLE TO USE THE SELF-DISTRIBUTION OF CIDER. IT'S DIFFERENT THAN THE SELF-DISTRIBUTION OF WINE. THEY'LL HAVE TO INVEST IN THE TRUCKS. THEY'LL HAVE TO INVEST IN A NUMBER OF DIFFERENT THINGS THAT MAKES IT COST PROHIBITIVE TO DISTRIBUTE THIS PRODUCT. COLLEAGUES, IT LOOKS...IT'S 31 CENTS FOR CRAFT BREWERIES VERSUS THE 60...I WANT TO SAY IT'S 60 CENTS FOR THE NONCRAFT BREWERIES, SO ABOUT HALF, COMPARED TO THE 6 CENTS THAT FARM WINERIES PAY AND 95 CENTS FOR THE REGULAR WINE. WE'RE DOING A LOT TO HELP THE FARM WINERIES. I'M TRYING TO MAKE THE SYSTEM FAIR FOR EVERYONE. LB330, IN THE UNDERLYING BILL, MAKES IT FAIR FOR EVERYONE AND NOT CHERRY-PICK FOR ONE SPECIAL INTEREST. [LB330]

SPEAKER HADLEY: ONE MINUTE. [LB330]

SENATOR LARSON: AM1546 CHERRY-PICKS FOR ONE SPECIAL INTEREST. AND I'VE BEEN CORRECTED AGAIN, AND I'LL SAY IT ON THE MIKE. IT'S 31 CENTS FOR ALL BEER. I'M SORRY, I WAS WRONG. SO I GUESS THE FARM...THE CRAFT BREWERIES DON'T GET A DISCOUNT. AND IT'S PER GALLON. SO I JUST FIND IT A LITTLE DISINGENUOUS WHEN SENATOR DAVIS STANDS UP AND SAYS THAT WE'RE DOING THIS FOR A SPECIAL COHORT OF PEOPLE AND WE NEED TO PROTECT THE FARM WINERIES. LET'S LOOK WHAT THE FARM WINERIES ALREADY HAVE. AND THEY'RE NOT EVEN USING THIS PROVISION. LET'S MAKE IT EQUAL FOR EVERYONE AND NOT GIVE ONE SUBSET AN ADVANTAGE OVER EVERY OTHER

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SUBSET, WHICH THEY ALREADY HAVE NUMEROUS ONES. THANK YOU, MR. PRESIDENT. [LB330]

SPEAKER HADLEY: THANK YOU, SENATOR LARSON. SENATOR COASH, YOU'RE RECOGNIZED. [LB330]

SENATOR COASH: THANK YOU, MR. PRESIDENT. I THINK SENATOR LARSON TALKED ABOUT THIS, BUT I DO WANT TO REPEAT IT IN CASE SOMEBODY ELSE NEEDS TO HEAR THIS. WE ONLY HAVE TWO FARM WINERIES WHO MAKE THIS PRODUCT. NEITHER OF THEM SELF-DISTRIBUTE. SO WE'RE CHANGING NOTHING BY ADOPTING LB330 WITH WHAT IS CURRENTLY IN PLACE. BUT, COLLEAGUES, THERE IS A...IF SENATOR DAVIS' AMENDMENT IS ADOPTED, I CAN TELL YOU WHAT'S GOING TO HAPPEN NEXT YEAR. THE CRAFT BEER MANUFACTURERS ARE GOING TO COME IN HERE AND SAY, IF THEY GET TO DISTRIBUTE SOMETHING THAT LOOKS LIKE BEER, THEN WE WANT TO DISTRIBUTE SOMETHING THAT LOOKS LIKE BEER. AND THAT'S GOING TO TURN THE THREE-TIER SYSTEM ON ITS HEAD. SO BEYOND WHAT SENATOR DAVIS IS TRYING TO DO WITH THIS AMENDMENT, IT IS STARTING DOWN A ROAD OF DEBATE ON THE THREE-TIER SYSTEM THAT I DON'T BELIEVE THIS BODY WANTS TO GET INTO. BUT I AM 1 PERSON OUT OF 49, AND 48 OTHER PEOPLE MAY DECIDE, WELL, IF WE'RE GOING TO LET FARM WINERIES SELF-DISTRIBUTE WHAT LOOKS LIKE BEER, THEN THE BEER GUYS OUGHT TO BE ABLE TO DISTRIBUTE WHAT THEY THINK LOOKS LIKE BEER. AND THAT IS GOING TO...YOU...I CAN PREDICT THE HEARING ON THAT BILL. AND I THINK WHAT SENATOR DAVIS IS PROPOSING TO DO STARTS US DOWN THAT PATH AND IT'S A PATH THAT I THINK WE OUGHT TO BE VERY CAUTIOUS ABOUT GOING TO BECAUSE IT WILL HAVE REPERCUSSIONS WAY PAST WHAT HAPPENS WITH A LITTLE, SMALL SEGMENT OF THE ALCOHOL PRODUCTS THAT ARE OUT THERE. AND I WOULD ASK SENATOR DAVIS TO CONSIDER WHAT WE ARE DOING DOWN THE ROAD BY ADOPTING HIS AMENDMENT. AND IT IS FOR THAT REASON THAT I CONTINUE TO OPPOSE AM1546. THANK YOU, MR. PRESIDENT. [LB330]

SPEAKER HADLEY: SENATOR KINTNER, YOU'RE RECOGNIZED. [LB330]

SENATOR KINTNER: THANK YOU, MR. PRESIDENT. SENATOR DAVIS, WILL YOU YIELD TO A QUESTION OR TWO? [LB330]

SPEAKER HADLEY: SENATOR DAVIS, WILL YOU YIELD? [LB330]

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SENATOR DAVIS: I WILL. [LB330]

SENATOR KINTNER: SO IF I UNDERSTAND THIS, WE'RE TALKING ABOUT FARM WINERIES, CORRECT? [LB330]

SENATOR DAVIS: YES, SENATOR KINTNER. [LB330]

SENATOR KINTNER: OKAY. THEN WHAT HAPPENS DOWN THE ROAD, AS SENATOR COASH...I'M JUST LISTENING TO SENATOR COASH AND HE'S SAYING, WELL, IF WE MAKE AN EXCEPTION FOR FARM WINERIES, NEXT IS CRAFT BEER GUYS. WHAT DO YOU ANTICIPATE HAPPENING DOWN THE ROAD? DO YOU SEE THE SAME PROBLEMS SENATOR COASH SEES? [LB330]

SENATOR DAVIS: WELL, SENATOR KINTNER, I THINK WHAT WE'RE DOING IS MAKING EXCEPTION IN SOME RESPECTS BY THE VIRTUE OF THIS LAW. RIGHT NOW, THE FARM WINERIES HAVE THE ABILITY TO PRODUCE THE PRODUCT AND SELF-DISTRIBUTE IT. IF THE LEGISLATURE DOESN'T WANT THEM TO DO THAT, A LAW COULD BE PASSED TO EXEMPT THAT LATER. BUT WHAT WE'RE DOING NOW IS WE'RE GOING TO TAKE THAT RIGHT AWAY FROM THEM. [LB330]

SENATOR KINTNER: OKAY. ALL RIGHT. THANK YOU. SENATOR LARSON, WILL YOU YIELD TO A QUESTION? [LB330]

SPEAKER HADLEY: SENATOR LARSON, WILL YOU YIELD? [LB330]

SENATOR LARSON: YES. [LB330]

SENATOR KINTNER: YOU'RE MUCH MORE AN EXPERT ON THIS THAN ME. I'M JUST TRYING TO WRAP MY BRAIN AROUND THIS THING. I WAS LISTENING TO IT AND TRYING TO FIGURE THIS WHOLE THING OUT. SO THE LEGISLATURE COULD MAKE AN EXCEPTION, AS SENATOR DAVIS SUGGESTS. SENATOR COASH IS SAYING, WELL, THIS WILL LEAD TO MORE PROBLEMS DOWN THE ROAD WITH CRAFT BREWERIES OR BREWERS, I GUESS. [LB330]

SENATOR LARSON: EXACTLY. [LB330]

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SENATOR KINTNER: WHY IS THAT? WHY WOULD THEY DEMAND THAT TOO?
[LB330]

SENATOR LARSON: WELL, ESSENTIALLY, CRAFT BREWERIES ARE FACING THE SAME SMALL-BUSINESS STRUGGLES THAT EVERY OTHER SMALL BUSINESS IN NEBRASKA IS FACING, ESPECIALLY, YOU KNOW, ONES THAT ARE SIMILAR TO THE FARM WINERIES, YET FARM WINERIES HAVE THE ABILITY TO NOT ONLY SELF-DISTRIBUTE, I.E., NOT HAVE TO GO THROUGH A DISTRIBUTOR. BUT THEY ALSO HAVE THE ABILITY THAT THEY'RE ONLY GETTING TAXED AT 6 CENTS PER GALLON VERSUS 31 CENTS PER GALLON THAT THE CRAFT BREWERIES ARE. SO THE CRAFT BREWERIES ARE...HAVE ADDED COSTS IN WHEN IT COMES TO THE TAX SIDE. AND THEN ALSO, THEY SEE WHAT THEY VIEW AS A BUSINESS THAT'S JUST LIKE THEM FOR THE MOST PART, THEY'RE MAKING DIFFERENT TYPES OF ALCOHOL, WINE VERSUS BEER, BUT THIS ONE SUBSET, THE WINE, GET TO SELF-DISTRIBUTE, SELF-MARKET, DO ALL THESE OTHER THINGS WHILE THEY HAVE TO GO THROUGH A MIDDLEMAN. AND THEY VIEW THAT AS EXTREMELY UNFAIR. AND I UNDERSTAND THAT CONCEPT. AND, YOU KNOW, I DON'T APPRECIATE THE, YOU KNOW, THE SWEETHEART DEAL THAT THE FARM WINERIES HAVE SET UP WITH BOTH TAXES AND SELF-DISTRIBUTION, ESPECIALLY AS I TRY TO PROTECT THE INTEGRITY OF A LIQUOR CONTROL ACT THAT IS BEING MANIPULATED BY A CERTAIN SUBSET OF BUSINESSES RIGHT NOW. [LB330]

SENATOR KINTNER: WELL, SENATOR LARSON, INSTEAD OF TAXING ONE AT, WHAT WAS IT, 6 CENTS, AND THE OTHER ONE 31 CENTS OR WHATEVER, WHY WOULDN'T WE JUST LOWER THE ONE TAX? WHY... [LB330]

SENATOR LARSON: I'D BE HAPPY TO, SENATOR KINTNER. [LB330]

SENATOR KINTNER: WELL, WHAT'S THE HOLDUP ON THAT? [LB330]

SENATOR LARSON: HAVE A FLOOR AMENDMENT AND I'LL VOTE FOR IT. LET'S LOWER IT. [LB330]

SENATOR KINTNER: BUT, WELL, OKAY, WELL, WHY IS THERE TWO...THIS HUGE DISPARITY? [LB330]

SENATOR LARSON: IT'S JUST...IT'S WHAT THE LEGISLATURE HAS DEVELOPED OVER THE YEARS. BEER IS TAXED AT 31 CENTS PER GALLON. FARM WINERIES

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ARE ONLY AT 6 CENTS PER GALLON. REGULAR WINE THAT ISN'T PRODUCED IN NEBRASKA ARE AT 95 CENTS PER GALLON. AND SPIRITS, DISTILLED SPIRITS, ARE AT 3.75 CENTS PER GALLON. SO THAT'S JUST WHAT HAS BEEN SET UP. LIKE I SAID, IF YOU WANT TO LOWER THE TAX ON BEER, THROW IT UP THERE, I'LL VOTE FOR IT. I THINK IT WOULD BRING DOWN SOME GENERAL FUND RECEIPTS. [LB330]

SPEAKER HADLEY: ONE MINUTE. [LB330]

SENATOR LARSON: BUT I'M ALL FOR LOWERING IT. [LB330]

SENATOR KINTNER: JUST OUT OF CURIOSITY, THIS IS A FANTASY, IF WE LOWERED IT, WOULD WE BE ABLE TO SELL MORE IN...FROM PEOPLE IN BORDER STATES? WOULD THAT INCREASE OUR SALES? [LB330]

SENATOR LARSON: I DON'T THINK SO. I THINK ALCOHOL IS ONE OF THOSE THINGS THAT IS MORE OF A...IT DOESN'T MATTER WHAT YOUR TAXES ARE, PEOPLE ARE GOING TO BUY IT IF THEY WANT, ESPECIALLY IF WE'RE TALKING, YOU KNOW, 31 CENTS VERSUS 25 CENTS, 6 CENTS ON THE SHELF. HONESTLY, IF I GO IN AND I WANT A SAM ADAMS OR IF I WANT A HOEGAARDEN OR I WANT AN ANGRY ORCHARD, THE TAXES AREN'T GOING TO MATTER. SO I DON'T THINK WE SEE A LOT OF BORDER BLEED BECAUSE OF ALCOHOL, ALCOHOL TAXES, NOR DO I SEE THE CONCEPT THAT YOU HEAR A LOT--OH, IF WE RAISE TAXES ON ALCOHOL, LESS PEOPLE DO THE DRINKING AND DRIVING. THAT ARGUMENT JUST DOESN'T HOLD UP BECAUSE IT'S ONE OF THOSE STATIC PRODUCTS. [LB330]

SPEAKER HADLEY: TIME, SENATOR. [LB330]

SENATOR LARSON: THANK YOU. [LB330]

SPEAKER HADLEY: THANK YOU, SENATOR KINTNER AND SENATOR LARSON. SENATOR McCOY, YOU'RE RECOGNIZED, AND THIS IS YOUR THIRD TIME. [LB330]

SENATOR McCOY: THANK YOU, MR. PRESIDENT. AGAIN, I'M TRYING TO GO THROUGH AND DECIPHER A LITTLE BETTER THAN WHAT I HAD THE OPPORTUNITY TO DO ON GENERAL FILE WHAT ALL IS IN THE GREEN COPY OF LB330. AND CERTAINLY SENATOR DAVIS'--THE HARD CIDER ISSUE THAT WE HAVE BEFORE US--AM1546, WHICH I SUPPORT, IS PART AND PARCEL OF THAT. BUT

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THERE ARE OTHER ITEMS AS WELL. WOULD SENATOR LARSON YIELD TO A QUESTION, PLEASE? [LB330]

SPEAKER HADLEY: SENATOR LARSON, WILL YOU YIELD? [LB330]

SENATOR LARSON: YES. [LB330]

SENATOR McCOY: THANK YOU, SENATOR. I WANT TO TALK A LITTLE BIT ABOUT AN ISSUE THAT CONCERNS ME. I'M SURE IT CONCERNS YOU AS WELL. HOW DO YOU BELIEVE THAT...AND I DON'T WANT TO ASK YOU A LOADED QUESTION, SO I'M GOING TO ASK IT A LITTLE OPEN-ENDED AND GIVE YOU THE OPPORTUNITY TO COME UP WITH THE ANSWER. I'LL...LET ME REPHRASE IT. I FIND UNDERAGE DRINKING TO BE A PROBLEM IN NEBRASKA MORE THAN IT IS IN SOME OTHER STATES. AS YOU KNOW, I HAVE THE OPPORTUNITY TO TRAVEL QUITE A BIT WITH THE COUNCIL OF STATE GOVERNMENTS. I WASN'T AWARE UNTIL ONE OF THE RESEARCHERS FOR THE COUNCIL OF STATE GOVERNMENTS, AND IT WASN'T IN REFERENCE TO THIS BILL, DON'T WORRY, BUT WHO WAS HERE IN THE LAST COUPLE OF WEEKS FOR AN EVENT ON AN UNRELATED SUBJECT WE WERE TALKING ABOUT, BROUGHT TO MY ATTENTION JUST WHAT A PROBLEM UNDERAGE DRINKING IS IN NEBRASKA COMPARED TO SOME OF OUR OTHER STATES. IS THAT AN ISSUE THAT YOU'VE SEEN ANY STATISTICS ON, SENATOR? [LB330]

SENATOR LARSON: I HAVEN'T SEEN ANY DIRECT STATISTICS ON UNDERAGE DRINKING IN NEBRASKA. ARE WE FOCUSING MORE ON 18 AND UNDER OR 18- TO 21-YEAR-OLDS? I HAVE...JUST TO... [LB330]

SENATOR McCOY: 21 AND... [LB330]

SENATOR LARSON: EIGHTEEN- TO 21-YEAR-OLDS? [LB330]

SENATOR McCOY: WELL, OR ANY. I MEAN IT'S OVERALL STATISTICS, BECAUSE I DIDN'T REALIZE THAT WE RANK FIFTH HIGHEST, SO LET ME...I GUESS I COULD REPHRASE THAT, THE FIFTH WORST, IF YOU WANT TO LOOK AT IT THAT WAY, IN NUMBER OF UNDERAGE DRINKERS IN--OR, I SHOULD SAY, YOUNG PEOPLE THAT AREN'T LEGAL TO BE DRINKING--DRINKING OF ANY STATE IN THE COUNTRY. THAT TROUBLES ME. AND WHETHER IT'S HARD CIDER, AND, GOODNESS KNOWS, AND WE'LL JUST...I COMPLETELY BELIEVE IN THE FREE ENTERPRISE SYSTEM,

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AND THERE'S NOTHING WRONG WITH PROMINENT ADVERTISING, WHETHER IT BE ON THE RADIO OR TV OR OTHERWISE, YOU CERTAINLY SEE PLENTY OF ADVERTISEMENTS FOR HARD CIDER, SENATOR, AS I KNOW YOU'VE MENTIONED SOME OF THE MORE POPULAR NAMES OF SOME OF THE PRODUCTS. BUT I FIND UNDERAGE DRINKING AND THE PREVALENCE, HIGH PREVALENCE OF IT IN NEBRASKA TO BE TROUBLING. AND I'M WORRIED ABOUT, OVERALL, LB330 WITH ALL THE DIFFERENT COMPONENTS IN IT. SOME, FRANKLY, MAKE SENSE; OTHERS I HAVE SOME SERIOUS RESERVATIONS ABOUT. I HAVE AN ISSUE WITH WHETHER OR NOT IT HELPS THIS PROBLEM. I MEAN, IS THAT A FAIR WORRY TO HAVE, SENATOR? [LB330]

SENATOR LARSON: YOU KNOW, I THINK WE ARE LOOKING TO CLEAN UP THE ALCOHOL STATUTES AND MODERNIZE THEM. WHEN IT COMES TO ALCOHOL OR UNDERAGE DRINKING, I THINK THAT SOME WOULD SAY THAT IF YOU WANT TO TRY TO SAY THAT WE...US LOWERING THE TAX ON X OR Y WILL HELP CONTRIBUTE TO UNDERAGE DRINKING, I REALLY DON'T THINK THAT'S THE CASE. I THINK WHEN WE TALK ABOUT UNDERAGE DRINKING WE NEED TO FOCUS A LOT MORE ON EDUCATION. OBVIOUSLY, ALCOHOL IS A TABOO IN AMERICAN CULTURE AND I'VE TRAVELED THE WORLD AS...I DON'T KNOW IF YOU HAVE MUCH, BUT IT'S AMAZING TO SEE YOUNG PEOPLE ACROSS THIS WORLD AND HOW THEY INTERACT AND DEAL WITH ALCOHOL AND ALCOHOL ISSUES... [LB330]

SPEAKER HADLEY: ONE MINUTE. [LB330]

SENATOR LARSON: ...VERSUS HOW AMERICANS DEAL WITH IT. AND I THINK THAT'S BECAUSE THERE IS MORE EDUCATION AND THERE ISN'T NECESSARILY THAT TABOO. SO IT'S AN ISSUE THAT WE FACE. IT'S AN ISSUE THAT WE HAVE TO CONTINUE TO WORK TOWARDS AND CONTINUE TO EDUCATE YOUNG PEOPLE ABOUT THE HAZARDS OF BINGE DRINKING AND WHAT THAT CAN CAUSE IN TERMS OF HEALTH DETRIMENTS, AS WELL AS DRUNK DRIVING AND OTHER THINGS AND BEING AS SAFE AS POSSIBLE. BUT I DON'T THINK LB330 HELPS CONTRIBUTE...I DON'T THINK LB330 MAKES IT EASIER FOR THE YOUTH TO PROCURE ALCOHOL BY ANY MEANS. [LB330]

SENATOR McCOY: YOU DON'T THINK THE POWDERED ALCOHOL COMPONENT OF THAT CONTRIBUTES TO UNDERAGE DRINKING, SENATOR? [LB330]

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SENATOR LARSON: WE'VE OUTLAWED POWDERED ALCOHOL ON LB330, WE'VE OUTLAWED THE SALE OF IT EVEN, SO, FRANKLY, I...IF YOU WANT...YOU BRING UP A GREAT POINT. I GUESS LB330 MAKES IT HARDER FOR MINORS TO PROCURE ALCOHOL BECAUSE IT WON'T BE IN... [LB330]

SPEAKER HADLEY: TIME, SENATOR. THANK YOU, SENATOR McCOY, AND THANK YOU, SENATOR LARSON. SENATOR BLOOMFIELD, YOU'RE RECOGNIZED. [LB330]

SENATOR BLOOMFIELD: I'D YIELD TO SENATOR McCOY. [LB330]

SPEAKER HADLEY: SENATOR McCOY, YOU'RE YIELDED FIVE MINUTES. [LB330]

SENATOR McCOY: THANK YOU, MR. PRESIDENT, AND THANK YOU, SENATOR BLOOMFIELD. I HAVE A FLOOR AMENDMENT THAT'S COMING ALONG BEHIND SENATOR DAVIS' AM1546 THAT HIGHLIGHTS PART OF THIS UNDERLYING BILL THAT I HAVE A CONCERN WITH. AND I BROUGHT IT UP IN A PREVIOUS TIME ON THE MICROPHONE, BUT BASICALLY IT...AND I'LL GO INTO IT WHEN I TALK ABOUT IT. BUT ONE OF THE CONCERNS THAT I HAVE HERE IS THAT PREVIOUS TO THIS POINT IN THIS BILL, THE LIQUOR CONTROL COMMISSION HAD TO HAVE A MANDATORY HEARING IF ALCOHOL WAS SOLD 150 FEET OR CLOSER TO A CHURCH IN NEBRASKA. UNDER THIS BILL, AND I DON'T BELIEVE IT WAS TALKED ABOUT ON GENERAL FILE, I DIDN'T REALIZE IT WAS PART OF THE BILL, QUITE FRANKLY, UNTIL I WAS GOING THROUGH THIS BILL AGAIN IN THE RUN UP TO SELECT FILE, THAT THIS HAS NOW BEEN TAKEN AWAY AND, INSTEAD OF A MANDATORY HEARING, THE ONLY WAY A HEARING WILL BE HELD BY LIQUOR CONTROL COMMISSION WILL BE BY WRITTEN REQUEST FROM THE CHURCH. I FIND THAT TROUBLING. THE FLOOR AMENDMENT THAT I TURNED IN A LITTLE BIT EARLIER ADDRESSED IT IN ONE AREA OF THE GREEN COPY OF THE BILL. I'VE SINCE FOUND ONE OTHER AREA THAT WE'RE ENDEAVORING TO FIX SO THAT THE AMENDMENT WOULD REMOVE BOTH OF THOSE SECTIONS. I THINK THAT THAT'S GOT TO BE SOMETHING WE TAKE OUT OF THIS BILL. I FIND THAT TROUBLING. WE HAVE A LOT OF SMALL TOWNS, AS MANY OF YOU KNOW, IN YOUR DISTRICTS AND IN MINE ACROSS THE STATE AND YOU HAVE A LOT OF CHURCHES AND PLACES OF WORSHIP THAT ARE ON MAIN STREETS AND IN STRIP MALLS AND DIFFERENT AREAS AROUND THE STATE. AND I THINK THAT WE'VE GOT TO HAVE A COMPONENT HERE WHERE A HEARING IS HELD. I'M NOT SURE WHY THAT WAS REMOVED. AND AGAIN, I'M SPEAKING TO THE AMENDMENT THAT I HAVE BEHIND SENATOR DAVIS', BUT I'M GUESSING WE'RE PROBABLY NEARING THE CONCLUSION OF THE DISCUSSION ON THIS AMENDMENT, WHICH I SUPPORT. I

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FIND THAT AN ISSUE THAT IS WORTHY OF DISCUSSION AND WORTHY OF BEING REMOVED FROM THE UNDERLYING BILL. I DON'T KNOW WHO EVEN WAS ABLE...I CAN'T DETERMINE FROM LOOKING THROUGH THE TRANSCRIPT AND THE COMMITTEE STATEMENT BECAUSE FOLKS HAD TO COME TESTIFY ON ALL EIGHT OR NINE OF THESE DIFFERENT COMPONENTS OF THE UNDERLYING BILL AT THE BILL HEARING, I CAN'T TELL WHO CAME AND TESTIFIED ON THIS COMPONENT OF THE BILL OR WHO DIDN'T AND I CAN'T REALLY TELL THAT FROM THE TRANSCRIPT, EITHER. SO I CERTAINLY WOULD HAVE TO BELIEVE THAT, HAD MORE PEOPLE BEEN AWARE OF THIS COMPONENT OF THIS, IT WOULD HAVE BEEN SOMETHING THAT CERTAINLY SOME GROUPS WOULD HAVE BEEN CONCERNED ABOUT. I CERTAINLY AM. I CAN THINK OF PROBABLY A HANDFUL OF CHURCHES THAT ARE PLACED AWFULLY CLOSE TO 150 FEET FROM WHERE ALCOHOL IS SOLD. AND I WOULD THINK THAT A MANDATORY HEARING, AND I BELIEVE THAT'S BEEN IN STATUTE, NEAR AS I CAN TELL, FOR A VERY LONG TIME. IT IS SOMETHING THAT OUGHT TO STAY. I DON'T REALLY...I CAN'T IMAGINE WHAT THE REASON WOULD BE FOR CHANGING THAT, ALTHOUGH I'M SURE SENATOR LARSON WILL HAVE A CHANCE TO SPEAK TO THAT AT SOME POINT. THANK YOU, MR. PRESIDENT. [LB330]

SPEAKER HADLEY: THANK YOU, SENATOR McCOY. SENATOR McCOLLISTER, YOU'RE RECOGNIZED. [LB330]

SENATOR McCOLLISTER: QUESTION. [LB330]

SPEAKER HADLEY: THERE HAS BEEN A CALL FOR THE QUESTION. DO I SEE FIVE HANDS? I DO. ALL THOSE IN FAVOR OF CALLING THE QUESTION VOTE AYE; ALL OPPOSED VOTE NAY. RECORD, MR. CLERK. [LB330]

CLERK: 26 AYES, 2 NAYS, MR. PRESIDENT, TO CEASE DEBATE. [LB330]

SPEAKER HADLEY: DEBATE DOES CEASE. SENATOR DAVIS, YOU ARE RECOGNIZED TO CLOSE. [LB330]

SENATOR DAVIS: THANK YOU, MR. PRESIDENT. I JUST WANT TO MAKE A FEW FINAL POINTS. A COUPLE OF YEARS AGO, WHEN I FIRST CAME TO THE LEGISLATURE AND WAS DEALING WITH ISSUES AT WHITECLAY, NEBRASKA, I CONSIDERED PUTTING A TAX ON BEER, RAISING THE TAX ON BEER TO TRY TO...AND TO TAKE THE FUNDING FROM THAT AND DEVOTE IT TO THE STATE PATROL AND TO OUR COUNTY SHERIFFS' OFFICES SO THAT THERE WOULD BE A

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LITTLE MORE LAW ENFORCEMENT OUT THERE. AND SO AT THE TIME THAT I INTRODUCED THAT BILL, I WAS APPROACHED BY SOME OF THE CRAFT BREWERY PEOPLE WHO ASKED IF THEY COULD BE EXEMPT FROM THAT. AND WE GAVE SOME CONSIDERATION TO THAT BECAUSE I WANTED TO INCENTIVIZE THAT PROCESS. BUT WHAT I FOUND OUT WAS THAT, BECAUSE THE PRODUCT ISN'T MANUFACTURED FROM NEBRASKA PRODUCTS, IN LARGE PART, NEBRASKA GRAINS, NEBRASKA HOPS, THOSE KINDS OF THINGS, IT COULDN'T SORT OF MEET THE SAME REGULATIONS AND RULES THAT WERE IN PLACE FOR THE WINE INDUSTRY BECAUSE THE WINE INDUSTRY HAS TO HAVE 75 PERCENT OF ITS GRAPES PRODUCED WITHIN THE STATE AND WE DIDN'T HAVE THE ABILITY TO DO THAT WITH THE CRAFT BREWERIES. SO THAT IS WHY THAT DIDN'T EVER TAKE PLACE. SO I BRING THAT UP ONLY TO EMPHASIZE MY POINT, WHICH IS, WHILE IT WOULD BE WONDERFUL TO BE ABLE TO INCENTIVIZE THE CRAFT BREWERIES IN SOME WAY BECAUSE I THINK THEY'RE GOOD INDUSTRIES AND GROWTH INDUSTRIES IN THE STATE, I THINK WE NEED TO FIND ANOTHER SOLUTION TO DO THAT. THIS BILL DOESN'T REALLY HELP THEM IN ANY WAY. YOU KNOW, IT DOESN'T DO WHAT THEY MIGHT THINK IT'S GOING TO DO. WHO IT REALLY HELPS IS THE ANHEUSER-BUSCHES, THE MILLERS, THE BIG BREWERIES WHO ARE OUT THERE. I DON'T THINK THAT'S WHAT WE WANT TO DO. IF WE'RE GOING TO DO ANYTHING, HELP OUR OWN INDUSTRY IN OUR OWN STATE. WE'VE GOT FARM WINERIES THAT CAN SELF-DISTRIBUTE AND MAY DO SO SOON--LET'S HOPE VERY SOON--BUT THEY WILL NEVER DO IT IF WE PROHIBIT THEM FROM SELF-DISTRIBUTING, WHICH IS WHAT THE BILL DOES. THE FINAL POINT I WANT TO MAKE REALLY IS THIS: YOU KNOW, DOGS ARE NOT CATS; APPLES ARE NOT ORANGES. SHEEP ARE NOT HORSES. FRUIT IS NOT GRAIN. AND WE CAN'T WINK AT THE LAW AND SAY, OH, YES, FRUIT IS GRAIN BECAUSE WE ARE DEFINING BEER AS MADE FROM GRAIN AND, QUOTE, HARD CIDER, AND THEN WE GO DOWN TO THE DESCRIPTION OF WINE AND WE SAY WINE IS A PRODUCT MADE FROM FRUIT AND HARD CIDER. SO BEER IS NOT WINE. I THINK THIS IS JUST BAD POLICY. I THINK WE NEED TO LEAVE THE LAW THE WAY IT IS. IF WE'VE GOT PROBLEMS THAT NEED TO BE FIXED, LET'S DO THAT AT ANOTHER TIME. IF WE CAN INCENTIVIZE OUR CRAFT BREWERIES, I'M SURE HAPPY TO SEE THAT DONE BECAUSE THEY'RE GREAT BUSINESSES. BUT I'D LIKE TO SEE THE LAW STAY AS IT IS AND I'D URGE THE GREEN VOTE ON MY AMENDMENT. THANK YOU. [LB330]

SPEAKER HADLEY: THE QUESTION FOR THE BODY IS THE ADOPTION OF THE AMENDMENT. ALL THOSE IN FAVOR VOTE AYE; ALL THOSE OPPOSED VOTE NAY. THERE HAS BEEN A REQUEST TO PUT THE HOUSE UNDER CALL. THE QUESTION IS, SHALL THE HOUSE GO UNDER CALL? ALL THOSE IN FAVOR VOTE AYE; ALL THOSE OPPOSED VOTE NAY. RECORD, MR. CLERK. [LB330]

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CLERK: 32 AYES, 0 NAYS TO PLACE THE HOUSE UNDER CALL. [LB330]

SPEAKER HADLEY: THE HOUSE IS UNDER CALL. SENATORS, PLEASE RECORD YOUR PRESENCE. THOSE UNEXCUSED SENATORS OUTSIDE THE CHAMBER PLEASE RETURN TO THE CHAMBER AND RECORD YOUR PRESENCE. ALL UNAUTHORIZED PERSONNEL PLEASE LEAVE THE FLOOR. THE HOUSE IS UNDER CALL. SENATOR SCHNOOR, BURKE HARR, KUEHN, MURANTE, CHAMBERS, FRIESEN, AND HILKEMANN, THE HOUSE IS UNDER CALL. SENATORS MURANTE, KUEHN, AND HILKEMANN. HOW DO YOU WISH TO PROCEED? [LB330]

SENATOR DAVIS: ROLL CALL VOTE IN REGULAR ORDER. [LB330]

SPEAKER HADLEY: THERE HAS BEEN A REQUEST FOR A ROLL CALL VOTE IN REGULAR ORDER, MR. CLERK. [LB330]

CLERK: (ROLL CALL VOTE TAKEN, LEGISLATIVE JOURNAL PAGES 1689-1690.) 17 AYES, 10 NAYS, MR. PRESIDENT, ON THE AMENDMENT. [LB330]

SPEAKER HADLEY: THE AMENDMENT FAILS. MR. CLERK. RAISE THE CALL. [LB330]

CLERK: SENATOR McCOY WOULD MOVE TO AMEND WITH FA67. (LEGISLATIVE JOURNAL PAGE 1690.) [LB330]

SPEAKER HADLEY: SENATOR McCOY, YOU ARE RECOGNIZED TO OPEN ON YOUR FLOOR AMENDMENT. [LB330]

SENATOR McCOY: THANK YOU, MR. PRESIDENT AND MEMBERS. I FORESHADOWED THIS IN MY PREVIOUS TIME AT THE MICROPHONE. IF YOU LOOK AT THE COMMITTEE STATEMENT ON LB330, YOU WILL NOTICE THAT THIS WOULD BE UNDER ITEM NUMBER 4. AND THIS IS FOUND, AS YOU'LL SEE FROM THE AMENDMENT, ON PAGE 12 AND PAGE 13 OF THE GREEN COPY OF THE BILL, ALONG WITH PAGE 16, AS WELL. AND WHAT THIS VERY SIMPLY IS, IF YOU LOOK, THE LIQUOR CONTROL COMMISSION, PREVIOUS TO THIS BILL, HAD A MANDATORY HEARING ANY TIME AN ESTABLISHMENT THAT WAS GOING TO SELL ALCOHOL WAS FOUND TO BE WITHIN 150 FEET OF A CHURCH OR A PLACE OF WORSHIP ACROSS NEBRASKA. THAT HAS NOW BEEN CHANGED, AS YOU SEE IN LINE 12 ON PAGE 13 OF THE BILL, TO ONLY...A HEARING ONLY BEING

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CONDUCTED UPON A WRITTEN REQUEST BY THE CHURCH FOR A HEARING. AND THE SAME, AS I SAID, CAN BE FOUND ON PAGE 16, LINES 25 AND 26. WOULD SENATOR LARSON YIELD, PLEASE? [LB330]

SENATOR LARSON: YES. [LB330]

SPEAKER HADLEY: SENATOR LARSON, WILL YOU YIELD? [LB330]

SENATOR LARSON: YES. [LB330]

SENATOR McCOY: THANK YOU, SENATOR. CAN YOU WALK ME THROUGH WHAT THE THOUGHT PROCESS WAS WITH INCLUDING THIS COMPONENT INTO LB330, PLEASE? [LB330]

SENATOR LARSON: YEAH. IN THE LIQUOR CONTROL COMMISSION'S LETTER, DATED NOVEMBER 24, 2014, THE COMMISSION ASKED US TO CHANGE THIS FOR THEM BECAUSE THE COMMISSION HAD BEEN HOLDING SEVERAL UNNECESSARY HEARINGS IN ORDER TO COMPLY WITH STATUTE 53-177(2) AND THE COMMISSION BELIEVED THAT THE HEARING SHOULD BE NECESSARY IF THEY RECEIVE NOTICE OF THE OPPOSITION FROM THE AFFECTED CHURCH. ESSENTIALLY, SINCE WE CHANGED THIS LAW TWO OR THREE YEARS AGO, AND I THINK SENATOR GLOOR MIGHT HAVE BEEN THE ONE THAT IT WAS DIRECTLY AFFECTING, A LOT OF CHURCHES WERE POPPING UP IN DOWNTOWN AREAS AND IT WAS MAKING IT...DOWNTOWN REVITALIZATION PRODUCT (SIC) EXTREMELY DIFFICULT. SO IN THAT ESSENCE WE CHANGED THE LAW TO LET THEM BE WITHIN 150 FEET OF A CHURCH, SHOULD THEY CHOOSE TO, BUT THE CHURCH WOULD HAVE THE RIGHT TO A HEARING. WELL, IT TURNS OUT THAT THE CHURCHES, THE AFFECTED CHURCHES OF THIS LAW, HAVE ONLY BEEN...MADE IT TO THREE HEARINGS. AND ALL THREE HEARINGS THAT THE AFFECTED CHURCHES MADE IT TO THE LIQUOR LICENSE WAS DENIED. SO ESSENTIALLY WHAT LB330 DOES, IT SAYS THAT IF THE CHURCH WANTS TO...THE CHURCH CAN ESSENTIALLY REQUEST THE HEARING INSTEAD OF HAVING A MANDATORY HEARING. [LB330]

SENATOR McCOY: CAN I STOP YOU THERE FOR JUST A SECOND? [LB330]

SENATOR LARSON: YEP. [LB330]

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SENATOR McCOY: I WANT YOU...IF YOU WOULDN'T MIND GOING BACK, IF YOU WOULDN'T MIND REPEATING THAT. SO YOU'RE SAYING IN THE...YOU TALKED ABOUT CHURCHES THAT DIDN'T SHOW UP. AND THEN YOU'VE SAID IN ALL THREE OF THOSE CASES...WHAT WAS THAT AGAIN? [LB330]

SENATOR LARSON: ALL THREE CASES THAT THE CHURCH DID SHOW UP AND SPEAK AGAINST THE LIQUOR LICENSE, ALL THREE TIMES THE LIQUOR LICENSE WAS DENIED. [LB330]

SENATOR McCOY: WHAT HAPPENED IN... [LB330]

SENATOR LARSON: AND EVERY OTHER TIME THE CHURCHES JUST NEVER SHOWED UP. [LB330]

SENATOR McCOY: WHICH WOULD MEAN...WHAT HAPPENS IN THAT CASE? [LB330]

SENATOR LARSON: ESSENTIALLY, EVERY TIME...I CAN'T SAY THAT EVERY TIME THAT THE CHURCH DIDN'T SHOW UP THAT THE LIQUOR LICENSE WAS APPROVED, BUT I'M GUESSING, WHEN THE CHURCH DIDN'T SHOW UP AND VOICE OPPOSITION, I WOULD GUESS THAT A MAJORITY OF THOSE LICENSES WERE APPROVED BY THE LIQUOR CONTROL COMMISSIONERS. [LB330]

SENATOR McCOY: SO DO YOU KNOW WHAT HAPPENS THEN, SENATOR LARSON, IF...LET'S SAY, FOR WHATEVER REASON, YOU COULD HAVE A SMALL CHURCH OR PLACE OF WORSHIP, WOULDN'T HAVE TO BE A CHURCH, SOMEWHERE IN NEBRASKA, COULD BE A LONG WAYS FROM LINCOLN, AND THEY AREN'T ABLE TO SHOW UP FOR WHATEVER REASON, CAN THEY REQUEST A HEARING AGAIN? [LB330]

SENATOR LARSON: THEY CAN...THEY WOULDN'T BE ABLE TO RE-REQUEST A HEARING. NOW, THAT CHURCH WILL BE NOTIFIED THAT THERE HAS BEEN A LIQUOR ESTABLISHMENT APPLY...OR AN ESTABLISHMENT APPLY FOR A LIQUOR LICENSE. AND 150 FEET IS THIRTY YARDS. I MEAN, WE KNOW THAT THIS IS A...WELL, 50 YARDS, I'M SORRY, 50 YARDS, NOT 30 YARDS. SO WE KNOW THEY'RE GOING TO HAVE TO BE IN PRETTY CLOSE PROXIMITY. SO THAT CHURCH WILL BE NOTIFIED THAT THERE HAS BEEN A LIQUOR LICENSE APPLIED FOR AND, ESSENTIALLY, UNDER WHAT LB330 CHANGES, IS IT'LL SAY YOU HAVE THE RIGHT

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TO REQUEST A HEARING IF YOU SO CHOOSE. NOW, IF IT'S OUT IN VENANGO OR WHEREVER ELSE, THEY MIGHT NOT BE ABLE TO COME TO THE LIQUOR CONTROL COMMISSION, BUT THEY WOULD STILL BE ABLE TO HAVE THAT HEARING AND THEN SUBMIT THAT LETTER OF WE DON'T APPROVE OF X. AND LIKE I SAID, THE THREE TIMES THAT CHURCHES HAVE REQUESTED OR FOUGHT AGAINST AND ACTUALLY SHOWED UP TO THE HEARINGS OR SENT LETTERS IN, ALL THREE LIQUOR LICENSES HAVE BEEN DENIED. [LB330]

SENATOR McCOY: OKAY, THAT'S GOOD INFORMATION TO HAVE. MY RATIONALE FOR THIS AMENDMENT, WHICH I THINK IS FAIRLY SUBSTANTIVE AND I WANT TO WALK THROUGH THIS PROCESS, SO LET'S SAY IN A CASE OF A STRIP MALL, WHICH THERE'S A GOODLY NUMBER OF COMMUNITIES IN NEBRASKA THAT HAVE THEM, EVEN SOME OF OUR SMALLER COMMUNITIES ACROSS THE STATE, IF AN ESTABLISHMENT THAT HAS A LIQUOR LICENSE IS THERE PRIOR TO A CHURCH, LET'S SAY, MOVING INTO SOME COMMERCIAL REAL ESTATE, RENTING, LEASING THAT AND TURNING THAT INTO A CHURCH, I WOULD ASSUME THEN, OBVIOUSLY, THAT THAT ESTABLISHMENT, THEY'RE NOT GOING TO LOSE THEIR LIQUOR LICENSE OVER THIS. [LB330]

SENATOR LARSON: THEY'RE GRANDFATHERED IN. [LB330]

SENATOR McCOY: THEY'RE GRANDFATHERED IN, RIGHT? [LB330]

SENATOR LARSON: YES. IT HAS TO DO WITH NEW LICENSES. SO IF A...AND WE PASSED THIS BILL, LIKE I SAID, A COUPLE YEARS AGO, AND I WANT TO SAY IT WAS SENATOR GLOOR THAT DID IT. GRAND ISLAND, OR A LOT OF COMMUNITIES, WITH THE DOWNTURN IN THE ECONOMY, THERE WERE VACANT PLACES BEING OPENED UP IN DOWNTOWNS FOR CHURCHES. THEY WERE INHABITING THEM. AND THEN THROUGH DOWNTOWN REVITALIZATION PROJECTS, ALL OF A SUDDEN, THERE WERE THESE BUSINESSES THAT WERE WITHIN 150 FEET OF A CHURCH. SO WE CREATED THIS EXEMPTION, SINCE THESE CHURCHES WERE GOING INTO DOWNTOWNS, TO...AND IT WASN'T JUST FOR BARS. IT WAS FOR, YOU KNOW, WHETHER EVENT CENTERS...OR IN GRAND ISLAND, I KNOW, THEY HAD THE LITTLE CHOCOLATE BAR PLACE THAT I WANT TO SAY HAS A LIQUOR LICENSE AS WELL. I MEAN GOOD, GOOD ESTABLISHMENTS. SO WE CREATED THIS EXEMPTION AND...BUT ANY LIQUOR LICENSE WITHIN THE 150 FEET ALREADY, THEY DON'T LOSE IT BECAUSE THEY'RE GRANDFATHERED IN. [LB330]

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SENATOR McCOY: NOW YOU SAID THAT THE LIQUOR CONTROL COMMISSION HAS HAD SOME UNNECESSARY HEARINGS IN...NOW THEY WOULD...IN THE CASE...SO WHAT WOULD BE THE PROCESS IN WHICH A...SOMEONE THEY DIDN'T...UNDER YOUR BILL, IF THE WRITTEN NOTICE ISN'T RECEIVED FROM A CHURCH, WHAT WOULD BE THAT PROCESS, SENATOR LARSON? DOES THE COMMISSION THEN JUST ESSENTIALLY RUBBER STAMP SAID REQUEST FOR A LIQUOR LICENSE?
[LB330]

SENATOR LARSON: IF THEY DON'T GET THE PERMIT...OR IF THEY DON'T...IF THE CHURCH DOESN'T WRITE IN, YOU MEAN? I MISSED THAT. [LB330]

SENATOR McCOY: UM-HUM. [LB330]

SENATOR LARSON: SO IF THE CHURCH WOULDN'T WRITE IN AND OPPOSE IT, IT'S NOT A RUBBER STAMP. THEY'LL GO IN AND THEY'LL LOOK AT THE APPLICANT'S, YOU KNOW, CRIMINAL HISTORY. THEY DO CHECKS AND THINGS OF THAT NATURE. SO LIQUOR LICENSES DO GET NOT APPROVED FROM TIME TO TIME. IT JUST DEPENDS ON THE INDIVIDUAL THAT'S APPLYING FOR THEM. [LB330]

SENATOR McCOY: WOULD THEY EVEN KNOW AT THIS POINT, IF THEY HADN'T RECEIVED WRITTEN NOTIFICATION FROM A CHURCH, THAT A CHURCH EVEN WAS CLOSER THAN...WITHIN THAT DISTANCE? [LB330]

SENATOR LARSON: THE CITY COUNCIL, YEAH, THE CITY COUNCIL, SO DURING THE LIQUOR LICENSE PROCESS, IT GOES THROUGH THE CITY COUNCIL AS WELL. SO, YES, THE LIQUOR CONTROL COMMISSION WOULD HAVE NOTIFICATION FROM THE CITY COUNCIL AND THAT PROCESS THAT THEY WENT THROUGH TO...
[LB330]

SENATOR McCOY: SO THAT'S PART OF THE RULES AND REGULATIONS AS A LIQUOR LICENSE IS APPLIED FOR THAT A CITY COUNCIL, I ASSUME, A VILLAGE BOARD, WHATEVER THE CASE MAY BE,... [LB330]

SENATOR LARSON: YEAH, THE CITY COUNCIL... [LB330]

SENATOR McCOY: ...WHATEVER GOVERNING BODY... [LB330]

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SENATOR LARSON: YEAH, THE CITY COUNCIL WILL FIRST RECOMMEND OR DENY...OR RECOMMEND TO APPROVE OR DENY A LIQUOR LICENSE AND...BUT THEY DON'T GET TO MAKE THE ACTUAL APPROVAL. THE ACTUAL APPROVAL GOES TO THE LIQUOR CONTROL COMMISSION. SO THE CITY COUNCIL WILL HAVE ALREADY DONE THAT HOMEWORK IN TERMS OF IS THERE A PLACE OF WORSHIP, IS THERE ANY OF THAT,... [LB330]

SPEAKER HADLEY: ONE MINUTE. [LB330]

SENATOR LARSON: ...WHEN THE LIQUOR CONTROL COMMISSION GETS IT. [LB330]

SENATOR McCOY: SO THAT PROCESS IS IN PLACE WHERE CITY COUNCIL, VILLAGE BOARD, LOCAL GOVERNING BODY, BASICALLY, SUBMITS A PRELIMINARY YEA OR NAY ON THIS AND THEY'RE GOING TO MAKE THAT DETERMINATION. SO THE LIQUOR CONTROL COMMISSION DOESN'T PHYSICALLY SEND SOMEONE OUT TO...WITH A TAPE MEASURE TO LOOK AND SEE WHETHER OR NOT IT'S THAT...IT'S...THAT THAT DISTANCE IS CORRECT. THEY TAKE THE WORD OF THAT LOCAL GOVERNING ENTITY? THEY HAVE TO PROVIDE PICTURES, DOCUMENTATION TO MAKE THAT HAPPEN? [LB330]

SENATOR LARSON: WE ACTUALLY HAVE WITHIN THE LIQUOR CONTROL COMMISSION SOMEONE, WHETHER IT'S ONE OF THE AUDITORS OR THE OFFICERS, ACTUALLY DO GO OUT AND TAPE MEASURE THAT OUT. [LB330]

SENATOR McCOY: WELL, THAT'S GOOD. I WOULD THINK THAT'S SOUND GOVERNMENT. I'LL ASK MY OTHER QUESTIONS AT A FURTHER TIME ON THE MICROPHONE. THANK YOU, MR. PRESIDENT. THANK YOU, SENATOR LARSON. [LB330]

SPEAKER HADLEY: THANK YOU, SENATOR McCOY. THANK YOU, SENATOR LARSON. SENATOR LARSON, YOU ARE RECOGNIZED. [LB330]

SENATOR LARSON: THANK YOU, MR. PRESIDENT. I WILL BE QUICK. I RISE IN OPPOSITION TO FA67 ON THE SIMPLE FACT THAT THIS IS IN...WHAT SHOULD BE A NONCONTROVERSIAL FIX IN LB330. SENATOR McCOY, OBVIOUSLY, I HAVE CLOTURE IN 36 MINUTES ROUGHLY AND THIS IS A FILIBUSTER TACTIC. AS I STATED DURING THE QUESTIONING, SINCE WE'VE CHANGED THIS, THERE HAVE

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BEEN THREE CHURCHES THAT HAVE PROTESTED LIQUOR LICENSES. ALL THREE OF THOSE LIQUOR LICENSES WERE DENIED. THE LIQUOR CONTROL COMMISSION HAS THE INFORMATION, WHETHER OR NOT THERE IS A PLACE OF WORSHIP WITHIN THAT 150 FEET. THERE ARE PEOPLE WITHIN THE LIQUOR CONTROL COMMISSION THAT GO AND MEASURE IT OUT. ESSENTIALLY, IF YOU WANT TO TALK ABOUT GOOD GOVERNMENT, THE LIQUOR CONTROL COMMISSION IS HOSTING A NUMBER OF UNNECESSARY MEETINGS AND HEARINGS ON LIQUOR LICENSES THAT ARE GETTING APPROVED JUST BECAUSE THERE MIGHT BE A CHURCH WITHIN 150 FEET AND THAT CHURCH, FRANKLY, DOESN'T CARE. SO IF WE WANT TO CUT BACK ON WASTEFUL GOVERNMENT, THIS IS WHAT WE NEED TO DO. AND I'LL YIELD MY TIME TO SENATOR KOLTERMAN. [LB330]

SPEAKER HADLEY: SENATOR KOLTERMAN, YOU ARE YIELDED 3:35. [LB330]

SENATOR KOLTERMAN: THANK YOU. I RISE IN OPPOSITION TO FA67. IN MY COMMUNITY, WE HAVE SOME...HAVE HAD SOME EXPERIENCE WITH THIS, CHURCHES, AND THAT'S WHY I SUPPORTED THE AMENDMENT COMING OUT OF COMMITTEE. I HAPPEN TO BE INVOLVED IN BRINGING A HOTEL TO SEWARD. AND, IN THAT PROCESS, WE LOCATED IT RIGHT NEXT TO A CHURCH. WELL, IF YOU ARE IN A HOTEL TODAY, USUALLY, THEY LIKE TO BE ABLE TO OFFER THEIR PATRONS, PEOPLE THAT STAY THERE, A NIGHTCAP. SO THEY PUT IN A BAR AND THEY WERE GOING TO SELL LIQUOR AND THEY FOUND OUT THAT THEY WERE TOO CLOSE TO THE CHURCH. THE WAY IT WORKED WAS THEY WENT AND MET WITH THE CHURCH, THE CHURCH SAID, WE DON'T HAVE A PROBLEM WITH THIS, AND THE CHURCH SIGNED OFF, LIQUOR CONTROL COMMISSION GRANTED THEM A LICENSE, AND IT WAS DONE. SO, I..THE DIALOGUE DOES CONTINUE TO EXIST BETWEEN THE CHURCHES AND THE LIQUOR LICENSES. AND I'D LIKE TO HAVE YOU SUPPORT LB330 AND OPPOSE FA67. AND I WOULD REMAIN...I WOULD GIVE THE REST OF MY TIME BACK TO SENATOR LARSON. [LB330]

SPEAKER HADLEY: YES. SENATOR LARSON, YOU ARE YIELDED 2:15. [LB330]

SENATOR LARSON: THANK YOU, MR. PRESIDENT. AND THANK YOU, SENATOR KOLTERMAN. AND SINCE SENATOR KOLTERMAN JUST WAS ON THE MIKE, I'D LIKE TO POINT OUT, WE ARE GOING TO HIT CLOTURE ON THIS. AND IF THIS BILL FAILS, POWDERED ALCOHOL WILL BE COMPLETELY UNREGULATED IN THE STATE OF NEBRASKA. SO IF YOU WANT TO...IT WAS SO IMPORTANT TO SO MANY OF YOU, LB330 NEEDS TO GO. ALSO, I'VE BEEN INFORMED BY THE LIQUOR CONTROL COMMISSION THAT THERE HAS BEEN A NUMBER OF CHURCHES

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THROUGHOUT THIS PROCESS THAT HAVE ACTUALLY WRITTEN LETTERS OF SUPPORT FOR LIQUOR LICENSES THAT ARE GOING TO BE WITHIN THEIR 150-FOOT RADIUS, YET THE LIQUOR CONTROL COMMISSION STILL HAD TO HAVE THE HEARING, EVEN THOUGH THE CHURCH WAS IN SUPPORT. HENCE THE REASON IT COMES TO THE FACT, IF WE WANT GOOD GOVERNMENT, WE SHOULD MAKE THE CHURCHES THAT WANT TO PROTEST, PROTEST AND CALL FOR THE HEARING. AND AS I SAID, EVERYONE THAT HAS SHOWED UP, THE LIQUOR LICENSE HAS BEEN DENIED. I THINK THAT SHOWS THE STEWARDSHIP AND THE DEDICATION THAT OUR LIQUOR CONTROL COMMISSION HAS... [LB330]

SPEAKER HADLEY: ONE MINUTE. [LB330]

SENATOR LARSON: ...TO OUR RELIGIOUS INSTITUTIONS AND THE IMPORTANCE THAT THEY SHOW THEM. BUT THEY ALSO UNDERSTAND THAT WE SHOULDN'T HAVE FRIVOLOUS HEARINGS FOR NO REASON. THANK YOU, MR. PRESIDENT. [LB330]

SPEAKER HADLEY: THANK YOU, SENATOR LARSON AND SENATOR KOLTERMAN. SENATOR SCHNOOR, YOU ARE RECOGNIZED. [LB330]

SENATOR SCHNOOR: THANK YOU, MR. PRESIDENT. WELL, OBVIOUSLY, THERE'S BEEN A LOT OF DISCUSSION OVER THIS LEGISLATION. AND I GUESS I'D LIKE TO KNOW IF SENATOR LARSON WOULD YIELD TO A QUESTION, PLEASE. [LB330]

SPEAKER HADLEY: SENATOR LARSON, WILL YOU YIELD? [LB330]

SENATOR LARSON: YES. [LB330]

SENATOR SCHNOOR: THANK YOU, SENATOR LARSON. SENATOR LARSON, YOU KNOW, I DON'T DRINK, SO I DON'T UNDERSTAND A LOT OF THIS. THERE HAS BEEN COUNTLESS AMENDMENTS ADDED AND WITHDRAWN. YOU KNOW, THE ONE THAT I DID FULLY UNDERSTAND IS THE POWDERED ALCOHOL AND WHAT HAS HAPPENED WITH THAT. BUT, YOU KNOW, I GUESS, FOR MYSELF, I'M TO THE POINT THAT I DON'T EVEN...I'M NOT EVEN QUITE SURE WHAT I'M VOTING ON, ANYWAY, WITH LB330. SO WOULD YOU PLEASE BE SO KIND AS TO, WITH ALL THE AMENDMENTS AND CHANGES THAT HAVE TAKEN PLACE, TELL ME WHAT WE ARE VOTING ON NOW? [LB330]

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SENATOR LARSON: WELL, LET ME FIND A SPREADSHEET FOR YOU BECAUSE IT'S QUITE LONG. WE FIRST...OBVIOUSLY, WE HAVE THE CIDER TO BEER THAT WE'RE CHANGING FROM WINE TO BEER CLASSIFICATION. WE HAVE THE PEDAL PUBS IN THERE. WE HAVE THE DELIVERY OF WINE AND SPIRITS BY WHOLESALERS, CHANGING THAT. WE HAVE SOME TECHNICAL UPDATES TO THE ACT THAT WE ARE DOING AT THE BEHEST OF THE LIQUOR CONTROL COMMISSION. WE ARE CHANGING IT TO WHERE RETIREMENT HOMES CAN RECEIVE LIQUOR LICENSES. IT'S AMAZING THAT THEY...THAT, YOU KNOW, RETIREMENT HOMES FEEL LIKE THEY WANT LIQUOR LICENSES NOW. I THINK IT SHOWS A TRUE LITTLE EXCITEMENT IN THEIR LIVES, I GUESS, WILL NEVER HURT ANYTHING. BUT RIGHT NOW THEY CAN'T HAVE LIQUOR LICENSES. WE ARE STRIKING SOME LANGUAGE THAT NEEDS UPDATED THAT REQUESTS LANGUAGE BE STRICKEN FOR...EXCEPT THAT A LICENSED WHOLESALER MAY WITHOUT A SHIPPING LICENSE AND FOR THE PURPOSES OF A SUBDIVISION ESSENTIALLY RECEIVE BEER IN THE STATE. ESSENTIALLY, THAT WAS AN OLD EXEMPTION, I WANT TO SAY, FOR STORES MAYBE, BUT I'M NOT QUITE 100 PERCENT SURE WITHOUT MY NOTES BECAUSE I'M JUST GOING OFF THE TOP OF MY HEAD. THE COMMISSION ALSO...WE CHANGED LANGUAGE TO REFLECT THAT THE MARKET OF SALES AND ALL SOURCES OF ALCOHOL, NOT JUST BEER, CHANGE WHEN ANY PERSON IS LICENSED TO SELL ALCOHOL/LIQUOR AT A RETAIL SALES ALCOHOL. WE CHANGED SOME OF THE CONTRABAND LAWS WHEN IT COMES TO...THE COMMISSION HAS SEEN AN INCREASE OF ILLEGAL IMPORTING AND MANUFACTURING OF ALCOHOL. AND GIVEN THE SPECIFIC NATURE OF THE PRODUCTS, THE COMMISSION BELIEVES THEY SHOULD HAVE THE RIGHT IN DETERMINING THE FATE OF SEIZED PRODUCTS AND THE COMMISSION IS THE BEST TO DISPOSE OF THOSE SEIZED PRODUCTS. THAT GOES INTO, YOU KNOW, ESSENTIALLY WHO SHOULD HOUSE IT--THE STATE PATROL, THE LIQUOR CONTROL COMMISSION. OBVIOUSLY, WE HAVE THE POWDERED ALCOHOL PORTION OF IT. WE HAVE A LATE RENEWALS PROVISION IN THERE THAT WILL ALLOW THE COMMISSION TO GRANT LICENSEES UP TO 30 DAYS, ESSENTIALLY A GRACE PERIOD... [LB330]

SPEAKER HADLEY: ONE MINUTE. [LB330]

SENATOR LARSON: ...FOR LICENSE RENEWALS. AS I SAID, WE ARE NOW ON THE CHURCH PROVISION THAT ESSENTIALLY SAYS THAT A CHURCH WOULD HAVE TO REQUEST A HEARING. THEN WE HAVE SENATOR SCHILZ'S BILL THAT FOCUSED ON TAX INCENTIVES FOR MICROBREWERIES IF THEY USE NEBRASKA PRODUCTS, I.E., WHEAT AND BARLEY, I THINK, ARE THE TWO THAT WE...BARLEY AND HOPS, NOT WHEAT. AND WE CHANGED THAT BECAUSE ORIGINALLY IT WAS ANY

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NEBRASKA PRODUCTS. THAT ALSO INCLUDED CORN AND WHEAT, BUT DUE TO THE FISCAL NOTE, WE HAD TO TAKE CORN AND WHEAT OUT BECAUSE WE REALIZED THAT BUD AND MILLER AND THESE BIG GUYS PROBABLY USE...OVER 70 PERCENT OF THEIR GRAINS ACTUALLY COME FROM NEBRASKA AND IT WAS GOING TO COST THE STATE A LOT MORE MONEY IF WE WERE GOING TO DO THAT BECAUSE THESE BIG MANUFACTURERS WERE GOING TO BE ABLE TO RECEIVE... [LB330]

SPEAKER HADLEY: TIME, SENATOR. [LB330]

SENATOR LARSON: THANK YOU. [LB330]

SPEAKER HADLEY: THANK YOU, SENATOR SCHNOOR AND SENATOR LARSON. SENATOR McCOY, YOU ARE RECOGNIZED. SENATOR McCOY, YOU ARE RECOGNIZED. [LB330]

SENATOR McCOY: THANK YOU, MR. PRESIDENT. WOULD SENATOR LARSON YIELD, PLEASE? [LB330]

SPEAKER HADLEY: SENATOR LARSON, WILL YOU YIELD? [LB330]

SENATOR LARSON: SORRY. I...YES. [LB330]

SENATOR McCOY: THANK YOU, SENATOR. COULD YOU REFRESH ME, MY MEMORY, ON WHAT YOU SAID EARLIER. HOW MANY HEARINGS DID YOU SAY THAT THE LIQUOR CONTROL COMMISSION HAS HAD THAT A CHURCH DIDN'T SHOW UP? [LB330]

SENATOR LARSON: I'M NOT SURE HOW MANY THEY HAVE HAD THAT THEY DIDN'T SHOW UP. I KNOW THAT THREE HAVE BEEN CONTESTED. I DON'T HAVE THE EXACT... [LB330]

SENATOR McCOY: SO WE DON'T KNOW WHETHER IT IS 1 OR 100? WE DON'T KNOW? [LB330]

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SENATOR LARSON: IT'S MUCH MORE THAN ONE. I CAN GET THOSE EXACT NUMBERS FROM THE LIQUOR CONTROL COMMISSION IF YOU WOULD LIKE.
[LB330]

SENATOR McCOY: WELL, WE WENT BACK AND LOOKED AND, THIS WHOLE PROCESS, IT WAS ACTUALLY SENATOR KARPISEK INSTEAD OF SENATOR GLOOR...
[LB330]

SENATOR LARSON: OKAY. [LB330]

SENATOR McCOY: ...WHO STARTED THIS EFFORT BACK--IT WAS LB906--IN 2010, ACTUALLY. AND WHAT THAT BILL DID...AND IT ENDED UP GETTING AMENDED INTO LB861 THAT SAME YEAR, WHICH WAS ONE OF THE COMMITTEE PRIORITY BILLS, I BELIEVE. BUT SENATOR KARPISEK ACTUALLY ENDEAVORED TO JUST COMPLETELY STRIP AWAY THE 150 FEET PROHIBITION COMPLETELY, WHICH I'M SURE THE COMMITTEE LEGAL COUNSEL WILL PROBABLY RECALL THAT PIECE OF LEGISLATION. AND THEN IT ENDED UP GETTING AMENDED, NEAR AS I CAN TELL, TO BE WHERE IT IS TODAY, WHAT I SHOULD SAY, PRIOR TO LB330, AND THAT IS A MANDATORY HEARING. THAT ENDED UP BEING KIND OF THE STEP-DOWN COMPROMISE, IF YOU WILL. I DON'T REMEMBER/RECALL WHAT THE PROCESS WAS. I DO REMEMBER THIS ISSUE BECAUSE WE HAD SOME DISCUSSION ON THE FLOOR ABOUT A NUMBER OF CHURCHES IN SMALL COMMUNITIES HERE AND THERE ACROSS THE STATE WHO ARE VERY CONCERNED ABOUT THE 150 FEET PROHIBITION BEING COMPLETELY STRIPPED AWAY. AND I THINK SOMEWHERE IN THERE IS WHERE WE ENDED UP WITH A MANDATORY HEARING. I GUESS MY QUESTION WOULD BE, SENATOR LARSON, WOULDN'T IT HAVE MADE A LITTLE MORE SENSE--I'VE JUST BEEN STANDING HERE TRYING TO THINK OF A BETTER WAY MAYBE THIS COULD HAVE BEEN DONE--TO HAVE THE LIQUOR CONTROL COMMISSION HAVE A MANDATORY HEARING EXCEPT FOR WHEN YOU HAVE A CHURCH THAT HAS SENT IN, PROBABLY AT THE PROMPTING OF CITY COUNCIL OR COMMUNITY REVITALIZATION, AS SENATOR KOLTERMAN TALKED ABOUT, A HOTEL BEING NEXT TO A CHURCH IN...I APOLOGIZE, SENATOR KOLTERMAN, I DON'T KNOW IF YOU SAID SEWARD OR YORK, I THINK YOU SAID SEWARD--HE'S NODDING HIS HEAD HE DID--IN SEWARD, WHY WOULDN'T IT MAKE SENSE TO LEAVE IT AS A MANDATORY HEARING EXCEPT FOR WHEN YOU HAVE A LETTER OF SUPPORT FROM SAID CHURCH OR HOUSE OF WORSHIP SAYING THEY'RE FINE WITH IT? WOULDN'T THAT BE A BETTER WAY TO DO THIS RATHER THAN JUST TO SAY WE'RE NOT GOING TO HAVE A HEARING AT ALL EXCEPT FOR IN...UNLESS, ESSENTIALLY, WE'VE GOTTEN SOMEONE A LETTER OF

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PROTEST, MORE OR LESS, FROM A CHURCH? WOULDN'T THAT HAVE BEEN MAYBE A BETTER PROCESS IN WHICH...BY WHICH TO GO ABOUT? [LB330]

SENATOR LARSON: NO. I THINK THAT THE WAY THAT WE'RE APPROACHING IT IS PROBABLY THE EASIEST AND MOST NECESSARY WAY TO DO IT IN THE SENSE THAT I THINK WE ALL KNOW THAT INDIVIDUALS ARE VERY BUSY AND HAVE TIGHT SCHEDULES. AND TO EXPECT, YOU KNOW, EVERY CHURCH TO WRITE THE LETTER WHEN THEY DON'T CARE IS ACTUALLY, I THINK, MORE OF A BURDEN ON THAT LOCAL ORGANIZATION OR THAT LOCAL CHURCH. AND, YOU KNOW, IF THEY REALLY DO CARE ENOUGH, THEN THEY WILL... [LB330]

SPEAKER HADLEY: ONE MINUTE. [LB330]

SENATOR LARSON: ...WRITE THAT LETTER IN OPPOSITION AND FORCE THE HEARING. SO I UNDERSTAND YOUR OPINION ON THE MATTER. BUT I WOULD RESPECTFULLY DISAGREE AND FEEL LIKE WHAT THE COMMITTEE SENT OUT IN LB330 IS THE PROPER WAY AFTER THE DISCUSSION THAT WE HAD. [LB330]

SENATOR McCOY: WELL, HOPEFULLY, SENATOR, YOU'D UNDERSTAND MY CONCERN WHERE WE'VE GONE FROM A STRICT PROHIBITION AGAINST A LIQUOR LICENSE, AN ESTABLISHMENT LIQUOR LICENSE BEING WITHIN 150 FEET OF A CHURCH TO YOU'VE GOT TO HAVE A MANDATORY HEARING TO NOW, WELL, THE ONLY WAY WE'RE EVEN GOING TO HAVE A HEARING IS IF THE CHURCH ACTUALLY EITHER SHOWS UP IN PERSON, TRAVELING A GREAT NUMBER OF MILES, OR...AND THAT'S CORRECT, RIGHT? IT'S EITHER SHOWING UP IN PERSON OR SENDING IN A LETTER OF PROTEST? OR THEY HAVE TO SHOW UP IN PERSON? [LB330]

SENATOR LARSON: WELL, FIRST THEY'LL SIGN...FIRST THEY HAVE TO SEND IN THE LETTER REQUESTING THAT...UNDER LB300 AS IT'S WRITTEN, THEY WOULD HAVE TO SEND IN A LETTER THAT THEY DO WANT THE HEARING TO TAKE PLACE. AND AT THAT POINT, THAT WILL TRIGGER A HEARING IN FRONT OF THE LIQUOR CONTROL COMMISSION. AT THAT POINT,... [LB330]

SPEAKER HADLEY: TIME. THANK YOU, SENATOR McCOY, AND THANK YOU, SENATOR LARSON. SENATOR BLOOMFIELD, YOU ARE RECOGNIZED. [LB330]

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SENATOR BLOOMFIELD: THANK YOU, MR. PRESIDENT. COLLEAGUES, WHILE I DON'T WANT TO SEE POWDERED ALCOHOL GO UNREGULATED FOR ANOTHER YEAR, THIS BILL HAS BECOME SUCH A MONSTER THAT WE MAY NEED TO SERIOUSLY LOOK AT COMING BACK AND ADDRESSING THE POWDERED ALCOHOL ISSUE NEXT YEAR. THAT MIGHT NOT BE THE WORST THING WE COULD DO BECAUSE WE'LL KNOW BY THEN WHAT OTHER STATES HAVE, IN FACT, DECIDED TO DO. THERE ARE TEN STATES NOW THAT HAVE...FROM THE WEB SITE I LOOKED AT, THAT HAVE OUT AND OUT BANNED IT. BUT WHEN AN INTRODUCER IS ASKED WHAT HIS BILL IS ABOUT AT THIS POINT AND IT TAKES HIM FIVE MINUTES TO EXPLAIN IT, WE'VE GOT A COMPLICATED BILL. AND THAT'S WHAT WE HAVE CREATED HERE. WE ARE NOW LOOKING AT CALLING SOMETHING THAT'S MADE OUT OF FRUIT A BEER WHEN BEER IS MADE OUT OF GRAIN. WE'RE MAKING THE CHURCHES REQUEST A VARIANCE INSTEAD OF AUTOMATICALLY HAVING A HEARING. THIS BILL SUDDENLY AND OVER THE LAST HOURS OF DEBATE AND APPARENTLY HOURS OF DEBATE IN COMMITTEE, BECAUSE THERE ARE A NUMBER OF ISSUES TIED INTO ONE BILL, HAS BECOME, AS I SAID, A MONSTER. I HAVE REACHED THE POINT WHERE I'M NOT GOING TO VOTE FOR LB330. I UNDERSTAND THAT WILL LEAVE POWDERED ALCOHOL UNREGULATED FOR ANOTHER YEAR. BUT WITH EVERYTHING ELSE THAT'S ENCAPSULATED IN THIS BILL, THAT MAY BE THE LESSER OF TWO EVILS AT THIS TIME. AND I'D YIELD THE REMAINDER OF MY TIME TO SENATOR McCOY. [LB330]

SPEAKER HADLEY: SENATOR McCOY, YOU'RE YIELDED 2:35. [LB330]

SENATOR McCOY: THANK YOU, MR. PRESIDENT. AND THANK YOU, SENATOR BLOOMFIELD. I'D LIKE TO CONTINUE MY CONVERSATION WITH SENATOR LARSON IF HE WOULD YIELD, PLEASE. [LB330]

SPEAKER HADLEY: SENATOR LARSON, WILL YOU YIELD? [LB330]

SENATOR LARSON: YES. [LB330]

SENATOR McCOY: THANK YOU, SENATOR. YOU KNOW, I CERTAINLY UNDERSTAND THE SITUATION IN WHICH SENATOR KOLTERMAN SPEAKS, SENATOR LARSON, OF ECONOMIC GROWTH AND VITALITY IN A COMMUNITY WHEN YOU HAVE A MAIN STREET BUSINESS IN THE COURT...IN THE CASE OF A HOTEL THAT IS PROBABLY GOING TO ADD SOME JOBS TO THE SEWARD COMMUNITY AND, ALL LIKELY, COULD. IT COULD VERY WELL BE POSSIBLE THAT SOMEONE IN MANAGEMENT OR OWNERSHIP OR AN EMPLOYEE OR MULTIPLE EMPLOYEES OF THAT HOTEL

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MAY GO TO THAT CHURCH IN SEWARD. AND I WOULDN'T WANT TO STAND IN THE WAY OF A LOCAL COMMUNITY WHO SAYS, YOU KNOW WHAT, WE CAN WORK TOGETHER, WE CAN FIND A WAY TO COEXIST SIDE BY SIDE AND HAVE AN ESTABLISHMENT WITH A LIQUOR LICENSE BE NEXT-DOOR TO OUR CHURCH, WE'RE OKAY WITH THAT. I DON'T HAVE AN ISSUE WITH THAT. WHAT I HAVE AN ISSUE WITH IS, LET'S GET BACK INTO WHERE I THINK WE LEFT OFF, AND THAT IS, AS I READ THE PLAIN ENGLISH OF THE BILL, THE...A WRITTEN...THE CHURCH WOULD HAVE TO MAKE A WRITTEN REQUEST FOR THE HEARING. AND I THINK WHERE WE GOT CUT OFF IS, WHAT HAPPENS AFTER THAT? THEN DOES THE CHURCH HAVE TO SHOW UP IN PERSON? CAN THEY THEN SUBMIT A LETTER SAYING, WE OPPOSE THIS LIQUOR LICENSE? [LB330]

SPEAKER HADLEY: ONE MINUTE. [LB330]

SENATOR McCOY: WHAT HAPPENS AT THAT POINT? [LB330]

SENATOR LARSON: ONCE THEY FILE THE LETTER, AND IT WILL TRIGGER A HEARING, AS YOU CORRECTLY EXPLAINED, AND I WAS EXPLAINING WHEN WE GOT CUT OFF ON THE TIME, THEN THEY WOULD HAVE TWO OPTIONS. THEY COULD EITHER WRITE A LETTER, JUST LIKE WE HAVE LETTERS OF OPPOSITION THAT COME TO OUR COMMITTEE HEARINGS, EXPLAINING WHY THEY OPPOSE IT; OR THEY COULD SHOW UP PERSONALLY TO THE HEARING. IT WOULD BE EITHER/OR. [LB330]

SENATOR McCOY: SO THEY HAVE AN OPTION IF IT...IF THE DISTANCE IS TOO GREAT, THEY COULD SEND A LETTER OF OPPOSITION. [LB330]

SENATOR LARSON: OF COURSE. [LB330]

SENATOR McCOY: SO WHEN THOSE HEARINGS THAT YOU MENTIONED THAT THE LIQUOR CONTROL COMMISSION FEELS LIKE THEY'VE HAD UNNECESSARY HEARINGS, IS THAT THAT THEY RECEIVE NO RESPONSE AT ALL, EITHER IN PERSON OR IN WRITING, OR THEY RECEIVE SOMETHING IN WRITING BUT SOMEONE DIDN'T SHOW UP IN PERSON? [LB330]

SENATOR LARSON: THE...MOST OF THE UNNECESSARY HEARINGS THAT THE LIQUOR CONTROL COMMISSION FEELS THAT THEY HAVE HELD IS BECAUSE THEY RECEIVED NOTHING FROM ANYBODY. [LB330]

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SENATOR McCOY: SO THEY HAD THE MANDATORY HEARING AND THEY DIDN'T... [LB330]

SENATOR LARSON: AND JUST...NOBODY SHOWED UP. [LB330]

SPEAKER HADLEY: TIME, SENATORS. SENATOR McCOY AND LARSON, THANK YOU. SENATOR McCOY, YOU'RE RECOGNIZED. [LB330]

SENATOR McCOY: THANK YOU. SO THEY...NO ONE SHOWED UP IN THAT SITUATION? I APOLOGIZE, MR. PRESIDENT. I SHOULD ASK IF SENATOR LARSON WOULD YIELD AGAIN. [LB330]

SENATOR LARSON: YES. YES. [LB330]

SENATOR McCOY: THANK YOU. SO IN THAT INSTANCE, BUT WE DON'T KNOW WHETHER THAT'S...I MEAN WHAT THE FREQUENCY... [LB330]

SENATOR LARSON: OFTENTIMES, THE LIQUOR LICENSEE, THE PERSON APPLYING FOR THE LIQUOR LICENSE, WOULD SHOW UP BECAUSE IT'S THE HEARING FOR THEIR LIQUOR LICENSE. [LB330]

SENATOR McCOY: DO THEY HAVE TO SHOW UP THOUGH? WHAT'S THE... [LB330]

SENATOR LARSON: THEIR...THEY COULD SEND A LAWYER, THEY COULD...THEY...I GUESS THEY DON'T HAVE TO SHOW UP, NO. [LB330]

SENATOR McCOY: SO THE BURDEN THEN IS ON THE CHURCH IN THIS CASE, RATHER THAN ON THE ONE APPLYING FOR THE LICENSE, IS WHAT YOU ARE SAYING? SO, IN OTHER WORDS, THE...IF A REQUEST IS MADE TO THE LIQUOR CONTROL COMMISSION AND IT GOES THROUGH THE LOCAL GOVERNING BODY, CITY COUNCIL, VILLAGE BOARD, WHATEVER THE CASE MAY BE, AND AN AFFIRMATIVE "YES" IS FORWARDED ON TO LIQUOR CONTROL COMMISSION, THE ONE APPLYING FOR THE LICENSE DOESN'T HAVE TO DO ANYTHING IN THAT CASE, THEY ARE GOING...THAT'S GOING TO GET REVIEWED AND, IN THE WAY IT IS REVIEWED NOW, IT'S A MANDATORY HEARING. [LB330]

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SENATOR LARSON: RIGHT NOW IT'S A MANDATORY HEARING. IF THAT CHURCH WERE TO HAVE THAT LETTER, TO PROTEST IT, I DON'T...I GUESS I DON'T QUITE UNDERSTAND WHERE YOU ARE COMING FROM IN THE SENSE OF IT PUTS THE BURDEN OF PROOF ON THE CHURCH. THE PERSON APPLYING FOR THAT LIQUOR LICENSE WILL HAVE TO MAKE THEIR CASE AS WELL WHEN THAT CHURCH GIVES THAT LETTER. AND LIKE I SAID, THE THREE TIMES THAT THE CHURCHES HAVE OPPOSED LIQUOR LICENSES, ALL THREE OF THEM WERE DENIED. [LB330]

SENATOR McCOY: DO WE KNOW WHY THAT WAS, SENATOR LARSON? WAS THAT BECAUSE IT WAS SOMEONE THAT THE MUSIC WAS GOING TO BE TOO LOUD AND WAS GOING TO INTERFERE WITH ON A WEDNESDAY NIGHT WITH WEDNESDAY NIGHT CHURCH OR SUNDAY NIGHT CHURCH, OR WE DON'T KNOW? [LB330]

SENATOR LARSON: I'D HAVE TO GO BACK, HONESTLY, AND TALK TO THE LIQUOR CONTROL COMMISSIONERS. I WOULD GUESS IT'S MORE THE CONCEPT, AS I SAID, I THINK OUR LIQUOR CONTROL COMMISSION IS VERY COGNIZANT OF KEEPING GOOD COMMUNITY RELATIONS AND UNDERSTAND, AS YOU DO, SENATOR McCOY, THE ISSUES THAT ALCOHOL FACES AND HAVE A HEALTHY RESPECT FOR RELIGIOUS INSTITUTIONS. AND WHEN THAT RELIGIOUS INSTITUTION HAS AN ISSUE WITH A POSSIBLE LICENSE, THAT THEY DEFER TO THAT INSTITUTION. BUT THERE MIGHT BE DEEPER ASPECTS INTO IT. WE CAN FIND OUT IF YOU WANT WHY EXACTLY EACH ONE OF THOSE THREE WERE DENIED THOUGH. BUT... [LB330]

SENATOR McCOY: SURE. WELL, THAT'S THE NATURE OF FA67, SENATOR LARSON, IS I THINK THAT THAT SHOULDN'T BE THE CASE, THAT THERE ISN'T A MANDATORY HEARING. I MEAN THAT'S THE FUNCTION OF THE LIQUOR CONTROL COMMISSION. THAT'S PART OF THEIR DUTIES AND RESPONSIBILITIES TO HOLD SUCH HEARINGS. I DON'T THINK THAT WE'RE ASKING THEM TO DO SOMETHING MORE THAN THEY'VE DONE IN THE PAST. I DON'T THINK THIS COMES...WELL, I DON'T KNOW, I GUESS, BECAUSE THIS WAS COMBINED IN IN THE BILL. WE DON'T KNOW WHETHER THIS HAD A FISCAL NOTE OR NOT. I WOULD...I GUESS I WOULD ASK YOU, SENATOR, ARE YOU AWARE THAT THIS WAS GOING TO PROVIDE SOME SORT OF COST SAVINGS TO THE LIQUOR CONTROL COMMISSION BY NOT HOLDING THESE HEARINGS? [LB330]

SENATOR LARSON: I WOULD ASSUME... [LB330]

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SENATOR McCOY: WE DON'T HAVE A FISCAL NOTE TO GO OFF OF, OBVIOUSLY.
[LB330]

SENATOR LARSON: YEAH. YEAH. I DON'T HAVE THE...THE FISCAL NOTE DIDN'T COME. I CAN TALK TO THE LIQUOR CONTROL COMMISSION ABOUT THAT. I WOULD ASSUME THAT IT WOULD CAUSE SOME COST SAVINGS, AS WELL AS SOME BUREAUCRATIC PAPERWORK THAT THEY WOULDN'T HAVE TO DO. SO I CAN'T TELL YOU THAT THE COST SAVINGS IS GOING TO BE IN THE TENS OF THOUSANDS BY ANY MEANS, BUT I WOULD ASSUME THAT THERE WILL BE COST SAVINGS. AND ANY COST SAVINGS THAT THERE ARE, AS YOU KNOW, ALL THE EXTRA MONEY FROM THE LIQUOR CONTROL COMMISSION GOES DIRECTLY INTO THE GENERAL FUND. SO EVERY DOLLAR THAT THE LIQUOR CONTROL COMMISSION SAVES IS ANOTHER DOLLAR THAT CAN GO TO PROPERTY TAX RELIEF. [LB330]

SENATOR McCOY: WELL, THAT'S TRUE IN THE SENSE OF IF THAT'S ACTUALLY WHAT HAPPENS... [LB330]

SPEAKER HADLEY: ONE MINUTE. [LB330]

SENATOR McCOY: ...TO THOSE DOLLARS, SENATOR. [LB330]

SENATOR LARSON: POSSIBLY--THAT'S UP TO US. [LB330]

SENATOR McCOY: AND THAT'S PROBABLY AN ISSUE WHERE YOU OR I MIGHT BE IN MORE AGREEMENT THAN WHAT WE MIGHT BE ON THIS BILL. WOULD THAT BE A FAIR CHARACTERIZATION? [LB330]

SENATOR LARSON: LIKE I SAID, I WANT TO CREATE AS MUCH MONEY AS POSSIBLE, ROOM. IF I HAVE TO SPEND MONEY, I WANT IT TO GO TO THE PROPERTY TAX CREDIT RELIEF PROGRAM AND... [LB330]

SENATOR McCOY: AS DO I, AS LONG AS IT IS NOT INVOLVED IN EXPANDED GAMBLING, BUT THAT'S A TOPIC FOR A LATER BILL PERHAPS FOR THIS EVENING, BUT...WELL, I THANK YOU, SENATOR LARSON. I APPRECIATE YOU BEING GENEROUS AND ALLOWING ME TO ASK YOU SOME QUESTIONS ON THIS. AGAIN, MEMBERS, I FIND THIS BILL OBJECTIONABLE ON A NUMBER OF FRONTS, BUT, IN PARTICULAR, THIS FLOOR AMENDMENT AND A FOLLOWING FLOOR

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AMENDMENT I HAVE BEHIND THIS IN WHICH WE WOULD DO AWAY WITH THE ALLOWANCE THAT LB330 PROVIDES TO NOW ALLOW RETIREMENT IN NURSING HOMES TO HAVE OR APPLY FOR LIQUOR LICENSES... [LB330]

SPEAKER HADLEY: TIME, SENATOR. [LB330]

SENATOR McCOY: THANK YOU, MR. PRESIDENT. [LB330]

SPEAKER HADLEY: THANK YOU, SENATOR McCOY. THANK YOU, SENATOR LARSON. SENATOR BURKE HARR. [LB330]

SENATOR HARR: QUESTION. [LB330]

SPEAKER HADLEY: DO I SEE FIVE HANDS? I DO. THE QUESTION IS, SHALL DEBATE CEASE? ALL THOSE IN FAVOR VOTE AYE; ALL THOSE OPPOSED VOTE NAY. SENATOR HARR, FOR WHAT PURPOSE DO YOU RISE? [LB330]

SENATOR HARR: I WOULD REQUEST A CALL OF THE HOUSE. [LB330]

SPEAKER HADLEY: THERE'S BEEN A REQUEST TO PLACE THE HOUSE UNDER CALL. THE QUESTION IS, SHALL THE HOUSE GO UNDER CALL? ALL THOSE IN FAVOR VOTE AYE; ALL THOSE OPPOSED VOTE NAY. SENATORS WATERMEIER, SCHEER, KEN HAAR, SULLIVAN, NORDQUIST, MORFELD, McCOLLISTER, WILLIAMS, GLOOR, SEILER, KOLOWSKI, SMITH, COASH, HILKEMANN, FRIESEN. RECORD. [LB330]

CLERK: 24 AYES, 0 NAYS TO PLACE THE HOUSE UNDER CALL, MR. PRESIDENT. [LB330]

SPEAKER HADLEY: THE HOUSE IS UNDER CALL. PLEASE RECORD YOUR PRESENCE. THOSE UNEXCUSED SENATORS OUTSIDE THE CHAMBER PLEASE RETURN AND RECORD YOUR PRESENCE. ALL UNAUTHORIZED PERSONNEL PLEASE LEAVE THE FLOOR. THE HOUSE IS UNDER CALL. SENATOR HUGHES, SENATOR KOLOWSKI, SENATOR GLOOR. HOW WOULD YOU LIKE TO PROCEED, SENATOR HARR? [LB330]

SENATOR HARR: I WILL TAKE CALL-IN VOTES. [LB330]

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SPEAKER HADLEY: THE QUESTION IS CALLING THE QUESTION. [LB330]

CLERK: SENATOR NORDQUIST VOTING YES. SENATOR KEN HAAR VOTING YES. SENATOR WATERMEIER VOTING YES. SENATOR SMITH VOTING YES. SENATOR COASH VOTING YES. SENATOR WILLIAMS VOTING YES. SENATOR HUGHES VOTING YES. [LB330]

SPEAKER HADLEY: RECORD, MR. CLERK. [LB330]

CLERK: 25 AYES, 4 NAYS TO CEASE DEBATE, MR. PRESIDENT. [LB330]

SPEAKER HADLEY: THE HOUSE IS UNDER CALL. SENATOR McCOY, YOU ARE RECOGNIZED TO CLOSE ON YOUR AMENDMENT. [LB330]

SENATOR McCOY: THANK YOU, MR. PRESIDENT. FA67 IS FAIRLY SIMPLE. IT WOULD MERELY RETAIN THE MANDATORY HEARING THAT THE LIQUOR CONTROL COMMISSION CURRENTLY HAS IN PLACE. IT'S BEEN IN PLACE SINCE 2010, FOR THOSE OF YOU THAT MAY NOT HAVE BEEN IN THE CHAMBER. AND IN AN EXCHANGE WITH SENATOR LARSON AND I A COUPLE MINUTES AGO, WE TALKED ABOUT THE FACT THAT THIS WHOLE ISSUE IN PART, A SUBSET, OF LB330 WAS BORNE OUT OF A BILL THAT WAS INTRODUCED BY SENATOR KARPISEK AS CHAIR OF THE GENERAL AFFAIRS COMMITTEE BACK IN 2010 THAT WOULD HAVE REMOVED IN ITS ENTIRETY THE 150-FOOT BAN AWAY OR AROUND, I SHOULD SAY, A CHURCH OR PLACE OF WORSHIP FOR AN ESTABLISHMENT WITH A LIQUOR LICENSE. THAT WAS SUBSEQUENTLY AMENDED INTO WHAT, NEAR AS I CAN TELL, BECAME THE...ONE OF THE COMMITTEE PRIORITY BILLS IN 2010 AND WAS COMPROMISED DOWN TO A MANDATORY HEARING ANY TIME A LIQUOR LICENSE IS APPLIED FOR WHEN THAT ESTABLISHMENT IS GOING TO BE WITHIN 150 FEET OF A CHURCH OR A PLACE OF WORSHIP. AGAIN, IF YOU LOOK AT PAGES 12 AND 13 IN LB330, AND ALSO PAGE 16, YOU'LL FIND THAT ONE OF THE COMPONENTS, I GUESS IT WOULD BE OF THE TWO ADDITIONAL BILLS THAT WERE "CHRISTMAS TREE" ADDED, FOR LACK OF A BETTER TERM, INTO LB330 AND THE ESSENTIALLY SIX DIFFERENT COMPONENTS OF...OR, PARDON ME, TEN DIFFERENT COMPONENTS, ESSENTIALLY TEN, COULD BE TEN DIFFERENT BILLS, INTO LB330, ONE OF THEM WAS THIS PARTICULAR PROVISION STRIKING THE MANDATORY HEARING AND SAYING THAT, INSTEAD, IN ORDER FOR THE LIQUOR CONTROL COMMISSION TO HAVE A HEARING, THEY'D HAVE TO HAVE A WRITTEN REQUEST FROM THE CHURCH FOR A HEARING. AND THEN, AS SENATOR LARSON AND I TALKED ABOUT, THE CHURCH WOULD THEN, OR A REPRESENTATIVE OF THE

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CHURCH, WOULD HAVE TO THEN EITHER PROVIDE WRITTEN NOTIFICATION TO THE LIQUOR CONTROL COMMISSION OPPOSING THAT LIQUOR LICENSE OR SHOW UP IN PERSON TO OPPOSE OR HAVE THEIR REPRESENTATIVE, AN ATTORNEY, OR WHATEVER THE CASE MAY BE. AGAIN, THIS AMENDMENT MERELY RETAINS THE MANDATORY HEARING. AND THE REASON BEING IS SENATOR LARSON WASN'T ABLE TO TELL ME HOW MANY TIMES THIS HAS HAPPENED. WE DON'T KNOW WHETHER IT'S BEEN ONE OR TWO OR THREE THAT A CHURCH HASN'T SHOWN UP FOR THIS HEARING. I JUST FIND THIS UNNECESSARY. I THINK IT'S GOOD THAT WE HAVE A MANDATORY HEARING. IT VERY WELL MAY BE, AS SENATOR KOLTERMAN TALKED ABOUT IN THE CASE OF SEWARD, THAT YOU HAVE A HOTEL THAT'S BEEN REMODELED THAT'S NEXT-DOOR TO A CHURCH IN DOWNTOWN AREA OF SEWARD THAT THEY HAVE LEARNED TO COEXIST AND THE CHURCH ACTUALLY SUPPORTS THAT HOTEL BEING NEXT-DOOR AND HAVING A LIQUOR LICENSE. BUT THAT'S NOT ALWAYS GOING TO BE THE CASE, MEMBERS. AND AS WE KNOW, IT'S A LONG WAYS ACROSS OUR GREAT STATE OF NEBRASKA. AND I THINK A MANDATORY HEARING MAKES SENSE. I THINK THAT'S PRUDENT. I THINK THAT'S NECESSARY. IT WAS WHAT WAS A COMPROMISE POSITION JUST FIVE SHORT YEARS AGO THAT I BELIEVE WAS VOTED ON UNANIMOUSLY BY THE LEGISLATURE AT THE TIME. SO IT WOULD SEEM TO ME WE WOULD WANT TO STAY WITH THE STATUTE AS IT IS NOW. AND AS I TALKED ABOUT WITH SENATOR LARSON,... [LB330]

SPEAKER HADLEY: ONE MINUTE. [LB330]

SENATOR McCOY: ...PERHAPS A BETTER WAY TO DO THIS WOULD HAVE BEEN TO GO AHEAD AND HAVE A MANDATORY HEARING, EXCEPT IN THE CASE OF A SITUATION, AS SENATOR KOLTERMAN TALKED ABOUT IN THE CASE OF SEWARD, WHERE A CHURCH COULD WRITE A LETTER OR SHOW UP IN PERSON IN SUPPORT OF THAT LIQUOR LICENSE BEING ISSUED. THAT WOULD SEEM TO ME TO BE A MORE COMMONSENSE WAY TO PROCEED. BUT BE THAT AS IT MAY, WE HAVE FA67 BEFORE US. I THINK IT'S A COMMONSENSE ADDITION TO LB330 TO RETURN THIS COMPONENT OF THE BILL TO THE WAY THE STATUTE WAS PREVIOUS. THANK YOU, MR. PRESIDENT. [LB330]

SPEAKER HADLEY: THE QUESTION BEFORE THE BODY IS THE ADOPTION OF THE AMENDMENT. ALL IN FAVOR VOTE AYE; OPPOSED VOTE NAY. HAVE ALL VOTED? RECORD, MR. CLERK. [LB330]

CLERK: 13 AYES, 22 NAYS, MR. PRESIDENT, ON THE AMENDMENT. [LB330]

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SPEAKER HADLEY: THE AMENDMENT FAILS. MR. CLERK, YOU HAVE A MOTION ON THE DESK? [LB330]

CLERK: MR. PRESIDENT, I HAVE A PRIORITY MOTION. SENATOR LARSON WOULD MOVE TO INVOKE CLOTURE PURSUANT TO RULE 7, SECTION 10. [LB330]

SPEAKER HADLEY: IT IS THE RULING OF THE CHAIR THAT THERE HAS BEEN FULL AND FAIR DEBATE ACCORDED TO LB330. MEMBERS, THE FIRST VOTE IS THE MOTION TO INVOKE CLOTURE. ALL THOSE IN FAVOR VOTE AYE; ALL THOSE OPPOSED VOTE NAY. HAVE ALL THOSE VOTED? [LB330]

CLERK: 35 AYES, 5 NAYS, MR. PRESIDENT, ON THE MOTION TO INVOKE CLOTURE. [LB330]

SPEAKER HADLEY: THE MOTION TO INVOKE CLOTURE IS ADOPTED. MEMBERS, THE NEXT VOTE IS ON THE ADOPTION OF LB330. ALL THOSE IN FAVOR VOTE AYE; ALL THOSE OPPOSED VOTE NO. PARDON ME? SENATOR HANSEN. YES, SENATOR McCOY. [LB330]

SENATOR McCOY: MR. PRESIDENT, I WOULD REQUEST A ROLL CALL VOTE, PLEASE, IN REGULAR ORDER. [LB330]

SPEAKER HADLEY: SENATOR HANSEN, WILL YOU MAKE THE MOTION AND THEN WE WILL GO TO A MACHINE VOTE. [LB330]

SENATOR HANSEN: YES, MR. PRESIDENT. I MOVE THAT WE ADVANCE LB330 TO E&R FOR ENGROSSING. [LB330]

SPEAKER HADLEY: SENATOR OR MR. CLERK, WE HAVE A ROLL CALL VOTE. [LB330]

CLERK: (BEGAN ROLL CALL VOTE.) [LB330]

SENATOR CHAMBERS: (MICROPHONE MALFUNCTION)...AFTER THE MOTION, IS THERE NO DEBATE? (INAUDIBLE). [LB330]

SPEAKER HADLEY: INVOKING CLOTURE THERE IS NO FURTHER DEBATE. [LB330]

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CLERK: (ROLL CALL VOTE TAKEN, LEGISLATIVE JOURNAL PAGES 1690-1691.) 40 AYES, 3 NAYS, MR. PRESIDENT, ON THE ADVANCEMENT OF LB330. [LB330]

SPEAKER HADLEY: LB330 ADVANCES TO E&R ENGROSSING. I RAISE THE CALL. MR. CLERK. [LB330]

CLERK: MR. PRESIDENT, LB330A. I HAVE NO AMENDMENTS TO THE BILL. [LB330A]

SPEAKER HADLEY: SENATOR HANSEN. [LB330A]

SENATOR HANSEN: MR. PRESIDENT, I MOVE THAT WE ADVANCE LB330A TO E&R FOR ENGROSSING. [LB330A]

SPEAKER HADLEY: YOU HAVE HEARD THE MOTION. ALL IN FAVOR SIGNIFY...SENATOR CHAMBERS, YOU ARE RECOGNIZED. [LB330A]

SENATOR CHAMBERS: THANK YOU. MR. PRESIDENT, I HAVE ENJOYED LISTENING TO THE DEBATE. I HAD NO ROLE IN IT TO PLAY. BUT I WAS SURE THAT IN VIEW OF THE FACT THAT SENATOR KOLTERMAN HAD MENTIONED THAT A CHURCH SPOKE IN FAVOR OF A LIQUOR JOINT MOVING NEXT TO THE CHURCH, SOMEBODY WOULD INVOKE FOR THE SAKE OF ALL THESE OTHER WARRING GROUPS OF CHURCHES AND THE BEER JOINTS, DIVES, SALOONS OR WHATEVER THEY ARE CALLED, THE PLEA OF RODNEY KING--CAN'T THEY ALL JUST GET ALONG? AFTER ALL, BOTH OPERATIONS ARE PURVEYORS OF SPIRITS. AND I DARE SAY THEY BOTH CATER TO THE SAME CLIENTELE. THANK YOU, MR. PRESIDENT. [LB330A]

SENATOR KRIST PRESIDING

SENATOR KRIST: THANK YOU, SENATOR CHAMBERS. SENATOR HANSEN FOR A MOTION. [LB330A]

SENATOR HANSEN: MR. PRESIDENT, I MOVE THAT LB330A ADVANCE TO E&R FOR ENGROSSING. [LB330A]

SENATOR KRIST: THANK YOU. YOU HEARD THE MOTION. ALL THOSE IN FAVOR, AYE. OPPOSED, NAY. IT ADVANCES. ITEMS, MR. CLERK. [LB330A]

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CLERK: THANK YOU, MR. PRESIDENT. ENROLLMENT AND REVIEW REPORTS LB382, LB382A, AND LB642 AS CORRECTLY ENGROSSED. I HAVE A SERIES OF AMENDMENTS TO BE PRINTED: SENATOR BOLZ TO LB320A, LB243A; SENATOR BOLZ, LB598A, SENATOR BOLZ; SENATOR CAMPBELL, LB265A; SENATOR BURKE HARR, LB173 AND LB543; SENATOR SCHUMACHER, LB591; AND SENATORS KINTNER AND McCOY AND LARSON TO LB330. I ALSO HAVE RESOLUTIONS: LR344, EDUCATION COMMITTEE, CALLING FOR AN INTERIM STUDY. LR345 IS SENATOR EBKE; THAT WILL BE LAID OVER. AND FINALLY, MR. PRESIDENT, A HEARING NOTICE FROM THE GOVERNMENT COMMITTEE REGARDING CONFIRMATION HEARING. THAT'S ALL THAT I HAVE. (LEGISLATIVE JOURNAL PAGES 1691-1705.) [LB382 LB382A LB642 LB320A LB243A LB598A LB265A LB173 LB543 LB591 LB330 LR344 LR345]

SENATOR KRIST: THANK YOU, MR. CLERK. RETURNING TO SELECT FILE, NEXT ITEM.

CLERK: MR. PRESIDENT, LB468 ON SELECT FILE. I HAVE E&R AMENDMENTS FIRST OF ALL, SENATOR. (ER119, LEGISLATIVE JOURNAL PAGE 1456.) [LB468]

SENATOR KRIST: SENATOR HANSEN FOR A MOTION. [LB468]

SENATOR HANSEN: MR. PRESIDENT, I MOVE THAT WE ADOPT THE E&R AMENDMENTS TO LB468. [LB468]

SENATOR KRIST: YOU'VE HEARD THE MOTION. ALL THOSE IN FAVOR, AYE. OPPOSED, NAY. THEY'RE ADOPTED. [LB468]

CLERK: SENATOR NORDQUIST WOULD MOVE TO AMEND WITH AM1582. (LEGISLATIVE JOURNAL PAGE 1507.) [LB468]

SENATOR KRIST: SENATOR NORDQUIST, YOU'RE RECOGNIZED. [LB468]

SENATOR NORDQUIST: THANK YOU, MR. PRESIDENT AND MEMBERS. AM1582 REPRESENTS A COMPROMISE. IF YOU REMEMBER ON THIS BILL ON GENERAL FILE, SENATOR CHAMBERS EXPRESSED SIGNIFICANT FRUSTRATION AND OPPOSITION TO THE \$6 COURT FEE FOR PRETRIAL DIVERSION. THE KING COBRA CAME AFTER MY BILL, AS HE...I DON'T KNOW IF HE'S BEEN CALLED THAT ON THE FLOOR LATELY SO...BUT USED TO BE CALLED THE KING COBRA AND HE

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CERTAINLY STILL IS. BUT SENATOR KRIST ON GENERAL FILE MADE THE COMMENT THAT WE SHOULD PROBABLY WORK ON THIS OFF THE MIKE. SO WITH SENATOR CHAMBERS AND SENATOR MELLO DECIDED TO PULL OUT THE \$6 PRETRIAL DIVERSION COURT FEE. THERE IS AN INTERIM STUDY THAT SENATOR DAVIS HAS INTRODUCED THAT WILL GO BETWEEN THE RETIREMENT AND JUDICIARY COMMITTEE TO LOOK AT WHAT FEES WE HAVE ON PRETRIAL DIVERSION AND TO REPLACE THE LOST REVENUE FROM THE PRETRIAL DIVERSION, WE WILL BE INCREASING THE FEE THAT...OR THE REDIRECTION OF THE FEE FROM THE GENERAL FUND, NOT UNTIL THE THIRD YEAR. SO IT WILL REMAIN \$2 FOR THE FIRST TWO YEARS AS WAS ORIGINALLY PROPOSED, AND THEN IT WILL GO TO \$4 EVERY YEAR AFTER THAT. IT WILL GENERATE ABOUT THE SAME AMOUNT OF MONEY AS WE WOULD BE LOSING BY NOT IMPLEMENTING THE NEW \$6 FEE. THE REMAINDER OF THE AMENDMENT, AM1582, ARE PIECES THAT BILL DRAFTING RECOMMENDED THAT WOULD NOT FIT INTO AN E&R AMENDMENT BUT THEY'RE JUST CLEANUP PIECES RECOMMENDED BY THE REVISOR'S OFFICE. THANK YOU, MR. PRESIDENT. [LB468]

SENATOR KRIST: THANK YOU, SENATOR NORDQUIST. YOU'VE HEARD THE OPENING ON AM1582 TO LB468. THOSE WISHING TO SPEAK: SENATOR CHAMBERS, AND YOU ARE RECOGNIZED. [LB468]

SENATOR CHAMBERS: THANK YOU. MR. PRESIDENT, MEMBERS OF THE LEGISLATURE, SOME YEARS AGO THERE WAS AN EDUCATION BILL BEFORE THE LEGISLATURE, THERE WAS ROBUST DEBATE ON BOTH SIDES OF THAT BILL. AND I DIDN'T HAVE ANYTHING TO SAY, SO SOME PEOPLE FROM THE MEDIA ASKED ME AFTERWARD WHY I WAS SO SILENT. AND THE BILL, IN MY OPINION, DIDN'T HAVE THE VOTES TO GO ANYWHERE, SO I SAID AT THAT TIME THE KING COBRA WASTES NO VENOM ON DEAD OR FLEEING THINGS. AND AFTER HAVING SAID THAT, THE TITLE--WHICH I DON'T OBJECT TO--WAS ATTACHED TO ME. I HAVE AGREED WITH WHAT SENATOR NORDQUIST JUST MENTIONED. I HAVE BEEN SOMEWHAT RETICENT ABOUT WHAT COULD BE CALLED SLURS THAT HAVE BEEN HURLED AGAINST THE LEGISLATURE IN GENERAL AND THE INTEGRITY OF ITS MEMBERS. THE MEDIA ARE LOOKING FOR STORIES ALL THE TIME. SO IF SOMEBODY MAKES THE MYSTERIOUS ALLEGATION UNSUPPORTED BY NAMES OR DATES OR ANY FACTS THAT THERE'S VOTE TRADING, THEY RUN AND WRITE THAT UP. I FIND THAT YOU CAN BE IN A SET OF CIRCUMSTANCES WHERE PEOPLE WHO KNOW NOTHING TALK A LOT ABOUT WHAT THEY DON'T UNDERSTAND, JUST ON AND ON AND ON. IF YOU WANT TO, ON A DAY LIKE TODAY WHEN THERE IS NOT A LOT OF REAL NEWS, SAY THAT SENATOR NORDQUIST AND I JUST ENGAGED IN VOTE TRADING. HE AGREED TO MODIFY HIS BILL. AND I HAD

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STATED--IF YOU MODIFY YOUR BILL, I WILL NOT OPPOSE IT. WHAT SOME PEOPLE WHO DON'T KNOW ANYTHING, WHO BABBLE, DON'T REALIZE, THERE IS A WORD THAT APPLIES IN DIPLOMACY AND IN THE LEGISLATIVE PROCESS. THAT WORD IS "NEGOTIATION." AND THE RESULT OF SUCCESSFUL NEGOTIATION IS COMPROMISE. AND AS BROTHER WILLIAMS AND I AGREED IN A CONVERSATION THAT WE WERE HAVING, THAT A SUCCESSFUL COMPROMISE IS WHERE NEITHER SIDE IS SATISFIED. SO FOR PEOPLE WHO DON'T UNDERSTAND THE LEGISLATIVE PROCESS, WHEN COMPROMISE OCCURS, THAT'S VOTE TRADING. WHEN NEGOTIATION OCCURS, THAT'S VOTE TRADING. THE MEDIA KNOW BETTER, BUT THEY WANT THE STORY. LET ME GIVE YOU AN EXAMPLE OF VOTE TRADING. I DON'T BELIEVE ABORTION HAS RIGHTS. ABORTION IS NOT EVEN A LIVING ENTITY. BUT I BELIEVE EVERY WOMAN HAS THE RIGHT TO DETERMINE WHETHER OR NOT SHE WILL CARRY A PREGNANCY TO TERM WITHOUT INTERFERENCE FROM THE STATE, THE CHURCH, OR ANYBODY ELSE. THAT'S MY VIEW. I BELIEVE IN THE RIGHT OF A WOMAN TO MAKE THOSE VERY INTIMATE DECISIONS ON HER OWN. NOW IF SOMEBODY CAME TO ME WITH A VERY ANTIWOMAN BILL--THAT'S WHAT I CALL THEM; THEY CALL IT ANTIABORTION BILL--AND SAID, ERNIE, IF YOU VOTE FOR THIS ANTIABORTION BILL, I'LL VOTE FOR ANY BILL YOU'VE GOT. IF I ACCEPTED THAT, THAT'S VOTE TRADING. BUT EVEN IF I DO,... [LB468]

SENATOR KRIST: ONE MINUTE. [LB468]

SENATOR CHAMBERS: THAT'S A PART OF THE LEGISLATIVE PROCESS. THAT'S WHAT YOU TRY TO DO. YOU TRY TO PERSUADE THE OTHER SIDE TO COME TO YOUR SIDE IF YOU CAN. YOU TRY TO GET AS MUCH AS YOU CAN. SO THE NEXT TIME ONE OF THESE PEOPLE WITH LOOSE LIPS--AND THOSE OF WHICH HAVE CAUSED THE SINKING OF SHIPS--TALK ABOUT VOTE TRADING, LET THAT LOOSE-LIPPED INDIVIDUAL NAME NAMES, GIVE DATES, GIVE EXAMPLES, AND SHOW HOW IGNORANT HE IS. AND WITH THAT, MR. CHAIRMAN, MR. PRESIDENT, I WILL RETIRE TO MY DUNGEON FROM WHENCE I CAME AFTER WE FINISH THIS VOTE. THANK YOU. [LB468]

SENATOR KRIST: THANK YOU, SENATOR CHAMBERS. (VISITORS INTRODUCED.)
SENATOR GROENE, YOU'RE RECOGNIZED. [LB468]

SENATOR GROENE: THANK YOU, MR. PRESIDENT. I'M ON RETIREMENT COMMITTEE WHICH SENATOR NORDQUIST LEADS. IF YOU WOULD NOTICE BACK WHEN WE DID THE BUDGETS, I VOTED NO ON THE JUDGES' SALARY BUDGET

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PORTION. AND I WAS THE ONLY NO VOTE, I BELIEVE, AND PEOPLE ASKED ME WHY DID I DO THAT. BECAUSE I DO BELIEVE IN COMPROMISE AND I DO BELIEVE IN AGREEMENTS. THE AGREEMENT WAS THAT WE WOULD INCREASE THEIR SALARIES--NOTHING WRONG WITH THAT--IF THEY AGREED TO CHANGES IN THEIR RETIREMENT BENEFITS. PLUS THERE WAS ALSO THE FACT THAT WE WERE GOING TO GO \$6 ON PRETRIAL DIVERSIONS BECAUSE A LOT OF CASES NOW HAVE BEEN SKIPPING THE COURTS. IT SPEEDS UP THE COURT CASES AND SPEEDS UP OUR COURTS BY GOING TO DIVERSION AND HOPEFULLY PEOPLE LEARN TO NOT BREAK LAWS IN THE FUTURE. BUT WE WERE MISSING OUT ON THAT \$6 TO THE JUDGES' RETIREMENT FEE BECAUSE IT WASN'T ACTUALLY A COURT CASE, BUT IT WAS HANDLED BY THE COURTS. AND THE BARGAIN WAS THAT THEY WOULD PAY...WE WOULD ADD \$6 TO THE DIVERSION FEE, PUT IT IN THE RETIREMENT, GOOD USER FEE--YOU USE THE COURTS, YOU PAY FOR IT. WELL, THAT GOT DERAILED. AND I SAID, WELL, IF THAT GOT DERAILED, THEN THE FIRST PART OF THAT BARGAIN SHOULDN'T BE HONORED ALSO. THE FACT IS WE NEED TO EVENTUALLY...THE USER FEES WORK. SENATOR NORDQUIST AND KATE FROM THE LEGAL...FOR OUR COMMITTEE SHOWED OVER AND OVER AGAIN WE ARE VERY LOW COMPARED TO OUR NEIGHBORS IN COURT FEES. IT IS A RATIONAL WAY TO FUND IT. THOSE WHO USE IT, THE SYSTEM, CAN PAY FOR THE SYSTEM OR HELP PAY FOR THE SYSTEM. SO ANYWAY, NOW WE GOT A \$600-SOME THOUSAND FISCAL NOTE BECAUSE WE LOST THAT \$6 IN THE FUTURE. BUT THAT CAN CHANGE. BUT ANYWAY, I WILL PROBABLY SUPPORT THIS IN THE END BECAUSE SENATOR NORDQUIST WORKED IT OUT. BUT, YES, THAT IS COMPROMISE. COMPROMISE, AS SENATOR CHAMBERS SAID, IS COMPROMISING WITHIN A BILL. WHEN YOU SIT DOWN AND TWO PARTIES SAY WE'RE WORKING ON THIS PROJECT, THIS BILL, CAN WE COMPROMISE? WHAT CHANGES CAN WE MAKE SO WE GET THE AGREEMENT? THAT IS COMPROMISE. I DON'T THINK I NEED TO GO INTO THE DEFINITION OF VOTE TRADING. I THINK EVERYBODY KNOWS WHAT THAT IS. BUT ANYWAY, I'LL SUPPORT THIS, BUT THAT'S WHY I VOTED NO ON THE BUDGET, ON THE JUDGES, BECAUSE BARGAINS ARE MADE. BARGAINS SHOULD BE KEPT ON BOTH ENDS, AND THAT'S NO FAULT OF THE JUDGES. BUT IT WAS JUST A LITTLE MESSAGE I SENT THAT, HEY, I WAS UNDER THE UNDERSTANDING THIS WAS GOING TO HAPPEN THIS WAY, AND IT DIDN'T HAPPEN THIS WAY AND NOW WE GOT A FISCAL NOTE. AND I JUST SAID EARLIER I WOULDN'T VOTE FOR FISCAL NOTES. SO I'LL TALK TO SENATOR NORDQUIST AND SEE HOW HE CAN...MAYBE SENATOR MELLO. HE'S BETTER AT EXPLAINING THINGS IN CIRCLES TO ME THAT I MIGHT AGREE WITH, SO THANK YOU. [LB468]

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SENATOR KRIST: THANK YOU, SENATOR GROENE. SEEING NO ONE ELSE IN THE QUEUE, SENATOR NORDQUIST, YOU'RE RECOGNIZED TO CLOSE ON YOUR AMENDMENT. [LB468]

SENATOR NORDQUIST: THANK YOU, SENATOR GROENE AND SENATOR CHAMBERS. THANK YOU, SENATOR CHAMBERS, FOR HELPING REACH THIS COMPROMISE. AND I, TOO...WE'VE HAD A COUPLE OF RETIREMENT BILLS TODAY ON THE FLOOR AND PROBABLY OUR LAST RETIREMENT BILL, SO WANTED TO THANK OUR LEGAL COUNSEL, KATE ALLEN, FOR ALL OF HER WORK ON THESE. THANK YOU. [LB468]

SENATOR KRIST: YOU'VE HEARD THE CLOSING ON AM1582. THE QUESTION IS THE ADOPTION OF THE AMENDMENT. ALL THOSE IN FAVOR VOTE AYE; OPPOSED, NAY. SENATOR NORDQUIST. [LB468]

SENATOR NORDQUIST: WE'RE GOING TO NEED A CALL OF THE HOUSE, MR. PRESIDENT, AND I'LL DO CALL-IN VOTES. [LB468]

SENATOR KRIST: CAN WE STAND BY FOR 30 SECONDS? PLEASE RECORD, MR. CLERK. [LB468]

CLERK: 28 AYES, 0 NAYS, MR. PRESIDENT, ON THE ADOPTION OF SENATOR NORDQUIST'S AMENDMENT. [LB468]

SENATOR KRIST: THE AMENDMENT IS ADOPTED. [LB468]

CLERK: I HAVE NOTHING FURTHER ON THE BILL, MR. PRESIDENT. [LB468]

SENATOR KRIST: SENATOR HANSEN FOR A MOTION. [LB468]

SENATOR HANSEN: MR. PRESIDENT, I MOVE THAT WE ADVANCE LB468 TO E&R FOR ENGROSSING. [LB468]

SENATOR KRIST: YOU'VE HEARD THE MOTION. ALL THOSE IN FAVOR, AYE. OPPOSED, NAY. LB468 ADVANCES. [LB468]

CLERK: LB468A. SENATOR, I HAVE NO AMENDMENTS TO THE BILL. [LB468A]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

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SENATOR KRIST: SENATOR HANSEN FOR A MOTION. [LB468A]

SENATOR HANSEN: MR. PRESIDENT, I MOVE THAT WE ADVANCE LB468A TO E&R FOR ENGROSSING. [LB468A]

SENATOR KRIST: YOU'VE HEARD THE MOTION. ALL THOSE IN FAVOR, AYE. OPPOSED, NAY. LB468A ADVANCES. [LB468A]

CLERK: LB480. SENATOR, I HAVE E&R AMENDMENTS. (ER121, LEGISLATIVE JOURNAL PAGE 1457.) [LB480]

SENATOR KRIST: SENATOR HANSEN FOR A MOTION. [LB480]

SENATOR HANSEN: MR. PRESIDENT, I MOVE THAT WE ADOPT THE E&R AMENDMENTS TO LB480. [LB480]

SENATOR KRIST: YOU'VE HEARD THE MOTION. ALL THOSE IN FAVOR, AYE. OPPOSED, NAY. ADVANCED. OR ADOPTED. [LB480]

CLERK: I HAVE NOTHING FURTHER ON THE BILL, MR. PRESIDENT. [LB480]

SENATOR KRIST: SENATOR HANSEN FOR A MOTION. [LB480]

SENATOR HANSEN: MR. PRESIDENT, I MOVE THAT WE ADVANCE LB480 TO E&R FOR ENGROSSING. [LB480]

SENATOR KRIST: YOU'VE HEARD THE MOTION. ALL THOSE IN FAVOR, AYE. OPPOSED, NAY. LB480 ADVANCES. [LB480]

CLERK: SENATOR, MR. PRESIDENT, LB525. I HAVE E&R AMENDMENTS FIRST OF ALL, SENATOR. (ER120, LEGISLATIVE JOURNAL PAGE 1457.) [LB525]

SENATOR KRIST: SENATOR HANSEN FOR A MOTION. [LB525]

SENATOR HANSEN: MR. PRESIDENT, I MOVE THAT WE ADOPT THE E&R AMENDMENTS TO LB525. [LB525]

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SENATOR KRIST: YOU'VE HEARD THE MOTION. ALL THOSE IN FAVOR, AYE. OPPOSED, NAY. THEY'RE ADOPTED. [LB525]

CLERK: FIRST AMENDMENT TO THE BILL, MR. PRESIDENT, SENATOR SULLIVAN, AM1487. SENATOR I HAVE A NOTE YOU WISH TO WITHDRAW AM1487 AND OFFER AS A SUBSTITUTE AM1645. (LEGISLATIVE JOURNAL PAGE 1630.) [LB525]

SENATOR SULLIVAN: I DO. [LB525]

SENATOR KRIST: NO OBJECTION, SO ORDERED. [LB525]

CLERK: SENATOR SULLIVAN, AM1645. [LB525]

SENATOR KRIST: SENATOR SULLIVAN, YOU'RE RECOGNIZED. [LB525]

SENATOR SULLIVAN: THANK YOU, MR. PRESIDENT AND MEMBERS. AM1645 IS AN AMENDMENT THAT MAKES THREE TECHNICAL CHANGES SUGGESTED BY THE NEBRASKA DEPARTMENT OF EDUCATION. THE FIRST CHANGE CLARIFIES THAT POVERTY RATES BASED ON RESIDENT INCOME TAX RETURNS WILL CONTINUE TO RELY ON THE INCOME QUALIFICATIONS FOR FREE MEALS. THE MAXIMUM POVERTY ALLOWANCE IN THE FORMULA IS BASED ON THE GREATER OF THE STUDENTS QUALIFYING FOR FREE MEALS BASED ON ACTUAL APPLICATIONS OR AN ESTIMATED NUMBER OF STUDENTS QUALIFYING FOR FREE MEALS BASED ON RESIDENT INCOME TAX RETURNS. NEXT THE AMENDMENT CHANGES ON PAGE 64, LINE 18 SIMPLY THE WORD "PLAN" TO "PROGRAM" TO KEEP TERMINOLOGY CONSISTENT WITH THAT USED BY THE DEPARTMENT OF EDUCATION. THE FINAL CHANGE IS ALSO ON PAGE 64, LINE 21, AND ADDS A REFERENCE TO SECTION 79-777 OF THE NEBRASKA REVISED STATUTES. SECTION 79-777 IS THE SECTION OF STATE STATUTES THAT REQUIRES THE NEBRASKA DEPARTMENT OF EDUCATION TO DRAFT RULES AND REGULATIONS PERTAINING TO CAREER ACADEMIES SO THAT IT IS CLEAR WHAT THE AUTHORIZING STATUTE IS THAT NECESSITATES THE RULES TO BE MET TO QUALIFY FOR AN ACE SCHOLARSHIP BASED ON THE CAREER ACADEMY PROVISIONS IMPLEMENTED UNDER LB525. I ASK FOR YOUR SUPPORT ON AM1645 AND FOR THE ADVANCEMENT OF LB525. THANK YOU, MR. PRESIDENT. [LB525]

SENATOR KRIST: THANK YOU, SENATOR SULLIVAN. YOU'VE HEARD THE OPENING ON THE AMENDMENT. SEEING NO ONE ELSE IN THE QUEUE, SENATOR SULLIVAN,

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YOU'RE RECOGNIZED TO CLOSE. SENATOR SULLIVAN WAIVES CLOSING. THE QUESTION IS THE ADOPTION OF AM1645. ALL THOSE IN FAVOR VOTE AYE; OPPOSED, NAY. HAVE ALL THOSE VOTED THAT WISH TO? PLEASE RECORD, MR. CLERK. [LB525]

CLERK: 29 AYES, 0 NAYS, MR. PRESIDENT, ON THE ADOPTION OF SENATOR SULLIVAN'S AMENDMENT. [LB525]

SENATOR KRIST: THE AMENDMENT IS ADOPTED. [LB525]

CLERK: SENATOR SCHNOOR WOULD MOVE TO AMEND AM1575. (LEGISLATIVE JOURNAL PAGE 1550.) [LB525]

SENATOR KRIST: SENATOR SCHNOOR, YOU'RE RECOGNIZED. [LB525]

SENATOR SCHNOOR: THANK YOU, MR. PRESIDENT. JUST TO REFRESH EVERYBODY'S MEMORY WITH THIS BILL AND A PREVIOUS BILL, SENATOR KOLOWSKI HAD SUBMITTED LB343 TO...AS ANOTHER FUNDING SOURCE OUTSIDE OF TEEOSA. THAT BILL DID NOT GET ENOUGH VOTES TO PASS. THEN IT WAS AMENDED ON TO LB525. THEN THE A BILL...THAT THEN HAD A TRAILING A BILL TO LB525, AND THAT A BILL WAS DEFEATED. AND MY AMENDMENT IS TO SIMPLY PULL SENATOR KOLOWSKI'S ADDITION TO THE BILL, TO PULL IT OFF OF THERE, THE ORIGINAL BILL WHICH WAS LB343. AND THAT'S WHAT THAT IS. SO I GUESS WE'RE...TO CLEAN UP THIS BILL AND TO GET ALL THAT EXTRA STUFF THAT IS NO LONGER BEING FUNDED, WE'RE ASKING FOR A GREEN VOTE ON AM1575. THANK YOU. [LB525 LB343]

SENATOR KRIST: YOU'VE HEARD THE OPENING ON AM1575. THOSE WISHING TO SPEAK: SENATOR KOLOWSKI AND SENATOR GROENE. SENATOR KOLOWSKI, YOU'RE RECOGNIZED. [LB525]

SENATOR KOLOWSKI: THANK YOU, MR. CHAIRMAN. I ALSO WANT TO SPEAK TO WHAT WE'RE DOING HERE WITH THIS REMOVAL OF LB343. I SUPPORT WHAT SENATOR SCHNOOR IS DOING. I'VE MET WITH SENATOR SULLIVAN, AND WE HAVE A PLAN FOR THE FUTURE, OF LOOKING AT WHAT WE WERE TRYING TO DO IN LB343, AND WORKING THAT INTO SOME ASPECT OF A BILL FOR NEXT YEAR, AS WE WOULD MOVE BACK TO GENERAL FILE AFTER THIS ACTION ON SENATOR SCHNOOR'S MOTION. I'M VERY PLEASED TO WORK WITH SENATOR SULLIVAN ON

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THIS TOPIC AND LOOK FORWARD TO THE OPPORTUNITIES TO MAKE THIS BETTER FOR THE FUTURE. THE BILL ALSO CURRENTLY HAS ONE POSITION AT THE STATE DEPARTMENT OF EDUCATION IN IT, SO WE DIDN'T WANT TO HAVE ANY FISCAL NOTE ON THIS AT ALL WITH THE PULLING OF THIS BILL OUT WITH THIS AMENDMENT, THAT WILL RELIEVE US OF THAT PREVIOUS OBLIGATION. AND WE'LL BE IN GOOD SHAPE FOR THE DIRECTIONS IN THE FUTURE. I THANK SENATOR SULLIVAN FOR THE DISCUSSIONS WE'VE HAD, AND SENATOR SCHNOOR FOR BRINGING THIS FORWARD, AND WOULD SUGGEST YOU MOVE ON THIS AS HAS BEEN DISCUSSED. THANK YOU VERY MUCH. [LB525 LB343]

SENATOR KRIST: THANK YOU, SENATOR KOLOWSKI. THOSE STILL WISHING TO SPEAK: SENATOR GROENE AND SENATOR SULLIVAN. SENATOR GROENE, YOU'RE RECOGNIZED. [LB525]

SENATOR GROENE: THANK YOU, MR. PRESIDENT. I ADMIRE SENATOR KOLOWSKI'S GRIT AND HIS PASSION FOR WHAT HE BELIEVES IN THIS PROGRAM. BUT I AGREE WITH HIM, THERE'S A BETTER WAY TO DO IT. THIS IS AN ENTIRELY NEW CONCEPT ABOUT WHAT PUBLIC EDUCATION IS SUPPOSED TO DO ON A STATEWIDE BASIS. WE TAKE CARE OF KIDS K-12. WE TEACH THEM HOW TO READ AND WRITE. WE DO THE BASICS. AND IF A LOCAL SCHOOL DISTRICT HAS THE WHEREWITHAL TO EXPAND THAT MISSION ON THEIR OWN, THEY'RE WELCOME TO DO IT AND I'LL ALWAYS SUPPORT THAT. SO I THANK SENATOR KOLOWSKI WITH RESPECT, THAT I'LL WORK WITH HIM ON THE EDUCATION COMMITTEE, TOO, BUT WE WILL BANG HEADS AGAIN IF WE TRY TO CREATE NEW FUNDING FOR SOMETHING THAT SHOULD BE KEPT LOCAL AND KEPT LOCAL OPTION THAT ANY MONEY AVAILABLE IN EDUCATION MAKES SURE EVERY THIRD-GRADER CAN READ AND OUR POVERTY DON'T CONTINUE TO GROW AND WE FOCUS ON WHAT'S IMPORTANT. AND THAT'S A BASIC EDUCATION WITH EVERY DOLLAR WE CAN AFFORD TO PUT TOWARD EDUCATION, AND THAT'S WHERE I'LL COME FROM IN THIS DEBATE. AND I THANK SENATOR KOLOWSKI AND SENATOR SCHNOOR AND SENATOR SULLIVAN AND ALL THE OTHER FELLOW MEMBERS OF THE EDUCATION COMMITTEE BECAUSE THIS WAS A WELL-ROUNDED DEBATE. THANK YOU. [LB525]

SENATOR KRIST: THANK YOU, SENATOR GROENE. SENATOR SULLIVAN, YOU'RE RECOGNIZED. [LB525]

SENATOR SULLIVAN: THANK YOU, MR. PRESIDENT. I DO ALSO THANK SENATOR SCHNOOR FOR INTRODUCING THIS AMENDMENT, SENATOR KOLOWSKI FOR

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WORKING WITH US, AND I STAND, AS I ALWAYS HAVE, COMMITTED TO THE CONCEPT THAT SENATOR KOLOWSKI HAS BEEN PROMOTING. BUT THIS IS...SO WE'RE GOING TO KEEP WORKING ON THIS, BUT NOT UNDER THE GUISE OF LB525. SO I WOULD REALLY ENCOURAGE ALL OF YOU TO SUPPORT THIS AMENDMENT. BECAUSE IF YOU RECALL, WE REMOVED THE A BILL, BUT IT'S VERY IMPORTANT THEN IN ORDER FOR LB525 TO CROSS THE FINISH LINE AND TO BE SUCCESSFUL THAT WE STILL NEED TO REMOVE LB343 AND WOULD BE DOING THAT WITH AM1575. OTHERWISE THERE'S STILL LEGISLATIVE INTENT IN THE BILL REGARDING LB343. SO AGAIN, I APPRECIATE ALL THE WORK THAT'S GONE INTO THIS. I'LL CONTINUE TO WORK ON THE CONCEPT WITH SENATOR KOLOWSKI, BUT I URGE YOUR APPROVAL OF AM1575. THANK YOU. [LB525 LB343]

SENATOR KRIST: THANK YOU, SENATOR SULLIVAN. SEEING NO ONE ELSE IN THE QUEUE, SENATOR SCHNOOR, YOU'RE RECOGNIZED TO CLOSE ON YOUR AMENDMENT. [LB525]

SENATOR SCHNOOR: REAL QUICK, I JUST THANK SENATOR KOLOWSKI FOR AGREEING TO THIS AND JUST KIND OF ENDING THE DEBATE ON THIS. YOU KNOW, THE EDUCATION THAT'S BEING DONE WITH HIS CONCEPT, I AM IN 100 PERCENT AGREEMENT WITH IT. I JUST WAS IN COMPLETE DISAGREEMENT WITH HOW IT WAS FUNDED. AND THAT HAS ALREADY BEEN TAKEN CARE OF. AND LIKE SENATOR SULLIVAN SAID, THIS IS JUST TO HELP CLEAN UP HER BILL. SO WITH THAT, I'M ASKING FOR A GREEN VOTE. THANK YOU. [LB525]

SENATOR KRIST: THANK YOU, SENATOR SCHNOOR. YOU'VE HEARD THE CLOSING ON AM1575 TO LB525. ALL THOSE IN FAVOR VOTE AYE; OPPOSED, NAY. PLEASE RECORD, MR. CLERK. [LB525]

CLERK: 26 AYES, 0 NAYS, MR. PRESIDENT, ON THE ADOPTION OF SENATOR SCHNOOR'S AMENDMENT. [LB525]

SENATOR KRIST: AM1575 IS ADOPTED. [LB525]

CLERK: SENATOR KINTNER WOULD MOVE TO AMEND WITH AM1572. (LEGISLATIVE JOURNAL PAGE 1706.) [LB525]

SENATOR KRIST: SENATOR KINTNER, YOU'RE RECOGNIZED. [LB525]

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SENATOR KINTNER: WELL, THANK YOU, MR. PRESIDENT. I THOUGHT IT WAS TIME THAT WE BRING IT ON THE FLOOR FOR A VOTE ON LEARNING COMMUNITY. I'VE WORKED WITH THE EDUCATION COMMITTEE. I THOUGHT WE WERE VERY CLOSE TO HAVING SOMETHING. AND WE JUST COULDN'T QUITE GET IT DONE. SO WHAT I DID IS I TOOK MY PRIORITY BILL, CHANGED IT, MY PRIORITY BILL ALLOWS SCHOOL DISTRICTS TO OPT OUT. I GUTTED THAT OUT AND I STUCK IN WHAT I THINK IS A VERY REASONABLE START TO FIXING THE LEARNING COMMUNITY PROBLEM. FIRST THING IT DOES IS IT GETS RID OF THE COMMON LEVY. SECOND THING IT DOES IS IT GOES TO OPTIONAL ENROLLMENT, OPTION ENROLLMENT. THIRD THING IT DOES IS IT KEEPS THE BOUNDARIES RIGHT WHERE THEY ARE NOW, ALLOWS SCHOOL DISTRICTS TO NEGOTIATE THEIR OWN BOUNDARIES. A FOURTH THING IT DOES IS IT DIRECTS THE DEPARTMENT OF EDUCATION TO CONDUCT A POVERTY STUDY FOR OPS AND RALSTON, FIND OUT WHAT THEIR NEEDS ARE. I THINK...THERE'S NOT ANYONE HERE THAT DOESN'T KNOW THAT THEY HAVE SOME UNIQUE CHALLENGES FACING THEM. AND WHEN ONE OUT OF EVERY FIVE STUDENTS IN OUR STATE GOES TO OPS, YOU'VE GOT MY ATTENTION. AND I WANT TO MAKE SURE THAT WE GET THAT RIGHT AND WE GIVE THEM WHAT THEY NEED. ONCE WE FIND OUT WHAT THEY NEED, WE GOT TO GO BACK TO THE EDUCATION COMMITTEE, FIGURE DO WE FIX IT WITHIN TEEOSA? DO WE FIX IT IN THE APPROPRIATIONS COMMITTEE? HOW DO WE DO THAT? BUT THE FIRST THING IS WE GOT TO FIND OUT WHAT THE NEEDS ARE THERE. AND ONCE WE HAVE FOUND OUT WHAT THE NEEDS ARE, THEN WE CAN MAKE SURE WE ADDRESS THOSE. SO ONCE AGAIN, LET ME JUST GO THROUGH IT AGAIN: GETS RID OF THE COMMON LEVY, GOES TO OPTION ENROLLMENT, IT ALLOWS SCHOOL...IT KEEPS THE BOUNDARIES WHERE THEY ARE, ALLOWS SCHOOL DISTRICTS TO NEGOTIATE THEIR OWN BOUNDARIES BETWEEN THEMSELVES, AND DOES A POVERTY STUDY IN DOUGLAS COUNTY. AND I WOULD ENCOURAGE YOU TO VOTE FOR THIS. I WOULD ENCOURAGE YOU TO ASK QUESTIONS OF EITHER MYSELF OR SENATOR MURANTE, AND IF YOU HAVE ANY QUESTIONS, I WANT YOU TO FEEL COMFORTABLE WITH THIS. I WANT YOU TO FEEL GOOD WITH IT. AND BY THE WAY, THIS IS PRETTY MUCH...I THINK WE'RE VERY CLOSE TO WHAT 9 OF THE 11 SCHOOL DISTRICTS HAVE SUPPORTED IN WHAT IS IN MY AMENDMENT HERE. SO WITH THAT, I WOULD ENCOURAGE YOU TO SUPPORT THIS AMENDMENT TO LB525. [LB525]

SENATOR KRIST: YOU HAVE HEARD THE OPENING ON AM1572. THOSE WISHING TO SPEAK: SENATOR SULLIVAN AND SENATOR MURANTE. SENATOR SULLIVAN, YOU'RE RECOGNIZED. [LB525]

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SENATOR SULLIVAN: THANK YOU, MR. PRESIDENT. WELL, I HAVE TO SAY THAT THIS, IN MY ESTIMATION, IS AN UNFRIENDLY AMENDMENT, BUT NOT AN UNFRIENDLY TOPIC FOR ME BECAUSE JUST SO YOU KNOW, MY PRIORITY BILL, WHICH REMAINS IN THE EDUCATION COMMITTEE, HAD TO DO WITH MAKING SIGNIFICANT CHANGES IN THE LEARNING COMMUNITY. I HAVE BEEN WORKING FOR A YEAR WITH THE SUPERINTENDENTS IN THE LEARNING COMMUNITY. THEY BROUGHT TO ME A REPORT THAT INCLUDED TEN RECOMMENDATIONS, SEVERAL OF WHICH I INCORPORATED INTO MY PRIORITY BILL. WHY ISN'T IT HERE? BECAUSE I COULDN'T INCORPORATE EVERYTHING THAT THEY WANTED IN THEIR RECOMMENDATIONS. AND TO THAT END, THERE WAS NOT COMPLETE AGREEMENT AMONG NOT ONLY THE SUPERINTENDENTS, BUT IN THE MANY DISCUSSIONS THAT WE HAD WITHIN THE EDUCATION COMMITTEE. WHAT I WANT MORE THAN ANYTHING WITH THE LEARNING COMMUNITY IS SUCCESS. I HAVE LOOKED CAREFULLY AT THE PHILOSOPHY OF THE LEARNING COMMUNITY. AND FIRST OF ALL, YOU MIGHT SAY, WELL, AS A RURAL SENATOR, WHY SHOULD YOU CARE? I CARE ABOUT EVERY SINGLE CHILD IN THIS STATE, IRRESPECTIVE OF THEIR LICENSE PLATE AND THEIR ZIP CODE. THEY DESERVE A GOOD EDUCATION. AND THE PHILOSOPHY OF THE LEARNING COMMUNITY EMBRACES THAT AS WELL. OBVIOUSLY, WE HAVE ISSUES WITH SOME OF THE DETAILS OF THE LEARNING COMMUNITY. BUT, OBVIOUSLY, THERE ARE DIFFERENCES OF OPINION. AND, OBVIOUSLY, WE NEED TO NEGOTIATE AND REACH A COMPROMISE, AS WAS JUST MENTIONED ON A PREVIOUS BILL. BUT WE AREN'T THERE YET. AND I HAVE JUST A FEW DAYS AGO PLEDGED MY CONTINUED SUPPORT WITH THE LEARNING COMMUNITY SUPERINTENDENTS THAT TO THE END THAT WE WANT TO BE SUCCESSFUL, I WILL CONTINUE WORKING WITH THEM AND AM PREPARED TO BRING A WELL-THOUGHT-OUT COMPROMISE TO PRESENT TO YOU NEXT SESSION. BUT WE SIMPLY ARE NOT THERE YET. SO IT'S NOT FOR LACK OF TRYING. IT'S NOT FOR LACK OF DESIRE THAT I WANT TO SEE SOMETHING COME BEFORE THIS BODY REGARDING THE LEARNING COMMUNITY. WE JUST AREN'T THERE YET. WE AREN'T READY TO BE SUCCESSFUL. BUT I PLEDGE TO YOU THAT IS MY COMMITMENT, AND THEREFORE, AT THIS POINT IN TIME, I CAN'T SUPPORT THIS AMENDMENT BECAUSE THE OTHER THING IS, IT EMBODIES SEVERAL DETAILS OF OTHER LEARNING COMMUNITY BILLS THAT WE HAD BEFORE THE EDUCATION COMMITTEE THAT WE KILLED. SO I ASK FOR YOUR RED VOTE, RED, AGAINST AM1572. THANK YOU, MR. PRESIDENT. [LB525]

SENATOR KRIST: THANK YOU, SENATOR SULLIVAN. SENATOR MURANTE, YOU'RE RECOGNIZED. [LB525]

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SENATOR MURANTE: THANK YOU, MR. PRESIDENT, AND, MEMBERS, GOOD EVENING. I RISE IN SUPPORT OF AM1572. AND I HAVE TO SAY THAT HAD I KNOWN THIS AMENDMENT WAS COMING, I WOULD HAVE SAVED MY REMARKS OF EARLIER FOR THIS PROPOSAL. BUT HERE WE ARE, AND WE'RE TALKING ABOUT THE LEARNING COMMUNITY, AS I ASKED FOR A COUPLE HOURS AGO. AND I HAVE TO SAY, WHAT SENATOR SULLIVAN JUST SAID IS ABSOLUTELY CORRECT, THAT ALTHOUGH I LIKE SOME OF THE CONCEPTS IN AM1572, AT THE END OF THE DAY, IT'S NOT REALLY A PERMANENT SOLUTION TO THE QUESTION OF THE LEARNING COMMUNITY COORDINATING COUNCIL AND HOW THE LEARNING COMMUNITY OPERATES. IT'S NOT REALLY A PERMANENT SOLUTION TO FUNDING FOR THE SCHOOLS IN NEED, AS I'VE TALKED ABOUT EARLIER. AND I DO HAVE TO COMMEND SENATOR SULLIVAN BECAUSE SHE HAS TRIED VERY HARD TO COME UP WITH A COMPROMISE THAT WOULD BE PALATABLE FOR ALL THE SUBURBAN SCHOOL DISTRICTS, AND I BELIEVE THAT IF WE ARE GOING TO HAVE AN EDUCATION SYSTEM IN DOUGLAS AND SARPY COUNTY THAT IS SUSTAINABLE AND LASTS FOR AN EXTENDED PERIOD OF TIME, IT NEEDS TO BE STRUCTURED IN A WAY, AS SHE SAID, THAT BUILDS CONSENSUS AND HAS OVERWHELMING SUPPORT ON THIS BODY AND BY THIS BODY. SO AM1572, I ASSUME, IF GIVEN THE OPPORTUNITY TO OPT OUT OF THE LEARNING COMMUNITY, THAT MY TWO SCHOOL DISTRICTS, MILLARD AND GRETNA, WOULD TAKE THE OPPORTUNITY TO DO SO. BUT WHAT I FIND CONCERNING ABOUT IT IS IT DOESN'T ADDRESS MANY OF THE CONCERNS THAT I HAVE ARTICULATED ON THE FLOOR AND THE CONCERNS WHICH I SINCERELY BELIEVE. AND AS MANY OF YOU WHO KNOW ME BEST KNOW THAT I AM A VERY PROCESS-ORIENTED PERSON, AND THIS IS NOT THE NORMAL WAY OF ENACTING LEGISLATION, AND CERTAINLY NOT MY PREFERENCE. BUT THE DISCUSSION IS HERE BEFORE US, AND I, IN ADDITION, WOULD LIKE TO ADD WHAT SENATOR SULLIVAN SAID IS ADDITIONALLY CORRECT, THAT THE SENATORS FROM ACROSS THE STATE OF NEBRASKA HAVE AN INTEREST IN THE DISCUSSION THAT'S BEFORE US RIGHT NOW BECAUSE, AS IT HAS BEEN NOTED BY SEVERAL SENATORS ON THE FLOOR AND INCLUDING THE SUPERINTENDENTS, THERE ARE SCHOOL DISTRICTS IN THE LEARNING COMMUNITY THAT WOULD RECEIVE NO EQUALIZATION AID FROM TEEOSA IF THEY WEREN'T IN THE LEARNING COMMUNITY. THAT'S AN OPPORTUNITY FOR EVERY SCHOOL DISTRICT OUTSIDE OF DOUGLAS AND SARPY COUNTY TO HAVE MORE FUNDING DIRECTED YOUR WAY. YOU HAVE AN INTEREST. IT ALL COMES FROM THE SAME POT OF MONEY. SO THIS IS A STATE ISSUE; IT'S NOT SIMPLY A PAROCHIAL, DOUGLAS-TO-SARPY-COUNTY ISSUE. AND SO I LOOK FORWARD TO THE CONTINUED DISCUSSIONS WITH SENATOR SULLIVAN. THEY HAVE BEEN PRODUCTIVE THUS FAR. I THINK SHE UNDERSTANDS THAT THE MAJORITY OF US, PARTICULARLY IN SARPY COUNTY, ARE WILLING TO ACCEPT A COMPROMISE

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THAT DOESN'T ACHIEVE 100 PERCENT OF WHAT WE WANT. I'M CERTAINLY THERE. SO I WILL BE WORKING WITH HER OVER THE INTERIM TO DEVELOP THAT LONG-TERM SOLUTION. BECAUSE AS I SAID EARLIER, THERE IS NO WAY THAT THE SYSTEM WE HAVE NOW IS SUSTAINABLE IN THE LONG RUN BECAUSE THERE IS TOO MUCH PRESSURE TO CHANGE IT, FROM STATE SENATORS... [LB525]

SENATOR KRIST: ONE MINUTE. [LB525]

SENATOR MURANTE: ...FROM SUPERINTENDENTS, FROM THE CONSTITUENTS WE REPRESENT, THE DEMAND IS THERE. AND I'D ENCOURAGE ANYONE WHO DOUBTS WHAT I HAVE TO SAY, RELATIVE TO THE ZEAL THAT MY CONSTITUENTS FEEL ON THE SUBJECT MATTER, TO COME WITH ME TO GRETNA'S CAFE ON SUNDAY MORNING AFTER CHURCH AND TAKE A TOUR OF THE TABLES WITH ME AND ASK THEM WHAT THE NUMBER ONE PRIORITY FACING THE STATE LEGISLATURE IS BECAUSE IT WON'T TAKE TOO LONG FOR THE LEARNING COMMUNITY TO COME UP. AND THOSE PEOPLE ARE COMMITTED TO MAKING SURE THAT KIDS IN EAST OMAHA RECEIVE A QUALITY EDUCATION TOO. THEY CARE. WE CAN DO IT. AND I LOOK FORWARD TO WORKING WITH SENATOR SULLIVAN TO MAKING THAT COMPROMISE HAPPEN AND A LONG-TERM, SUSTAINABLE SOLUTION FOR QUALITY EDUCATION IN DOUGLAS AND SARPY COUNTY. THANK YOU, MR. PRESIDENT. [LB525]

SENATOR KRIST: THANK YOU, SENATOR MURANTE. SENATOR HILKEMANN, YOU'RE RECOGNIZED. [LB525]

SENATOR HILKEMANN: THANK YOU, MR. SPEAKER. I'M WONDERING IF SENATOR KINTNER WOULD YIELD TO SEVERAL QUESTIONS. HE'S GONE. [LB525]

SENATOR KRIST: SENATOR KINTNER, WILL YOU YIELD TO SOME QUESTIONS? [LB525]

SENATOR KINTNER: I WOULD BE HAPPY TO. [LB525]

SENATOR HILKEMANN: SENATOR KINTNER, THERE'S NO QUESTION THAT AS I WAS GOING DOOR TO DOOR, THE LEARNING COMMUNITY IS...WAS NOT ONE OF THE FAVORITE WORDS OF MOST OF THE PEOPLE IN MY DISTRICT. AND SO I'M INTRIGUED BY THIS BILL. DOES YOUR AMENDMENT...WOULD THIS CONTINUE TO

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ALLOW THE LEARNING COMMUNITY TO CONTINUE ITS 1.5 PERCENT LEVY FOR EARLY CHILDHOOD EDUCATION? [LB525]

SENATOR KINTNER: YES, IT WOULD. [LB525]

SENATOR HILKEMANN: OKAY. WOULD YOUR AMENDMENT ALLOW THE LEARNING COMMUNITY TO FUND EARLY CHILDHOOD EDUCATION IN ALL OF THE DISTRICTS THAT ARE INVOLVED IN THE LEARNING COMMUNITY? [LB525]

SENATOR KINTNER: YES, IT WOULD. [LB525]

SENATOR HILKEMANN: OKAY. DOES THIS AMENDMENT...I HEARD YOU SAY THAT IT WOULD GO BACK TO OPTIONAL ENROLLMENT, IS THAT CORRECT? [LB525]

SENATOR KINTNER: YES. [LB525]

SENATOR HILKEMANN: OKAY. THAT MEANS WE WOULD ELIMINATE THE LITERALLY MILLIONS OF DOLLARS THAT WE ARE SPENDING TO TRANSFER STUDENTS IN A PRIVATE TAXICAB FROM ONE AREA OF THE CITY TO ANOTHER TO MEET THIS, IS THIS CORRECT? [LB525]

SENATOR KINTNER: THAT IS CORRECT. [LB525]

SENATOR HILKEMANN: OKAY. THANK YOU, SENATOR KINTNER. I'M ASKING SENATOR MURANTE IF HE WOULD YIELD TO SEVERAL QUESTIONS. [LB525]

SENATOR KRIST: SENATOR MURANTE, WILL YOU YIELD? [LB525]

SENATOR MURANTE: SURE. [LB525]

SENATOR HILKEMANN: SENATOR MURANTE, IN THIS DISCUSSION, I THINK WHAT I'VE HEARD, THE COMPLAINTS THAT I HEARD OVER AND OVER AGAIN ABOUT THIS LEARNING COMMUNITY...AND I HEAR YOU SAY YOU WANT TO WAIT ON THIS, WHAT WOULD WE...IF THIS MEASURE COVERS SOME OF THE BIGGEST ISSUES THAT ARE INVOLVED IN IT, WHAT'S THE BENEFIT OF WAITING? [LB525]

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SENATOR MURANTE: WELL, I SUPPORT AM1572. HOWEVER, IT DOESN'T ADDRESS A COUPLE OF FUNDAMENTAL QUESTIONS. IT DOESN'T ABOLISH THE LEARNING COMMUNITY. IT DOESN'T DEAL WITH THE COMMON LEVY. IT JUST ALLOWS SCHOOL DISTRICTS TO OPT OUT, AMONG A FEW OTHER THINGS. SO IF YOU ARE CONCERNED, AS I AM, WITH ENSURING THAT SCHOOLS THAT CURRENTLY ARE UNDERFUNDED AND IN NEED OF ADDITIONAL FUNDING GETS THE FUNDING THAT IT NEEDS, AM1572 DOESN'T GO ALL THE WAY THERE. IT ISN'T A COMPLETE ANSWER TO THE QUESTION. BUT IT DOES PREVENT SCHOOL DISTRICTS FROM BEING HELD HOSTAGE BY THE LEARNING COMMUNITY. [LB525]

SENATOR HILKEMANN: SENATOR KINTNER, CAN I...YIELD TO ANOTHER QUESTION? [LB525]

SENATOR KRIST: SENATOR KINTNER, WILL YOU YIELD? [LB525]

SENATOR KINTNER: YES, YES. [LB525]

SENATOR HILKEMANN: I WAS UNDER THE UNDERSTANDING YOU SAID THAT THIS WOULD, YOUR AMENDMENT WOULD ELIMINATE THE COMMON LEVY. [LB525]

SENATOR KINTNER: YES. THIS GETS RID OF THE COMMON LEVY. [LB525]

SENATOR HILKEMANN: RIGHT. OKAY. [LB525]

SENATOR KINTNER: IT KEEPS THE BOUNDARIES WHERE THEY ARE, LETS THE SCHOOL DISTRICTS NEGOTIATE THEIR OWN BOUNDARIES. IT'S OPTION ENROLLMENT. AND IT DOES A POVERTY STUDY. YES. [LB525]

SENATOR HILKEMANN: RIGHT. SENATOR MURANTE, WOULD YOU YIELD TO A QUESTION? [LB525]

SENATOR KRIST: SENATOR MURANTE, WILL YOU YIELD? [LB525]

SENATOR MURANTE: YES, I WOULD. [LB525]

SENATOR HILKEMANN: ON THIS MEASURE, SENATOR KINTNER SAYS THAT IT DOES ADDRESS THE COMMON LEVY. [LB525]

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SENATOR MURANTE: IT DOES. I WAS THINKING ABOUT HIS INITIAL PROPOSAL THAT HE OFFERED TO THE EDUCATION COMMITTEE. I THOUGHT IT WAS A CARBON COPY OF THE TWO, AND IT'S CLEARLY NOT. SO I APOLOGIZE FOR THAT. [LB525]

SENATOR HILKEMANN: SO MANY OF THE THINGS THAT WE'VE BEEN WANTING TO GET ACCOMPLISHED IN THE LEARNING COMMUNITY ARE NOW INCLUDED IN THIS AMENDMENT, IS THAT CORRECT? [LB525]

SENATOR MURANTE: MANY OF THE THINGS, YES. [LB525]

SENATOR HILKEMANN: BUT NOT ENOUGH THAT WE SHOULD BE MOVING THIS MOVING FORWARD? [LB525]

SENATOR MURANTE: I SUPPORT AM1572, SENATOR. [LB525]

SENATOR KRIST: ONE MINUTE. [LB525]

SENATOR HILKEMANN: OKAY, THANK YOU VERY MUCH. I DID NOT GATHER THAT FROM YOUR CONVERSATION. THANK YOU. THANK YOU, MR. SPEAKER. [LB525]

SENATOR KRIST: THANK YOU, SENATOR HILKEMANN, SENATOR MURANTE, SENATOR KINTNER. SENATOR SMITH, YOU'RE RECOGNIZED. [LB525]

SENATOR SMITH: THANK YOU, MR. PRESIDENT. WOULD SENATOR KINTNER YIELD TO A QUESTION, PLEASE? [LB525]

SENATOR KRIST: SENATOR KINTNER, WILL YOU YIELD TO A QUESTION? [LB525]

SENATOR KINTNER: CERTAINLY. [LB525]

SENATOR SMITH: SENATOR KINTNER, WHAT...IS THERE A CURRENT BILL THAT WAS INTRODUCED THAT WENT THROUGH THE COMMITTEE PROCESS THAT THIS MOST RESEMBLES? AND MY REASON FOR ASKING... [LB525]

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SENATOR KINTNER: IT TAKES PIECES OUT OF A BUNCH OF BILLS. IT STARTS WITH YOURS, HAS A LITTLE BIT OF SENATOR CRAWFORD'S, A LITTLE BIT OF MINE IN IT. SO IT'S GOT A LITTLE BIT OF A NUMBER OF DIFFERENT BILLS. [LB525]

SENATOR SMITH: OKAY, AND THAT'S NOT A TRICK QUESTION. I'M JUST TRYING TO READ THROUGH THIS AND UNDERSTAND EXACTLY WHAT ALL THE BILL DOES. AND IT WOULD BE HELPFUL IF I HAD A REFERENCE POINT AS TO WHAT OTHER BILLS MAY BE SIMILAR TO WHAT YOU'RE PIECING TOGETHER HERE. SO RUN THROUGH WITH ME ONE MORE TIME VERY QUICKLY. WE HAVE ELIMINATION OF THE COMMON LEVY. [LB525]

SENATOR KINTNER: CORRECT. [LB525]

SENATOR SMITH: THE TRANSPORTATION. [LB525]

SENATOR KINTNER: IT GOES BACK TO OPTION ENROLLMENT. [LB525]

SENATOR SMITH: OKAY. [LB525]

SENATOR KINTNER: YOU KEEP THE BOUNDARIES LIKE THEY ARE NOW WHERE THEY CAN NEGOTIATE AMONG THEMSELVES ON BOUNDARIES. AND WE HAVE THE DEPARTMENT OF EDUCATION DO A POVERTY STUDY FOR DOUGLAS COUNTY. [LB525]

SENATOR SMITH: ALL RIGHT. AND IN TERMS OF BOUNDARIES, TELL ME AGAIN, WHAT DOES IT DO FOR BOUNDARIES? [LB525]

SENATOR KINTNER: IT KEEPS THEM WHERE THEY ARE NOW SO THEY CAN NEGOTIATE IT AMONG THEMSELVES. [LB525]

SENATOR SMITH: OKAY. THANK YOU, SENATOR KINTNER. AND, COLLEAGUES, I LIKE WHAT I'M HEARING, I JUST WISH WE HAD A LITTLE BIT MORE TIME TO ABSORB THIS. AND MAYBE WE WILL IF THE DISCUSSION GOES ON FOR A FEW MORE MINUTES. BUT AS SENATOR KINTNER MENTIONED, THERE WERE A NUMBER OF BILLS OUT THERE IN THE EDUCATION COMMITTEE THAT ATTEMPTED TO ADDRESS WHAT WE SAW AS DEFICIENCIES IN THE LEARNING COMMUNITY, OR THE LEARNING COMMUNITY ITSELF. MY PARTICULAR BILL, LB96, ALONG WITH SENATOR CRAWFORD'S BILL--I CAN'T REMEMBER THE NAME

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OF THAT BILL--BOTH OF OUR BILLS ELIMINATED THE COMMON LEVY. I THINK SENATOR CRAWFORD'S WENT A LITTLE BIT FARTHER AND DID SOME THINGS WITH THE BOUNDARIES. BUT I WAS VERY DISAPPOINTED IN THE EDUCATION COMMITTEE THAT THERE WAS A UNANIMOUS DECISION, I BELIEVE BY THE EDUCATION COMMITTEE, IF I'M NOT MISTAKEN. I KNOW SENATOR KOLOWSKI IS BEHIND ME, HERE, SO HE MAY TELL ME DIFFERENTLY. BUT THERE WAS A UNANIMOUS DECISION TO KILL OFF ALL THESE OTHER BILLS. AND I KNOW THERE HAVE BEEN SENATORS ON THE FLOOR THAT HAVE ADVOCATED FOR CHANGES IN OUR EDUCATION SYSTEM THAT I'M A BIT DISAPPOINTED THAT THEY WOULD HAVE VOTED ALONG WITH OTHER SENATORS ON THE EDUCATION COMMITTEE TO KILL OFF THE LEARNING COMMUNITY. AND THE REASON THE LEARNING COMMUNITY IS SO IMPORTANT TO THE PEOPLE IN SARPY COUNTY AND IN DOUGLAS COUNTY IS BECAUSE IT TRANSFERS FUNDS FROM ONE SCHOOL DISTRICT TO ANOTHER, AND I BELIEVE IN A WAY THAT DOES NOT BENEFIT THE OVERALL GOAL OF EDUCATION. AND SOME OF THE SCHOOL DISTRICTS THAT WERE HURT MOST WERE THE RURAL MEMBERS OF THE 11-MEMBER LEARNING COMMUNITY, THE RURAL MEMBERS, SOUTH SARPY SCHOOL DISTRICT, WHICH IS SPRINGFIELD PLATTEVIEW, WHICH IS SENATOR KINTNER'S SCHOOL DISTRICT, AS WELL AS DC WEST. THESE SCHOOL DISTRICTS, YOU KNOW, BASED ON THE SIZE OF THEIR SCHOOL DISTRICT, LOSE A LOT OF MONEY. AND WHENEVER THE DISCUSSION COMES UP TO RESOLVE BOUNDARY ISSUES, THEY'RE SHORT ON FUNDING, AND THEY REALLY ARE NOT IN A POSITION TO BE ABLE TO RESOLVE BOUNDARY ISSUES. AND THAT WAS SOMETHING THAT SENATOR CRAWFORD ATTEMPTED TO ADDRESS WITH HER BILL. SO I BELIEVE PERSONALLY THAT THERE ARE PROBABLY SOME COMPONENTS OF THE LEARNING COMMUNITY THAT HAVE WORKED WELL, INCLUDING THE EARLY CHILDHOOD. HOWEVER, THE LEARNING COMMUNITY AS AN OVERALL ISSUE HAS NOT WORKED WELL, AND THE COMMON LEVY IS PROBABLY THE LARGEST PIECE THAT HAS NOT WORKED WELL. I WOULD HAVE PREFERRED TO HAVE HAD THIS ADDRESSED IN A DIFFERENT WAY SO WE COULD HAVE LONGER DISCUSSION ON IT. AND I DON'T THINK WE'RE GOING TO BE ABLE TO DO IT WITH AN AMENDMENT. I DO APPRECIATE SENATOR SULLIVAN TRYING TO ATTEMPT TO ADDRESS THIS WITH A MORATORIUM BILL--I CALL IT A MORATORIUM BILL-- THAT WOULD HAVE BALANCED THE NEED TO ADDRESS THE DEFICIENCIES IN THE LEARNING COMMUNITY BY TRYING TO APPLY A MORE CAUTIOUS APPROACH SO WE COULD PULL ALONG THE ADVOCATES OF THE LEARNING COMMUNITY AND MAKE CERTAIN THAT THEIR CONCERNS WERE ADDRESSED. AS SENATOR SULLIVAN SAID, IT DOESN'T SOUND LIKE WE'RE GOING TO BE ABLE TO GET THAT OUT OF COMMITTEE OR BE ABLE TO ADDRESS THAT. BUT AGAIN, WE HAVE MEMBER SCHOOL DISTRICTS IN SARPY COUNTY THAT ARE SUFFERING

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BECAUSE OF THE WAY THE COMMON LEVY IS APPLIED. AND I HOPE THAT AT A VERY MINIMUM WE CAN ADDRESS THAT GOING FORWARD. THANK YOU, MR. PRESIDENT. THANK YOU, COLLEAGUES. [LB525 LB96]

SPEAKER HADLEY PRESIDING

SPEAKER HADLEY: SENATOR CRAWFORD, YOU ARE RECOGNIZED. [LB525]

SENATOR CRAWFORD: THANK YOU, MR. PRESIDENT. I RISE IN SUPPORT OF LB525, AND, AS SENATOR SULLIVAN INDICATED, THAT THE LEARNING COMMUNITY IS A FRIENDLY TOPIC, I RISE TO ALSO REGISTER MY CONCERN ABOUT THE FACT THAT WE DO NOT HAVE A LEARNING COMMUNITY BILL THAT WE'RE ABLE TO DEBATE AND VOTE ON IN THIS YEAR. AND THAT IS NOT FOR LACK OF EFFORT ON THE PART OF SENATOR SULLIVAN'S PART. AND I JUST WANT TO ECHO COMMENTS OF OTHER SENATORS IN APPRECIATION OF HER WILLINGNESS TO WORK HARD TO TRY TO BRING ABOUT AN AGREEMENT THAT WE'D BE ABLE TO GET OUT OF COMMITTEE SO WE COULD HAVE THIS DISCUSSION ON AN ACTUAL BILL ON THE FLOOR. AND I REALLY THINK IT'S A UNIQUE SITUATION IN WHICH WE HAVE HAD THE SUPERINTENDENTS OF ALL THE LEARNING COMMUNITY SCHOOLS AND THE SCHOOL BOARD, THE ELECTED SCHOOL BOARD MEMBERS OF THESE SCHOOLS COME OUT AND TELL US WE NEED TO CHANGE THE LEARNING COMMUNITY. WE NEED TO CHANGE IT, NOT ABOLISH IT, BUT CHANGE IT. AND ONE PARTICULAR COMPONENT THAT...I'LL JUST START WITH WHAT WORKS WELL. ONE PARTICULAR COMPONENT THAT WORKS VERY WELL IS THE EARLY CHILDHOOD LEARNING PART. THE FACT THAT THERE IS AN INCENTIVE FOR THE SCHOOLS TO WORK TOGETHER TO ADDRESS EARLY CHILDHOOD LEARNING FOR CHILDREN IN POVERTY HAS BEEN A VERY POSITIVE MOVE IN THE LEARNING COMMUNITY AND HAS GOTTEN THE SCHOOLS TO TALK TOGETHER AND TO WORK TOGETHER AND TO COME UP WITH GRANT PROPOSALS TOGETHER. THE FACT THAT THE LEARNING COMMUNITY COUNCIL EXISTS, IN MY MIND, IS ACTUALLY VERY POSITIVE, WHERE I DISAGREE WITH SOME OF THE OTHER SARPY SENATORS ON THAT PART. I THINK IT'S AN ADDED LEVEL OF DEMOCRACY, AND IT IS AN IMPORTANT PART OF THE PROCESS, BUT I THINK THERE IS VERY STRONG AGREEMENT THAT THE COMMON LEVY COMPONENT OF THE LEARNING COMMUNITY SIMPLY DOES NOT WORK. AND I THINK THAT THE IDEA INITIALLY WAS TO FREEZE THE BOUNDARIES AND MAKE SURE WE'RE TAKING CARE OF THE NEEDS OF THOSE STUDENTS IN HIGH POVERTY IN THE LANDLOCKED, AND HIGH-POVERTY DISTRICTS. WELL, COLLEAGUES, MY DISTRICT, DISTRICT 45 INCLUDES OPS. IT INCLUDES BELLEVUE PUBLIC SCHOOLS. THOSE ARE TWO OF THOSE LANDLOCKED HIGH-POVERTY SCHOOL DISTRICTS THAT THE COMMON LEVY

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WAS SUPPOSED TO HELP, AND IT HAS NOT HELPED YEAR AFTER YEAR AFTER YEAR. AND SO INSTEAD, THE MONEY HAS INSTEAD GONE, ACCORDING TO THE FUNDING FORMULA, THE MONEY HAS GONE INSTEAD TO SCHOOLS LIKE WESTSIDE, ELKHORN, MILLARD. THAT IS WHAT HAS MADE THE COMMON LEVY PARTICULARLY CONTROVERSIAL IN SARPY COUNTY. I HAVE PEOPLE TELL ME ALL THE TIME, IF I KNEW THIS MONEY WAS GOING TO STUDENTS IN POVERTY, I WOULD BE MORE SUPPORTIVE OF IT. I'D BE WILLING TO MAKE THAT SACRIFICE. BUT INSTEAD, YEAR AFTER YEAR THEY READ THE OMAHA WORLD-HERALD ARTICLE THAT SHOWS THE MONEY IS GOING TO MILLARD AND WESTSIDE, ELKHORN, OTHER SCHOOLS. AND THAT DOESN'T LOOK LIKE... THAT IT'S WORKING TO THEM. IN MY MIND, AFTER, YOU KNOW, WORKING ON THIS FOR THREE YEARS, WHAT I SEE THE COMMON LEVY DOES IS IT USES PROPERTY TAX DOLLARS FROM DOUGLAS COUNTY AND SARPY COUNTY TO SUBSIDIZE TEEOSA. THAT'S WHAT IT DOES. IT'S NO EXTRA MONEY FOR STUDENTS OF POVERTY. IT SIMPLY TAKES PROPERTY TAX DOLLARS IN DOUGLAS AND SARPY COUNTY AND SUBSIDIZES THE TEEOSA FUNDING FORMULA TO SUPPORT SCHOOLS IN THE LEARNING COMMUNITY AREA. AND I THINK IN PART OF OUR DISCUSSIONS TRYING TO COME UP WITH A COMPROMISE, WE WERE HAVING, I THINK, VERY PRODUCTIVE DISCUSSIONS ABOUT WHAT WE SHOULD DO TO IMPROVE FUNDING FOR POVERTY AND ELL STUDENTS. [LB525]

SPEAKER HADLEY: ONE MINUTE. [LB525]

SENATOR CRAWFORD: AND I AGAIN APPRECIATE SENATOR SULLIVAN'S ENGAGEMENT IN THAT DISCUSSION OF, YOU KNOW, IS THERE A WAY TO MOVE FORWARD AND BE ABLE TO DO THAT. BUT AGAIN, I WANT TO SAY, AS A SENATOR WHO REPRESENTS A DISTRICT WITH THREE VERY DIFFERENT KINDS OF SCHOOLS, I CAN SEE FROM ALL THOSE THREE DIFFERENT KINDS OF SCHOOLS THAT THE COMMON LEVY IS NOT WORKING. I'VE ALREADY TALKED ABOUT THE FACT IT'S NOT BRINGING EXTRA MONEY FOR POVERTY OR ELL STUDENTS, SPECIFICALLY, IN THOSE HIGH-POVERTY LANDLOCKED SCHOOLS. THE THIRD SCHOOL IN MY DISTRICT IS SPRINGFIELD PLATTEVIEW. WHAT IT DOES FOR SPRINGFIELD PLATTEVIEW IS IT REQUIRES THAT THEY KEEP THEIR LEVY AT 95 CENTS EVEN THOUGH THEY WOULDN'T HAVE TO OTHERWISE. THEY WOULD LOVE TO PULL THAT LEVY DOWN, BUT THEY MUST KEEP IT UP AND THEY'RE EQUALIZED AND THEY'RE LOSING A MILLION DOLLARS OR MORE EACH YEAR. SO THEIR STUDENTS ARE SUFFERING FROM THE FACT...FROM THAT FACT. AND THE SCHOOL DISTRICT IS UNABLE TO GENERATE SUPPORT FOR BONDS AND OTHER THINGS THEY NEED IN THEIR DISTRICT BECAUSE...BECAUSE OF THE COMMON LEVY, THEY HAVE TO KEEP THEIR LEVY AT 95 CENTS. [LB525]

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SPEAKER HADLEY: TIME, SENATOR. [LB525]

SENATOR CRAWFORD: THANK YOU, MR. PRESIDENT. [LB525]

SPEAKER HADLEY: THANK YOU, SENATOR CRAWFORD. THOSE IN THE QUEUE: SENATOR KOLOWSKI, BURKE HARR, SENATOR SULLIVAN, SENATOR BLOOMFIELD, SENATOR MURANTE, AND OTHERS. SENATOR KOLOWSKI, YOU'RE RECOGNIZED. [LB525]

SENATOR KOLOWSKI: THANK YOU, MR. CHAIRMAN. I STAND IN SUPPORT OF SENATOR SULLIVAN'S BILL AND AGAINST THIS AMENDMENT, AM1572. I THINK IT'S A REAL CHALLENGE FOR US WITH THE THINGS THAT HAVE HAPPENED IN THE LAST YEAR. THE SUPERINTENDENTS' REPORT OF TEN MAJOR POINTS WAS RIGHT ON TARGET. I AGREE WITH IT AS FAR AS WHAT THEY WERE TRYING TO DO, THE DIRECTION WE WERE HEADING, AND THE PROGRESS THEY WERE MAKING ON ALL OF THOSE POINTS. SENATOR MURANTE AND SENATOR KINTNER AND OTHERS HAVE TALKED ABOUT, AND VERY ACCURATELY TALKED ABOUT, THE PRESSURES AND THE NEEDS WITHIN THE LEARNING COMMUNITY. I'VE TALKED WITH BOTH SENATOR MURANTE AND SENATOR KINTNER OVER TIME CONCERNING THE LEARNING COMMUNITY, WHAT THESE ISSUES WERE, WHERE WE ARE, AND WHAT WE HOPE TO GET DONE IN THE NEXT YEAR AS WE ARE RUNNING OUT OF TIME THIS YEAR AT THE CURRENT TIME. AND WE HAVE THAT WORK UNDERWAY WITH SENATOR SULLIVAN AND THE SUPERINTENDENTS IN THE METRO AREA. I THINK IT'S REALLY IMPORTANT THAT WE DON'T OVERREACT ON THIS AMENDMENT AT THIS TIME, THIS EVENING, AND HAVE SOMETHING GO AWRY THAT WOULD NOT BE BENEFICIAL FOR THE LEARNING COMMUNITY AS A WHOLE. WHAT'S BEEN TALKED ABOUT WITH THOSE TEN POINTS, THERE ARE TWO VERY IMPORTANT PIECES OF THOSE TEN POINTS THAT WE NEED TO CONCENTRATE ON AND TAKE THE TIME ON. AND THOSE ARE EXTREMELY IMPORTANT FOR SARPY COUNTY, AND THAT'S THE BOUNDARIES AS WELL AS THE COMMON LEVY FOR ALL THE DISTRICTS, ALL 11 OF THE SCHOOL DISTRICTS. HAS IT WORKED THE WAY IT WAS SUPPOSED TO? NO. THE BIG RECESSION IN 2008, 2009, 2010 TURNED EVERYTHING UPSIDE DOWN, AND NOTHING CAME OUT THE SAME. AND IT WAS UNSUSTAINABLE AS WE HAVE THAT COMMON LEVY NOW ADJUSTING ITSELF TO WHAT THEY THOUGHT IT MIGHT HAVE BEEN LIKE FIVE, SIX YEARS AGO. AND IT'S STARTING TO COME AROUND A LITTLE BIT, BUT MORE OF A DAY LATE AND A DOLLAR SHORT ON A LOT OF ISSUES. I WOULD REALLY URGE YOU TO CONSIDER NOT MOVING ON THIS AMENDMENT AT THIS POINT IN TIME WITH THE WORK THAT HAS BEEN DONE. THE TOPIC OF THE EXCELLENCE OF THE PROGRAMS IN NORTH OMAHA AND SOUTH OMAHA ARE VERY, VERY

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WELL DONE. THE IMPACT UPON THE COMMUNITIES AND THE CHILDREN AND THEIR FAMILIES HAS BEEN EXTREMELY POSITIVE AND HAS BEEN STUDIED AND EVALUATED AS SUCH AS WELL. WE HAVE GOOD THINGS HAPPENING WITH THAT IN EARLY CHILDHOOD EDUCATION ACROSS THE DISTRICTS WITH THE OUTREACH OF THE LEARNING COMMUNITY TO THOSE DISTRICTS AND THE NEEDS IN THOSE DISTRICTS. WE HAVE TALKED ABOUT POVERTY. IT IS INCREASING EVERYWHERE IN ALL DISTRICTS, AND WE DO NEED TO STUDY THAT. BUT THE STUDY SHOULD BE LARGER THAN DOUGLAS COUNTY. THE STUDY NEEDS TO BE A STATE STUDY, WHAT'S TAKING PLACE ACROSS THE STATE BECAUSE THE SUPERINTENDENTS IN THE METRO AREA HAVE SAID THIS IS NOT JUST A METRO ISSUE, THIS IS A STATEWIDE ISSUE. AND THEY MADE THAT VERY CLEAR IN THEIR TEN POINTS THAT THEY PUT TOGETHER IN THEIR DOCUMENT. SO I URGE YOUR VERY THOUGHTFUL CONSIDERATION TO NOT MOVING THIS AMENDMENT AND GET BACK TO LB525. WE'LL WORK WITH SENATOR SULLIVAN AND THE COMMITTEE AS WE MOVE AHEAD OVER THE NEXT YEAR, OVER THE INTERIM PERIOD TO HAVE A BILL READY FOR EARLY NEXT YEAR WHEN WE ALL COME BACK. THANK YOU VERY MUCH. [LB525]

SPEAKER HADLEY: SENATOR BURKE HARR, YOU'RE RECOGNIZED. [LB525]

SENATOR HARR: THANK YOU, MR. SPEAKER, MEMBERS OF THE BODY. I SUPPORT LB525, AND I STAND IN OPPOSITION TO AM1572. AND IN DOING SO, I'D LIKE TO EXPLAIN WHY. WE HAVE A COMMITTEE SYSTEM AND A LOT OF HARD WORK HAS GONE IN BY THE EDUCATION DEPARTMENT, A LOT OF THOUGHTFUL WORK, AND THERE IS A MOVEMENT FOR CONSENSUS. AND NOW WE HAVE AN AMENDMENT ON THE FLOOR, AND I'M A LITTLE WORRIED ABOUT THE DISCOURSE THAT'S GOING ON ON THE FLOOR AND THE WORDING THAT'S GOING ON. AND I WANT TO CLARIFY THE RECORD JUST A LITTLE BIT. FIRST OF ALL, KIDS ARE NOT TAXIED ACROSS OMAHA. BY LAW THEY CAN'T BE TAXIED. THEY GO IN BUSES. NOW, SOME COULD ARGUE THAT'S EVEN WORSE BECAUSE YOU HAVE A FULL BUS WITH ONE OR TWO KIDS. BUT IT'S NOT A TAXI. THAT MIGHT BE BETTER TO BE HONEST, BUT THEY AREN'T. THERE WAS CONCERN THAT MONEY WAS GOING TO WESTSIDE SCHOOL DISTRICTS. WELL, I REPRESENT PART OF WESTSIDE, AND THE PART OF THIS DISTRICT THAT I REPRESENT, IT'S HIGH POVERTY. IT'S A TITLE (I) SCHOOL. IT MEANS OVER 50 PERCENT OF THE KIDS HAVE FREE AND REDUCED LUNCH. AS A MATTER OF FACT, ABOUT ONE-THIRD OF THE SCHOOL DISTRICT IS FREE AND REDUCED. AND THE TREND IS NOT GOING IN A POSITIVE MANNER. THE TREND IS ONLY GOING UP. SO I THINK WE HAVE TO BE CAREFUL WHEN WE TALK ABOUT POVERTY AND WE SAY THESE ARE RICH SCHOOLS. THERE WAS A TIME. WHEN SENATOR McCOLLISTER GRADUATED, IT WAS "HOLLYWOOD HIGH."

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THOSE TIMES HAVE COME AND GONE. BUT THIS ALSO TAKES A LOT OF BILLS AND COMBINES THEM. AND IT LOOKS LIKE SENATOR SULLIVAN IS BUSY. SENATOR KINTNER, WOULD YOU YIELD TO A COUPLE OF QUESTIONS? [LB525]

SPEAKER HADLEY: SENATOR KINTNER, WILL YOU YIELD? [LB525]

SENATOR KINTNER: I'D BE HAPPY TO. [LB525]

SENATOR HARR: THANK YOU, SENATOR KINTNER. THIS BILL CONTAINS, YOU STATED EARLIER, A NUMBER OF BILLS, OTHER BILLS, WERE ANY OF THOSE BILLS IPPed? [LB525]

SENATOR KINTNER: EVERY ONE OF THEM WAS IPPed. [LB525]

SENATOR HARR: OKAY. AND DOES THAT HAVE... [LB525]

SENATOR KINTNER: WHICH SHOWS YOU HOW WELL WE'RE WORKING TOGETHER, RIGHT? [LB525]

SENATOR HARR: YEAH, WELL. SO DOES THAT REQUIRE A HIGHER VOTE COUNT FOR THE AMENDMENT? [LB525]

SENATOR KINTNER: YES, IT WILL TAKE 30 VOTES. [LB525]

SENATOR HARR: OKAY. THANK YOU. AND EARLIER, YOU STATED 9 OUT OF THE 11 SCHOOL DISTRICTS APPROVED A VARIATION OF THIS PLAN, IS THAT CORRECT? [LB525]

SENATOR KINTNER: SUPPORT THE BASIC CONCEPTS. [LB525]

SENATOR HARR: OKAY. AND THAT SOUNDS IMPRESSIVE. BUT AS FAR AS NUMBER OF STUDENTS, HOW MANY ARE IN THOSE TWO SCHOOL DISTRICTS THAT OBJECT? [LB525]

SENATOR KINTNER: I DON'T KNOW. [LB525]

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SENATOR HARR: WOULD IT SURPRISE YOU IF I SAID IT'S OVER 50 PERCENT OF THE KIDS IN THE LEARNING COMMUNITY? [LB525]

SENATOR KINTNER: WOULD IT SURPRISE YOU IF I SAID I DON'T CARE? [LB525]

SENATOR HARR: WELL, I HOPE YOU CARE ABOUT ALL THE KIDS IN THE LEARNING COMMUNITY. I REALLY DO. THAT'S WHY WE'RE HERE. I REALLY DO. [LB525]

SENATOR KINTNER: IT'S NOT THE KIDS MAKING DECISIONS, IT'S THE SCHOOL BOARDS. [LB525]

SENATOR HARR: OKAY. [LB525]

SENATOR KINTNER: THEY'RE A POLITICAL BODY JUST LIKE US. THEY MAKE THE SAME CRAPPY DECISIONS WE MAKE EVERY DAY. [LB525]

SENATOR HARR: OKAY. SO YOU DON'T LIKE THE LEARNING COMMUNITY, IS THAT CORRECT? [LB525]

SENATOR KINTNER: NO, IT DOESN'T WORK. IT NEEDS TO BE FIXED. [LB525]

SENATOR HARR: OKAY. AND DO YOU FEEL IT IMPINGES UPON YOUR LIBERTY? [LB525]

SENATOR KINTNER: YES. [LB525]

SENATOR HARR: OKAY. AND I'D BE A SPINELESS WIMP IF I DIDN'T ASK YOU THIS QUESTION THEN: DO YOU CONSIDER THE LEARNING COMMUNITY YOUR ISIS? [LB525]

SENATOR KINTNER: NO, BECAUSE THEY'RE LAWFUL. [LB525]

SENATOR HARR: OKAY. YOU ANSWERED IT. I APPRECIATE IT. [LB525]

SENATOR KINTNER: OKAY. ALL RIGHT. [LB525]

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SENATOR HARR: SO THE LEARNING COMMUNITY APPARENTLY ISN'T ALL EVIL. SO THAT'S...THERE IS SOME RESOUNDING GOOD WITHIN THE LEARNING COMMUNITY. AND I THINK WE NEED TO AMEND IT, NOT END IT. SENATOR KINTNER HONESTLY HAS SOME GOOD POINTS. [LB525]

SPEAKER HADLEY: ONE MINUTE. [LB525]

SENATOR HARR: THANK YOU, MR. SPEAKER. HE HAS SOME GOOD POINTS. BUT I'M NOT SURE AT 7:00 ON A MONDAY ON AN AMENDMENT IS THE BEST WAY TO DEAL WITH THE LEARNING COMMUNITY. I APPRECIATE THE CONVERSATION. I APPRECIATE WHAT HE'S TRYING TO DO, THE POINT HE'S TRYING TO MAKE. BUT THIS IS NOT THE TIME NOR THE PLACE TO BE HANDLING THE LEARNING COMMUNITY. THANK YOU, MR. SPEAKER. [LB525]

SPEAKER HADLEY: SENATOR SULLIVAN, YOU ARE RECOGNIZED...I'M SORRY. MR. CLERK. [LB525]

ASSISTANT CLERK: MR. PRESIDENT, SENATOR KINTNER WOULD OFFER AM1697 TO HIS AMENDMENT 1572. (LEGISLATIVE JOURNAL PAGE 1706.) [LB525]

SPEAKER HADLEY: SENATOR KINTNER, YOU'RE RECOGNIZED TO OPEN ON YOUR AMENDMENT. [LB525]

SENATOR KINTNER: THANK YOU, MR. PRESIDENT. ONE THING THAT WE LEFT OUT, IF WE'RE GOING TO TAKE THIS FIRST STEP AND KEEP WORKING ON IT, WE CAN'T HAVE AN OPT OUT. WE'VE GOT TO HAVE ALL 11 SCHOOL DISTRICTS IN IT SO THEY CAN WORK ON IT TO FIX IT. SO I'M...WHAT THIS DOES IS IT STRIKES THE OPT OUT. THE ORIGINAL BILL WAS JUST THIS OPT-OUT BILL, AND I NEEDED A VEHICLE TO GET IT ON THE FLOOR. SO I TOOK MY OPT OUT BILL, WHICH IS A PRIORITY BILL, AND I GUTTED IT, BUT SOMEHOW THAT DIDN'T MAKE IT OUT. SO I WOULD ENCOURAGE YOU TO VOTE FOR THIS. IT MAKES IT SUBSTANTIALLY BETTER AND MAKES IT A LOT EASIER SO THAT WE CAN...AFTER WE TAKE THIS FIRST STEP OF ADOPTING AM1572, THAT WE CAN START TOGETHER, EVERYONE, ALL THE INTERESTED PEOPLE AND PARTIES, CAN START WORKING ON FIXING THE LEARNING COMMUNITY AND MAKING IT WORK FOR EVERYBODY. THANK YOU, MR. PRESIDENT. [LB525]

SPEAKER HADLEY: SENATOR SULLIVAN. [LB525]

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SENATOR SULLIVAN: THANK YOU, MR. PRESIDENT. WELL, I CONTINUE TO ALSO BE IN NONSUPPORT OF THIS AMENDMENT AS WELL. THIS IS TOO IMPORTANT A SUBJECT TO BE DONE ON THE FLY, AND I DON'T NECESSARILY MEAN THAT AS A CRITICISM POINTED AT SENATOR KINTNER. BUT BY THE SAME TOKEN, I'VE SAID ALL ALONG I WANT THIS TO BE SUCCESSFUL. AND THERE ARE PLENTY OF UNKNOWNNS IN HOW THESE TWO AMENDMENTS WOULD WORK, NOT THE LEAST OF WHICH IS IF THE COMMON LEVY GOES AWAY, I DON'T EVEN KNOW HOW THIS FITS INTO THE FACT THAT STATE AID HAS BEEN CERTIFIED FOR AID FOR THE '15-16 SCHOOL YEAR, AND SO THAT COULD POTENTIALLY BE A COMPLICATING FACTOR. BUT GETTING BACK TO WHAT I SAID IN MY INITIAL REMARKS, YES, I WANT THIS TO BE SUCCESSFUL. YES, I LISTENED TO THE RECOMMENDATIONS FROM THE SUPERINTENDENTS, AND THERE WERE TWO THINGS. I GET THE FACT THAT THEY WANT THE COMMON LEVY TO GO AWAY, YES. BUT I WILL TELL YOU THAT ALSO, EVEN THOUGH IT WAS ORIGINALLY PUT IN PLACE TO BE SORT OF THE TIE THAT BINDS SO THAT ALL THE 11 MEMBER SCHOOL DISTRICTS HAD BUY-IN TO WORKING FOR THE BETTERMENT OF ALL THE KIDS IN THE WHOLE COMMUNITY, YES, IT HAS BECOME A WEDGE. BUT WHAT WILL CONTINUE TO BIND THEM TOGETHER? THAT'S ONE OF THE THINGS THAT WE'RE STILL DISCUSSING. AND, SECONDLY, THE OTHER BIG THING ON THE PART OF THE SUPERINTENDENTS, AND I AGREE, WAS POVERTY IS A CONTINUING ISSUE. BUT I WILL TELL YOU IN SENATOR KINTNER'S AMENDMENTS, HE CHARGES THE EDUCATION COMMITTEE JUST TO LOOK AT POVERTY IN DOUGLAS AND SARPY COUNTIES. I'M SORRY, POVERTY IS A ISSUE ALL ACROSS THE STATE. AND I TOLD THE SUPERINTENDENTS, YES, I'M GOING TO TRY TO IDENTIFY WAYS THAT WE CAN PROGRAM MORE STRATEGICALLY FOR POVERTY AND PROVIDE MORE FUNDING, BUT JUST TO DO IT...JUST BECAUSE THEY SAY THEY WANT MORE MONEY, LET'S DO IT MORE STRATEGIC. I'VE INTRODUCED AN INTERIM STUDY RESOLUTION THAT CHARGES THE DEPARTMENT OF EDUCATION AND THE STUDENT ACHIEVEMENT COORDINATOR TO LOOK AT THOSE POVERTY PLANS AND GIVE US SOME RECOMMENDATIONS ON WHAT WORKS FOR PROGRAMMING FOR POVERTY IN EDUCATION, AND ALSO RECOMMENDATIONS ON HOW TO SUPPORT THOSE EFFORTS WITH FUNDING. SO THIS IS SOMETHING FAR TOO IMPORTANT TO BE TAKEN UP AT A LATE HOUR ON THE FLY WITH AN AMENDMENT THAT REPRESENTS, BY AND LARGE, TWO BILLS THAT THE EDUCATION COMMITTEE IPPed. AND TO THAT END, I KNOW THERE SEEMS TO BE SOME DIFFERENCE OF OPINION, BUT AT THE VERY LEAST, IF THIS SHOULD COME TO A VOTE ON THESE AMENDMENTS, IT DOES TAKE 30 VOTES TO APPROVE THEM. AND I WILL NOT BE AMONG THOSE THAT ARE VOTING GREEN ON THESE AMENDMENTS. BUT I STAND FAST, AND THERE SEEMS TO BE SOME CONFUSION OF WHO I MIGHT BE WORKING WITH ON THESE EFFORTS ON LEARNING

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COMMUNITY OVER THE INTERIM. I HAD A GREAT CONVERSATION WITH SENATOR CHAMBERS LAST WEEK. I'VE TALKED TO SENATOR SMITH. I'VE TALKED TO SENATOR MURANTE. I'VE TALKED TO SENATOR KOLOWSKI. I AM SO COMMITTED TO CONTINUING TO WORK ON THIS SO THAT WE CAN COME HERE NEXT SESSION WITH A BULLETPROOF, SOLID APPROACH TO MAKING SOME REALLY GOOD CHANGES FOR THE LEARNING COMMUNITY. SO I HOPE TO THAT END YOU WILL ABIDE WITH ME, BELIEVE IN ME, WHAT I'M SAYING, THAT I WANT TO GET CROSS THE FINISH LINE ON DEALING WITH THE CONCERNS OF THE LEARNING COMMUNITY BUT IN A THOUGHTFUL, CONSIDERATE, DELIBERATE WAY AND NOT ON THE FLY BY ATTACHING IT TO ANOTHER BILL. THANK YOU, MR. PRESIDENT. [LB525]

SPEAKER HADLEY: SENATOR BLOOMFIELD, YOU ARE RECOGNIZED. [LB525]

SENATOR BLOOMFIELD: THANK YOU, MR. PRESIDENT. I WONDER IF SENATOR SULLIVAN WOULD YIELD TO A QUESTION OR TWO. [LB525]

SPEAKER HADLEY: SENATOR SULLIVAN, WILL YOU YIELD? [LB525]

SENATOR SULLIVAN: YES, I WILL. [LB525]

SENATOR BLOOMFIELD: THANK YOU, SENATOR SULLIVAN. I DON'T SERVE ON THE EDUCATION COMMITTEE, AND I'M NOT OVERLY FAMILIAR WITH THE LEARNING COMMUNITY...OR COMMITTEE. I HEAR PEOPLE THAT ARE AFFECTED BY IT SAYING THIS COMMON LEVY IS A BAD THING, IT NEEDS TO BE DONE AWAY WITH. IF AM1572 WERE TO PASS, WHAT DOES THAT DO FOR THE SCHOOLS THAT ARE NOT IN THE LEARNING COMMUNITY? DOES IT HAVE ANY EFFECT WHATSOEVER ON THOSE SCHOOLS? [LB525]

SENATOR SULLIVAN: WELL, FIRST OF ALL, THE LEARNING COMMUNITY LEGISLATION WAS CRAFTED IN SUCH A WAY THAT IT HAS THE POTENTIAL TO BE REPLICATED IN OTHER PARTS OF THE STATE. I CAN'T SAY, THOUGH, WITH RESPECT TO HOW THIS WOULD PLAY OUT IF THE COMMON LEVY...IF ONE OF THESE AMENDMENTS WERE TO BE ADOPTED AND THE COMMON LEVY WOULD GO AWAY. I WILL SAY, THOUGH, STATE AID FOR THE '15-16 SCHOOL YEAR HAS ALREADY BEEN CERTIFIED. AND I HONESTLY CAN'T TELL YOU, NOT HAVING READ THE 46 PAGES OF THIS AMENDMENT, TO TELL YOU HOW THAT MIGHT IMPACT THE AID, BUT I WOULD GUESS WE'D BE TALKING ABOUT SOME ADDITIONAL DOLLARS GOING SOMEWHERE. [LB525]

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SENATOR BLOOMFIELD: OFF THE MIKE, I'VE BEEN TOLD THAT THE OUTSTATE SCHOOLS WOULD POSSIBLY GET A LITTLE MORE MONEY. WOULD THAT SEEM TO MAKE SENSE OR NOT? [LB525]

SENATOR SULLIVAN: NOT NECESSARILY, NO. [LB525]

SENATOR BLOOMFIELD: OKAY. I SEE SENATOR CHAMBERS WAS ON THE FLOOR A MINUTE AGO. I WAS GOING TO ASK HIM A QUESTION, BUT I DON'T SEE HIM AGAIN. OH, OKAY. I WONDER IF SENATOR CHAMBERS WOULD YIELD TO A QUESTION. [LB525]

SPEAKER HADLEY: SENATOR CHAMBERS, YOU'RE BEING ASKED IF YOU WOULD YIELD. [LB525]

SENATOR CHAMBERS: YES, I WILL. [LB525]

SENATOR BLOOMFIELD: THANK YOU, SENATOR CHAMBERS. I'D NORMALLY GO TO SENATOR SULLIVAN FOR QUESTIONS ON EDUCATION UNLESS IT PERTAINS TO AN OMAHA SCHOOL SYSTEM. CAN YOU, WITHIN A FEW SECONDS, TELL ME ABOUT THE LEARNING COMMUNITY AND IF IT'S SOMETHING THAT WE NEED TO SUPPORT, OR IS WHAT WE'RE DOING HERE WITH THESE AMENDMENTS A REASONABLE IDEA? [LB525]

SENATOR CHAMBERS: I HAVE OTHER ISSUES. I HAVE AN ISSUE WITH THE PROCESS, AND THAT'S WHAT I'VE BEEN LOOKING AT. AND WITH ALL OF THE COMPLICATED RAMIFICATIONS OF THE LEARNING COMMUNITY, I THINK THE WORSE THING YOU CAN DO AT THIS TIME IN THE SESSION IS TRY TO PUT TWO BILLS THAT WERE KILLED IN COMMITTEE ON TO A BILL WHILE YOU'RE ON SELECT FILE. AND IT IS A CONTROVERSIAL ITEM. RIGHT NOW, THERE'S A DIFFERENCE OF OPINION...I HAVE A DIFFERENCE OF OPINION FROM THAT OF SOME OTHERS AS TO EXACTLY WHAT'S BEING DONE HERE, SO IT'S NOT THAT I DON'T WANT TO ANSWER YOUR QUESTION, SENATOR BLOOMFIELD, BUT IT'S TOO COMPLICATED FOR ME TO RESPOND TO. [LB525]

SENATOR BLOOMFIELD: LET ME THROW ANOTHER QUESTION AT YOU. DO YOU GENERALLY SUPPORT THE LEARNING COMMUNITY? [LB525]

SENATOR CHAMBERS: OH, YES. [LB525]

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SENATOR BLOOMFIELD: OKAY. THANK YOU. COLLEAGUES, WE HAVE A NUMBER OF PEOPLE TALKING ABOUT MAKING SOME CHANGES, IT SEEMED LIKE EVERYBODY AGREES NEED TO BE MADE. BUT I'M INCLINED TO AGREE, THIS IS NOT THE TIME TO DO IT. IT KIND OF REMINDS ME OF DOING AWAY WITH THE BILL THAT HAD SOMETHING TO DO WITH PRAIRIE DOGS, WHERE WE DID THAT ON FINAL READING. MR. PRESIDENT, I'D YIELD THE REMAINDER OF MY TIME TO SENATOR LARSON. [LB525]

SPEAKER HADLEY: SENATOR LARSON, YOU'RE YIELDED 48 SECONDS. [LB525]

SENATOR LARSON: FORTY-EIGHT SECONDS. WELL, TRUST ME, I HAVE A LOT MORE THAN 48 SECONDS. I HEAR POVERTY AND THE CONCEPT OF HOW DO WE HELP PEOPLE OR KIDS OUT OF POVERTY. AND THE LEARNING COMMUNITY WAS THE END-ALL, BE-ALL FIX TO HELP KIDS OUT OF POVERTY. WELL, I DON'T THINK IT'S WORKED, BY ANY MEANS HAS IT WORKED, SET AN EQUAL BALANCE WITHIN THAT COMMUNITY. I UNDERSTAND THE CONCEPT OF POSSIBLY THE ABILITY OF MOVING FROM...MOVING THROUGHOUT THE LEARNING COMMUNITY TO DIFFERENT SCHOOL DISTRICTS, THE OPEN ENROLLMENT PART. WELL, I'D ARGUE THAT THERE'S ANOTHER OPTION. [LB525]

SPEAKER HADLEY: TIME, SENATOR. [LB525]

SENATOR LARSON: AND SENATOR McCOY CAN FINISH IT. [LB525]

SPEAKER HADLEY: SENATOR MURANTE. SENATOR MURANTE. [LB525]

SENATOR MURANTE: THANK YOU, MR. PRESIDENT, MEMBERS. GOOD EVENING. I APPRECIATE WHAT SENATOR BLOOMFIELD HAD TO SAY. THIS IS SOMEWHAT UNORTHODOX. I DO, TO BE CLEAR, SENATOR HILKEMANN, I SUPPORT AM1572. I SUPPORT AM1697. AND IT'S PROBABLY WORTH NOTHING THAT THE CREATION OF THE LEARNING COMMUNITY ITSELF WASN'T ALTOGETHER DISSIMILAR FROM WHAT WE'RE DOING RIGHT NOW INsofar AS THE LEARNING COMMUNITY, AS IT EXISTS TODAY, WAS A SELECT FILE AMENDMENT. IT WAS DROPPED WITH VERY LITTLE TIME FOR THE SENATORS TO READ IT, LET ALONE DIGEST IT. AND WE HAVE CERTAINLY MADE SUBSTANTIVE PUBLIC POLICY. AND IF WE ARE GOING TO DO THAT ON ANY SUBJECT MATTER, PERHAPS THE LEARNING COMMUNITY IS THE MOST APPROPRIATE SUBJECT MATTER TO HAVE THAT DISCUSSION, IN LIGHT OF HOW IT WAS CREATED IN THE FIRST PLACE. BUT I DO THINK IT'S IMPORTANT TO REMEMBER A COUPLE OF POINTS. AND I'D LIKE TO TELL YOU A STORY OF MY

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ELECTION AND THE PRIORITIES OF MY CONSTITUENTS BECAUSE I WAS VERY FORTUNATE IN MY ELECTION. IT WAS NOT A PARTICULARLY COMPETITIVE CAMPAIGN. AND I GOT TO SPEND TIME TALKING TO MY CONSTITUENTS RATHER THAN TRYING TO GET THEIR VOTES, HAVING THOUGHTFUL, INTELLECTUAL DISCUSSIONS ABOUT THE MOST IMPORTANT ISSUES. AND AS I'VE PREVIOUSLY MENTIONED, IF YOU KNOCK ON DOORS IN GRETNA AND IN NORTHWEST SARPY COUNTY, YOU DON'T HAVE TO GO FAR FOR PEOPLE TO BRING UP THE LEARNING COMMUNITY. AND I WOULD ALWAYS ASK THEM TWO QUESTIONS, TWO CANNED QUESTIONS. FIRST OF ALL, DO YOU SUPPORT THE LEARNING COMMUNITY AS IT EXISTS TODAY? AND I DID NOT HAVE A SINGLE PERSON SAY YES. THE SECOND QUESTION I ASKED THEM WAS, DO YOU BELIEVE THAT YOU AS A SARPY COUNTY TAXPAYER HAVE AN OBLIGATION, MORAL OR OTHERWISE, TO HELP FUND THE SCHOOLS IN EAST OMAHA THAT ARE FAILING? AND THE ANSWER WAS OVERWHELMINGLY YES. EVEN IN SARPY COUNTY, THE OVERWHELMING MAJORITY OF PEOPLE BELIEVED THAT WE HAVE AN OBLIGATION TO HELP THOSE SCHOOLS THAT ARE IN NEED, TO HELP THOSE KIDS THAT ARE NEED BECAUSE IT'S NOT JUST ABOUT SCHOOLS, IT'S ABOUT THE KIDS. AND WE'RE HERE READY AND WILLING TO DO WHAT IT TAKES TO GET THOSE KIDS THE RESOURCES THEY NEED. AND I BELIEVE THAT I AM ON FIRM GROUND MAKING A COMPROMISE IN THIS LEGISLATURE WHICH PROVIDES THAT FUNDING FOR THE KIDS IN NEED IN EAST OMAHA AND GOING BACK TO MY CONSTITUENTS AND SAYING THIS WAS THE DEAL. YOU'RE OUT OF THE LEARNING COMMUNITY, YOU DON'T HAVE TO PAY YOUR PROPERTY TAXES, BUT THEY GET THIS AMOUNT OF MONEY. I AM CONFIDENT THAT IF WE MAKE THAT DEAL, I WILL GO BACK AND HAVE THAT DEAL ROUNDLY SUPPORTED BY THE PEOPLE IN SARPY COUNTY. AND I SUSPECT THAT THE REPRESENTATIVES FROM THE SUBURBAN SCHOOL DISTRICTS WOULD HAVE A COMPARABLE EXPERIENCE BECAUSE THIS ISN'T A MATTER...THIS ISN'T AN ATTEMPT TO TRY AND DEPRIVE THOSE KIDS WHO ARE MOST IN NEED, OF ANYTHING. AND AS I SAID BEFORE, I'M NOT ASKING YOU TO TAKE MY WORD FOR IT. IF YOU'RE A SKEPTICAL SENATOR ON THE EDUCATION COMMITTEE AND YOU'RE WORRIED ABOUT THAT WHIPPERSNAPPER FROM GRETNA, WHETHER HE'LL KEEP HIS WORD OR NOT, I'M NOT ASKING YOU TO TAKE MY WORD FOR IT. I'M ASKING YOU TO GIVE ME THE OPPORTUNITY TO VOTE FOR... [LB525]

SPEAKER HADLEY: ONE MINUTE. [LB525]

SENATOR MURANTE: ...SUCH A COMPROMISE, AND I WILL GLADLY BE ON BOARD WITH YOU BECAUSE I WON'T SUPPORT ANY SOLUTION FOR THE SCHOOLS IN DOUGLAS AND SARPY COUNTY FOR THIS LEARNING COMMUNITY MESS, I WON'T

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SUPPORT ANY SOLUTION IF IT THROWS THE KIDS EAST OF 72nd STREET UNDER THE BUS, EVEN IF IT SIMPLY HELPS THE PAROCHIAL INTERESTS OF MY SCHOOL DISTRICT. THAT'S MY PRIORITY. THAT'S WHY I THINK THIS IS ACHIEVABLE. THAT'S WHY I THINK WE CAN GET SOMETHING DONE. AND WHILE AM1572 IS UNORTHODOX--THE PROCESS ANYWAY, THE PROVISIONS ITSELF AREN'T PARTICULARLY UNORTHODOX--I SUPPORT THEM BECAUSE AT LEAST IT'S A STEP IN THE RIGHT DIRECTION. AND, IF NOTHING ELSE, IT GIVES US AN OPPORTUNITY TO TALK ABOUT THE ISSUE THAT IS MOST IMPORTANT TO A SIGNIFICANT...
[LB525]

SPEAKER HADLEY: TIME, SENATOR. [LB525]

SENATOR MURANTE: ...PERCENTAGE OF THE STATE OF NEBRASKA. THANK YOU, MR. PRESIDENT. [LB525]

SPEAKER HADLEY: THANK YOU, SENATOR MURANTE. SENATOR McCOY, YOU'RE RECOGNIZED. [LB525]

SENATOR McCOY: THANK YOU, MR. PRESIDENT, AND GOOD EVENING, MEMBERS. I CERTAINLY WOULD AGREE WITH SENATOR MURANTE IN THAT THE VAST MAJORITY OF THE VOTERS IN MY DISTRICT, IN DISTRICT 39 AND FOR PURPOSES OF REFERENCE, THOSE OF YOU WHO DON'T KNOW I HAVE DOUGLAS COUNTY WEST SCHOOL DISTRICT IN MY LEGISLATIVE DISTRICT, ELKHORN, AND A GOOD CHUNK OF MILLARD PUBLIC SCHOOLS IN MY DISTRICT AS WELL. AND IT WAS MENTIONED EARLIER THAT DOUGLAS COUNTY WEST SUFFERS A GREAT DEAL UNDER THE LEARNING COMMUNITY FROM A FUNDING STANDPOINT, AND THAT IS VERY TRUE. AND I MIGHT ADD THAT DOUGLAS COUNTY WEST HAS A VERY HIGH RATE OF FREE AND REDUCED LUNCH CHILDREN AS WELL. AND THAT HAS BEEN VERY DIFFICULT FOR DOUGLAS COUNTY WEST TO FUNCTION UNDER THE LEARNING COMMUNITY. AND I WOULD AGREE WITH SENATOR MURANTE. I RAN FOR OFFICE STARTING IN THE END OF 2007. SO THE VERY SAME YEAR THAT THE LEARNING COMMUNITY WAS PASSED, THROUGH OBVIOUSLY 2008, AND THEN TOOK OFFICE IN JANUARY 2009. THE LEARNING COMMUNITY RANKED RIGHT UP THERE WITH THE TOP TWO OR THREE ISSUES THAT I WAS ASKED ABOUT WALKING SOMEWHERE BETWEEN 9,000 AND 10,000 DOORS MY FIRST TIME RUNNING FOR THE LEGISLATURE. AND I WILL TELL YOU THAT THE CONCERN OVER THE LEARNING COMMUNITY HAS NOT ABATED AT ALL EIGHT YEARS LATER. IT REMAINS A TOP TWO OR THREE ISSUE I WAS ASKED ABOUT RUNNING FOR REELECTION IN 2012. I THINK WHAT THAT TELLS YOU IS A COUPLE OF

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THINGS. ONE, THE SUBURBAN SCHOOL DISTRICTS DIDN'T WANT TO BE PART OF THE LEARNING COMMUNITY, WOULD LOVE TO BE OUT OF THE LEARNING COMMUNITY. AND I'M NOT SPEAKING FOR ALL, BUT I'M SPEAKING IN GENERAL TERMS HERE. AND AS SENATOR CRAWFORD AND SENATOR MURANTE AND OTHERS HAVE TALKED ABOUT, THE COMMON LEVY IS VERY PROBLEMATIC. ALSO AS SENATOR MURANTE TALKED ABOUT, IN 2007, MEMBERS, WHEN THE LEARNING COMMUNITY WAS VOTED INTO OFFICE, AND GO ASK, WELL, SENATOR CHAMBERS WOULD BE THE ONLY ONE IN THE ROOM WHO WAS IN OFFICE IN THE LEGISLATURE AT THE TIME, BUT GO ASK ANY OF THE FORMER SENATORS WHO MAY BE OUT IN THE LOBBY OR ONE THAT YOU KNOW OR MAYBE THE ONE THAT YOU REPLACED IN THE LEGISLATURE IF THEY WERE HERE AT THE TIME, WHAT THAT PROCESS WAS LIKE. I HAVE. I HAD THE OPPORTUNITY TO SERVE WITH A GREAT NUMBER OF SENATORS WHO CAME IN, IN THE 2004 CLASS AND IN THE 2002 CLASS, AND LET ME TELL YOU HOW THAT PROCESS WAS. IT WAS AT THE END OF SESSION, AND IT WAS LATE NIGHT SESSION, I MIGHT ADD, PROBABLY AN EVENING A LOT LIKE THIS. AND ON GENERAL...BETWEEN GENERAL AND SELECT FILE, THE NIGHT BEFORE SELECT FILE ON THE LEARNING COMMUNITY BILL, A 70-SOME PAGE AMENDMENT WAS DROPPED. AND THEY VOTED ON IT BEFORE 10:00 AM THE NEXT MORNING. AND I WILL TELL YOU THERE ARE MANY SENATORS WHO WILL SAY, AS SENATOR MURANTE TALKED ABOUT, THEY BARELY HAD TIME TO READ IT, MUCH LESS DIGEST IT OR GET FEEDBACK ON WHAT IT MEANT FOR THEIR DISTRICTS. AND WE STILL TALK ABOUT IT TODAY, EIGHT YEARS LATER. AND I THINK THIS IS AN APPROPRIATE DISCUSSION FOR TONIGHT BECAUSE THE REALITY IS, IN MY SEVEN YEARS HERE IN THE LEGISLATURE, BUT FOR A COUPLE BILLS THAT I CAN RECALL THAT JUST DID VERY MINOR TWEAKS, WE HAVE NOT HAVE A SUBSTANTIVE DISCUSSION ABOUT THE LEARNING COMMUNITY ON THE FLOOR OF THE LEGISLATURE BECAUSE THE EDUCATION COMMITTEE, UNDER SEVERAL DIFFERENT CHAIRPERSONS, THERE'S NO... [LB525]

SPEAKER HADLEY: ONE MINUTE. [LB525]

SENATOR McCOY: ...I'M NOT CASTING A DISPERSION ON SENATOR SULLIVAN BY ANY MEANS, OR ANY MEMBER OF THE EDUCATION COMMITTEE, BUT A NUMBER OF MEMBERS OF SEVERAL DIFFERENT EDUCATION COMMITTEES OVER THE YEARS HAVE NOT SEEN FIT TO ADVANCE ANY LEARNING COMMUNITY LEGISLATION TO THE FLOOR BECAUSE OF THE FEAR THAT THE LEARNING COMMUNITY WOULD GET DISMANTLED, AT LEAST THAT'S WHAT WE WERE ALWAYS TOLD PRIVATELY. THAT'S WHY THIS IS A GOOD DISCUSSION TO HAVE BECAUSE HOW ELSE ARE WE GOING TO HAVE IT? IF WE CAN'T GET A PIECE OF

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LEGISLATION ON THE FLOOR, THEN WE HAVE TO TALK ABOUT IT THIS WAY.
THANK YOU, MR. PRESIDENT. [LB525]

SPEAKER HADLEY: THANK YOU, SENATOR McCOY. IN THE QUEUE ARE SENATORS
KINTNER, BRASCH, CHAMBERS, MORFELD, AND HILKEMANN. SENATOR
KINTNER, YOU'RE RECOGNIZED. [LB525]

SENATOR KINTNER: WELL, A COUPLE THINGS I WANT TO GO OVER. FIRST OF ALL,
I WANT TO SAY, YOU KNOW, I PROBABLY OWE A BIG DEBT OF GRATITUDE TO
SENATOR SMITH. HE'S BEEN WORKING ON THIS BILL SINCE I WAS SITTING ON MY
COUCH THROWING DINNER ROLLS AT THE NEWS WHEN THE PRESIDENT CAME
ON. AND WHEN I DECIDED TO GET UP AND GO RUN FOR OFFICE, HE'S BEEN
WORKING ON THIS BEFORE I EVER THOUGHT OF BEING A SENATOR. AND HE'S
DONE AN AWFUL LOT OF WORK, AND HE'S WORKED HARD WITH THE
SUPERINTENDENTS AND HAD A THOUGHTFUL BILL THIS YEAR. YOU KNOW,
EARLIER THIS YEAR, SENATOR SMITH AND I WERE TALKING IN THE HALL. AND I
HAD MY BILL TO ELIMINATE THE LEARNING COMMUNITY. HE HAD HIS BILL TO
GET RID OF THE COMMON LEVY. AND CHAIRMAN MELLO CAME UP. AND I WAS
TRYING TO MAKE MY CASE ON WHY WE SHOULD GET RID OF THE LEARNING
COMMUNITY. AND HE LOOKS AT ME AND HE GOES, NO, JUST GET RID OF THAT
COMMON LEVY. WE CAN AGREE ON THAT. THAT MAKES SOME SENSE. WELL,
SENATOR MELLO, I'VE COME AROUND. I AGREE. THAT DOES MAKE SENSE. I
THINK THAT'S A GOOD START THAT WILL GET US MOVING IN THE RIGHT
DIRECTION. IT WILL GIVE US A LITTLE BREATHING ROOM AS WE ADDRESS THE
OTHER THINGS. THE OTHER THING IS, WE'VE HAD A COUPLE SENATORS SAY
CLEARLY THE LEARNING COMMUNITY HASN'T WORKED, BUT WE WANT TO KEEP
IT. THAT'S THE HARDEST THING IN GOVERNMENT TO DO IS WHEN SOMETHING
DOESN'T WORK, STOP WHAT YOU'RE DOING AND DO SOMETHING ELSE. AND IT'S
JUST THE TOUGHEST THING THAT WE AS A LEGISLATURE DO. IT'S VERY TOUGH
FOR PEOPLE TO TAKE A NEW TRACK, TO TAKE A NEW APPROACH, TO TRY
SOMETHING DIFFERENT. BUT I'M ASKING YOU TO DO THAT. YOU KNOW, THE OLD
SAYING, DO IT FOR THE KIDS. WELL, THAT'S EXACTLY WHO WE'RE DOING THIS
FOR. WE'RE DOING THIS FOR THE KIDS. I WOULD SAY THE TAXIS THAT SENATOR
HARR SAID DIDN'T EXIST, THAT WAS IN MILLARD. IT WAS SOMEWHERE...\$50 TO
\$60 PER DAY, PER KID, PER TAXI. I DON'T KNOW HOW MANY TIMES THAT WAS
HAPPENING. BUT THAT WAS REPORTED IN THE OMAHA WORLD-HERALD. SO
THOSE ARE SOME OF THE THINGS THAT WE'VE TALKED ABOUT SO FAR. AND IF
WE LOOK AT WHAT WE'VE DONE IN MY FIRST TWO YEARS, IT WAS ABSOLUTELY
NOTHING. WE INTRODUCED SOME BILLS. THEY GOT KILLED. I MEAN LITERALLY
THE NEXT DAY CHAIRMAN SULLIVAN CAME AND SAID, OH, WE IPPed YOUR

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BILLS, IT'S OVER. SO MY FIRST TWO YEARS, NOTHING. THIS YEAR--AND I'M NOT SURE IF IT'S BECAUSE OF GOVERNOR RICKETTS WORKING ON THIS AND HIS STAFF MOVING IT FORWARD; I DON'T KNOW IF IT'S BECAUSE WE HAVE A COUPLE NEW PEOPLE ON THE EDUCATION COMMITTEE; I THINK IT WAS MAYBE THE SUPERINTENDENTS COMING OUT WITH A PROPOSAL, WHICH I THOUGHT WAS A GOOD STARTING PLACE WHICH IS SOMEWHAT THE BASIS OF WHAT I'M DOING HERE--WE HAVE FINALLY GOTTEN TO THE POINT WHERE WE ARE NOW LOOKING AT A SERIOUS PROPOSAL ON THE FLOOR FOR THE FIRST TIME SINCE I'VE BEEN HERE. AND THAT IN ITSELF IS AWFUL BIG. AND I WOULD ENCOURAGE YOU TO ASK QUESTIONS. I KNOW THERE'S A FEW PEOPLE THAT TOLD ME I STILL DON'T TOTALLY UNDERSTAND THE LEARNING COMMUNITY. THAT'S OKAY. THAT'S OKAY. IF YOU'VE GOT QUESTIONS, SENATOR MURANTE IS HERE. I'M HERE. SENATOR SMITH MAY BE HERE AT SOME POINT. SENATOR CRAWFORD IS HERE. SO DON'T HESITATE TO ASK US. MAKE SURE YOUR QUESTIONS ARE ANSWERED. I WANT YOU TO FEEL COMFORTABLE WITH THIS. AND LET'S SEE IF WE CAN ALL MOVE FORWARD TOGETHER. THANK YOU, MR. PRESIDENT. [LB525]

SPEAKER HADLEY: THANK YOU, SENATOR KINTNER. SENATOR BRASCH, YOU'RE RECOGNIZED. [LB525]

SENATOR BRASCH: THANK YOU, MR. SPEAKER. I WAS WONDERING IF SENATOR KINTNER WOULD YIELD TO A QUESTION, PLEASE. [LB525]

SPEAKER HADLEY: SENATOR KINTNER, WILL YOU YIELD? [LB525]

SENATOR KINTNER: CERTAINLY. [LB525]

SENATOR BRASCH: THANK YOU, SENATOR KINTNER. WILL YOU EXPLAIN HOW THIS AMENDMENT HERE, HOW DOES THIS AFFECT THE RURAL SCHOOLS IN NEBRASKA? [LB525]

SENATOR KINTNER: WELL, THE RURAL SCHOOLS IN OUTSTATE NEBRASKA, IT REALLY DOESN'T HAVE A HUGE EFFECT ON THEM. IT MOSTLY AFFECTS THE SCHOOLS IN SARPY AND DOUGLAS. THAT IS IT. ONE OTHER THING I DID WANT TO SAY IS THAT WHEN WE PUT EXTRA MONEY IN THE BUDGET, WHEN IT WENT FROM \$42 MILLION TO \$48 MILLION, ONE THING SENATOR MELLO SAID IS, YOU KNOW, THAT EXTRA \$6 MILLION COULD CERTAINLY BE USED FOR LEARNING COMMUNITY, IF WE CAN COME UP WITH AN AGREEMENT. SO HERE'S OUR

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CHANCE TO COME UP WITH THE AGREEMENT. AND WE...HE HAD PUT THE EXTRA MONEY IN THERE, AND THIS IS ONE OF THE POSSIBILITIES FOR IT. [LB525]

SENATOR BRASCH: THANK YOU, SENATOR KINTNER. MR. SPEAKER, I WOULD LIKE TO KNOW IF SENATOR MURANTE WOULD YIELD TO A QUESTION. [LB525]

SPEAKER HADLEY: SENATOR MURANTE, WILL YOU YIELD? [LB525]

SENATOR MURANTE: I WOULD. [LB525]

SENATOR BRASCH: THANK YOU, SENATOR MURANTE. HOW DO YOU THINK THIS WILL AFFECT THE RURAL SCHOOLS IN NEBRASKA? [LB525]

SENATOR MURANTE: WELL, I THINK THE MOST SIGNIFICANT IMPACT IS GOING TO BE IN THE FACT THAT UNDER THE LEARNING COMMUNITY, TWO SCHOOL DISTRICTS, SPRINGFIELD PLATTEVIEW AND DC WEST, IF THE STATUS QUO CONTINUES, THEY WILL CONTINUE TO RECEIVE A SIGNIFICANT AMOUNT OF STATE AID TO SCHOOLS IN TEEOSA. IF WE ABOLISH THE LEARNING COMMUNITY, AND WE'VE ALREADY STUDIED THIS, IF THE LEARNING COMMUNITY OR THE COMMON LEVY IS ABOLISHED AND THEY CAN EXIST ON THEIR OWN RIGHT, THOSE TWO SCHOOL DISTRICTS WOULD RECEIVE NO EQUALIZATION AID. SO THERE WOULD BE THAT EQUALIZATION AID TO BE SPREAD OUT THROUGH THE REMAINDER OF THE SCHOOL DISTRICTS IN THE STATE OF NEBRASKA. [LB525]

SENATOR BRASCH: THANK YOU, SENATOR MURANTE. I HAVE NO OTHER QUESTIONS. THANK YOU, MR. SPEAKER. [LB525]

SPEAKER HADLEY: SENATOR CHAMBERS, YOU ARE RECOGNIZED. [LB525]

SENATOR CHAMBERS: MR. PRESIDENT, MEMBERS OF THE LEGISLATURE, ONCE AGAIN, I'M CONCERNED ABOUT THE PROCESS. THERE HAVE BEEN DISPUTES ABOUT THE LEARNING COMMUNITY FOR A LONG TIME. NOW, THE RURAL PEOPLE WERE NOT GOING TO GET ANYTHING OUT OF THAT DEAL WHEN IT WAS BEING MADE. SO FORMER SENATOR FISCHER ASKED ME WOULD I GET THEM \$2 MILLION OR \$3 MILLION THAT THEY COULD HAVE TO MAKE UP FOR THE FACT THAT DUE TO THE LOSS OF POPULATION, THEY WERE GOING TO, UNDER THE FORMULA, LOSE SOME MONEY. AND THAT WAS THE SWEETENER THEY GOT. NOW YOU HAVE PEOPLE COMING HERE SAYING IT WAS THIS WAY, IT WAS THAT WAY, IT

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WAS THE OTHER WAY. I'VE SAID THIS BEFORE AND I'LL SAY IT AGAIN, WHAT I SAY ON THIS FLOOR DOESN'T MEAN MUCH SO I'M NOT GOING TO GET INTO ALL THAT. YOU HAVE THE VOTES. THERE CAN BE THE TRUE MOTIVE DISGUISED IN A LOT OF VERBIAGE. WHEN YOU ARE MAKING CHANGES OF THIS MAGNITUDE, TO DO IT ON SELECT FILE IS UNWISE. AND IN MY VIEW, FROM WHAT I WAS TOLD...LET ME ASK SENATOR KINTNER A QUESTION IF HE'S HERE. [LB525]

SPEAKER HADLEY: SENATOR KINTNER, WILL YOU YIELD? [LB525]

SENATOR CHAMBERS: I'LL WAIT. TAKE YOUR TIME. SENATOR KINTNER, I WAS TOLD THAT YOUR AMENDMENT ENCOMPASSES TWO BILLS THAT HAD BEEN KILLED BY THE EDUCATION COMMITTEE. IS THAT TRUE OR FALSE? [LB525]

SENATOR KINTNER: THAT'S TRUE, YES. [LB525]

SENATOR CHAMBERS: THANK YOU. THAT'S ALL I WANTED TO ASK. [LB525]

SENATOR KINTNER: OH, OKAY. [LB525]

SENATOR CHAMBERS: IF YOU ARE GOING TO RAISE A BILL FROM COMMITTEE AND IT'S BEEN KILLED, IF YOU MAKE THE MOTION WITHIN THREE DAYS OF THAT REPORT BY THE COMMITTEE THAT IT'S KILLED, IT TAKES 30 VOTES. IF YOU MAKE THAT MOTION MORE THAN THREE DAYS LATER, IT'S 33 VOTES. AND ON A MOTION TO RAISE A BILL FROM COMMITTEE, YOU CAN ONLY MOVE TO RAISE ONE BILL AT THE TIME. NOW, IF YOU'RE GOING TO ALLOW THAT RULE TO BE CIRCUMVENTED, THEN ALL ANYBODY HAS TO DO IS WAIT UNTIL A BILL GETS TO SELECT FILE AND THEN PUT AS MANY BILLS AS WERE KILLED IN COMMITTEE AS YOU CHOOSE, MAKE THAT MOTION ANY NUMBER OF DAYS AFTER THE COMMITTEE REPORTS THEM KILLED, AND IT ONLY TAKES 30 VOTES RATHER THAN 33. AND YOU CAN PUT MORE THAN ONE BILL IN THAT MOTION, WHICH IS NOT ALLOWED UNDER THE BILL THAT DEALS SPECIFICALLY...THE RULE THAT DEALS SPECIFICALLY WITH RAISING BILLS FROM COMMITTEE THAT WERE KILLED. WHEN THE LAW IS BEING CONSTRUED BY THE COURTS, THE SPECIFIC TAKES PRIORITY OVER THE GENERAL. THE SPECIFIC RULE, IN MY OPINION, THAT DEALS WITH RAISING BILLS FROM COMMITTEE IS THE ONE THAT WE OUGHT TO FOLLOW. THAT'S MY VIEW. OTHERS ARE SAYING, WELL, IT'S NOT AN ATTEMPT TO RAISE A BILL BECAUSE YOU'RE NOT GIVING THE NUMBER OF THE BILL. THAT WOULD MEAN YOU CAN WRITE EXACTLY THE LANGUAGE THAT'S IN THE BILL BUT DON'T ATTACH THE NUMBER TO IT AND NOW YOU'RE NOT TRYING TO RAISE

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THE BILL. IS THAT THE WAY YOU ALL WANT TO INTERPRET THE RULES? IF YOU WANT TO, YOU CAN DO THEM ANY WAY YOU WANT TO. ALL THAT I'VE SAID EVER SINCE I'VE BEEN IN THIS LEGISLATURE IS TELL ME WHAT THESE RULES ARE AND HOW YOU'RE GOING TO INTERPRET THEM. BUT DON'T INTERPRET THEM ONE WAY WHEN A CERTAIN COMPLEXIONED PERSON WANTS TO DO SOMETHING, AND A DIFFERENT WAY WHEN A PERSON OF DIFFERENT COMPLEXION WANTS TO DO IT. IF YOU'RE GOING TO SAY... [LB525]

SPEAKER HADLEY: ONE MINUTE. [LB525]

SENATOR CHAMBERS: ...BY THE ACTION YOU TAKE TODAY THAT ANY NUMBER OF BILLS THAT WERE KILLED BY COMMITTEE CAN BE INCORPORATED INTO AN AMENDMENT AND ALL OF THEM PURSUANT TO THAT ONE AMENDMENT BE RAISED FROM COMMITTEE IN EFFECT BY 30 VOTES, RATHER THAN THE 33. IF THAT'S WHAT YOU'RE GOING TO DO, DO AWAY WITH THE 33-VOTE REQUIREMENT, PERIOD, BECAUSE IT MEANS NOTHING. YOU CAN SO EASILY CIRCUMVENT IT. AND THAT'S WHAT I BELIEVE IS BEING DONE HERE. I'M NOT EVEN GOING TO WASTE TIME TALKING ABOUT THE OTHER PARTS OF IT BECAUSE IF YOU'RE OF A MIND TO DO THAT ON SELECT FILE, THEN I THINK THE SESSION HAS BEEN WRECKED ANYWAY AND EVERYTHING GOES. THANK YOU, MR. PRESIDENT. [LB525]

SPEAKER HADLEY: THANK YOU, SENATOR CHAMBERS. SENATOR MORFELD, YOU'RE RECOGNIZED. [LB525]

SENATOR MORFELD: THANK YOU, MR. SPEAKER. I RISE IN OPPOSITION TO THE AMENDMENT, AND I'D LIKE TO MAKE A FEW DIFFERENT POINTS HERE. FIRST, I THINK THAT WE SHOULD TREAD CAREFULLY. IF THE LEARNING COMMUNITY MOVES FROM OPEN ENROLLMENT TO OPTION ENROLLMENT, IT COULD DIVERT MORE DOLLARS THAT WOULD OTHERWISE GO TO ALLOCATED INCOME TAX IN NONEQUALIZED DISTRICTS. SO IF YOU DON'T LIKE PROPERTY TAX ON AG LAND, YOU BETTER MAKE SURE THIS ISN'T REDUCING WHAT YOUR SCHOOL DISTRICTS RECEIVE IN TERMS OF THAT. IN ADDITION, IF WE ADOPT THIS AMENDMENT, WE SHOULD ALSO KEEP IN MIND THAT ABOUT \$3.8 MILLION WILL HAVE TO FOLLOW IT FOR THE SECOND HALF OF THE BIENNIUM. SO FOR THOSE FOLKS THAT ARE CONCERNED ABOUT STAYING AT 3.1 PERCENT AND NOT 3.9 PERCENT INCREASE IN STATE SPENDING, WE NEED TO TAKE THAT INTO ACCOUNT AS WELL. IN FACT, I'M SURPRISED SINCE SENATOR GROENE APPARENTLY IS THE ONLY PERSON THAT REPRESENTS TAXPAYERS IN HERE, HE'S NOT UP HERE TALKING ABOUT THAT

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RIGHT NOW. IN ADDITION, I WAS HERE DURING 2007. I WASN'T A STATE SENATOR, BUT I WAS A LEGISLATIVE PAGE RIGHT OVER THERE. AND I REMEMBER THAT DEBATE AND I REMEMBER THE GENESIS OF THE DEBATE AND WHY WE HAD THAT DEBATE. AND I REMEMBER IT VERY WELL BECAUSE I WAS NOT ONLY A LEGISLATIVE PAGE HERE DURING THAT DEBATE AND PAYING ATTENTION TO THAT, BUT ALSO BECAUSE I WENT TO OMAHA PUBLIC SCHOOLS WHEN THEY WERE BUSING STUDENTS BACK AND FORTH THROUGHOUT THE DISTRICT IN ORDER TO DESEGREGATE. SO THERE IS A REASON FOR THE LEARNING COMMUNITY. AND THERE ARE CONSEQUENCES FOR GETTING RID OF THE LEARNING COMMUNITY AS WELL, BOTH FISCALLY AND OTHERWISE. AND I URGE YOU TO OPPOSE THE AMENDMENT. THANK YOU, MR. PRESIDENT. [LB525]

SPEAKER HADLEY: SENATOR HILKEMANN, YOU ARE RECOGNIZED. [LB525]

SENATOR HILKEMANN: THANK YOU, MR. SPEAKER. I WOULD JUST SAY A COUPLE OF THINGS THAT PICKED UP HERE IS WE DON'T WANT TO REPLACE ONE BIG MISTAKE WITH ANOTHER MISTAKE, AND I THINK WE NEED THAT...FOR THAT, I THINK WE DO NEED TO BE DOING THIS CAUTIOUSLY. SENATOR MURANTE, YOU WERE JUST EXPLAINING TO ME, BECAUSE I SAID DO WE NEED TO HAVE A RULING OF THE CHAIR, AND FROM YOUR UNDERSTANDING OF THE RULES THAT WERE INTERPRETED TO US BY SENATOR CHAMBERS, WHAT WOULD YOU SAY THOSE RULES WOULD BE? [LB525]

SPEAKER HADLEY: SENATOR MURANTE, WILL YOU YIELD? [LB525]

SENATOR MURANTE: I WOULD YIELD. AND WE COULD CERTAINLY HAVE A RULING OF THE CHAIR. I BELIEVE THE RULE SENATOR CHAMBERS WAS REFERENCING REGARDS PULLING A BILL IN ITS ENTIRETY OUT OF A COMMITTEE AFTER IT'S BEEN INDEFINITELY POSTPONED. BUT THAT'S NOT DIRECTLY WHAT SENATOR KINTNER IS ATTEMPTING TO DO. WHAT SENATOR KINTNER IS ATTEMPTING TO DO IS TO OFFER AN AMENDMENT WHICH IS SUBSTANTIALLY SIMILAR TO A COUPLE OF BILLS WHICH ARE IN COMMITTEE. THERE IS A DIFFERENT RULE ON THAT, WHICH I CAN READ FOR YOU IF YOU ARE INCLINED TO LISTEN TO IT, WHICH IS JUST...IT'S A DIFFERENT RULE AND A DIFFERENT STANDARD APPLIES. SO IT WOULD TAKE 30 VOTES FOR...IN MY OPINION, FOR AM1572 TO BE ADOPTED. [LB525]

SENATOR HILKEMANN: THANK YOU VERY MUCH. I THINK THIS IS A GREAT DISCUSSION TO HAVE. I'VE REALLY BEEN SORRY THROUGHOUT THE COURSE OF

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THIS LEGISLATIVE SESSION. THERE IS NO...OTHER THAN PROPERTY TAX, THIS IS THE BIGGEST ISSUE THAT WE HAVE...I DEAL WITH IN MY COMMITTEE. I'M SORRY THAT...OR IN MY DISTRICT. AND IF THERE'S...IF SENATOR KINTNER WOULD LIKE THE REST OF MY TIME, HE'S SO WELCOME TO HAVE IT. [LB525]

SPEAKER HADLEY: SENATOR KINTNER, YOU'RE YIELDED 3 MINUTES. [LB525]

SENATOR KINTNER: WELL, THANK YOU VERY MUCH, MR. PRESIDENT AND SENATOR HILKEMANN. THANK YOU. YOU KNOW WHAT? I WAS AMAZED WHEN I FIRST STARTED KNOCKING ON DOORS THE ABSOLUTE HATRED FOR THIS. AND I MIGHT TELL YOU SOMETHING, WE HAVE FIVE SENATORS IN SARPY COUNTY AND I GOT TO TELL YOU SOMETHING. MY SECOND TIME, I RAN HEAVILY ON GETTING RID OF THE LEARNING COMMUNITY, AND I GOT 71 PERCENT OF THE VOTE IN SARPY COUNTY, HIGHER THAN ANY OF THE OTHER FOUR SENATORS IN A CONTESTED ELECTION. NOT BECAUSE I'M SOME GREAT GUY OR SOMETHING, JUST BECAUSE I UNDERSTAND WHAT PEOPLE LIKE AND WHAT THEY DON'T LIKE. AND THEY DON'T LIKE LEARNING COMMUNITY. NOW CAN WE FIX IT IN A WAY THAT THEY CAN LIVE WITH IT AND THEY MIGHT LEARN TO LIKE IT? POSSIBLY. AND THAT'S WHAT I'M ATTEMPTING TO DO HERE IS TO TAKE THAT FIRST STEP RIGHT HERE, AND THEN WE'RE GOING TO HAVE OUR POVERTY STUDY AND WE'LL HAVE THE EDUCATION COMMITTEE, STILL HAVE OUR SUPERINTENDENTS WORKING TOGETHER. AND I THINK THAT WE CAN MOVE FORWARD TOGETHER IN A CAUTIOUS, CAREFUL, MEASURED WAY. AND I'VE AGREED TO BACK OFF OF JUST ABOLISHING THE LEARNING COMMUNITY. I'VE AGREED TO WORK WITH ALL INTERESTED STAKEHOLDERS. THAT INCLUDES THE SARPY SENATORS, THE SUPERINTENDENTS, THE EDUCATION COMMITTEE, AND MAKE SURE THAT WE'RE MOVING TOGETHER, THAT WE KEEP THE KIDS' INTEREST IN MIND, NEVER FORGETTING THE TAXPAYERS WHO ARE PAYING FOR IT EITHER. AND I THINK IF WE DO THIS TOGETHER, I REALLY BELIEVE THAT THE KIDS WILL BE THE WINNERS, THE TAXPAYERS WILL BE THE WINNERS, AND WE'LL ACCOMPLISH SOMETHING SIGNIFICANT. IT STARTS RIGHT HERE. [LB525]

SPEAKER HADLEY: ONE MINUTE. [LB525]

SENATOR KINTNER: I WON'T CALL IT A BABY STEP. MAYBE IT'S A LITTLE BIT MORE THAN A BABY STEP. BUT THIS ISN'T GOING THAT FAR, BUT THIS GETS US ROLLING IN THE RIGHT DIRECTION, GETS THAT POVERTY STUDY GOING. AND I THINK THAT IT'LL GIVE US SOMETHING TO WORK ON NEXT YEAR. SO I WOULD CERTAINLY ENCOURAGE YOU TO VOTE FOR THESE AMENDMENTS AND TO VOTE

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FOR THIS BILL AFTER WE HAVE IT AMENDED. THANK YOU, MR. PRESIDENT.
[LB525]

SPEAKER HADLEY: THOSE IN THE QUEUE ARE SENATORS BAKER, McCOLLISTER, SCHNOOR, GROENE, HANSEN, AND OTHERS. SENATOR BAKER, YOU'RE RECOGNIZED. [LB525]

SENATOR BAKER: THANK YOU, MR. PRESIDENT. I HAD NOT ANTICIPATED THE DISCUSSION OF THE LEARNING COMMUNITY WAS GOING TO COME UP TODAY. SINCE IT HAS, I'LL PUT IN MY TWO CENTS WORTH. I DO APPRECIATE SENATOR CHAMBERS' ANALYSIS OF THE RULES AND, YOU KNOW, UTILIZING HIS YEARS OF EXPERIENCE HERE. I THINK WHAT HE OFFERED IS VALUABLE. I'VE BEEN THINKING ABOUT THIS A LOT. YOU KNOW, ONE NOTION THAT I HAD THAT I THOUGHT ABOUT INTRODUCING LEGISLATION NEXT YEAR TO ALLOW ANY DOUGLAS OR SARPY COUNTY SCHOOL DISTRICT WITH A POPULATION OF UNDER 12,000 TO HAVE THE RIGHT TO OPT OUT OF THE LEARNING COMMUNITY. I'M NOT TALKING ABOUT THE NUMBER OF STUDENTS, I'M TALKING ABOUT THE POPULATION OF THE SCHOOL DISTRICT. SO THAT WOULD INCLUDE DOUGLAS COUNTY WEST AND SPRINGFIELD PLATTEVIEW WHO SEEM TO BE THE TWO DISTRICTS THAT HAVE PERHAPS THE BIGGEST PROBLEM BEING A MEMBER OF LEARNING COMMUNITY RIGHT NOW. YOU KNOW, THOSE DISTRICTS NOW ARE NOT REALLY PART OF THE SUBURB AND RING AROUND THE METROPOLITAN, AROUND THE URBAN AREA. YOU KNOW, AS THE SOD LINE OF OMAHA CONTINUES TO CREEP OUTWARD, SOMEDAY THEY WILL BE. AND IF THEIR POPULATION WOULD INCREASE 12,000, UNDER THIS IDEA, THEY WOULD BE BACK IN THE LEARNING COMMUNITY. RIGHT NOW, THE NATURE OF DOUGLAS COUNTY WEST AND SOUTH SARPY, AS FAR AS RELATIONSHIP TO OMAHA, IS REALLY NO DIFFERENT THAN THAT OF FORT CALHOUN OR MAYBE ARLINGTON. THEY JUST HAVE THE MISFORTUNE OF BEING IN DOUGLAS COUNTY AND SARPY COUNTY. SO A SECOND THOUGHT WOULD BE TO PUSH OUT THE IMPLEMENTATION OF THE CHANGES IN LEARNING COMMUNITY ANOTHER YEAR, PERHAPS TWO YEARS, BECAUSE I GUESS I'M JUST CONVINCED THAT TAKING CARE OF POVERTY HAS TO HAPPEN HAND-IN-HAND WITH THE DROPPING...ANY CONSIDERATION OF DROPPING THE COMMON LEVY. IT CAN'T BE--WE'LL DROP THE LEVY NOW AND HERE'S A PROMISE WE'LL TAKE CARE OF YOU LATER. YOU KNOW, EVERY SCHOOL IN STATE HAS POVERTY STUDENTS. AND IT'S NOT UNCOMMON FOR A LOT OF SCHOOLS ACROSS THE STATE TO HAVE A POVERTY LEVEL OF 40 PERCENT OF STUDENTS ON FREE AND REDUCED PRICE LUNCHES. HOWEVER, THE CHALLENGE FOR SCHOOLS INCREASES GEOMETRICALLY AS THAT POVERTY LEVEL GETS HIGHER AND HIGHER. WHEN YOU START TALKING

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ABOUT 60, 70, 80, 90 PERCENT OF THE STUDENTS IN THE SCHOOL BEING IN POVERTY THAT IS A TREMENDOUS CHALLENGE AND IT'S SOMETHING THAT NEEDS TO BE TAKEN CARE OF IN THE STATE FUNDING FORMULA. BUT I DO THINK THAT, YOU KNOW, IT'S IMPOSSIBLE TO DO THAT THIS YEAR PROBABLY. BUT, YOU KNOW, IF THE...IF WE HAD BEEN IN A POSITION TO PASS SOMETHING IMPLEMENTING THAT TWO YEARS OUT, GIVING US TIME TO PUT THE POVERTY FUNDING IN PLACE WITH THAT LEAD TIME, THAT PROBABLY HAD A BETTER CHANCE OF WORKING THAN, SAY, WE'LL ELIMINATE THE COMMON LEVY NOW AND GIVE YOU A PROMISE WE'RE GOING TO STUDY POVERTY LATER. SO, BY THE WAY, I DON'T EVEN KNOW IF THAT IDEA IS A GOOD ONE ABOUT LETTING SCHOOL DISTRICTS WITH A POPULATIONS UNDER 12,000 OUT. IT'S JUST AN IDEA I HAD AND MIGHT NOT EVEN END UP WANTING TO DO THAT MYSELF. I DO THINK...I DO FEEL WE HAVE A DUTY TO DO SOMETHING WITH THE LEARNING COMMUNITY. THE 11 SCHOOLS INVOLVED, ALL SAY THAT IT'S NOT WORKING THE WAY IT'S SUPPOSED TO RIGHT NOW. THEY ALL AGREE ON MANY THINGS. THEY WANT CHANGE. SO I THINK WE HAVE A DUTY TO HAVE LEGISLATION... [LB525]

SPEAKER HADLEY: ONE MINUTE. [LB525]

SENATOR BAKER: ...THAT WE COULD PUT IN PLACE IN THE 2016 SESSION OF THE LEGISLATURE. I JUST DON'T THINK THAT THE AMENDMENT THAT SENATOR KINTNER HAS PROPOSED IS PROBABLY A SHOVEL-READY PROJECT RIGHT NOW. I WOULD YIELD THE REST OF MY TIME TO SENATOR KRIST. [LB525]

SPEAKER HADLEY: THERE IS ONLY 30 SECONDS LEFT, SENATOR KRIST. [LB525]

SENATOR KRIST: THAT'S ALL I NEED. I CAN'T SUPPORT IT FOR TWO REASONS. BUT THE BIGGEST ONE, SENATOR KINTNER, IS IF WE REMOVE THIS COMMON LEVY RIGHT NOW, WE THROW A HAND GRENADE INTO THE FUNDING MECHANISM ACROSS THE BOARD. IT'S JUST TOO QUICK, AND THAT ONE THING BY ITSELF WILL BE DEMONSTRATIVE FOR THE LEARNING COMMUNITY ITSELF. THANK YOU. [LB525]

SPEAKER HADLEY: THANK YOU, SENATOR BAKER AND SENATOR KRIST. SENATOR McCOLLISTER, YOU'RE RECOGNIZED. [LB525]

SENATOR McCOLLISTER: THANK YOU, MR. SPEAKER. MEMBERS, SENATOR HARR INDICATED THERE HAD BEEN A GREAT PASSAGE OF TIME SINCE I ATTENDED WESTSIDE HIGH SCHOOL. THAT'S TRUE, BUT THE ALTERNATIVE IS

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UNATTRACTIVE TO ME, WITH THE NO PASSAGE OF TIME. SO I'M HAPPY TO BE HERE WITH YOU TONIGHT. HE INDICATED I WENT TO WESTSIDE HIGH SCHOOL IS TRUE. SINCE I ATTENDED WESTSIDE HIGH SCHOOL, IT HAS CHANGED A GREAT DEAL. IT WAS VERY LITTLE POVERTY AT THE TIME I WENT TO WESTSIDE HIGH SCHOOL IN THE MID-'60s, AND NOW WE'RE AT 30-35 PERCENT FREE AND REDUCED LUNCHES. I'D ASK SENATOR KINTNER A QUESTION IF HE'D YIELD. [LB525]

SPEAKER HADLEY: SENATOR KINTNER, WILL YOU YIELD? [LB525]

SENATOR KINTNER: CERTAINLY. [LB525]

SENATOR McCOLLISTER: THANK YOU, SENATOR KINTNER. WHAT WOULD BE THE IMMEDIATE IMPACT IF WE ADOPTED YOUR AMENDMENT, SIR? [LB525]

SENATOR KINTNER: THE AMENDMENT AND THE...BOTH AMENDMENTS, RIGHT? [LB525]

SENATOR McCOLLISTER: YES, SIR. [LB525]

SENATOR KINTNER: WELL, WHAT WOULD HAPPEN WOULD BE THE TRANSPORTATION COSTS WOULD GO AWAY. THE OPTION ENROLLMENT, YOU CAN PUT YOUR KID IN A SCHOOL IF THEY HAVE ROOM AND THEY'LL TAKE THEM. THE SECOND THING IS THE COMMON LEVY WOULD GO AWAY. THAT'S WHAT PEOPLE...JUST DRIVES THEM NUTS WHEN THEY HAVE TO WRITE THAT CHECK. THE THIRD THING IS THE BOUNDARIES WOULD STAY AS THEY ARE NOW. AND THE FOURTH THING IS THERE WOULD BE A POVERTY STUDY DONE. [LB525]

SENATOR McCOLLISTER: THANK YOU. SO THERE WOULDN'T BE ANY CONTINUING NEGOTIATIONS ABOUT THIS BILL, IT'S A FAIT ACCOMPLI. [LB525]

SENATOR KINTNER: WELL, THIS RIGHT HERE JUST MOVES IT FORWARD. THAT'S WHAT IT DOES. THEY'RE GOING TO HAVE THE POVERTY STUDY. IT'S GOING TO COME BACK. WE'RE GOING TO FIGURE WHAT OPS NEEDS AND WHAT OTHER SCHOOLS NEED AND THEN WE'RE GOING TO MOVE FORWARD FROM THERE. AT THE SAME TIME, THE SUPERINTENDENTS ARE STILL TALKING, SO IF THEY WANT TO MAKE CHANGES AND THEY'RE STILL TOGETHER, THE LEARNING COMMUNITY COUNCIL IS STILL THERE, SO ALL THE PIECES ARE STILL THERE. SO

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IF WE WANT TO MOVE FORWARD ANOTHER STEP AFTER WE'VE DONE ALL THAT, IT'S THERE AND READY TO GO. [LB525]

SENATOR McCOLLISTER: WELL, BELIEVE ME I'M SYMPATHETIC TO THE SENTIMENT AND WE CERTAINLY NEED A CHANGE IN THE THREE SYSTEMS THAT I REPRESENT. MILLARD, FOR SURE, IS UNHAPPY WITH THE ARRANGEMENT; WESTSIDE IS RELATIVELY HAPPY; AND I'M NOT EXACTLY SURE ABOUT OPS. BUT THE WHOLE THING HAS GOT THE...A SENSE OF A SHOTGUN MARRIAGE. AND FOR THAT, I'M AFRAID I CAN'T SUPPORT THE AMENDMENT, BUT I CERTAINLY CAN SUPPORT THE LB525. I YIELD THE BALANCE OF MY TIME TO SENATOR CHAMBERS. [LB525]

SPEAKER HADLEY: SENATOR CHAMBERS, YOU'RE YIELDED 2 MINUTES AND 20 SECONDS. [LB525]

SENATOR CHAMBERS: THANK YOU, MR. PRESIDENT. THANK YOU, SENATOR McCOLLISTER. THERE ARE PEOPLE ON THIS FLOOR WHO DEMONSTRATE THEY DON'T KNOW WHAT HAPPENED WHEN THE LEARNING COMMUNITY WAS CREATED. THAT ISSUE WAS DEBATED IN ONE FORM OR ANOTHER THROUGHOUT THAT SESSION. ONE CITY, ONE SCHOOL DISTRICT, WESTSIDE HAVING BEEN CARVED OUT OF THE OPS SYSTEM BECAUSE RICH WHITE PEOPLE DIDN'T WANT THEIR CHILDREN GOING TO SCHOOL WITH BLACK CHILDREN, SO THINGS LIKE WHITE FLIGHT, RESIDENTIAL SEGREGATION, ALL OF THOSE ISSUES, AND THEY WERE NOT ALL DISCUSSED ON SELECT FILE, AND WHOEVER SAYS THAT IS OUT OF HIS MIND OR HE WAS NOT HERE. BUT SEE, THAT'S WHO YOU ALL LISTEN TO. SO DO IT IF YOU PLEASE, BUT THIS IS ONE OF THE MOST UNWISE DECISIONS YOU CAN MAKE EVEN IF YOU HATE THE LEARNING COMMUNITY. THIS IS THE TAIL END OF THE SESSION. SENATOR KINTNER HAS NO IDEA WHAT IMPACT THIS AMENDMENT IS GOING TO HAVE. SO I'M NOT GOING TO TRY, EVEN IF I WOULD TAKE AS MUCH TIME AS IT TOOK TO COUNTERACT WHAT HE HAS SAID POINT BY POINT, FIRST OF ALL IT WOULDN'T MAKE ANY DIFFERENCE. BUT IF YOU DO IT, THEN I WILL JUST SHOW ON THE RECORD WHERE I TRIED AS STRONGLY AS I COULD TO PERSUADE YOU NOT TO DO THIS BECAUSE IT IS NOT SOUND LEGISLATING. [LB525]

SPEAKER HADLEY: ONE MINUTE. [LB525]

SENATOR CHAMBERS: MAYBE IT WOULD BE GOOD IF YOU DID IT. SOMETIMES GIVE PEOPLE WHAT THEY ASK FOR, AND THEY GET WHAT THEY ASK FOR AND

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DISCOVER IT'S NOT WHAT THEY WANTED. SO GO AHEAD, FOLLOW SENATOR KINTNER, THAT'S YOUR LEADER. THAT'S YOUR SPOKESPERSON. HE HAS LED YOU ON OTHER ISSUES THIS SESSION. WELL, NOW YOU'VE GIVEN HIM REASON TO BELIEVE THAT. SO FOLLOW HIM AND MAYBE HE WON'T CALL YOU WIMPS IN THE PAPER TOMORROW. THAT'S YOUR LEADER. YOU FOLLOW YOUR LEADER. I FOLLOW MY MIND. SO I WILL VOTE AGAINST THAT AMENDMENT, AND IF IT GETS TOO UGLY, THE INTRODUCER OF A BILL CAN ALWAYS WITHDRAW HIS OR HER BILL OR MOVE THAT IT BE PASSED OVER. THANK YOU, MR. PRESIDENT. [LB525]

SPEAKER HADLEY: THANK YOU, SENATOR CHAMBERS. SENATOR SCHNOOR, YOU'RE RECOGNIZED. [LB525]

SENATOR SCHNOOR: THANK YOU, MR. PRESIDENT. I GUESS TO REMIND EVERYBODY, YOU KNOW, SCHOOL FUNDING HAS ALREADY BEEN CERTIFIED FOR THE 2015-16 SCHOOL YEAR. THIS BILL, AS FAR AS THE FUNDING GOES, WOULD NOT HAVE ANY EFFECT UNTIL 2016 AND '17. AND SINCE IT AFFECTS PROPERTY TAXES, IT WOULDN'T...YOU WOULDN'T SEE ANY CHANGE TILL 2017-18, WHICH...SO, YOU KNOW, WHICH IS A NORMAL TURN OF EVENTS. BUT TO SAY THIS IS GOING TO HAVE AN IMMEDIATE EFFECT, IT WILL NOT. YOU KNOW, I DO AGREE THAT THERE'S PROBLEMS WITHIN THE LEARNING COMMUNITY. WHEN IT WAS ARGUED...OR EXCUSE ME, DEBATED AT THE...IN THE COMMITTEE, THE NUMBER ONE TOPIC OF DISCUSSION WAS THE COMMON LEVY. THAT'S WHAT ALWAYS CAME UP. IT DIDN'T MATTER WHO WAS TALKING, IT WAS ALL ABOUT THE COMMON LEVY, AND THAT WAS FROM BOTH SIDES OF THE ISSUE. IRONICALLY, WHAT WAS NEVER TALKED ABOUT WAS EDUCATION. IT WAS ALL ABOUT MONEY. BUT I THINK, YOU KNOW, ULTIMATELY, EVERYTHING WE DISCUSS HERE, WHEN YOU REALLY NARROW IT DOWN, IT'S ABOUT MONEY. SO I DO AGREE THAT CHANGES NEED TO BE MADE WITHIN THE LEARNING COMMUNITY. I GUESS, ULTIMATELY, I DON'T AGREE WITH THIS PROCESS OF HOW IT'S BEING DONE. YOU KNOW, WE'RE ON THE EDUCATION COMMITTEE, WE'RE VERY LIKELY GOING TO MEET THIS SUMMER AND DISCUSS FUNDING AND THE ENTIRE EDUCATION PROCESS. SO, YOU KNOW, THIS IS A GOOD TIME, SINCE WE'RE TALKING ABOUT FUNDING, LEARNING COMMUNITY IS A BIG TOPIC OF DISCUSSION THEN. SO I GUESS MY PREFERENCE IS TO NOT SABOTAGE LB525 AND GIVE US A CHANCE TO HASH THIS OUT OVER THE SUMMER. SO THAT'S MY PROPOSAL. SO, SENATOR KINTNER, IN ALL ACTS OF FAIRNESS, I'LL YIELD THE REST OF MY TIME TO YOU TO REBUT ANY OF THOSE COMMENTS. THANK YOU. [LB525]

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SPEAKER HADLEY: SENATOR KINTNER, YOU'RE YIELDED 2 MINUTES AND 5 SECONDS. [LB525]

SENATOR KINTNER: AS THE EDUCATION COMMITTEE IS FIDDLING, ROME IS BURNING. IT'S GOING TO COST PLATTEVIEW SPRINGFIELD \$2 MILLION MORE. IT'S GOING TO COST DC WEST \$1.6 OR \$1.8 (MILLION), I'M NOT SURE. IT'S GOING TO COST PAPIILLION \$1.4 MILLION. AND I GOT TO TELL YOU, THREE YEARS, THIS IS THE FIRST TIME WE'VE HAD A BILL IN A DEBATE ON THE FLOOR. MY FIRST TWO YEARS HAS BEEN SENATOR SMITH, SENATOR MURANTE, AND MYSELF, AND SOMETIMES SENATOR CRAWFORD JUST TALKING ABOUT IT AND COMPLAINING ABOUT IT. THIS IS THE FIRST TIME IN THREE YEARS WE'VE ACTUALLY HAD A REAL PROPOSAL THAT'S SERIOUS THAT ATTEMPTS TO ADDRESS THESE PROBLEMS IN A WAY THAT MOVES US A COUPLE STEPS FORWARD AND ENCOURAGES US TO KEEP WALKING TOGETHER AFTER THAT. THIS IS THE FIRST TIME THAT WE'VE HAD A SERIOUS PROPOSAL. AND TO TELL ME THAT THE EDUCATION COMMITTEE IS GOING TO MEET THIS SUMMER, WELL, HALLELUJAH, I'M GLAD. PLEASE. BECAUSE IF WE PASS THIS... [LB525]

SPEAKER HADLEY: ONE MINUTE. [LB525]

SENATOR KINTNER: ...I WANT YOU GUYS MEETING ON THE NEXT STEP, THE NEXT THING WE HAVE TO DO. THERE'S A LOT OF WORK TO BE DONE. THIS IS JUST A COUPLE OF STEPS DOWN THE ROAD. WE'VE GOT A LOT OF WORK AFTER THIS. AND I WOULD ENCOURAGE YOU TO MEET THIS SUMMER AND ENCOURAGE YOU TO BUILD ON THIS. AND I THINK WE CAN GET EVERYONE INVOLVED TOGETHER AND MOVE FORWARD. THE OTHER THING I WOULD SAY, IF YOU THINK THERE'S A PROBLEM WITH THE START DATE AND IT'S GOING TO MESS WITH TEEOSA, WE CAN AMEND IT AND CHANGE THE START DATE. IT'S NOT THAT BIG OF A THING. THAT DOES NOT WORRY ME. IF WE NEED TO PUSH IT BACK FOR TEEOSA PURPOSES, THAT'S VERY DOABLE. LET'S MAKE THE CHANGES. LET'S DO WHAT NEEDS TO BE DONE. LET'S MOVE FORWARD AND LET'S HELP THESE KIDS. THANK YOU, MR. PRESIDENT. [LB525]

SPEAKER HADLEY: THANK YOU, SENATOR SCHNOOR AND SENATOR KINTNER. SENATOR GROENE, YOU'RE RECOGNIZED. [LB525]

SENATOR GROENE: THANK YOU, MR. PRESIDENT. DOES ANYBODY DENY THAT STATE AID TO EDUCATION IS BROKEN? IT'S TOTALLY BROKEN. IT'S BROKEN IN THE RURAL AREAS WITH THE PROPERTY TAX. IT'S BROKEN IN THE LEARNING

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COMMUNITY WITH THIS COMMON LEVY AND OPEN ENROLLMENTS. IT'S BEEN TINKERED WITH SO MUCH. THERE'S A FEW SCHOOL DISTRICTS THAT ARE SMILING ALL THE WAY TO THE BANK BECAUSE THEY GET A LOT OF TEEOSA, STATE AID TO EDUCATION, AND THEY FIGHT IT. THEY FIGHT IT. THEY DON'T WANT ANY CHANGES. IT'S TIME FOR SARPY COUNTY, THE LEARNING COMMUNITY PEOPLE TO COME TOGETHER WITH US RURAL SENATORS AND MAKE SOME CHANGES. BUT I CAN'T STAND HERE AND SAY I'M GOING TO DO...TRY TO SUPPORT ANYTHING THAT DIVIDES AND CONQUERS. WE NEED TO DO THIS ALTOGETHER IN THE SUMMER. WE NEED TO GET TOGETHER. EVERYBODY NEEDS TO BE ON THE SAME PLAYING FIELD. EVERYBODY NEEDS TO BE UNDER STATE AID TO EDUCATION FORMULA, TEEOSA, AS FAR AS FUNDING, YES. I CAN'T SUPPORT THE BILL. I CAN'T SUPPORT YOUR AMENDMENT BECAUSE THAT WOULD BE HYPOCRITICAL. YOU'RE DOING THE SAME THING SENATOR KOLOWSKI DID TO A CLEANUP BILL. BUT I UNDERSTAND YOUR PASSION. I APOLOGIZE THAT I VOTED TO IPP YOUR BILL. I WAS A ROOKIE AND I DIDN'T UNDERSTAND THE CONSEQUENCES AND I KNOW WHY THE POLITICS BEHIND IT NOW, BUT...AND SENATOR SMITH'S BILL. BUT THIS NEEDS TO BE DONE TOGETHER. THE COMMON LEVY, TEEOSA, FIX THE STATE AID, THE FORMULA, WHERE THE MONEY COMES FROM, THE POOL OF MONEY NEEDS TO BE FIXED THIS SUMMER. NOT TEEOSA. I ALWAYS SAY THAT. WHERE THE MONEY COMES FROM TO FUND TEEOSA NEEDS TO BE FIXED. THAT'S WHAT WE NEED TO DO FIRST. OMAHA NEEDS TO BE DUMPED INTO IT. SARPY COUNTY SCHOOLS, LEARNING COMMUNITY, WE NEED TO GET RID OF OPEN BUSING. THAT'S FOOLISH. OPEN BUSING IS FOOLISH. YOU'RE TAKING THE BEST OF THE BEST OF THE POVERTY SCHOOLS, THE PARENTS WHO CARE, THE SINGLE MOTHER WHO WORKS THREE JOBS, WHO CARES ABOUT HER KID, SHE TAKES HIM AND SENDS HIM OFF TO ANOTHER SCHOOL. WHAT IS LEFT IS THE POOREST OF THE POOR. A CHILD THAT HAS NO ADVOCATE TO SAY I'M GOING TO TRY TO GET YOU INTO ANOTHER SCHOOL DISTRICT. OPEN ENROLLMENT IS FOOLISHNESS. I DON'T KNOW WHERE IT CAME FROM, BUT IT CREATES A WORST PROBLEM THAN IT SOLVES. THE BUSING NEEDS TO GO AWAY. THAT'S \$5.5 MILLION, \$6 MILLION; TEEOSA DIFFERENCE IN THE FORMULA IF ALL THE SCHOOLS WERE DUMPED BACK IN, AND THE LEARNING COMMUNITY, YOUR \$3 OR \$4 MILLION, YOU'RE ACTUALLY AHEAD OF THE WHOLE SITUATION. BOUNDARIES NEED TO STAY THE SAME. PEOPLE IDENTIFY WITH THEIR SCHOOL DISTRICTS. YOU DON'T NEED ONE MASSIVE SCHOOL DISTRICT. YOU CAN LOOK AT WASHINGTON, D.C., L.A., NEW YORK, ALL OF THOSE. ANYTIME THEY GET BIGGER, THINGS GET WORSE. ALL THE EXAMPLES ARE OUT THERE. BUT LET'S PUT THIS TOGETHER. LET'S WORK TOGETHER THIS SUMMER AND COME UP WITH A FIX THAT CAUSES THE COMMON LEVY TO GO AWAY, PUTS EVERYBODY ON THE SAME PLAYING FIELD,

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GETS RID OF THE BIGGEST URBAN-RURAL CONFLICT--IT'S STATE AID TO EDUCATION. WE ALL KNOW IT. WE ALL GOT TO GIVE A LITTLE. WE NEED TO FIX THIS THING. THIS DOESN'T DO IT. AND I UNDERSTAND SENATOR KINTNER'S PASSION. BUT LB525 IS A CLEANUP BILL, AND THAT'S THE WAY IT NEEDS TO STAY. AND WE NEED TO HAVE...HEY, FOLKS, I ACCOSTED NINE PEOPLE ON APPROPRIATIONS THAT GOT TOO MUCH POWER. WE GOT A PROBLEM ON THE EDUCATION COMMITTEE WITH INFIGHTING AND PROTECTING HOME TURF. THAT NEEDS TO CHANGE. BECAUSE THE EIGHT OF US, THIS WHOLE BODY IS RELYING ON US TO DO SOMETHING. AND SENATOR SULLIVAN IS A GREAT LEADER, BUT WE NEED TO WORK TOGETHER AND WE NEED TO GET THIS DONE THIS SUMMER AND PEOPLE NEED TO TELL THE LOBBYISTS TO GO AWAY, BECAUSE WE NEED TO FIX THIS FOR THE GREATER GOOD OF NEBRASKA AND THE CHILDREN OF NEBRASKA. I'M JUST ABSOLUTELY AMAZED THAT THE POVERTY KEEPS GOING UP. WE WERE TOLD FOR GENERATIONS THAT PUBLIC EDUCATION WAS A GREAT EQUALIZER. IT WAS THE ONE THING THAT WOULD GET RID OF POVERTY. [LB525]

SPEAKER HADLEY: ONE MINUTE. [LB525]

SENATOR GROENE: SOMETHING'S GOING WRONG AND I DON'T THINK IT'S THE MONEY. I THINK IT'S IN THE PROCESS. SOMETHING IS GOING WRONG IN OUR SCHOOLS. MAYBE WE OUGHT TO START LOOKING AT THE PROCESS AND QUIT TURNING IT OVER TO THE SO-CALLED EXPERTS AND AVERAGE PEOPLE WHO HAVE BEEN SUCCESSFUL IN LIFE STARTS LOOKING INTO THE SCHOOLS AND SAY WHAT'S GOING ON HERE. BUT THAT'S ANOTHER PART OF IT. BUT WE'RE NOT LOOKING AT THIS SUMMER, WE'RE LOOKING AT THE POOL OF MONEY AND HOW IT'S DIVIDED UP AND FAIRNESS WITH THE PROPERTY TAX ISSUE. AND WHO GETS...AND EVERYBODY GETS SOME OF THEIR INCOME AND SALES TAX BACK TO THEM THAT THEY PAID. THAT'S WHAT WE NEED TO FIX, BUT WE NEED EVERYBODY ON THE SAME PLAYING FIELD, AND THAT'S GETTING RID OF THE COMMON LEVY AND THE LEARNING COMMUNITY ALSO. LET'S ALL BE ON THE SAME RULES AND UNDER THE SAME FUNDING FORMULA. THANK YOU. [LB525]

SPEAKER HADLEY: THANK YOU, SENATOR GROENE. SENATOR HANSEN, YOU'RE RECOGNIZED. [LB525]

SENATOR HANSEN: QUESTION. [LB525]

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SPEAKER HADLEY: THE QUESTION HAS BEEN CALLED. DO I SEE FIVE HANDS? I DO. THE QUESTION IS, SHALL DEBATE CEASE? ALL THOSE IN FAVOR VOTE AYE; ALL THOSE OPPOSED VOTE NAY. RECORD, MR. CLERK. [LB525]

CLERK: 26 AYES, 4 NAYS, MR. PRESIDENT, TO CEASE DEBATE. [LB525]

SPEAKER HADLEY: DEBATE DOES CEASE. SENATOR KINTNER, YOU'RE RECOGNIZED TO CLOSE. [LB525]

SENATOR KINTNER: WHAT THIS DOES IS VERY SIMPLE. IT SIMPLY TAKES THE OPT-OUT PROVISION OUT OF THIS BILL...OR THIS AMENDMENT. IF WE'RE GOING TO GET THE SCHOOL DISTRICTS TO WORK TOGETHER AND MOVE FORWARD TO SOLVE THESE PROBLEMS TOGETHER, YOU CAN'T HAVE ANY OF THEM OPTING OUT. SO THE ORIGINAL BILL WAS AN OPT-OUT BILL AND THAT'S THE VEHICLE I USED TO BRING IT TO THE FLOOR. AND THEN I GUTTED IT AND STUCK THIS IN. BUT WE DIDN'T...SOMEHOW DIDN'T GET THAT OUT. SO WHAT THIS DOES IS IT TAKES THE OPT OUT AND MAKES SURE THAT THE SCHOOL DISTRICTS ARE STILL A LEARNING COMMUNITY AND THEY'RE STILL WORKING TOGETHER AFTER THIS THING IS PASSED. THANK YOU, MR. PRESIDENT. [LB525]

SPEAKER HADLEY: THE QUESTION BEFORE THE BODY IS THE ADOPTION OF THE AMENDMENT. ALL IN FAVOR VOTE AYE; ALL OPPOSED VOTE NAY. HAVE ALL VOTED? SENATOR KINTNER FOR WHAT PURPOSE DO YOU RISE? [LB525]

SENATOR KINTNER: CAN I HAVE A CALL OF THE HOUSE? [LB525]

SPEAKER HADLEY: THERE HAS BEEN A REQUEST TO PLACE THE HOUSE UNDER CALL. THE QUESTION IS, SHALL THE HOUSE GO UNDER CALL? ALL THOSE IN FAVOR VOTE AYE; ALL THOSE OPPOSED VOTE NAY. RECORD, MR. CLERK. [LB525]

CLERK: 40 AYES, 0 NAYS TO PLACE THE HOUSE UNDER CALL. [LB525]

SPEAKER HADLEY: THE HOUSE IS UNDER CALL. SENATORS, PLEASE RECORD YOUR PRESENCE. THOSE UNEXCUSED SENATORS OUTSIDE THE CHAMBER PLEASE RETURN TO THE CHAMBER AND RECORD YOUR PRESENCE. ALL UNAUTHORIZED PERSONNEL PLEASE LEAVE THE FLOOR. THE HOUSE IS UNDER CALL. SENATORS NORDQUIST, GLOOR, DAVIS, LARSON, AND COASH, THE HOUSE

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IS UNDER CALL. SENATORS NORDQUIST AND LARSON. HOW WOULD YOU LIKE TO PROCEED, SENATOR KINTNER? [LB525]

SENATOR KINTNER: CAN WE GO WITH A ROLL CALL VOTE, REGULAR ORDER, PLEASE? [LB525]

SPEAKER HADLEY: MR. CLERK. [LB525]

CLERK: (ROLL CALL VOTE TAKEN, LEGISLATIVE JOURNAL PAGES 1706-1707.) 13 AYES, 32 NAYS, MR. PRESIDENT, ON THE AMENDMENT TO THE AMENDMENT. [LB525]

SPEAKER HADLEY: THE AMENDMENT FAILS. MR. CLERK. I RAISE THE CALL. [LB525]

CLERK: MR. PRESIDENT, SENATOR KINTNER WOULD MOVE TO AMEND HIS AMENDMENT TO AM1699. (LEGISLATIVE JOURNAL PAGE 1707.) [LB525]

SPEAKER HADLEY: SENATOR KINTNER, YOU'RE RECOGNIZED TO OPEN ON YOUR AMENDMENT. [LB525]

SENATOR KINTNER: NEVER LET IT BE SAID THAT I DO NOT LISTEN. ONE THING THAT I THINK SENATOR SULLIVAN, CHAIRMAN SULLIVAN SAID THAT SHE WOULD RATHER HAVE A POVERTY STUDY FOR THE WHOLE STATE. THIS STRIKES OUT OPS AND RALSTON AND REPLACES IT WITH THE ENTIRE STATE OF NEBRASKA. AND WE CAN DO THAT. CERTAINLY HAVE NO PROBLEM WITH THAT. I DON'T MEAN TO SLIGHT ANYONE. AND IF A POVERTY STUDY WOULD HELP OTHER SCHOOL DISTRICTS OUTSIDE OF DOUGLAS AND SARPY COUNTY, I AM ALL FOR THAT. SEE IF THERE IS ANYTHING ELSE WE HAVE IN HERE WE'VE GOT TO HIT. OTHER THAN THAT, I THINK THAT'S ALL IT DOES. I THINK IT'S PRETTY EASY. AND, MR. PRESIDENT, THAT'S IT. THANK YOU. [LB525]

SPEAKER HADLEY: SENATOR COOK, YOU'RE RECOGNIZED. [LB525]

SENATOR COOK: THANK YOU, MR. PRESIDENT, AND GOOD EVENING, COLLEAGUES. I RISE IN OPPOSITION TO AM1699 AND AM1572, AND IN CONTINUED SUPPORT OF LB525. WE'VE HAD IT SAID MANY, MANY TIMES, IT'S ALMOST CLICHE, IT IS CLICHE, IT'S ALL ABOUT THE KIDS. I FIND IT'S SOMEWHAT IRONIC

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THAT EARLIER WHEN MY COLLEAGUE AND FRIEND SENATOR BURKE HARR ASKED ABOUT THE NUMBER OF CHILDREN REPRESENTED WITHIN THE OMAHA AND RALSTON SCHOOL DISTRICTS, THAT'S MORE THAN HALF OF THE STUDENTS REPRESENTED IN THE LEARNING COMMUNITY. SENATOR KINTNER'S RESPONSE, AND I DON'T HAVE THE TRANSCRIPT, WAS HE DIDN'T CARE. MANY OF YOU HEARD IT OR SAW IT ON TV. I DO CARE ABOUT THOSE STUDENTS. THOSE ARE...THOSE FAMILIES DESERVE TO HAVE A QUALITY EDUCATION AND WE, IN THE EDUCATION COMMITTEE, HAVE COMMITTED TO THAT PATH OVER THE SUMMER. WOULD SENATOR KINTNER YIELD TO A QUESTION? [LB525]

SPEAKER HADLEY: SENATOR KINTNER, WILL YOU YIELD? [LB525]

SENATOR KINTNER: YES. [LB525]

SENATOR COOK: THANK YOU. I'M READING YOUR AMENDMENT, THE ONE YOU DRAFTED, AM1572. ON PAGE 46, I BELIEVE, OR SECTION 60, YOU DESCRIBE A STUDY OF POVERTY CHALLENGES ACROSS THE STATE. WHAT DOES THAT STUDY INCLUDE? [LB525]

SENATOR KINTNER: WHATEVER THE EDUCATION COMMITTEE WANTS. [LB525]

SENATOR COOK: OH, OKAY. THANK YOU. [LB525]

SENATOR KINTNER: WE HAVE THE EDUCATION COMMITTEE. I THINK THEY KNOW WHAT WE NEED TO DO. [LB525]

SENATOR COOK: ALL RIGHT. WELL, THANK YOU FOR THAT VOTE OF CONFIDENCE. INTERESTINGLY IN LB525 IS INCLUDED LB509, WHICH ADDRESSES AN ASPECT OF THE UTILIZATION OF THE POVERTY ALLOWANCE. I ALSO WANTED TO USE THIS TIME TO TALK ABOUT THE COMMON LEVY, WHICH HAS AN INCREASE...HAS BEEN REPRESENTED AS EVIL AND IT'S SOMETHING THAT NOBODY WANTS TO HAVE ANYTHING TO DO WITH. AND I WOULD REPRESENT AND TELL YOU THAT THERE ARE PEOPLE, OTHER THAN MYSELF, ONE REPRESENTATIVE WHO SERVES ON THE EDUCATION COMMITTEE, WHO ARE INTERESTED IN MAINTAINING THE COMMON LEVY, MINIMALLY, OR WHAT THE COMMON LEVY REPRESENTS. MY COLLEAGUE ON THE EDUCATION COMMITTEE JUST MADE A COMMENT ABOUT, IT SEEMS LIKE IT'S CONVERSATION JUST ABOUT THE MONEY. AND I WOULD AGREE WITH HIM. THE COMMON LEVY,

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HOWEVER, DOES NOT JUST REPRESENT A CERTAIN AMOUNT OF MONEY TO EACH DISTRICT WITHIN THE 11 SCHOOL DISTRICTS. IT IS CRITICAL, PHILOSOPHICALLY, TO THE LEARNING COMMUNITY. IT EXISTS FOR AN IMPORTANT AND VERY RELEVANT PURPOSE. WHAT THE COMMON LEVY REMEMBERS IS THAT THE OMAHA PUBLIC SCHOOL DISTRICT, FOR EXAMPLE, IS IN A SITUATION WHERE PROPERTY TAX VALUATION IS STAGNANT. IT'S NOT A METHOD OF...IT'S NOT A REASON OF, OH, THE PROPERTY TAXES ARE TOO HIGH BECAUSE I JUST DON'T HAVE THE CASH TO PAY FOR IT, EVEN THOUGH THE LEVY COULD GO UP TO PAY FOR MORE THINGS WITHIN THE SCHOOL DISTRICT. IT'S AT \$1.05. IT'S AT ITS MAXIMUM. THE STUDENTS IN THE DISTRICT ARE HIGH-NEED STUDENTS. IN AN ECONOMIC DOWNTURN, UNFORTUNATELY IT'LL COME AGAIN, STATE FUNDING FOR SCHOOLS WON'T BE AVAILABLE AND LOCAL RESOURCES ARE ALREADY STRAINED. WITHOUT THE COMMON LEVY, OPS WON'T BE IN A POSITION TO MEET THE NEEDS OF THEIR CHILDREN AND FAMILIES. WHEN WE TALK ABOUT THE WORK THAT'S BEEN GOING ON AMONG THE 11 SUPERINTENDENTS OVER THE LAST YEAR, THE COMMON LEVY OBVIOUSLY IS A VERY IMPORTANT ISSUE. IN MY MIND AND IN THE MINDS OF THOSE WHO, IN PART, CONCEIVED MUCH IT, IT WAS MORE THAN A REPRESENTATION THAT TIED TO A DOLLAR AMOUNT FOR A SCHOOL DISTRICT. IT SAID, HEY, THAT'S FINE FOR YOU TO MOVE AWAY. [LB525 LB509]

SPEAKER HADLEY: TIME, SENATOR. [LB525]

SENATOR COOK: THANK YOU. [LB525]

SPEAKER HADLEY: THANK YOU, SENATOR COOK. SENATOR LARSON, YOU'RE RECOGNIZED. [LB525]

SENATOR LARSON: THANK YOU, MR. PRESIDENT. I ONLY HAD 48 SECONDS LAST TIME AND I THINK I WAITED FOR A LITTLE OVER AN HOUR FOR THIS CHANCE TO CONTINUE WHERE I LAST LEFT OFF. I HEAR A LOT ABOUT THE CONCEPT OF US WANTING A QUALITY EDUCATION. AND I WAS JUST TRYING TO PULL UP SOME NUMBERS, BUT I SAW RECENTLY AN ARTICLE CALLED THE HONESTY GAP. AND WHAT THE HONESTY GAP IS, IS WHAT...HOW MANY STUDENTS NEBRASKA REPORTS BEING ABLE TO PASS THE QUALIFIED TEST THAT NEBRASKA PUTS OUT THERE VERSUS HOW MANY...OR WHAT PERCENTAGE, I SHOULD SAY, VERSUS WHAT PERCENTAGE OF THOSE KIDS ARE ABLE TO PASS THE NATIONAL STANDARDS. AND THERE'S A 41 PERCENT DIFFERENCE BETWEEN THE KIDS THAT CAN PASS THE NEBRASKA TEST VERSUS THOSE THAT CAN PASS THE NATIONAL

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TEST, AND THAT DIFFERENTIAL IS CALLED THE HONESTY GAP. IF WE WANT TO TALK ABOUT PROVIDING A QUALITY EDUCATION FOR ALL, WE HAVE YET TO FIND THE ANSWER. AND IF WE WANT TO PROVIDE THAT QUALITY EDUCATION AND CLOSE THE POVERTY GAP OR THE ACHIEVEMENT GAP THAT WE SEE, THERE IS AN ANSWER OUT THERE THAT WE'VE CONTINUED TO SEE IN STATES ACROSS THE COUNTRY. AND IT'S SIMPLE. WE DO NEED CHARTER SCHOOL LEGISLATION. THE CREDO INSTITUTE, AS I'VE MENTIONED, JUST FINISHED A BIG STUDY ON 41 URBAN AREAS IN 22 STATES THROUGH THE YEARS OF 2006-07 THROUGH '11-12. CHARTER SCHOOLS COMPARED TO THE SAME MEASURE FOR VIRTUAL PEER FROM LOCAL TRADITIONAL PUBLIC SCHOOLS IN THE SAME LOCATION AS THE CHARTER SCHOOL. SO, ESSENTIALLY, THEY WERE COMPARED TO THE PEERS IN THEIR AREA. IN THAT STUDY, IT WAS FOUND THAT URBAN CHARTER SCHOOLS IN THE AGGREGATE PROVIDE SIGNIFICANTLY HIGHER LEVELS OF ANNUAL GROWTH IN BOTH MATH AND READING COMPARED WITH THEIR TRADITIONAL PUBLIC SCHOOLS. WE HAVEN'T SEEN THAT IN THE LEARNING COMMUNITY. WE SEE DISCONTENT. PARENTS DESERVE A BETTER OPTION THAN WHAT IS CURRENTLY OUT THERE. IT SHOULD NOT MATTER WHAT ZIP CODE YOU'RE FROM IF YOU GET A GOOD EDUCATION. YOU AS A PARENT SHOULD HAVE A CHOICE. BECAUSE WHEN WE DESIGNATE BY ZIP CODES, THAT ZIP CODE BETWEEN MILLARD WEST AND THE EAST OMAHA, THERE IS A DIFFERENTIAL. AND YOU CAN TELL THERE'S A DIFFERENTIAL IN THE SCHOOLS, AND THAT'S UNFORTUNATE BECAUSE EVERY NEBRASKAN CHILD DESERVES THAT QUALITY EDUCATION AND EVERY NEBRASKAN PARENT DESERVES TO HAVE A CHOICE ON WHERE THEY SEND THEIR CHILDREN TO SCHOOL. WHEN YOU LOOK AT THOSE SAME CHARTER SCHOOL RESULTS FROM THE STUDY, AND THIS GOES BACK TO MY ZIP CODE COMMENTS, LEARNING GAINS FOR CHARTER SCHOOLS ARE LARGER BY SIGNIFICANT AMOUNTS FOR BLACK, HISPANIC, LOW-INCOME, AND SPECIAL EDUCATION STUDENTS IN BOTH MATH AND READING. IN 41 CITIES FROM...COVERING 22 STATES, THE COMPREHENSIVE... [LB525]

SPEAKER HADLEY: ONE MINUTE. [LB525]

SENATOR LARSON: ...STUDY SAID THAT LEARNING GAINS FROM CHARTER SCHOOLS ARE SIGNIFICANTLY LARGER. GAINS FROM THESE SUBPOPULATION ADDED MONTHS OF ADDITIONAL LEARNING PER YEAR. URBAN CHARTER SCHOOLS ENROLL A GREATER POPULATION OF FEMALE STUDENTS THAN URBAN TRADITIONAL PUBLIC SCHOOLS IN NEARLY EVERY REGION, DISADVANTAGED STUDENTS RECEIVE THE STRONGEST POSITIVE BENEFITS FROM ENROLLMENT IN URBAN CHARTER SCHOOLS, BLACK STUDENTS IN POVERTY, I.E., FREE AND REDUCED LUNCHES, RECEIVE THE EQUIVALENT OF 59 ADDITIONAL DAYS OF

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LEARNING IN MATH AND 44 ADDITIONAL DAYS OF LEARNING IN READING COMPARED TO THE TRADITIONAL PUBLIC SCHOOLS THAT THEY ARE COMPARED TO. AFRICAN-AMERICAN STUDENTS THAT ARE ON FREE AND REDUCED LUNCHES, ON AVERAGE, THROUGH THE ENTIRE STUDY RECEIVE 59 ADDITIONAL DAYS OF LEARNING IN MATH AND 44 IN READING. [LB525]

SPEAKER HADLEY: TIME, SENATOR. [LB525]

SENATOR LARSON: AND, YET, WE TURN OUR BACK ON THOSE CHILDREN. [LB525]

SPEAKER HADLEY: THANK YOU, SENATOR. SENATOR McCOY, YOU'RE RECOGNIZED. [LB525]

SENATOR McCOY: THANK YOU, MR. PRESIDENT AND MEMBERS. I RISE IN SUPPORT OF SENATOR KINTNER'S AMENDMENT, AM1699. IT WOULD SEEM TO ME, AND I'LL ASK SENATOR SULLIVAN TO YIELD IN A MOMENT, BUT IT WOULD SEEM TO ME TO MAKE SENSE IF THE POVERTY ISSUE IS GOING TO BE STUDIED IN A BROADER CONTEXT, THAT IT WOULD INCLUDE A STUDY STATEWIDE, BECAUSE I THINK WE ALL KNOW THAT, UNFORTUNATELY, POVERTY ISN'T AN EXCLUSIVE SITUATION THAT WE SEE IN OMAHA OR RALSTON. UNFORTUNATELY, POVERTY CAN, AS WE OFTEN TALK ABOUT, CAN EXIST IN ANY COMMUNITY ACROSS OUR STATE. AND I WISH THAT THAT WERE NOT SO, BUT IT IS, UNFORTUNATELY. WOULD SENATOR SULLIVAN YIELD FOR A MOMENT? [LB525]

SPEAKER HADLEY: SENATOR SULLIVAN, WILL YOU YIELD? [LB525]

SENATOR SULLIVAN: YES, I WILL. [LB525]

SENATOR McCOY: THANK YOU, SENATOR. WOULD YOU SPEAK TO THAT A LITTLE BIT? IS THIS AN ISSUE OF MORE SEMANTICS WITH THE CHANGE IN...I MEAN, I'M NOT TRYING TO PURPORT THAT THIS AMENDMENT IS MERE SEMANTICS, BUT IS IT SUCH THAT A POVERTY STUDY WOULD BY ITS VERY NATURE INCLUDE THE WHOLE STATE OR WAS THAT DESIGNED AND SPECIFICALLY MEANT TO SAY JUST OMAHA AND RALSTON? [LB525]

SENATOR SULLIVAN: WELL, I CAN'T SPEAK FOR SENATOR KINTNER INITIALLY, BUT I WILL SAY THAT THIS AMENDMENT IS NOT NEEDED IN LARGE PART BECAUSE I'VE ALREADY INTRODUCED AN INTERIM STUDY RESOLUTION TO DO

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JUST EXACTLY WHAT YOU WERE INDICATING IS NEEDED, WHICH IS TO STUDY HOW WE DEAL WITH POVERTY AND INCREASING POVERTY ALL ACROSS THE STATE. LAST YEAR, WE CREATED A NEW POSITION, OR ENHANCED POSITION, IN THE DEPARTMENT OF EDUCATION, THE STUDENT ACHIEVEMENT COORDINATOR. AND WE'RE CHARGING THAT PERSON TO LOOK AT THE POVERTY PLANS THAT SCHOOL DISTRICTS HAVE TO SUBMIT TO THE DEPARTMENT AND TO TRY TO IDENTIFY SOME BEST PRACTICES, AND THEN TRY TO IDENTIFY SOME APPROPRIATE LEVELS OF FUNDING TO SUPPORT THAT KIND OF PROGRAMMING. [LB525]

SENATOR McCOY: WELL, I APPRECIATE THAT, SENATOR. I KNOW THAT IT'S A MONUMENTAL TASK THAT YOU FACE AS THE CHAIR OF ONE OF OUR MOST CRITICAL COMMITTEES. THEY'RE ALL IMPORTANT, BUT CLEARLY THE EDUCATION COMMITTEE HAS A VERY IMPORTANT ROLE IN THE EDUCATION OF THE NEXT GENERATION OF NEBRASKANS, SOME OF WHICH, IN ALL LIKELIHOOD, PROBABLY GOING TO END UP DOWN HERE AT SOME POINT REPRESENTING THEIR CONSTITUENTS IN THE LEGISLATURE. AND I APPRECIATE WHAT YOU DO. I WOULD ASSUME THAT ONE OF THE THINGS THAT YOU'RE GOING TO LOOK AT, SENATOR SULLIVAN, IN THE COURSE OF ALL THAT WHEN YOU LOOK AT POVERTY AND HOW WE CAN BEST ADDRESS THAT IN THE AUSPICES OF EDUCATION, IS I WOULD ASSUME THERE WILL BE SOME LOOK AT IS IT PER PUPIL FUNDING THAT'S MODEL? ARE WE GOING TO LOOK TOWARDS HOW DO WE ADDRESS POVERTY THAT WAY? IS THAT ALSO A WAY THAT WE COULD PERHAPS ADDRESS SOME OF OUR RURAL SCHOOL DISTRICT NEEDS AND EQUALIZED AND UNEQUALIZED SCHOOL DISTRICTS? ARE YOU GOING TO BE LOOKING AT MORE THAN JUST THE POVERTY ISSUE AS YOU LOOK AT HOW DO WE ADDRESS TEEOSA GOING FORWARD? AND OBVIOUSLY POVERTY IS A BIG PORTION OF THAT DISCUSSION. [LB525]

SENATOR SULLIVAN: WELL, I THINK WE'RE GOING TO LOOK AT IT IN TOTALITY AND FROM DIFFERENT PERSPECTIVES. YOU KNOW, WE HAVE THE POVERTY ALLOWANCE THAT'S PART OF TEEOSA. AND TO THAT EXTENT, HOW WE USE THAT ALLOWANCE IN THE FORMULA, IT ADDRESSES CONCENTRATIONS OF POVERTY IN ADDITION TO WHAT MIGHT BE HAPPENING OUT IN THE RURAL AREAS WHERE WE DON'T HAVE THE CONCENTRATIONS, BUT WE CERTAINLY DO HAVE LEVELS OF POVERTY. AND TO THAT EXTENT... [LB525]

SPEAKER HADLEY: ONE MINUTE. [LB525]

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SENATOR SULLIVAN: ...PROGRAMMING MAY NEED TO BE DIFFERENT, CERTAINLY IF IT'S A MORE CONCENTRATED TYPE OF POVERTY OR MORE ISOLATED IN THE RURAL AREAS. SO I THINK WE'RE GOING TO LOOK AT IT IN...FROM THE STANDPOINT OF TEEOSA, BUT WE'RE ALSO GOING TO LOOK AT, AGAIN, HOLDING UP WHAT MIGHT BE SOME BEST PRACTICES AND NEW STRATEGIES THAT WE AREN'T EVEN USING RIGHT NOW. [LB525]

SENATOR McCOY: WELL, THAT'S VERY TRUE. AND I THINK THAT'S ENCOURAGING, AND I HOPE THAT THAT EFFORT BEARS FRUIT, SENATOR. I KNOW THAT THIS IS AN ONGOING PROCESS THAT WILL OUTLIVE CERTAINLY YOUR TIME IN THE LEGISLATURE AND MINE, AND PROBABLY MANY OF US THAT EVEN BEEN HERE SHORTER PERIODS OF TIME THAN YOU AND I HAVE. BUT I APPRECIATE THAT ADDITIONAL INFORMATION. THANK YOU, SENATOR SULLIVAN. THANK YOU, MR. PRESIDENT. [LB525]

SPEAKER HADLEY: THANK YOU, SENATOR McCOY AND SENATOR SULLIVAN. SENATOR MURANTE, YOU'RE RECOGNIZED. [LB525]

SENATOR MURANTE: THANK YOU, MR. PRESIDENT. MEMBERS, GOOD EVENING. I GOT A VERY GOOD QUESTION OFF THE MICROPHONE THAT I'D WANT TO ADDRESS, BECAUSE I THINK WE'VE SPENT A CONSIDERABLE AMOUNT OF TIME TALKING ABOUT THE FACT THAT MANY OF US DON'T LIKE THE LEARNING COMMUNITY, AND PERHAPS NOT A SUFFICIENT AMOUNT OF TIME TALKING ABOUT THE REASONS WHY. AND THERE ARE A FEW, AND I SUSPECT IF YOU TALKED TO A NUMBER OF THE SUBURBAN SENATORS YOU WOULD GET DIFFERING OPINIONS. BUT THERE ARE A COUPLE OF VARIABLES TO CONSIDER. FIRST OF ALL, THERE IS A REDISTRIBUTION COMPONENT TO THE LEARNING COMMUNITY. IT IS TRUE THAT DOLLARS GET SHIFTED FROM SARPY COUNTY AND GIVEN TO DOUGLAS COUNTY. THAT'S NOT THE EXTENT OF IT THOUGH. IT'S IMPORTANT TO RECOGNIZE THAT DOUGLAS AND SARPY COUNTY WHEN WE'RE TALKING ABOUT PROPERTY TAX DOLLARS, IT'S IMPORTANT TO NOTE THAT THEY ASSESS THEIR PROPERTY DIFFERENTLY. IN THE CASE OF SARPY COUNTY, WE ASSESS OUR RESIDENTIAL PROPERTIES ANNUALLY. DOUGLAS COUNTY DOES IT EVERY COUPLE OF YEARS. THE CONSEQUENCE OF THAT IS IF YOU ARE A SARPY COUNTY PROPERTY OWNER, THE EXACT SAME PARCEL OF LAND IN SARPY COUNTY IS GOING TO BE ASSESSED FOR MORE THAN IF IT WERE IN DOUGLAS COUNTY BECAUSE IT IS BEING ASSESSED ON A MORE FREQUENT BASIS. NOW, WE HAVE HAD NEGOTIATIONS AND DISCUSSIONS OVER THE YEARS WITH DOUGLAS COUNTY SO THAT THEY...WE CAN AT LEAST HAVE A HARMONY IN THAT ALL OF THE PROPERTY TAXPAYERS ARE TREATED EQUALLY, BUT WE'RE NOT THERE YET.

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SO IT'S NOT JUST A REDISTRIBUTION, THERE'S ALSO A MECHANIC ELEMENT THAT IS NOT PARTICULARLY FAIR. AND SOON A PAGE IS GOING TO BE DISTRIBUTING A PROPERTY TAX STATEMENT, MY PROPERTY TAX STATEMENT. I'M JUST GOING TO DISTRIBUTE IT TO EVERYONE SO THAT YOU CAN SEE WHAT WE GET ON AN ANNUAL BASIS IN THE MAIL. THE ONLY THING IT DOESN'T INCLUDE IS THE...THE ONLY THING...WHAT YOU WILL HAVE BEFORE YOU IT DOESN'T INCLUDE IS THE DOLLAR AMOUNTS. BUT I AM TAXED, LIKE EVERYONE ELSE IN THE LEARNING COMMUNITY, AT 95 CENTS FOR A COMMON LEVY. THE SECRET THAT THAT MONEY IS THEN GIVEN TO THE LEARNING COMMUNITY COORDINATING COUNCIL. IT IS RUN THROUGH A FORMULA THAT IS ESTABLISHED BY THE STATE OF NEBRASKA AND IS REDISTRIBUTED BACK OUT TO THE SCHOOL DISTRICTS. IN THE CASE OF GRETNA, OF THE 95 CENTS THAT WE PUT IN, OUR SCHOOL DISTRICT GETS ABOUT 94.5 CENTS BACK. SO IN THE GRAND SCHEME OF THINGS, WE'RE NOT TRANSFERRING THAT MUCH MONEY, RELATIVELY SPEAKING, WHEN WE'RE TALKING ABOUT THE OVERALL EDUCATION SYSTEM OF DOUGLAS AND SARPY COUNTY. WHAT IS REDISTRIBUTED IS NOT THAT SIGNIFICANT. HOWEVER, IT DOESN'T APPEAR THAT WAY ON THE PROPERTY TAX STATEMENT. IT APPEARS THAT THEY'RE TAKING EVERYTHING, THEN THEY RUN IT THROUGH A FORMULA SECRETLY AND GIVE THE MONEY TO THE SCHOOL DISTRICTS WITHOUT LETTING THE PROPERTY TAXPAYERS KNOW. NOW I WOULD LIKE YOU TO CONTEMPLATE THE OUTRAGE IF WE USED THAT PROCESS IN THE COLLECTION OF INCOME TAX. WHAT WOULD HAPPEN IF WHEN PAYROLL TIME CAME, STATE GOVERNMENT COLLECTED 100 PERCENT OF A PERSON'S INCOME? CAME UP WITH THE AMOUNT THAT IT WANTED TO TAX OF THAT INCOME, AND THEN QUIETLY GAVE THE MONEY BACK TO THEM, PUT IT IN A CHECKING ACCOUNT SIX MONTHS LATER... [LB525]

SPEAKER HADLEY: ONE MINUTE. [LB525]

SENATOR MURANTE: ...WITH THE TAXES THAT THEY WANTED TAKEN OUT. THERE IS NO WAY THAT THAT SYSTEM WOULD BE SUSTAINABLE. BECAUSE YOU'RE TAKING 100 PERCENT OF THEIR INCOME AT THE OUTSET AND THEN QUIETLY SLIPPING THE MONEY BACK INTO THEIR CHECKING ACCOUNT AT A LATER DATE. THAT'S HOW THE LEARNING COMMUNITY WORKS. IT'S UNCLEAR HOW MUCH COMES BACK TO THE SCHOOL DISTRICTS. AND SO ON AN ANNUAL BASIS, WHEN THESE PROPERTY TAX STATEMENTS COME BACK, THERE IS JUSTIFIABLE OUTRAGE BECAUSE PEOPLE SEE, AS YOU'LL SEE WHEN IT COMES OUT, YOUR LOCAL SCHOOL DISTRICT'S BOND ISSUES AND THE AMOUNT OF MONEY YOU'RE PAYING, WHICH IN MANY CASES IS SIGNIFICANT, AND THE LEARNING COMMUNITY IS THE BIGGEST NUMBER ON THE LIST. IT SAYS LEARNING

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COMMUNITY COMMON LEVY AND THAT IS THE MOST IN TAXES THAT A TAXPAYER PAYS IN DOUGLAS AND SARPY COUNTY. IT DOESN'T MAKE ANY SENSE. IT DOESN'T HAVE TO BE THAT WAY. BECAUSE, AS I SAID, THE MONEY THAT'S BEING REDISTRIBUTED ISN'T THAT SIGNIFICANT. [LB525]

SPEAKER HADLEY: TIME, SENATOR. [LB525]

SENATOR MURANTE: WE CAN FIND A BETTER WAY. THANK YOU, MR. PRESIDENT. [LB525]

SPEAKER HADLEY: THANK YOU, SENATOR MURANTE. SENATOR CRAWFORD, YOU'RE RECOGNIZED. [LB525]

SENATOR CRAWFORD: THANK YOU, MR. PRESIDENT. I RISE IN OPPOSITION TO AM1699, AND, AGAIN, WANT TO EMPHASIZE WHAT SENATOR SULLIVAN HAS EMPHASIZED, THAT THERE ALREADY IS A POVERTY STUDY BEING DONE, AND PARTICULARLY A POVERTY STUDY BEING DONE TO ASK THE QUESTION OF HOW TO BEST ADDRESS THOSE POVERTY ISSUES IN LIGHT OF WORK THAT NEEDS TO BE DONE ON TEEOSA AND IN LIGHT OF WORK THAT NEEDS TO BE DONE IN THE LEARNING COMMUNITY. AND I APPRECIATE HER FIRM COMMITMENT THAT SHE HAS MADE ON THE FLOOR THAT SHE IS BOUND AND DETERMINED TO MAKE SURE THAT WE'RE WORKING HARD ON THIS ISSUE TO TRY TO COME TO A RESOLUTION THAT IS A RESOLUTION THAT MEETS THE NEEDS OF THE STUDENTS, THE STUDENTS IN POVERTY, AND THE STUDENTS IN THE LEARNING COMMUNITY, AND I APPRECIATE THAT COMMITMENT ON HER PART. I ALSO APPRECIATE THE COMMITMENT ON SENATOR MURANTE'S PART THAT HE DOESN'T WANT TO MOVE FORWARD UNLESS WE ARE ABLE TO ENSURE THAT WE ARE ADDRESSING THOSE NEEDS OF STUDENTS. HE SAID HE DID NOT WANT TO THROW THE EASTERN OMAHA...EASTERN DOUGLAS COUNTY STUDENTS UNDER THE BUS IN ANY WAY. HE WANTS TO MAKE SURE WE'RE ADDRESSING THAT, AND I APPRECIATE THAT. AND I WANT EVERYONE WHO WANTS AND...FEELS THAT WE NEED THE COMMON LEVY BECAUSE YOU'RE CONCERNED ABOUT SUSTAINABILITY OF FUNDING FOR THOSE LANDLOCKED AND HIGH-POVERTY SCHOOL DISTRICTS, SUCH AS OMAHA PUBLIC SCHOOLS, BELLEVUE PUBLIC SCHOOLS, RALSTON PUBLIC SCHOOLS, THAT THAT HAS BEEN A KEY PART OF THE DISCUSSION. AND AT ONE POINT, SENATOR KINTNER SAID THAT 9 OF THE 11 AGREED TO, YOU KNOW, WHAT HE WAS BRINGING IN AND THE AMENDMENT IN PRINCIPLE. WELL, COLLEAGUES, 11 OF 11 AGREE THAT WE NEED TO ADDRESS THESE ISSUES IN A COMPREHENSIVE WAY. SO WHILE I SHARE SENATOR

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KINTNER'S FRUSTRATION THAT WE HAVE NOT BEEN ABLE TO HAVE THIS DISCUSSION ON THE FLOOR WITH A WELL-REASONED BILL, I AM CONCERNED THAT AND WOULD URGE SENATOR KINTNER NOT TO BRING AM1572 TO A VOTE BECAUSE IT DOES NOT ADDRESS THOSE ISSUES THAT NEED TO BE DISCUSSED. THE SUPERINTENDENTS' REPORT AND OTHER DISCUSSIONS, THE...A SHARED COMMITMENT IS THAT THERE IS A WIDESPREAD CONSENSUS ABOUT THE NEED TO GET RID OF THE COMMON LEVY, BUT, AND THAT'S IMPORTANT, IT NEEDS TO BE DONE IN A WAY THAT PAYS ATTENTION TO BOUNDARIES, WHICH WAS ANOTHER KEY PART OF THE DEBATE, AND IT NEEDS TO BE DONE IN A WAY THAT ENSURES THAT WE HAVE A SUSTAINABLE, INTENTIONAL WAY OF ADDRESSING THE NEEDS OF THE HIGH-POVERTY AND ELL STUDENTS. SO IT NEEDS TO BE DONE AS A PACKAGE. AND AM1572 IS...INCLUDES PARTS OF SOME PACKAGES, BUT NOT ALL. IT NEEDS TO BE DONE COMPREHENSIVELY. AND, AGAIN, THE OTHER ISSUE THAT WE HAVE IN DOING IT ON THE EIGHTY-SECOND DAY IS JUST THE TECHNICAL ISSUES THAT SENATOR KRIST HAS ALREADY RAISED, SENATOR SCHNOOR HAS RAISED. THERE'S A QUESTION OF COMPLICATION OF THE FUNDING THAT'S ALREADY BEEN ESTABLISHED. SENATOR MORFELD RAISED THE POINT, IF YOU ELIMINATED THE COMMON LEVY, IT WOULD REQUIRE OVER \$3 MILLION IN GENERAL FUND SPENDING. COLLEAGUES, THAT REINFORCES THE POINT I MADE EARLIER THAT WHAT THE COMMON LEVY DOES NOW IS IT TAKES DOUGLAS COUNTY AND SARPY COUNTY PROPERTY TAX DOLLARS TO SUBSIDIZE THE STATE'S OBLIGATION TO EQUALIZE IN THE SCHOOL DISTRICTS. [LB525]

SENATOR KRIST PRESIDING

SENATOR KRIST: ONE MINUTE. [LB525]

SENATOR CRAWFORD: THANK YOU, MR. PRESIDENT. AND SO WE MUST WORK HARD TO DEVELOP THE PACKAGE THAT ALLOWS US TO RESPONSIBLY ELIMINATE THE COMMON LEVY. AND THAT NEEDS TO BE DONE THROUGH THE APPROPRIATE PROCESS, AND I APPRECIATE SENATOR SULLIVAN'S COMMITMENT THAT SHE IS COMMITTED TO THAT PROCESS. I KNOW THE SUPERINTENDENTS ARE COMMITTED TO THAT PROCESS. I AM COMMITTED TO ENSURING THAT PROCESS IS CARRIED OUT TO MAKE SURE THAT WE CAN ELIMINATE THE COMMON LEVY IN A PACKAGE THAT ADDRESSES THOSE OTHER CONCERNS INCLUDING THE BOUNDARY, INCLUDING MAKING SURE WE HAVE A SUSTAINABLE INTENTIONAL MECHANISM TO ADDRESS THE POVERTY CONCERNS THAT ARE PRESENT IN OPS AND BELLEVUE PUBLIC SCHOOLS, WHICH ARE IN MY DISTRICT, AND ALSO THE POVERTY NEEDS OF STUDENTS ACROSS THE STATE, WHICH AGAIN IS A STATE FUNCTION, EQUALIZATION SHOULD BE A STATE FUNCTION. AND IT'S IMPORTANT

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WE RECOGNIZE IT AS THAT AND PUT OUR MONEY WHERE OUR MOUTH IS ON THAT. AND, UNFORTUNATELY, SINCE IT'S TOO LATE TO ADD A BILLS WITH GENERAL FUND IMPACT, WE CANNOT PUT OUR MONEY WHERE OUR MOUTH IS IN TERMS OF ADDRESSING THAT ISSUE. [LB525]

SENATOR KRIST: TIME, SENATOR. [LB525]

SENATOR CRAWFORD: THANK YOU, MR. PRESIDENT. [LB525]

SENATOR KRIST: THANK YOU, SENATOR CRAWFORD. THOSE STILL WISHING TO SPEAK: SENATOR KINTNER, SMITH, COOK, LARSON, AND OTHERS. SENATOR KINTNER, YOU'RE RECOGNIZED. [LB525]

SENATOR KINTNER: WELL, THANK YOU, MR. PRESIDENT. LET ME TRY TO PUT THINGS IN PERSPECTIVE FOR YOU. IMAGINE IF A SCHOOL DISTRICT IN YOUR LEGISLATIVE DISTRICT WAS UNEQUALIZED, THERE WOULD NEED NO STATE AID FOR EDUCATING THEIR STUDENTS. THEY'RE COMPLETELY FUNDED BY PROPERTY TAXES IN THEIR DISTRICT. NOW IMAGINE THE STATE COMING IN AND SAYING WE NEED SOME OF YOUR PROPERTY TAX DOLLARS TO GO TO OTHER SCHOOL DISTRICTS IN THE COUNTY NEXT DOOR TO SUPPLEMENT THEIR EDUCATIONAL PROGRAMS. WOULD YOU AS A SENATOR PUT UP WITH THAT? WELL, THAT'S WHAT'S HAPPENING IN THE LEARNING COMMUNITY WITH SPRINGFIELD PLATTEVIEW AND DC WEST. COULD SOON BE HAPPENING IN GRETNA, ELKHORN, BENNINGTON WEST. YOU SEE, AS VALUATIONS GO UP, THEY LOSE MORE MONEY TO OTHER SCHOOL DISTRICTS IN THE LEARNING COMMUNITY. AND INSTEAD OF BEING ABLE TO PROVIDE TAX RELIEF TO THEIR TAXPAYERS OR PUT MORE MONEY INTO THEIR BUILDING FUNDS TO LOWER A FUTURE BOND ELECTION AMOUNTS, ONE OF THE SCHOOL DISTRICTS IN MY LEGISLATIVE JURISDICTION, SPRINGFIELD PLATTEVIEW, WILL LOSE \$2.1 MILLION THIS YEAR AND OVER \$3 MILLION NEXT YEAR IN TAXPAYER PROPERTY TAXES BY BEING FORCED INTO THE LEARNING COMMUNITY BACK IN 2007. THAT REPRESENTS 16 PERCENT OF THEIR POTENTIAL REVENUE. CAN YOU IMAGINE WAVERLY OR NORRIS SCHOOL DISTRICTS, IF YOU WERE FORCED INTO THE LEARNING COMMUNITY WITH THE LINCOLN PUBLIC SCHOOLS AND LOSING THIS KIND OF MONEY, OR HASTINGS ADAMS CENTRAL OR COLUMBUS LAKEVIEW OR GRAND ISLAND NORTHWEST? TAXPAYERS IN SPRINGFIELD PLATTEVIEW SCHOOL DISTRICT WILL HAVE A PROJECTED 10 PERCENT VALUATION INCREASE NEXT SCHOOL YEAR. BY THE WAY, I'VE ALREADY GOT A FEW PHONE CALLS ON THOSE VALUATION INCREASES. MOST OF THESE ARE FARMERS. WHERE DOES THAT

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MONEY GO? TO DOUGLAS COUNTY SCHOOL DISTRICTS. ONE OF THESE DOUGLAS COUNTY DISTRICTS, WHICH I'M SURE YOU SAW IN THE PAPER, JUST GAVE THEIR TEACHERS A 13.5 PERCENT RAISE OVER THE NEXT THREE YEARS. WITH THIS 10 PERCENT PROJECTED INCREASE, DO YOU THINK SPRINGFIELD PLATTEVIEW WOULD MAKE OUT OKAY? NO, THEY ARE REWARDED WITH A \$5,000 DECREASE FROM THE COMMON LEVY FOR 2015-16. WOULD ANY OF YOU STAND FOR THAT? WOULD ANY OF YOU JUST SIT THERE PASSIVELY WHILE THIS WAS GOING ON IN YOUR DISTRICT? IF YOU'RE A SENATOR IN OUTSTATE MORE RURAL NEBRASKA, LET ME ASK YOU A QUESTION. IF YOUR VALUATION IN YOUR DISTRICT WERE GOING UP 10 PERCENT, WHAT WOULD YOUR LOCAL BOARD OF EDUCATION DO? IT'D LOWER THE TAX LEVY TO LESSEN THE BURDEN ON THE TAXPAYER. IF THEY DIDN'T, THEY WOULDN'T BE A BOARD MEMBER VERY LONG. IF YOU'RE IN THE LEARNING COMMUNITY, YOU AREN'T ABLE TO LOWER THE TAX LEVY AS THE LOCAL BOARD OF EDUCATION TO OFFSET THE VALUE INCREASE. YOUR LOCAL TAXPAYERS ARE STUCK WITH THAT INCREASE. THIS IS HAPPENING IN MOST OF SARPY COUNTY SCHOOL DISTRICTS AND DOUGLAS WEST AND A FEW OTHER DISTRICTS IN DOUGLAS COUNTY. IF YOU'RE ONE OF THESE SCHOOL DISTRICTS, YOU GO OUT AND YOU TRY TO PASS A BOND. SPRINGFIELD PLATTEVIEW AND DC WEST HAVE TRIED TO DO THIS. BECAUSE THEIR MONEY IS BEING STOLEN FROM THEM... [LB525]

SENATOR KRIST: ONE MINUTE. [LB525]

SENATOR KINTNER: ...THEIR TAXPAYERS WON'T PASS A BOND BECAUSE THEIR MONEY IS BEING TAKEN FROM LOCAL SCHOOLS AND IT'S BEING GIVEN TO DOUGLAS COUNTY. THINK ABOUT THAT. THEY'RE MAD AS HECK BECAUSE THEIR MONEY IS BEING TAKEN OUT OF THEIR SCHOOL DISTRICT, OUT OF THEIR POCKET, AND SENT TO DOUGLAS COUNTY. AND THE ONLY WAY THEY CAN MAKE A PROTEST, OTHER THAN TO CALL ME AND CALL THE GOVERNOR, IS NOT TO PASS A BOND ISSUE. AND THAT'S WHAT THEY'RE DOING. THAT'S THE ONLY WAY THAT THEY CAN REGISTER A PROTEST. DO YOU SEE WHY I'M STANDING HERE? DO YOU SEE WHY I'M PASSIONATE? DO YOU SEE WHY I'M DISGUSTED IT TOOK THREE YEARS TO DO THIS? THANK YOU, MR. PRESIDENT. [LB525]

SENATOR KRIST: THANK YOU, SENATOR KINTNER. SPEAKER HADLEY, YOU'RE RECOGNIZED. [LB525]

SPEAKER HADLEY: THANK YOU, MR. PRESIDENT. THERE SEEMS TO BE SOME PEOPLE HAVE MADE SOME QUESTIONS ABOUT WHERE WE'RE GOING TONIGHT. IT

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IS MY PLAN TO GET THROUGH LB525 AND TO GET THROUGH LB175 AND LB329. SO THAT IS THE GOAL FOR TONIGHT. THANK YOU, MR. PRESIDENT.

SENATOR KRIST: THANK YOU, SPEAKER HADLEY. SENATOR COOK, YOU'RE RECOGNIZED. [LB525]

SENATOR COOK: THANK YOU, MR. PRESIDENT. I WANTED TO COMPLETE MY THOUGHTS FROM MY TURN EARLIER. I WAS TALKING ABOUT THE PHILOSOPHY BEHIND THE COMMON LEVY AND HOW MEMBERS OF THE EDUCATION COMMITTEE AND THE SUPERINTENDENTS ARE WORKING TO ENSURE THAT THAT IS REFLECTED IN WHATEVER EMERGES AS NEW LEARNING COMMUNITY LEGISLATION OR SUPPORT FOR THOSE DISTRICTS WITH DISPROPORTIONATE NUMBERS OF STUDENTS LIVING IN POVERTY. MY UNDERSTANDING OF THE INCEPTION OF THE COMMON LEVY IS THAT IT WAS MORE THAN ABOUT A BOTTOM DOLLAR, A CERTAIN DOLLAR FIGURE. BUT WHAT IT REPRESENTED AND WHAT REPRESENTS TO ME IS THAT, THAT'S FINE, THE CITY CHANGES. YOU WANT TO MOVE TO THE SUBURBS, ENJOY YOURSELF, LIVE ON YOUR THREE-QUARTERS OF ACRES THAT WAS A CORNFIELD A WEEK AND A HALF AGO, KNOCK YOURSELF OUT. BUT WHAT YOU WON'T DO IS LEAVE BEHIND THE URBAN CORE WITHOUT MONEY TO SUPPORT SCHOOL DISTRICTS WITH INCREASING NUMBERS, JUST RAW NUMBERS, AND INCREASING PROPORTIONS OF FAMILIES IN POVERTY; WHETHER THOSE ARE IMMIGRANT REFUGEE FAMILIES, FAMILIES THAT HAVE LIVED IN THE GREATER METROPOLITAN AREA FOR GENERATIONS THAT ARE EXPERIENCING INTERGENERATIONAL POVERTY. WHAT THE COMMON LEVY REPRESENTS IS THAT YOU WILL NOT JUST MOVE AWAY AND SAY BYE-BYE, GOOD LUCK TO YOU, PULL YOURSELF UP BY YOUR BOOTSTRAPS, OR WHATEVER ELSE THE COMMON PARLANCE IS WHEN IT COMES TO URBAN POVERTY. ANOTHER POINT I MIGHT MAKE, BECAUSE PEOPLE ARE MAKING DIFFERENT POINTS, IS SOMETHING THAT I CAME ACROSS LAST WEEK AS I'M READING WHILE PEOPLE KIND OF MUSE AND OFFER DIALOGUE AND WHILE I'M WAITING FOR BILLS TO COME UP THAT I HAVE MORE OF AN ACTIVE ROLE IN, AND THAT IS A STATEMENT THAT WAS PUBLISHED BY A PULITZER PRIZE AND NOBEL PRIZE WINNING AUTHOR, TONI MORRISON. AND WHAT RESONATED WITH ME--I WON'T SHARE THE WHOLE THING WITH YOU--IS WHAT IS AT THE ESSENCE, I THINK, OF THIS ARGUMENT. AND THAT IS WHAT IT MEANS TO BE A TAXPAYER AND WHAT IT MEANS TO BE A CITIZEN. PART OF WHAT SHE WROTE WAS, "THE DIFFERENCE BETWEEN UNDERSTANDING ONESELF AS A CITIZEN AND UNDERSTANDING ONESELF AS A TAXPAYER IS NOT MERELY WIDE, IT IS ANTAGONISTIC. A CITIZEN THINKS PRIMARILY ABOUT HIS OR HER COMMUNITY AND IS PREOCCUPIED WITH THE SAFETY OF THE NEIGHBORHOOD, THE HEALTH OF THE ELDERLY AND DISABLED, THE WELL-

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BEING OF THE YOUNG. A TAXPAYER THINKS MOSTLY ABOUT HIMSELF OR HERSELF, ABOUT WHO OR WHAT IS TAXING--THAT IS TO SAY, TAKING HIS HARD-EARNED MONEY--TO GIVE TO SOME UNDESERVING BODY OR SOME OTHER DISTANT, WASTEFUL THING." CLEARLY, MS. MORRISON, AS AN AWARD-WINNING WRITER, PUT IT IN ARTISTIC FORM. BUT I CAN REALLY IDENTIFY WITH THAT STATEMENT AND SOME OF THE COMMENTS THAT HAVE BEEN MADE, NOT ONLY ABOUT THE LEARNING COMMUNITY, BUT ABOUT PEOPLE, THOSE VULNERABLE POPULATIONS, AND CHILDREN IN GENERAL. WHEN I HEAR ARGUMENTS AS THEY RELATE TO THE TAX BURDEN, CERTAINLY; THAT'S AN IMPORTANT PART OF OUR JOB HERE TO ENSURE REVENUE. WHAT I DON'T OFTEN HEAR WHEN WE TALK ABOUT CHILDREN AND FAMILIES IN POVERTY IS, WELL, WHY ARE THEY IN POVERTY? IS IT BECAUSE A DISPROPORTIONATE NUMBER OF THEM WORK AT MINIMUM WAGE? OR WOMEN WORKING FOR UNEQUAL PAY THAT ARE HEAD OF HOUSEHOLDS? [LB525]

SENATOR KRIST: ONE MINUTE. [LB525]

SENATOR COOK: THANK YOU. IS IT BECAUSE THEY HAVE HEALTH CONCERNS THAT HAVE BANKRUPTED THEM? WE HAD AN OPPORTUNITY THREE YEARS IN A ROW TO CONSIDER MEDICAID EXPANSION AND REDESIGN. IS IT BECAUSE OF A LACK OF EMPLOYMENT OPPORTUNITIES; AND THAT MEANS EMPLOYMENT OPPORTUNITIES WITH WHICH ONE CAN PURCHASE PROPERTY AND PAY PROPERTY TAXES? I THINK FOR MANY HERE IN THE BODY, BECAUSE IT'S THE NEBRASKA UNICAMERAL LEGISLATURE, BECAUSE IT'S A LEGISLATURE POPULATED BY PEOPLE WHO HAVE A CERTAIN PERSPECTIVE, YOU MAKE A GRAND ASSUMPTION THAT EVERY PERSON FOR WHOM YOU ARE MAKING A DECISION HAS THE OPPORTUNITY OR CHOOSES TO OWN REAL PROPERTY FOR WHICH HE OR SHE PAYS PROPERTY TAXES. THAT IS NOT FACTUALLY THE CASE. THANK YOU, MR. PRESIDENT. [LB525]

SENATOR KRIST: THANK YOU, SENATOR COOK. SENATOR LARSON, YOU ARE RECOGNIZED. [LB525]

SENATOR LARSON: THANK YOU, MR. PRESIDENT. I DIDN'T GET A CHANCE TO FINISH LAST TIME IN THE SENSE OF HOW WELL CHARTER SCHOOLS ARE DOING ACROSS THE STATE...OR NOT THIS STATE, OBVIOUSLY, SINCE WE DON'T HAVE THEM, BUT ACROSS THE NATION. AND MY COLLEAGUES CAN TAKE A BRIEF REPRIEVE. I'M GOING TO ONLY GO ABOUT 3.5 MINUTES BECAUSE SENATOR DAVIS ASKED FOR A MINUTE SO I WILL RELUCTANTLY YIELD HIM SOME TIME IN THE

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END. BUT IT COMES BACK TO THE FACT OF WHERE I WAS. I THINK THAT AFRICAN-AMERICAN STUDENTS THAT ARE ON FREE AND REDUCED LUNCHES RECEIVED THE EQUIVALENT OF 59 EXTRA DAYS OF LEARNING IN MATH AND 44 ADDITIONAL DAYS IN READING COMPARED TO THE TRADITIONAL PUBLIC SCHOOLS IN THEIR NEIGHBORHOODS. HISPANIC STUDENTS WITH THE SAME FREE AND REDUCED LUNCH EXPERIENCE RECEIVED THE EQUIVALENT OF 48 DAYS OF ADDITIONAL LEARNING IN MATH AND 25 ADDITIONAL DAYS IN READING. AND THE BEST URBAN CHARTER SCHOOLS PROVIDE EXTRAORDINARY OPPORTUNITIES TO LEARN HOW TO BEST SERVE THE MOST DISADVANTAGED STUDENTS. COLLEAGUES, THIS REPORT WASN'T DONE BY SOME CRAZY CHARTER SCHOOL ACTIVIST GROUP. IT WAS DONE BY THE CENTER FOR RESEARCH OF EDUCATION OUTCOMES, FROM STANFORD UNIVERSITY, THE SAME CENTER FOR RESEARCH AND EDUCATION OUTCOMES THAT IN 2009 ISSUED A REPORT SAYING THAT CHARTER SCHOOLS WEREN'T QUITE THE ANSWER YET AND THAT THERE WASN'T ENOUGH EVIDENCE. AND IT WASN'T KIND. IT'S THE SAME REPORT THAT SENATOR SULLIVAN USED IN MY CHARTER SCHOOL HEARING BACK FROM 2009 SAYING, WELL, THE CREDO REPORT SAYS X, SO OBVIOUSLY YOU CAN'T BE ON THE RIGHT TRACK. WELL, THEY NEGLECT TO REFERENCE THE 2013 REPORT IN WHICH IT SAID THAT CHARTER SCHOOLS HAD SHOWN MONUMENTAL GAINS, LET ALONE THE 2015 REPORT THAT REALLY DISPLAYS THE GAINS THE CHARTER SCHOOLS ARE MAKING ACROSS THIS COUNTRY. I HEAR A LOT ABOUT POVERTY. I HEAR A LOT ABOUT CLOSING THE ACHIEVEMENT GAP. AND, YET, WE SEE A TOOL THAT HAS DONE IT ACROSS THE NATION AND WE TURN OUR BACK TO IT. WE CREATE SOMETHING OF OUR OWN. SENATOR WATERMEIER ASKED ME, HOW CAN SCHOOLS AFFECT HIS LEGISLATIVE DISTRICT? WELL, LET ME TELL YOU, SENATOR WATERMEIER, THERE'S ACTUALLY A NEW CHARTER SCHOOL IN HAWAII THAT FOCUSES PURELY OR MAINLY ON AGRICULTURE TO GET KIDS INTERESTED IN FARMING. AND AT THIS SCHOOL THEY GROW MOST OF THEIR OWN FOOD THAT THEY EAT AND THEY FOCUS ON AGRICULTURAL OUTCOMES. I DON'T KNOW HOW ONE COULD SAY THAT COULDN'T HELP RURAL NEBRASKA BECAUSE I DEFINITELY KNOW IT COULD. IT COULD HELP OMAHA AND LINCOLN AS WELL. THERE'S A CHARTER SCHOOL IN ARIZONA THAT'S MOVING INTO THE CLASSICAL METHOD OF TEACHING AND THREE DAYS A WEEK DURING RECESS ONE OF THE TWO RECESSES--IT'S A K-6 SCHOOL--THREE DAYS A WEEK... [LB525]

SENATOR KRIST: ONE MINUTE. [LB525]

SENATOR LARSON: ...THEY'RE GOING TO DO URBAN FARMING. AND RELUCTANTLY, I'LL YIELD MY LAST MINUTE TO SENATOR DAVIS. [LB525]

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SENATOR KRIST: SENATOR DAVIS, 1 MINUTE. [LB525]

SENATOR DAVIS: THANK YOU, MR. PRESIDENT. I JUST WANTED TO RESPOND TO A COUPLE OF THINGS THAT WERE SAID EARLIER BY SENATOR KINTNER AND SENATOR MURANTE, BECAUSE I THINK THEY REALLY APPLY TO THE FRUSTRATION THAT ALL OF US IN RURAL NEBRASKA DEAL WITH WHEN WE TALK ABOUT TEEOSA AND SCHOOL FUNDING. AND SO SENATOR MURANTE TALKED ABOUT WHAT WOULD HAPPEN IF WE TOOK ALL THE INCOME AND POOLED IT TOGETHER AND DISTRIBUTED IT BACK OUT ON A NEED BASIS. AND, IN MANY RESPECTS, THAT'S THE WAY I FEEL IN RURAL NEBRASKA. WE CONTRIBUTE OUR SALES AND INCOME TAXES AND A GOOD PORTION OF IT GOES INTO TEEOSA WHICH WE NEVER SEE ANYMORE. AND YOU'LL HEAR OUR FRUSTRATION WITH THAT OVER AND OVER AND OVER AGAIN. SO SENATOR HILKEMANN COMES FROM A DISTRICT WHERE THE INCOME IS AROUND \$100,000 A YEAR PER FAMILY AND IN MY DISTRICT, IT'S AROUND \$40,000. SO WE NEED TO PUT INCOME INTO THE FORMULA. WE HAVE TO FIND A WAY TO DO THAT. AND I THINK THAT REALLY IS SOMETHING THAT I'LL DRILL DOWN INTO THIS SUMMER. NOW, SAYING THAT, I LIVED IN A COMMON LEVY DISTRICT FOR A WHILE AND I UNDERSTAND THE FRUSTRATION THAT THEY HAVE WITH THAT, BECAUSE WE HAD CLASS 1s THAT WERE COMMON LEVY FOR A NUMBER OF YEARS AND THEY WERE VERY MUCH A NIGHTMARE. SO I GET WHERE THEY'RE COMING FROM. REMEMBER, THIS WAS SENATOR RAIKES' PATCHWORK PIECE TO FIX THE OMAHA ANNEXATION PROBLEM WHICH OMAHA WAS GOING TO DO, SO. [LB525]

SENATOR KRIST: TIME, SENATOR. [LB525]

SENATOR DAVIS: THANK YOU, MR. PRESIDENT. [LB525]

SENATOR KRIST: SENATOR DAVIS, YOU'RE NEXT IN THE QUEUE. [LB525]

SENATOR DAVIS: QUESTION. [LB525]

SENATOR KRIST: QUESTION HAS BEEN CALLED. DO I SEE FIVE HANDS? I DO SEE FIVE HANDS. THE QUESTION IS, SHALL DEBATE CEASE? ALL THOSE IN FAVOR VOTE AYE; OPPOSED NAY. PLEASE RECORD, MR. CLERK. [LB525]

CLERK: 27 AYES, 0 NAYS TO CEASE DEBATE. [LB525]

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SENATOR KRIST: DEBATE DOES CEASE. SENATOR KINTNER, YOU'RE RECOGNIZED TO CLOSE ON YOUR AMENDMENT. [LB525]

SENATOR KINTNER: WELL, THANK YOU, MR. PRESIDENT. I WANT TO CONTINUE WITH WHAT I WAS TALKING ABOUT. YOU KNOW WHAT? YOU LOOK AT SPRINGFIELD PLATTEVIEW AND DC WEST. THEY ARE HAVING MONEY TAKEN FROM THEIR SCHOOLS...TAXPAYERS BECAUSE THEY'RE LOCATED IN SARPY AND DOUGLAS COUNTY. THEY'RE NO CLOSER TO OMAHA THAN PLATTSMOUTH OR LOUISVILLE OR FORT CALHOUN OR BLAIR, FOR THAT MATTER. BUT THEY ARE BEING SYSTEMATICALLY DESTROYED FOR BEING A PART OF LEARNING COMMUNITY'S COMMON LEVY. NOWHERE ELSE IN THE STATE OR OTHER SCHOOL DISTRICTS' TAXPAYER DOLLARS BEING TAKEN FROM THEM AND GIVEN TO OTHER SCHOOL DISTRICTS TO SUPPLEMENT PROGRAMS OUTSIDE THEIR DISTRICT. CAN YOU IMAGINE IF PEOPLE IN WASHINGTON SAID TO THE PEOPLE IN NEBRASKA, SINCE YOU'RE DOING SO WELL, YOU NEED TO GIVE KANSAS SOME OF YOUR DOLLARS. THIS IS LUDICROUS. I THINK IN A QUIET MOMENT YOU'D HAVE ALMOST EVERY PERSON IN HERE AGREE WITH THAT. I'M NOT SURE THEY'RE WILLING TO DO ANYTHING ABOUT IT, BUT I THINK THEY AT LEAST AGREE WITH THAT. BUT IT'S HAPPENING IN OUR STATE. SOMEHOW THIS IS BEING DONE TO THE POPULATION I REPRESENT. WE HAVE ASKED THE EDUCATION COMMITTEE AND THEY'VE ASKED THE EDUCATION COMMITTEE FOR THE PAST SEVERAL YEARS TO TAKE UP THIS ISSUE. I REMEMBER SUPERINTENDENT BLACK AND NOW SUPERINTENDENT RIKLI FROM PAPILLION-LA VISTA SCHOOL DISTRICT COMING--ESPECIALLY SUPERINTENDENT BLACK, HE WAS VERY FORCEFUL--AND THE DC WEST SUPERINTENDENT AND THE SUPERINTENDENT FROM SPRINGFIELD PLATTEVIEW ASKING AND ASKING AND ASKING FOR RELIEF. THE ANSWER WAS NO, BABY, NO. CAN'T HELP YOU NOW. WELL, I DON'T WANT TO TELL THEM THAT AGAIN. DON'T TELL ME THIS IS BEING DONE TO SUPPORT CHILDREN IN POVERTY BECAUSE DOLLARS HAVE NOT REACHED THOSE DISTRICTS. THE LARGEST WINNERS IN LEARNING COMMUNITY HAVE BEEN MILLARD AND WESTSIDE SCHOOL DISTRICTS. HOW'S THAT POVERTY WORKING FOR YOU? POVERTY IS A STATEWIDE ISSUE. IT WAS ADDRESSED BY THIS LEGISLATURE THROUGH THE ADDITIONAL FUNDING BACK IN 2009. POVERTY SHOULD NOT BE FUNDED BY SCHOOL DISTRICTS IN A TWO-COUNTY AREA WHERE VALUATIONS ARE NEEDED TO SUPPORT THE STUDENTS WITHIN THEIR OWN DISTRICTS. THIS IS A BAD ATTEMPT AT SOCIAL ENGINEERING. IT HAS NO PLACE IN THE STATE OF NEBRASKA. SINCE THE EDUCATION COMMITTEE HAS FAILED TO BRING ANY BILLS ON LEARNING COMMUNITY'S COMMON LEVY TO THE FLOOR, I HAVE MADE THIS AMENDMENT TO LB525. I JUST THINK THAT WE CAN DO BETTER. AND I KEEP HEARING PEOPLE SAY--NOW IS NOT THE TIME, THERE'S ONLY EIGHT DAYS

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LEFT. WELL, THE REASON THERE'S EIGHT DAYS LEFT IS BECAUSE I WAITED AND I WAITED AND I WAITED AND I WAITED AND I WAITED AGAIN FOR THE EDUCATION COMMITTEE TO DO SOMETHING. AND FOR ALL KIND OF REASONS THEY COULDN'T. AND I UNDERSTAND SOMETIMES THERE'S COMMITTEES THAT CAN'T GET TOGETHER AND DO SOMETHING, FOR ALL KINDS REASONS. BUT NOW WE HAVE A CHANCE TO DO SOMETHING RIGHT HERE, RIGHT NOW... [LB525]

SENATOR KRIST: ONE MINUTE. [LB525]

SENATOR KINTNER: ...AND HELP THESE KIDS. I THINK WHAT WE'RE GOING TO DO FIRST IS, I'M GOING TO PULL THIS BILL AND WE WILL...AMENDMENT, EXCUSE ME, THANK YOU. WE'LL PULL THIS AMENDMENT AND WE'LL GET TO THE MAIN AMENDMENT AND WE'LL TALK A LITTLE MORE ABOUT THAT. AND I THINK WE'LL SPEND THE REST OF OUR TIME TALKING ABOUT THE MAIN AMENDMENT. I DON'T THINK THIS LITTLE AMENDMENT I PUT TOGETHER, I DON'T THINK ANYONE CARES IF I DO IT OR NOT, SO WE'LL GO TO THE MAIN AMENDMENT. MR. PRESIDENT I WOULD LIKE TO PULL THIS AMENDMENT. THANK YOU. [LB525]

SENATOR KRIST: WITHOUT OBJECTION. MR. CLERK, FOR SOME ITEMS? [LB525]

CLERK: I DO, MR. PRESIDENT, THANK YOU. ENROLLMENT AND REVIEW REPORTS: LB390, LB390A, LB448, LB448A, TO SELECT FILE. AMENDMENTS TO BE PRINTED: SENATOR HOWARD TO LB500, McCOY TO LB173, GARRETT TO LB643A, HOWARD TO LB500A, SCHNOOR TO LB176, DAVIS TO LB176, McCOY TO LB176. THAT'S ALL THAT I HAD, MR. PRESIDENT. (LEGISLATIVE JOURNAL PAGES 1707-1712.) [LB390 LB390A LB448 LB448A LB500 LB173 LB643A LB500A LB176]

SENATOR KRIST: THANK YOU, MR. CLERK. RETURNING TO DISCUSSION, WE ARE NOW DISCUSSING AM1572 TO LB525. SENATOR KINTNER, GARRETT, MURANTE AND BAKER ARE STILL IN THE QUEUE. SENATOR KINTNER, YOU'RE RECOGNIZED. [LB525]

SENATOR KINTNER: WELL, THANK YOU AGAIN, MR. PRESIDENT. YOU KNOW, FOLKS, THERE ARE THREE COMMITTEE MEMBERS FROM LPS AND OPS ON THE EDUCATION COMMITTEE. AND, UNFORTUNATELY FOR THE REST OF THE STATE, WE CAN'T HAVE DISCUSSION OR GET A BILL OUT BECAUSE WE DON'T WANT TO ADDRESS THE STATEWIDE POVERTY PROBLEM AND JUST PUT MORE MONEY INTO TEEOSA WHICH, OF COURSE, HELPS OPS AND LPS MORE THAN ANYONE ELSE. I'M AFRAID THAT WE MAY GET TO A POINT WHERE WE BRING IN PART OF

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THE THIRD DISTRICT AND MAKE THE LEARNING COMMUNITY EVEN LARGER, TAKING MORE TAX DOLLARS FROM RURAL COMMUNITIES, SENDING IT TO OMAHA AND LINCOLN. FOLKS, WE'VE GOT GOOD PROGRAMS, GOOD STUDENTS, AND POVERTY IN ALL THE DISTRICTS IN THE STATE. POVERTY IS A STATEWIDE PROBLEM. BUT TAKING MONEY FROM ONE SCHOOL DISTRICT TO SUPPORT POVERTY IN ANOTHER SCHOOL DISTRICT WHEN THEY CAN'T EVEN PAY TO HAVE THE ROOF FIXED JUST DOESN'T MAKE ANY SENSE. ISN'T THE COMMON LEVY THE ANCHOR OF THE WHOLE LEARNING COMMUNITY? ONE SUPERINTENDENT SAID, SADLY, THE COMMON LEVY IS THE GREAT DIVIDE. COLLABORATION STOPS, THE ARMOR COMES OUT, IT'S EVERYONE FOR THEMSELVES WHEN THIS DISCUSSION BEGINS. NO LONGER ARE STUDENTS OUR FOCUS. I'M A NEW SUPERINTENDENT, BUT IT STANDS TO ME THAT WE CAN COLLABORATE ON SO MANY LEVELS BUT WHEN IT COMES TO COMMON LEVY, IT ALL GOES AWAY. AND THAT'S FROM A SUPERINTENDENT IN THE LEARNING COMMUNITY. SENATOR SULLIVAN, WILL YOU YIELD TO A QUESTION? [LB525]

SENATOR KRIST: SENATOR SULLIVAN, WILL YOU YIELD? [LB525]

SENATOR SULLIVAN: YES, I WILL. [LB525]

SENATOR KINTNER: I APPRECIATE THE DISCUSSIONS THAT WE'VE HAD THE LAST TWO WEEKS, FAR MORE PRODUCTIVE, AND I THOUGHT IN GOOD FAITH THAN ANYTHING WE TALKED ABOUT IN THE FIRST TWO YEARS I WAS HERE. LET ME ASK YOU A FEW QUESTIONS HERE. WOULD YOU AGREE THAT THE COMMON LEVY HAS NOTHING TO DO WITH THE SUCCESS COMPONENTS OF A LEARNING COMMUNITY? [LB525]

SENATOR SULLIVAN: NOT NECESSARILY, NO. [LB525]

SENATOR KINTNER: OKAY. WELL, FOR INSTANCE, IF THE EARLY CHILDHOOD PLAN...HOW MUCH OF THAT IS FUNDED THROUGH THE COMMON LEVY? [LB525]

SENATOR SULLIVAN: NONE. [LB525]

SENATOR KINTNER: NONE. EXACTLY. OKAY. THAT'S PROBABLY ONE OF THE MOST SUCCESSFUL THINGS WE DO. HOW ABOUT THE SUPERINTENDENTS' ATTENDANCE PLAN? THAT DOESN'T COME FROM THE COMMON LEVY, RIGHT? [LB525]

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SENATOR SULLIVAN: NO. [LB525]

SENATOR KINTNER: WELL, WHAT SUCCESSFUL COMES OUT OF THE COMMON LEVY THAT WE MIGHT NEED TO KEEP OR FUND? [LB525]

SENATOR SULLIVAN: THE COMMITMENT FOR EVERYONE AS A MEMBER OF THE LEARNING COMMUNITY TO WORK TOGETHER FOR THE BETTERMENT OF THE WHOLE. AND IN THIS SOCIETY, LIKE IT OR NOT, MONEY SOMETIMES BECOMES THE MECHANISM BY WHICH THAT HAPPENS. [LB525]

SENATOR KINTNER: SO WE HAVE TO TAKE 16 PERCENT OF THE POTENTIAL BUDGET OF SPRINGFIELD PLATTEVIEW IN ORDER TO GET THEM TO TALK. IS THAT WHAT YOU'RE SAYING? [LB525]

SENATOR SULLIVAN: SENATOR KINTNER, SOMETIMES PERCEPTION IS REALITY. AND FOR ME TO STAND HERE AND TELL YOU THAT THAT ISN'T EXACTLY TRUE WOULD TAKE MORE TIME AND EFFORT THAN I THINK WE SHOULD DEVOTE TO IT AT THIS TIME. BUT I WILL ALSO TELL YOU, WHEN WE... [LB525]

SENATOR KRIST: ONE MINUTE. [LB525]

SENATOR SULLIVAN: ...HAVE THIS DISCUSSION REGARDING THE LEARNING COMMUNITY AND THE POTENTIAL REMOVAL OF THE COMMON LEVY BUT ANOTHER MECHANISM TO ASSURE THAT THOSE MEMBER SCHOOL DISTRICTS WORK TOGETHER FOR THE BETTERMENT OF THE WHOLE, THERE WILL BE A FULL AND THOROUGH DISCUSSION OF HOW EITHER THE COMMON LEVY DOES OR DOESN'T WORK RIGHT NOW AND WHY AND HOW WE CAN POTENTIALLY REMOVE IT, BUT STILL MAINTAIN THAT COHESIVENESS FOR THE BETTERMENT OF EVERYONE. [LB525]

SENATOR KINTNER: OKAY. THANK YOU VERY MUCH, CHAIRMAN SULLIVAN. I WOULD SUBMIT TO YOU, YOU DON'T HAVE TO TAKE \$2 MILLION OUT OF SPRINGFIELD PLATTEVIEW. YOU COULD SCREW THEM OUT OF, LET'S SAY, \$10,000 AND YOU'D PROBABLY GET THEIR ATTENTION. THANK YOU, MR. PRESIDENT. [LB525]

SENATOR KRIST: THANK YOU, SENATOR KINTNER AND SENATOR SULLIVAN. SENATOR GARRETT, YOU'RE RECOGNIZED. [LB525]

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SENATOR GARRETT: THANK YOU, MR. SPEAKER. I'D LIKE TO YIELD THE REST OF MY TIME TO SENATOR KINTNER. [LB525]

SENATOR KRIST: SENATOR KINTNER, 4:50. [LB525]

SENATOR KINTNER: WELL, THANK YOU. THE COMMON LEVY SIMPLY DIVERTS MONEY FROM ONE SCHOOL DISTRICT AND GIVES IT TO ANOTHER. THERE IS ABSOLUTELY NO ACCOUNTABILITY WHAT IS DONE WITH THAT MONEY. IT GOES DIRECTLY INTO THEIR GENERAL FUND, AND THEY CAN SPEND IT ANY WAY THEY WANT. THERE ISN'T EVEN A GUARANTEE THAT IT'S SPENT ON KIDS IN POVERTY. NOW, HOW DOES THIS MAKE SENSE WHEN THE MISSION OF THE LEARNING COMMUNITY IS TO SUPPORT KIDS IN POVERTY? SENATOR MORFELD, WILL YOU YIELD TO A QUESTION? [LB525]

SENATOR KRIST: SENATOR MORFELD, WILL YOU YIELD? [LB525]

SENATOR MORFELD: YES, I WILL. [LB525]

SENATOR KINTNER: THANK YOU VERY MUCH FOR YIELDING. IF WE'RE TAKING MONEY IN THE COMMON LEVY FROM ONE DISTRICT AND GIVING IT TO ANOTHER THERE'S NO ACCOUNTABILITY. IT GOES DIRECTLY INTO THE RECEIVING SCHOOL DISTRICT'S GENERAL FUND TO BE SPENT ANY WAY THEY WANT AND THERE'S NO GUARANTEE IT'S SPENT ON POVERTY. HOW DOES THIS MAKE ANY SENSE WITH THE MISSION OF THE LEARNING COMMUNITY TO SUPPORT KIDS IN POVERTY? [LB525]

SENATOR MORFELD: THAT'S NOT HOW IT WORKS. [LB525]

SENATOR KINTNER: OH, IT'S NOT? [LB525]

SENATOR MORFELD: NO, IT'S NOT. [LB525]

SENATOR KINTNER: WELL, TELL ME HOW IT WORKS. THIS IS GOING TO BE INTERESTING. GO AHEAD. I'D BE INTERESTED TO HEAR HOW IT WORKS. [LB525]

SENATOR MORFELD: WELL, IT HAS TO BE USED TO ALLEVIATE DIFFERENT POVERTY ISSUES IN THOSE DISTRICTS. AND SOME OF THE MONEY IS

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SPECIFICALLY USED FOR SPECIFIC PROGRAMS IN PARTICULAR AND, IN SOME CASES, TRANSPORTATION, AS WELL. [LB525]

SENATOR KINTNER: SENATOR MORFELD, YOU'RE WRONG. THAT MONEY JUST GOES INTO THEIR GENERAL FUND. IT IS TRANSFERRED FROM ONE TO ANOTHER AND THEY CAN SPEND IT AS THEY WANT. THANK YOU VERY MUCH. IF WE TAKE DC WEST, FOR INSTANCE, AND THAT'S IN SENATOR McCOY'S DISTRICT, IT'S THE THIRD HIGHEST IN POVERTY IN THE LEARNING COMMUNITY. AND THEY'RE LOSING \$1.5 MILLION...I SAID \$1.5 MILLION, I THINK IT'S \$1.4 MILLION A YEAR. AND THIS \$1.4 MILLION GOES TO WHO? WELL, OPS MAYBE? WHAT DOES IT SUPPORT? WHO BENEFITS FROM THE MONEY? AND WHY ISN'T IT AT THE 330-PLUS KIDS IN DC WEST LIVING IN POVERTY? WHY AREN'T THOSE KIDS IMPORTANT ENOUGH TO KEEP THE MONEY RIGHT THERE IN DC WEST? WHY DOES IT GO TO SUPPORT SOME OTHER KIDS SUPPOSEDLY IN POVERTY SOMEWHERE ELSE? WHY ARE THE KIDS IN POVERTY IN OPS MORE IMPORTANT THAN THE KIDS IN POVERTY IN DC WEST OR SPRINGFIELD PLATTEVIEW OR PAPHILLION-LA VISTA OR ANY OTHER ONE? YOU KNOW, WHAT'S THE ACCOUNTABILITY SYSTEM FOR REVENUE SHARING IN THE LEARNING COMMUNITY? FOR INSTANCE, YOU KNOW, OPS, MILLARD, RALSTON, WESTSIDE, GAIN IN THE POOLED FORMULA. WHERE IS THEIR ACCOUNTABILITY FOR HOW THEY SPEND THAT POOLED FUNDING FROM THE REVENUE OF OTHER DISTRICTS? WELL, LET ME TELL YOU. THERE IS NO ACCOUNTABILITY. THE PORTION OF GAIN THIS YEAR FOR OPS WAS APPROXIMATELY \$1.6 MILLION OF THEIR \$409.7 MILLION REVENUE. RALSTON GAINED APPROXIMATELY \$224,000 OF THEIR \$21.9 MILLION IN REVENUE. NOW, I DON'T KNOW IF MY CALCULATIONS ARE GREAT, I SKETCHED THIS OUT PRETTY QUICKLY, BUT THAT'S NOT EVEN A .5... [LB525]

SENATOR KRIST: ONE MINUTE. [LB525]

SENATOR KINTNER:PERCENT GAIN FOR OPS. IT MIGHT BE A 1 PERCENT GAIN FOR RALSTON. YOU KNOW, WHAT'S OPS AND RALSTON HAVE A STRONGHOLD ON THE COMMON LEVY? WHY ARE THEY GAINING THAT MONEY? HOLY COW, \$2 MILLION IS 16 PERCENT OF THE MONEY THAT WOULD POTENTIALLY BE IN THE BUDGET IF THEY'RE ALLOWED TO KEEP THE MONEY IN SPRINGFIELD PLATTEVIEW OR IT'S .5 PERCENT OF THE BUDGET FOR OPS. WHY ARE WE DOING THIS? WHY WOULD WE DO THAT TO A SCHOOL, TAKE 60 PERCENT OF THEIR BUDGET, GIVE IT TO A SCHOOL DISTRICT AND IT'S .5 PERCENT OF THEIR BUDGET? WELL, THAT'S BUREAUCRATS AND GOVERNMENT AT WORK FOR YOU. BOY, THAT MAKES A LOT OF SENSE. YOU KNOW, I GUESS THE MORE I TALK ABOUT THIS THE MORE I WANT TO GET WORKED UP ABOUT IT BECAUSE IT'S...I

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JUST THINK OF THE THOUSANDS OF DOORS I KNOCKED ON, AND THE PEOPLE LOOKED IN MY EYES, SOME OF THEM VERY HOPEFUL THAT I COULD DO SOMETHING FOR THEM. [LB525]

SENATOR KRIST: TIME, SENATOR. [LB525]

SENATOR KINTNER: THANK YOU, MR. PRESIDENT. [LB525]

SENATOR KRIST: THANK YOU, SENATOR KINTNER AND SENATOR GARRETT. SENATOR BAKER, YOU'RE RECOGNIZED. [LB525]

SENATOR BAKER: QUESTION. [LB525]

SENATOR KRIST: THE QUESTION HAS BEEN CALLED. DO I SEE FIVE HANDS? I DO SEE FIVE HANDS. THE QUESTION BEFORE YOU IS, SHALL DEBATE CEASE? ALL THOSE IN FAVOR VOTE AYE; OPPOSED NAY. PLEASE RECORD, MR. CLERK. [LB525]

CLERK: 25 AYES, 0 NAYS, MR. PRESIDENT, TO CEASE DEBATE. [LB525]

SENATOR KRIST: DEBATE DOES CEASE. SENATOR KINTNER, YOU'RE RECOGNIZED TO CLOSE ON AM1572. [LB525]

SENATOR KINTNER: ALL RIGHT. YOU LOOK AT SPRINGFIELD PLATTEVIEW, YOU LOOK AT DC WEST--I'M JUST TAKING THE TWO SMALLEST ONES--DO THEY HAVE A SWIMMING POOL? DO THEY HAVE A FIELDTURF FOOTBALL FIELD? NO, BUT THEY'RE GIVING IT TO SCHOOLS THAT HAVE THAT. HOW WOULD YOU LIKE TO PAY HIGH TAXES TO PAY FOR A SWIMMING POOL WHEN FIELDTURF FIELD ON THE BASEBALL AND FOOTBALL FIELDS OF SOME OTHER SCHOOL DISTRICT WHILE YOU CAN'T EVEN PASS A LEVY TO FIX YOUR OWN ROOF? HOW WOULD THAT MAKE YOU FEEL? HAVE YOU COMPARED OPS ADMINISTRATIVE SALARIES, TEACHER SALARIES, FACILITIES WITH THE SMALLER SCHOOLS IN THE LEARNING COMMUNITY? WOW. I DON'T KNOW REALLY WHAT TO SAY EXCEPT I'LL GO BACK TO SAY IF THIS WAS ANY OF YOU, ANY OF YOU, YOU'D BE AS PASSIONATE AND AS RESOLUTE ABOUT FIXING THIS AS I AM. YOU WOULD NOT TOLERATE THIS IN YOUR SCHOOL DISTRICT. BUT YOU KNOW WHAT? AH, CRAZY SARPY GUYS, TOUGH LUCK. YOU LIVE ON THE WRONG SIDE OF THE COUNTY LINE. SHOULD LIVE FIVE MILES SOUTH AND YOU'D BE FINE. WHAT I WOULD LIKE TO DO IS ENCOURAGE THE EDUCATION COMMITTEE TO DO THE RIGHT THING.

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FIX THIS PROBLEM. IT SHOULDN'T TAKE THIS LONG. YOU'RE NOT GOING TO MAKE EVERYBODY HAPPY AS YOU FIX IT. YOU MAY NOT HAVE EVERY SUPERINTENDENT KISSING YOUR RING, BUT DO THE RIGHT THING FOR HUNDREDS OF THOUSANDS OF PEOPLE ON THE WRONG SIDE OF THE IRON CURTAIN AND THE LEARNING COMMUNITY. WITH THAT, MR. PRESIDENT, I WILL WITHDRAW THIS AMENDMENT. LET'S GET ON TO LB525. THANK YOU. [LB525]

SENATOR KRIST: SEEING NO OBJECTIONS, WITHDRAWN. [LB525]

CLERK: I HAVE NOTHING FURTHER ON THE BILL, MR. PRESIDENT. [LB525]

SENATOR KRIST: BACK TO DEBATE. SENATOR HANSEN FOR A MOTION. [LB525]

SENATOR HANSEN: MR. PRESIDENT, I MOVE THAT WE ADVANCE LB525 TO E&R FOR ENGROSSING. [LB525]

SENATOR KRIST: YOU'VE HEARD THE MOTION. SENATOR KINTNER, DID YOU STILL WANT TO SAY SOMETHING? YOU'RE IN THE QUEUE, SIR. DID YOU WANT TO SAY SOMETHING? [LB525]

SENATOR KINTNER: NO, GO AHEAD. THANK YOU. [LB525]

SENATOR KRIST: OKAY, THANK YOU. ONE MORE TIME, SENATOR HANSEN, PLEASE, FOR A MOTION. [LB525]

SENATOR HANSEN: MR. PRESIDENT, I MOVE LB525 ADVANCE TO E&R FOR ENGROSSING. [LB525]

SENATOR KRIST: YOU'VE HEARD THE MOTION. ALL THOSE IN FAVOR AYE. OPPOSED NAY. LB525 ADVANCES. MR. CLERK. [LB525]

CLERK: MR. PRESIDENT, LB175. SENATOR, I HAVE E&R AMENDMENTS TO THE BILL. (ER122, LEGISLATIVE JOURNAL PAGE 1457.) [LB175]

SENATOR KRIST: SENATOR HANSEN FOR A MOTION. [LB175]

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SENATOR HANSEN: MR. PRESIDENT, I MOVE THAT WE ADOPT THE E&R AMENDMENTS TO LB175. [LB175]

SENATOR KRIST: YOU'VE HEARD THE MOTION. ALL THOSE IN FAVOR AYE. OPPOSED NAY. THEY ARE ADOPTED. [LB175]

CLERK: SENATOR BURKE HARR WOULD MOVE TO AMEND WITH AM1513. (LEGISLATIVE JOURNAL PAGE 1393.) [LB175]

SENATOR KRIST: SENATOR HARR, YOU'RE RECOGNIZED. [LB175]

SENATOR HARR: THANK YOU VERY MUCH, MR. PRESIDENT. I'M AMENDING ON...OR I'M ASKING TO AMEND ON WHAT I ORIGINALLY CALLED THE COMMUNITY GARDENS ACT. IT CAME OUT OF COMMITTEE 8-0. I HAVE TAKEN THE ORIGINAL BILL, ALONG WITH COMMITTEE AMENDMENTS, AND PUT IT INTO AM1513. BASICALLY, WHAT THE BILL DOES IS IT CREATES A SEED LIBRARY. AND THEN IN ADDITION, IT CREATES SOME LANGUAGE TO ENCOURAGE COMMUNITY GARDENS, NOT JUST IN URBAN AREAS, BUT ALSO RURAL AREAS. WITH THAT, I WOULD ASK FOR YOUR SUPPORT ON AM1513. THANK YOU. [LB175]

SENATOR KRIST: YOU'VE HEARD THE OPENING ON AM1513. SEEING NO ONE IN THE QUEUE, SENATOR HARR, YOU'RE RECOGNIZED TO CLOSE. SENATOR HARR WAIVES CLOSING. THE QUESTION IS THE ADOPTION OF AM1513 TO LB175. ALL THOSE IN FAVOR VOTE AYE; OPPOSED, NAY. PLEASE RECORD, MR. CLERK. [LB175]

CLERK: 37 AYES, 0 NAYS, MR. PRESIDENT, ON THE ADOPTION OF SENATOR HARR'S AMENDMENT. [LB175]

SENATOR KRIST: THE AMENDMENT IS ADOPTED. [LB175]

CLERK: SENATOR SCHILZ WOULD MOVE TO AMEND WITH AM1648. (LEGISLATIVE JOURNAL PAGE 1712.) [LB175]

SENATOR KRIST: SENATOR SCHILZ, YOU'RE RECOGNIZED. [LB175]

SENATOR SCHILZ: THANK YOU, MR. PRESIDENT, MEMBERS OF THE BODY. GOOD EVENING AND THANK YOU FOR THE OPPORTUNITY TO PRESENT THIS TO YOU. IN

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TALKING AND WORKING WITH SENATOR GLOOR AND SENATOR MELLO BETWEEN GENERAL FILE AND SELECT, WE HAVE COME UP WITH SOME NUMBERS THAT FIT BETTER AND, I BELIEVE, MAKE EVERYONE COMFORTABLE ON HOW THAT WORKS. AND LET ME EXPLAIN WHAT WE DO. UNDER THE NEBRASKA RURAL ADVANTAGE ACT, THERE ARE TWO AREAS WHERE FOLKS CAN GET TAX CREDITS BACK. ONE OF THOSE IS FOR MODERNIZATION AND THE OTHER ONE IS FOR TECHNOLOGY. AND WHAT THIS DOES FOR CALENDAR YEAR 2016 IS IT TAKES THE NUMBER TWO OR THE SECTION TWO LEVEL FROM \$500,000...OR TO \$500,000. FOR CALENDAR YEAR 2017 AND '18 IT MOVES IT UP TO \$750,000. AND THEN FOR CALENDAR YEAR 2019 AND EACH YEAR AFTERWARDS, IT STAYS AT \$1 MILLION. AND SO WITH THAT, I WOULD APPRECIATE EVERYBODY'S SUPPORT AND GREEN VOTE ON AM1648. THANK YOU, MR. PRESIDENT. [LB175]

SENATOR KRIST: THANK YOU, SENATOR SCHILZ. YOU'VE HEARD THE OPENING ON AM1648. THOSE WISHING TO SPEAK...SENATOR GLOOR, YOU'RE RECOGNIZED. [LB175]

SENATOR GLOOR: THANK YOU, MR. PRESIDENT. AND MEMBERS, I WON'T BE LONG ON THIS. I DO SUPPORT AM1648 AND APPRECIATE SENATOR SCHILZ WORKING ON THIS. THE ISSUE HERE WAS ONE OF DOLLARS, SPECIFICALLY. I'M SURE SENATOR MELLO WOULD SAY DOLLARS AS RELATES TO THE OVERALL BUDGET AND AS RELATES TO MY ROLE AS CHAIR OF THE REVENUE COMMITTEE, BRINGING THIS BILL IN LINE MORE WITH SOME OF THE OTHER BILLS THAT HAVE COME THROUGH THE REVENUE COMMITTEE. THE ISSUE HERE IS THAT THIS IS AND USES COMPONENTS OF THE NEBRASKA ADVANTAGE RURAL DEVELOPMENT ACT. THERE ARE REFUNDABLE TAX CREDITS IN THIS PROGRAM. BILLS OF THIS SORT TRADITIONALLY, USUALLY, NORMALLY WOULD COME TO THE REVENUE COMMITTEE. AND I CAN UNDERSTAND HOW, GIVEN ITS IMPACT ON AG, IT MIGHT HAVE FOUND ITS WAY TO THE AG COMMITTEE. ON THE OTHER HAND, THERE'S NO DOUBT ABOUT THE FACT THAT MOST OF THE BILLS THAT COME OUT OF OUR COMMITTEE OR MOST OF THE BILLS RELATED TO THE NEBRASKA ADVANTAGE ACT ARE GOING TO COME OUT OF THE REVENUE COMMITTEE. GIVEN THE LOW BILL NUMBER ON THIS, LB175, I'M SURE THE NEWLY ORGANIZED, RECONSTITUTED REFERENCE COMMITTEE WAS STILL TRYING TO WORK ITS WAY THROUGH REFERENCING OF BILLS. AND I'M GOING TO ASSUME THAT'S THE REASON IT FOUND ITS WAY TO AG RATHER THAN REVENUE. NONETHELESS, I THINK IT'S A GOOD BILL. GIVEN THIS AMENDMENT, I WOULD ENCOURAGE THE BODY TO MOVE FORWARD WITH IT. AND I CERTAINLY APPRECIATE SENATOR SCHILZ UNDERSTANDING AND HIS WORKING TO GET THAT DOLLAR NUMBER

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MORE IN LINE WITH WHAT WE MIGHT SEE COME OUT OF THE REVENUE COMMITTEE. THANK YOU. [LB175]

SENATOR KRIST: THANK YOU, SENATOR GLOOR. SEEING NO ONE ELSE IN THE QUEUE, SENATOR SCHILZ, YOU'RE RECOGNIZED TO CLOSE ON YOUR AMENDMENT. SENATOR SCHILZ WAIVES CLOSING. THE QUESTION IS THE ADOPTION OF AM1648. ALL THOSE IN FAVOR VOTE AYE; OPPOSED, NAY. PLEASE RECORD, MR. CLERK. [LB175]

CLERK: 34 AYES, 0 NAYS, MR. PRESIDENT, ON THE ADOPTION OF SENATOR SCHILZ'S AMENDMENT. [LB175]

SENATOR KRIST: THE AMENDMENT IS ADOPTED. [LB175]

CLERK: NOTHING FURTHER ON THE BILL, MR. PRESIDENT. [LB175]

SENATOR KRIST: SENATOR HANSEN FOR A MOTION. [LB175]

SENATOR HANSEN: MR. PRESIDENT, I MOVE THAT WE ADVANCE LB175 TO E&R FOR ENGROSSING. [LB175]

SENATOR KRIST: YOU'VE HEARD THE MOTION. ALL THOSE IN FAVOR AYE. OPPOSED NAY. LB175 ADVANCES. NEXT ITEM. NEXT ITEM. [LB175]

CLERK: I'M SORRY, MR. PRESIDENT. LB329, SENATOR. I HAVE E&R AMENDMENTS TO THE BILL. (ER123, LEGISLATIVE JOURNAL PAGE 1511.) [LB329]

SENATOR KRIST: SENATOR HANSEN FOR A MOTION. [LB329]

SENATOR HANSEN: MR. PRESIDENT, I MOVE THAT WE ADOPT THE E&R AMENDMENTS TO LB329. [LB329]

SENATOR KRIST: YOU'VE HEARD THE MOTION. ALL THOSE IN FAVOR VOTE AYE. OPPOSED, NAY. THEY'RE ADOPTED. [LB329]

CLERK: SENATOR SCHILZ WOULD MOVE TO AMEND AM1700. (LEGISLATIVE JOURNAL PAGE 1713.) [LB329]

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SENATOR KRIST: SENATOR SCHILZ, YOU'RE RECOGNIZED. [LB329]

SENATOR SCHILZ: THANK YOU, MR. PRESIDENT AND MEMBERS OF THE BODY. ONCE AGAIN, THANK YOU FOR THE OPPORTUNITY. AS YOU KNOW, WHEN WE HAD THE DISCUSSION ON LB329, THERE WERE SOME ISSUES THAT PEOPLE HAD AND THIS AMENDMENT, AM1700, GOES TO ADDRESS THOSE. FIRST, THE AMENDMENT REMOVES THE REQUIREMENT THAT AN OWNER IS NOT LIABLE FOR INJURIES RESULTING SOLELY FROM AN INHERENT RISK ON THE PREMISES. REMOVING THE WORD "SOLELY" WILL PREVENT AN UNINTENDED NARROWING OF THE BILL'S APPLICATION. IT WAS POINTED OUT TO US THAT ANY INCIDENT THAT RESULTED IN AN INJURY WOULD NOT LIKELY BE CAUSED SOLELY FROM ONE OF THE LISTED INHERENT RISKS. AN INHERENT RISK AS DEFINED IN THIS BILL WOULD MORE LIKELY BE CONTRIBUTING TO AN INCIDENT LEADING TO AN INJURY. HOWEVER, TO SHOW MY INTENTION THAT THE BILL IS MEANT ONLY TO ADDRESS INHERENT RISKS OF THE LAND, THE AMENDMENT ADDS THAT THE LIABILITY OF AN OWNER IS NOT LIMITED IF AN ACT OR OMISSION THAT IS THE PROXIMATE CAUSE OF INJURY DOES NOT CONSTITUTE AN INHERENT RISK. NEXT, THE AMENDMENT ALSO ADDRESSES THE CONCERN THAT AN AGRITOURISM OWNER MIGHT BE LESS LIKELY TO MAINTAIN HIS OR HER PROPERTY OR EQUIPMENT BECAUSE OF THE LIMITED LIABILITY UNDER THE BILL. THE AMENDMENT ADDS THAT THE LIABILITY IS NOT LIMITED IF THE OWNER FAILS TO EXERCISE REASONABLE CARE TO PROTECT AGAINST THE PARTICULAR DANGERS OF STRUCTURES OR EQUIPMENT USED OR KEPT ON THE OWNER'S PREMISES. THIS REPRESENTS MY INTENTION FOR THE BILL AS I HAVE ALREADY STATED ON THE RECORD. AND LAST, THE AMENDMENT MOVES LANGUAGE THAT IS CURRENTLY UNDER THE DEFINITION OF INHERENT RISK TO THE SECTION THAT LISTS THE INSTANCES WHEN AN OWNER'S LIABILITY IS NOT LIMITED. THIS IS DONE FOR THE SAKE OF FLOW AND CLARITY. I BELIEVE THAT WE HAVE MADE THE CHANGES TO THE LANGUAGE TO ENSURE THE BODY'S COMFORT WITH THE BILL AND TO SHOW THAT IT IS MY INTENTION THAT THE BILL ONLY LIMIT LIABILITY DUE TO INHERENT RISK TO THE LAND WHERE AN AGRITOURISM ACTIVITY IS TAKING PLACE. THANK YOU FOR YOUR SUPPORT. AND I HOPE I CAN GET GREEN VOTES ON AM1700. THANK YOU, MR. PRESIDENT. [LB329]

SENATOR KRIST: THANK YOU, SENATOR SCHILZ. SEEING NO ONE IN THE QUEUE, SENATOR SCHILZ, YOU'RE RECOGNIZED TO CLOSE ON YOUR AMENDMENT. SENATOR SCHILZ WAIVES CLOSING. THE QUESTION IS THE ADOPTION OF AM1700. ALL THOSE IN FAVOR VOTE AYE; OPPOSED, NAY. PLEASE RECORD, MR. CLERK. [LB329]

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CLERK: 36 AYES, 0 NAYS, MR. PRESIDENT, ON THE ADOPTION OF SENATOR SCHILZ'S AMENDMENT. [LB329]

SENATOR KRIST: AM1700 IS ADOPTED. [LB329]

CLERK: I HAVE NOTHING FURTHER ON THE BILL, MR. PRESIDENT. [LB329]

SENATOR KRIST: SENATOR HANSEN FOR A MOTION. [LB329]

SENATOR HANSEN: MR. PRESIDENT, I MOVE THAT WE ADVANCE LB329 TO E&R FOR ENGROSSING. [LB329]

SENATOR KRIST: YOU'VE HEARD THE MOTION. ALL THOSE IN FAVOR VOTE AYE. OPPOSED, NAY. LB329 ADVANCES. ITEMS, MR. CLERK. [LB329]

CLERK: MR. PRESIDENT, I HAVE NO ITEMS. SENATOR SEILER WOULD MOVE TO ADJOURN THE BODY UNTIL TUESDAY, MAY 19, AT 9:00 A.M.

SENATOR KRIST: YOU HEARD THE MOTION. ALL THOSE IN FAVOR AYE. OPPOSED, NAY. WE ARE ADJOURNED UNTIL 9:00 TOMORROW MORNING.