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Floor Debate
March 13, 2007

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SPEAKER FLOOD PRESIDING []

SPEAKER FLOOD: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the forty-fifth day of the One Hundredth Legislature, First Session. Our chaplain for today is Pastor Tony Dawson of the Christ United Methodist Church in Lincoln. He is a guest of Senator Kruse. Please rise. []

PASTOR DAWSON: (Prayer offered.) []

SPEAKER FLOOD: Thank you, Pastor Dawson. I call to order the forty-fifth day of the One Hundredth Legislature, First Session. Senators, please record your presence. Members, please check in. If you're in your office, please come to the floor. Members, please check in. Mr. Clerk, please record. []

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

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

CLERK: I have no corrections, Mr. President. []

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

CLERK: Mr. President, your Committee on Enrollment and Review reports LB638, LB425, LB425A to Select File. Your Committee on Banking, chaired by Senator Pahls, reports LB85 and LB350 as indefinitely postponed. I have two appointment letters from the Governor, Mr. President. Both will be referred to the Reference Committee for referral to standing committee for confirmation hearing. Mr. President, and a notice of hearing from Judiciary Committee. And a new resolution, LR52, by Senator Christensen; that will be laid over, Mr. President. And that's all that I have at this time. (Legislative Journal pages 815-817.) [LB638 LB425 LB425A LB85 LB350 LR52]

SPEAKER FLOOD: Thank you, Mr. Clerk. Members, please find your seats as we prepare for Final Reading. Please find your seats as we prepare for Final Reading. We will now proceed to the first item on the agenda. Mr. Clerk. [LB83]

CLERK: (Read LB83 on Final Reading.) [LB83]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied

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with, the question is, shall LB83E pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Record please, Mr. Clerk. [LB83]

CLERK: (Record vote read, Legislative Journal page 818.) 42 ayes, 0 nays, 2 present and not voting, 5 excused and not voting, Mr. President. [LB83]

SPEAKER FLOOD: LB83E passes with the emergency clause attached. We will now move to LB124E, where the first vote, Mr. Clerk, is to dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Record please, Mr. Clerk. [LB83 LB124]

CLERK: 37 ayes, 3 nays, Mr. President, to dispense with the at-large reading. [LB124]

SPEAKER FLOOD: The at-large reading is dispensed with. Mr. Clerk, please read the title. [LB124]

CLERK: (Read title of LB124.) [LB124]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB124E pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Record please, Mr. Clerk. [LB124]

CLERK: (Record vote read, Legislative Journal pages 819-820.) 46 ayes, 0 nays, 1 present and not voting, 2 excused and not voting, Mr. President. [LB124]

SPEAKER FLOOD: Thank you, Mr. Clerk. LB124E passes with the emergency clause attached. We will now proceed to LB145. [LB124 LB145]

CLERK: (Read LB145 on Final Reading.) [LB145]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB145 pass? All those in favor vote aye; all those opposed vote nay. Record please, Mr. Clerk. [LB145]

CLERK: (Record vote read, Legislative Journal page 820.) 46 ayes, 0 nays, 1 present and not voting, 2 excused and not voting. [LB145]

SPEAKER FLOOD: LB145 passes. We will now proceed to LB231. [LB145 LB231]

CLERK: (Read LB231 on Final Reading.) [LB231]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB231 pass? All those in favor vote aye; all those opposed

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vote nay. Please record, Mr. Clerk. [LB231]

CLERK: (Record vote read, Legislative Journal page 821.) 46 ayes, 1 nay, 2 excused and not voting, Mr. President. [LB231]

SPEAKER FLOOD: LB231 passes. (Visitors and doctor of the day introduced.) We will now proceed to LB237. [LB231 LB237]

CLERK: (Read LB237 on Final Reading.) [LB237]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB237 pass? All those in favor vote aye; all those opposed vote nay. Please record, Mr. Clerk. [LB237]

CLERK: (Record vote read, Legislative Journal pages 821-822.) 38 ayes, 5 nays, 4 present and not voting, 2 excused and not voting, Mr. President. [LB237]

SPEAKER FLOOD: LB237 passes. We now proceed to LB239. Mr. Clerk, the first vote on LB239 is to dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Please record, Mr. Clerk. [LB237 LB239]

CLERK: 39 ayes, 5 nays, Mr. President, to dispense with the at-large reading. [LB239]

SPEAKER FLOOD: The at-large reading is dispensed with. Mr. Clerk, please read the title. [LB239]

CLERK: (Read title of LB239.) [LB239]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB239 pass? All those in favor vote aye; all those opposed vote nay. Record please, Mr. Clerk. [LB239]

CLERK: (Record vote read, Legislative Journal pages 822-823.) 47 ayes, 0 nays, 2 excused and not voting, Mr. President. [LB239]

SPEAKER FLOOD: LB239 passes. We now proceed to LB248. [LB239 LB248]

CLERK: (Read LB248 on Final Reading.) [LB248]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB248 pass? All those in favor vote aye; all those opposed vote nay. Record please, Mr. Clerk. [LB248]

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CLERK: (Record vote read, Legislative Journal pages 823-824.) 46 ayes, 0 nays, 1 present and not voting, 2 excused and not voting, Mr. President. [LB248]

SPEAKER FLOOD: Thank you, Mr. Clerk. LB248 passes. We now proceed to LB296E. [LB248 LB296]

CLERK: Mr. President, I have a motion on the desk. Senator Schimek would move to return the bill for purposes of striking the enacting clause. (FA39, Legislative Journal page 824.) [LB296]

SPEAKER FLOOD: Senator Schimek, you are recognized to open on your motion to return LB296E to Select File. [LB296]

SENATOR SCHIMEK: Yes, thank you, Mr. President and members. I have informed Senator Johnson that I was going to do this, this morning, and I don't do it lightly. I want to explain, though, in case we're not all familiar with what this motion does. It essentially rejects the bill, and that's not my purpose this morning. And I will plan to withdraw this motion after there has been an adequate time for any of my colleagues who wish to address the issue to speak. But if you recall, or some of you may not recall because you weren't here the last time this bill was before us, it was on Select File and it was a snow day, very definitely, and many of our colleagues weren't on the floor and there wasn't much debate on the bill, even though I think, as I've been listening to some of you, I think there's a fair amount of concern about some of the issues that the Department of Health and Human Services has to address. And I want to say at the outset that this is...my remarks don't have anything to do with how I think state employees do their job. It's not an indictment of them or Health and Human Services employees per se, but I think that there is reason to be concerned about the things that have been happening and continue to happen. I can remember when I first came in the Legislature about 20 years ago, we had terrible concerns then about how abuse and neglect cases were being addressed. And I do have to say that over time that has gotten better, but we still have huge caseloads and I'm not sure that we're still doing them as well as we could. But there have been a number of issues over the past couple of years. Probably the most recent thing to come out that I've seen was from the National Association of Childcare Resources and Referral Agencies rankings of state childcare center standards and oversight, and Nebraska ranked 50th out of 52 on that evaluation. Now I'm not a great one to put huge stock in some of these evaluations because sometimes it's comparing apples to oranges, but you do have to wonder about that very, very low ranking. And incidentally, because...there are 52 that they mention because the District of Columbia and the Department of Defense was rated in that evaluation. If I remember right, the Department of Defense got very high marks. But in addition to that, if you remember, in the last year there were several things that happened that were very difficult and troubling. One was the Beatrice State home was cited for practices that put its patients in immediate jeopardy. And to the department's credit, they came forward

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right away and helped work on some of these problems. If you remember, in September of last year the Thomas Fitzgerald Veterans' Home in Omaha failed its inspection by the Department of Veterans' Affairs; again, very, very troubling and maybe the kind of thing that's happening nationally as well. Again, we've worked on working on that and things are better. I think I have read in news accounts, no longer have the oversight over that, but I think things are getting better. In July of 2006 the Lincoln Regional Center was also cited for putting some of its patients in immediate jeopardy. And again, we've been working on addressing those concerns and I feel comfortable that we are getting to the point where things are much better there. And finally, the last one that I would mention, and there are many other issues, in March of 2006, NAMI, which is a national organization on mental health, gave Nebraska a D grade for mental health services in this state. And I don't...I mention these issues because they are the most visible, and what troubles me and has troubled me for a long time is this is a huge bureaucracy, over 6,000 employees, I believe, and it is very difficult for us as members of the body to have the proper oversight. I know Appropriations Committee, of course, deals with some of the issues and the problems in their hearings. I know Health and Human Services Committee also has some oversight over the department. But it's huge. And so I'm not really standing up to tell you what I think the answers are today. I'm, I guess, telling you what the problems are, and I think that we need to think about some of the answers today. It seems to me that there needs to be more of a culture of constant introspection and evaluation in the department. And maybe it goes on. Maybe I just don't see it. Maybe you don't see it. But I don't think it's going on, on the level that it should. Some of these things are preventable, some of the things that have happened. The little boy, for instance, in the Lincoln neighborhood who was assaulted by a person that was in a group home out in a west Lincoln neighborhood, we immediately went to work on that one and put some rules into effect that would hopefully help it never to happen again. But why weren't those rules put into place before such an incident happened? Are we really examining all of our procedures and rules as we go along? I'm not sure that we are. I also think that we need to perhaps do things in a different manner than we've done before because this is such a huge bureaucracy, and maybe that's part of the problem. Maybe this should be broken down into smaller parts, but that's not why we're here today. But maybe there should be more of the visioning going on that...instead of just dealing with day-to-day crises, and I think that's often what our people are called upon to do, is just deal with the day-to-day crisis. I want you to know that I, as I already said, I am going to leave this motion up for a while because I think there are some other people that want to talk about it. I want you to know that I am going to vote for the bill in the long run because I think that it does provide at least some accountability. I don't think this is the solution, but I do think it puts one person at the top who we can say immediately is the one at which the buck stops and can hold that person accountable. But I don't know (laugh) if any one person ultimately can do it all. But I think I'd like to hear some discussion on this today because I think we missed that discussion on Select File. So with that, Mr. President, I would return...I would say thank you. (Laugh) [LB296]

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SPEAKER FLOOD: Thank you, Senator Schimek. You've heard the opening on Senator Schimek's motion to return LB296E to Select File for specific amendment. We'll continue with the discussion, starting with Senator Lathrop, followed by Senator Howard, Harms, Ashford, Chambers, and Hansen. Senator Lathrop, you are recognized. [LB296]

SENATOR LATHROP: Thank you, Mr. President, colleagues. I am rising in support of the Schimek amendment. And there are...we have a responsibility as a body, we have a responsibility as a body to this agency, Health and Human Services. It is a billion-dollar-plus agency, and it's not enough for us to okay the appropriations and say it is the Governor's job to run Health and Human Services. In the checks and balances, we have a responsibility to that agency and to the people who rely on that agency and to the people of the state of Nebraska. It is a million-dollar agency. And so today there is a bill to reorganize Health and Human Services, and what we need to make sure today, this body needs to make sure that we're not engaged in a Chinese fire drill. A Chinese fire drill is where teenagers pull up to a red light, somebody screams Chinese fire drill, everybody gets out of the car and they run around the car for a couple of minutes, and then they all jump back in a door and the car drives off. If we are going to reorganize Health and Human Services, we cannot have it be a Chinese fire drill where everybody gets back in the car, they may get in different seats and we may have somebody different driving the car, but ultimately the car is going back and returning to the journey and going to the same place it was intending to go in the first place. We are reorganizing the people. We are reorganizing the titles. But are we changing anything? I have been here now a couple of months and spoken to folks who are serving on Appropriations, and they tell me, we got a problem over in Health and Human Services; it's a billion-dollar...we can't put our hands around the budget, and we have people that come in to even Appropriations to tell the most heartbreaking stories about the functionings of Health and Human Services. I've spoken to people who serve on the Health and Human Services Committee, and they've expressed that foster care is broken. These are the children we're letting down, and we can't stop by simply passing LB296 and saying, well, we fixed the problem, because we haven't. It is deeper than that. It is more systemic than that. We cannot get by with a Chinese fire drill. Yesterday the Business and Labor Committee met to resolve claims, and Health and Human Services came in. And I got to say about Chris Peterson, she has been in front of committees that I've served on, she has been honest every time she's come in, she's been prepared, she has been truthful, she has been candid in her remarks everywhere I've been. I don't want this to be a criticism of Chris Peterson. But we were in Health and Human Services, and Health and...or in Business and Labor, and Health and Human Services came in and they wanted to write off over a million dollars. They wanted to write off more than a million dollars. And ultimately, one of the members suggested and asked Ms. Peterson: Ms. Peterson, do you think that Health and Human Services has been a good steward of the people's money? It sounds like they've been a...that this is a

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dismal record of being a steward of the people's money. And she said, yes. [LB296]

SPEAKER FLOOD: One minute. [LB296]

SENATOR LATHROP: That's the person, that's the person who would be the CEO of Health and Human Services under this reorganization. We could talk about the testimony in front of Judiciary last week when we were talking about juvenile court public defenders and what do we do with how juveniles are being treated in the criminal justice system, which is the juvenile court. And one person came in to tell us, as we tried to determine whether it was about attorneys or about guardian ad litem, we heard testimony that there was a young man involved in the system for ten years. He had one lawyer in ten years, he had one guardian ad litem, and he had about a dozen different caseworkers. There is no continuity in the service that's provided with Health and Human Services, and I'm going to ask you this morning, in our conversation about the reorganization of Health and Human Services, let's have an honest debate about what needs to be done... [LB296]

SPEAKER FLOOD: Time. [LB296]

SENATOR LATHROP: ...besides reorganization. Thank you. [LB296]

SPEAKER FLOOD: Thank you, Senator Lathrop. Senator Howard, you're recognized. [LB296]

SENATOR HOWARD: Thank you, Mr. President and members of the body. I thank Senator Schimek for filing this motion and giving us the opportunity for this discussion. I did not know she was going to do this, so I'm just...I jotted down a few notes and I ask for your patience in covering these. I've, as you know, long have concern...concerns regarding service delivery with Health and Human Services, starting with the contracting out of services. I think many of you read in the paper the incident where the three-year-old was kidnapped by the biological parent that she was visiting. This was a parent she was removed from due to safety concerns. This visit was supervised by a contract agency, and the individual that was supposed to be supervising the visit had left the parent and the child unattended while they went to a fast food restaurant, and then they told a story with discrepancies in it, shall we say, to the police, and then charges were filed on that individual. But the point being that the agency will contract out these services for these children to be handled by individuals they're not familiar with. There's no consistency in service delivery of visitation. More strangers come into the child's life, and people that clearly do not understand the mission of the department in regard to the safety of the child and the issues involved. That's a big concern. There's a lot of money put into that and there's very little oversight. Second concern I'm going to present to you again, and I'm very repetitive of this, is caseload size. I met with some of the workers Sunday evening who asked me to sit down with them. A worker had just

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been transferred to a new caseload--40 cases. Cases that had been unattended for three months were given to her. The supervisor came to her that afternoon, after she was handed the stack of cases, to address all the concerns that have been left unaddressed and given an investigation that had to be done immediately of a foster home where there were allegations of abuse of a child. Where would you begin? I ask each of you, where would you begin? Of course, you go out and deal with the crisis situation, but at the same time you've got to be in juvenile court the next morning with a comprehensive report on the well-being of another child, on and on and on. A third concern I'm going to present to you is the training issue. Eleven thousand dollars, eleven thousand dollars is spent for the training of each new child protective service worker, federal dollars. So what do we care? It's not state money, right? This is like Monopoly money. We just request it and it comes in. No, we pay for this. We pay for this. This money is for each new child protection service worker. In meeting with the workers, they're saying to me, these workers are being let go before they're off probation, so it's a constant revolving door of training. Where does this break down? The graduate school of social work is more than willing to pick up the training pieces for this and to offer their services, not only to provide comprehensive child protection training, but also to offer graduate credit hours to the workers who are being trained. Tell me where that would go wrong. They could do it for a cheaper price and they could provide a more comprehensive service that will prepare workers for going out in the field and addressing these tough, tough issues. And I can tell you there's nothing...there is absolutely nothing minimal about a case that comes into child protection. I often think of it as working in a MASH unit. Every case is a crisis. There's not the opportunity to process cases, to make the thought-out decisions that you would like to make, because you are operating in a MASH, a crisis, a crisis situation. Our children in our foster care system deserve better. And I'll tell you, one of my biggest concerns is, and you can call it my... [LB296]

SPEAKER FLOOD: One minute. [LB296]

SENATOR HOWARD: ...thank you...my biggest fear, is that this reorganization will become a panacea and then we're going to hear from year...on years down the road, we've got to let the reorganization take effect, we've got to let this work. That may be true in itself, but it's not going to be the answer to the problems in service delivery. I have asked the department to work with me. I welcome their cooperation on these issues, but they come in continually to testify negatively against me, in opposition of any bills that I bring in or any issues I try to address. I ask your help with this. I welcome your help. This is a problem all of us share. These foster children are depending on us, and as I've said before to you, accountability starts at the top. Thank you, sir. [LB296]

SPEAKER FLOOD: Thank you, Senator Howard. (Visitors introduced.) On with discussion: Senator Harms, followed by Senators Ashford, Hansen, Johnson, Dubas, Cornett, and others. Senator Harms, you're recognized. [LB296]

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SENATOR HARMS: Thank you, Mr. President, colleagues. I've said from the very beginning when this reorganizational structure came forward, you cannot just shift the structure around and change the titles of people. It will not be successful, and in the future we're going to continue to have the problems that we have today without us coming forward and looking at that reorganizational structure and requiring goals, requiring benchmarks, and requiring efficiencies to address this issue, folks. It is over a billion-dollar-plus program, and unless we put our...try to put our arms around this in the right way, we are going to fail as a body, and I think we're on the road to failure. And what has to be done here to straighten this up is that we need to bring experts in from outside of the state of Nebraska to begin to address the issue, because you will not get this done in the culture that we have within Health and Human Services. And let's just face the fact that we're on the course to fail unless you bring people here who have the expertise, that cannot get caught in the political arena, inside of that system and make the necessary changes and bring those changes to this body and say to us, this is what you have to do to change what's occurring. This is an embarrassment for the state of Nebraska. We ought to be ashamed of ourselves to let this happen. We got a chance to make a difference for the children and the services and the people. You will not get this done, and I will guarantee you, you will not get it done with this change in the structure. You need benchmarks. You need efficiencies. You need to identify what the issues are. And quite frankly, you may have to change people out. The culture of the organization has to change. You cannot reorganize without changing the culture. People will not accept the changes because they're so embedded so deep into that program. I get more complaints from people when I go home about the rudeness, about the services, and about people falling through the cracks. We can't allow this. This can't continue. This is a billion-plus program, dollars. What are we doing here, folks? I would ask that we take a strong stand, that we require benchmarks, we require goals, we require efficiencies, we get identified by experts outside of this state what has to be done to correct it, and then have the courage to correct it. Thank you, Mr. President. [LB296]

SPEAKER FLOOD: Thank you, Senator Harms. Senator Ashford, you're recognized. [LB296]

SENATOR ASHFORD: Thank you, Mr. President and members. And I'm...I'll try to keep my remarks to just a few, but I want to focus just very briefly on the issue of welfare reform, because it was a bill that I sponsored in 1994. It was passed by the Legislature, and we were one of the first states in the United States to actually pass welfare reform and to have it have the procedures put forth in that bill actually given federal approval two years prior to the federal welfare reform law. And I'm not going to stand up and beat up HHS. None of us are doing that. But they certainly...there certainly is a sense that we need to challenge HHS to do significantly better. And I'm going, as Senator Schimek has indicated she's going to vote for this bill, I'm going to vote for this bill, but I think the challenge is really out there to HHS to achieve. I appreciated Senator Harms' remarks

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because he's absolutely right. The public needs to know why a billion-plus-dollar agency cannot achieve some degree of success in these various areas. And I appreciated Senator Howard's comments as well. Nebraska is 43rd in the nation on welfare reform, and when we did the performance audit of the...of HHS, the Performance Audit Committee referenced the Cato Institute, and the Cato Institute has done a significant study of all of the states in the United States on their ability to take people from a situation of dependence into employment. And we are 43rd. We receive an F grade by the Cato Institute. I mean, it really is not acceptable for a state like Nebraska to have such a failure. I did pass out some demographic information on my experience, kind of reflecting my experience at the Omaha Housing Authority, where only 17 percent of people in poverty who live in public housing actually have jobs where they earn income, we...employment income. We, during my three years there, we worked on numbers of programs to try to enhance employability and self-sufficiency, but it's a very, very difficult job. And to me, the two issues that are the most glaring, Senator Harms raised one and that's the one, the issue of accountability. The other issue...and benchmarks, and we must expect those, and Senator Lathrop certainly was correct in his comments on that. The other issue, though, is communication between agencies. It was so frustrating to run a housing agency that housed 17,000 people, most of whom are in pretty significant degrees of poverty living in the Omaha area, and not being able to communicate effectively with other agencies. Now, granted, the housing authority is 99 percent federally funded and HHS is not, and the Omaha Public Schools and other school districts are not, but the lack of communication between all of these groups that deal with this population, very definable population, on a day-to-day basis, must be enhanced. There must be communication. There must be talk, and of the data, and there must be the ability for these agencies to talk about individuals, because we're really talking about the blocking and tackling of poverty here. How do we day in and day out bring people out of poverty, give them the opportunity to find employment, to attend school and hopefully bring themselves out of poverty? And there are a lot of issues, many issues involving the federal law in all these areas--immigration, welfare--that need correcting, and we can't correct those on a state...here in Lincoln. [LB296]

SPEAKER FLOOD: One minute. [LB296]

SENATOR ASHFORD: But I appreciate Senator Schimek bringing this to us. It is such an important issue. It's a third of our budget now, so substantially...such a substantially greater portion of the budget than it was when I left here in 1994; takes away money from education, takes away money from so many other things. It must, must, must be managed better. And I'm hopeful that this bill, this change in organizational structure, is the first step. But as has been suggested here today, it is only the first step, and what comes after in the next year, two years, three years on these issues is going to be fundamentally important to our state as we move forward. Thank you, Mr. Speaker and members. [LB296]

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SPEAKER FLOOD: Thank you, Senator Ashford. Senator Hansen, you're recognized.
[LB296]

SENATOR HANSEN: Thank you, Mr. President, members of the body. I serve on HHS Committee along with Senator Johnson, Stuthman, Howard, and Erdman, and the three freshmen that serve on that committee are Senators Pankonin, Gay, and myself. One of the first things we did after learning the ins and outs of the HHS Committee was to take in the reorganization bill. Well, this was quite overwhelming to find out we have a new director and the changes in the communication style that they strive to attain by making this change. We hear from constituents all the time that HHS is not working; that the communications between one service, one subagency and another are just not there. During the reorganization we were a little bit astounded by Director Peterson. I asked her directly if they had any cost savings involved in this reorganization. She said, no, not at this time. Well, if we can't get the cost savings now, I'm not sure when we are going to get the cost savings. But we went through the leadership flowchart. We don't know if that's going to work, especially the three freshmen, I guess, we don't know if that's going to work because we weren't around when it was reorganized in 1997. Do...(laugh) we hate to talk about the deck chairs and all that, but I hope that this is now going to happen. We, the three freshmen--Pankonin, Gay, and myself--have talked quite a bit about learning about HHS. If we're going to be on this committee for at least four years, and hopefully some of us at least eight years, we need to learn about HHS and we need to know its functions and we need to figure out where the complaints are coming from our constituents and their clients. Their clients are the people who actually get the services, and those are important services that some of the people in Nebraska really depend upon. We need oversight, we need understanding, and we need accountability. Our first priority, of course, would be foster care. We all...I think the freshmen class to the...down to the single person, campaigned on foster care reform. How do we do that? Well, one...the first thing you do is get on the HHS Committee and learn how HHS and foster care works. There are not a couple, not a few, not a lot, but way too many complaints about foster care. We need to learn that. There's several bills this year dealing with foster care, and I have one myself. We need to get that system fixed. It is broken. We need to do, I mean, whatever we can. And we've pledged ourselves, between the three freshmen on HHS, and in two years we're going to have some more new ones. The thing about term limits is that we only have four or maybe eight years to do this. I think that it's extremely important. I do want to remind you I come from a science background, working with animals, and if you...you can't change what you can't measure, and going back to what Senator Harms said, you need benchmarks. We need all kinds of measurement tools. Senator Ashford said that we're 43rd, so they evidently measure that somehow, and that's not a good measurement grade we ended up with, but there is a measurement there. You can't improve what you can't measure. Thank you, Mr. President. [LB296]

SENATOR LANGEMEIER PRESIDING [LB296]

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SENATOR LANGEMEIER: Thank you, Senator Hansen. Wishing to speak: Dubas, Cornett, White, Chambers, and others. Senator Dubs, you are recognized. [LB296]

SENATOR DUBAS: Thank you, Mr. President, members of the body. As a member of the Legislature, and when I was out campaigning I talked a lot about accountability and what's my responsibility as a state senator. My responsibility as a state senator is to make sure that the taxpayers' dollars are being spent in an efficient and effective manner, and right now I can't necessarily say that that's happening with HHS. It's our responsibility, I feel, as state legislators, to ask the hard questions and to seek the answers not that we want to hear, but to seek the answers that we need to hear. I can remember reading to my children a story about an emperor and the clothes that he wore. And towards the end of the story there was one person who had the audacity or who had the courage to say, the emperor has no clothes. And I think that's our responsibility today, to say to this agency, you have no clothes. We have some very, very serious concerns about what's going on in the agency. I think in large part that's due to just the sheer size of this agency. I mean it has grown so much in terms of the dollars it needs to continue functioning that we can't even get the answers to the questions that we need. There's just...it's just so far removed from us that we can't get those answers. There's no accountability. That's been mentioned many times on the floor this morning. It's difficult to determine who is accountable for children's safety. I know Florida, New York, Connecticut, and Delaware dismantled their mega-agencies because they were going through the exact same things that we're dealing with right now. There's lack of contract oversight. We're putting these children into the hands of multiple people. There's no consistency in their lives. They have no idea what to expect, and we have no way to find out what we're getting for them. Three hundred and forty-two of the 948 children in foster care had four or more different caseworkers; 174 had four or more different contract staff monitoring their visitation sessions; 182 of the 948 young children had experienced four or more placement changes while in foster care; 219 of the 948 children were in placements that were caring for four or more children. These should just be sending off bells and whistles and red flags all across our state, and these are children we're talking about. These are young people that have no one to speak for themselves but the agencies that are...that they're being placed with. We need to be able to count on and depend on those agencies being the voice for these children. How do we even find out what's going on in these agencies? What is HHS spending on contracted services? How can we find that out? How can we find out the costs and the number of children that are being served? How can we find out whether oversight is even being provided on these contracted services? In 2005 there was a lawsuit filed against HHS on behalf of some foster children, and that lawsuit was dismissed. But it wasn't dismissed on the issues that were being raised; it was dismissed on technicalities, so it's not to say that those allegations aren't still true. Some of the things named or stated in that lawsuit was failing to protect foster children in HHS custody from physical, emotional, and developmental harm; allowing their condition to

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deteriorate;... [LB296]

SENATOR LANGEMEIER: One minute. [LB296]

SENATOR DUBAS: ...requiring them to remain in state custody unnecessarily; failing to house them in the least restrictive and most appropriate and family-like placement; failing to provide treatment and services related to the cause of their confinement and in accordance with reasonable and professional judgment. We're hearing that word "fail" way, way too often. I appreciate the opportunity to be able to continue to discuss this issue. This issue is way too important for us to continue to pass it on without making sure that we as a legislative body are putting things in place that we can get the hard answers to these hard answers to these hard questions, and again, for us not to be able to say, I don't think the emperor is wearing any clothes. Thank you. [LB296]

SENATOR LANGEMEIER: Thank you, Senator Dubas. Senator Cornett, you are recognized. [LB296]

SENATOR CORNETT: Thank you, Mr. President and members of the Legislature. Yesterday in Business and Labor, we heard the claims bills, and by the end of the day I was very disturbed at the lack of control that Health and Human Services, internal control, Health and Human Services demonstrated in the past, and I wanted to go over some of the numbers and some of the reasons that we were given yesterday. The first claim that they wanted to write off, or for us to write off, is for \$348,182.90. They said this is a claim for unrecoverable debt. I have here sheets and sheets of debt that was not attempted to be recovered, and now the statute of limitations has run on it. They asked for a claim to be dismissed for \$6,272 against an employee. It is not recoverable. The employee committed fraud against the state of Nebraska. She then filed subsequent bankruptcy. No attempt was made to file for money under the bankruptcy, and no attempt was made to file for recovery. Further, when questioned, they could not even answer, the spokesman, could not even answer if the woman had been prosecuted. They don't know if they filed fraud charges, they don't know the disposition, and they don't know why the statute of limitations was allowed to lapse. The next...and I'll just go over the next major claim: \$722,819 from AABD, CFS, CC, and ADC programs. These were all made for overpayments or mispayments with no attempt to recover this money, and the statute of limitations has run. When Senator White asked Chris if she felt that this department had been a good steward of the public's money, her answer was no. My concern with anything we do with Health and Human Services at this point is, are the controls in place that this type of negligence will not occur in the future? We've heard in this Legislature that they do not have money to hire more caseworkers to protect our children, but they can lose over a million and a half dollars and not be able to be accountable as to where that money went or why that money was not attempted to be recovered? We need to seriously stop and look at this bill that is going through and make sure that we are holding Health and Human Services

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accountable, that they are going to have reasonable accounting practices in place, that they have a plan and a review process on how to collect bad debt. Thank you. [LB296]

SENATOR LANGEMEIER: Thank you, Senator Cornett. Senator White, you are recognized. [LB296]

SENATOR WHITE: Thank you, Mr. President. That hearing was one of the most shocking events I've seen since I've come to Lincoln. We may as well piled a million dollars into a big bonfire and lit it up, as the care...the lack of care that was exhibited. That's money. Tonight children in Nebraska will go to bed hungry because Health and Human Services said they didn't think it was economically feasible to finance Senator Kopplin's bill that would take federal money to feed our children; this, in one of the greatest breadbaskets in the world. Mr. President, I'd yield the rest of my time to Senator Lathrop. [LB296]

SENATOR LANGEMEIER: Senator Lathrop, four minutes. [LB296]

SENATOR LATHROP: Thank you, Mr. President. And thank you, Senator White. I would like to commend the efforts of Senators Pankonin, Hansen, and Gay for their interest in foster care. These...I've had an opportunity to visit with these gentlemen about these issues, and they have a commitment to working within the committee and getting to the bottom of those issues, and I appreciate their concern. Senator Harms told us that he thought we should have somebody from the outside come in, and I think that that is...I think he may be probably as close to a solution as we will be able to find today on the floor of this Legislature because we can express our frustration, which is important, we can express our experiences with Health and Human Services. What we know, it takes almost the input of 49 people to get a good picture of it, it is so massive. But I think Senator Harms has made the first suggestion and I would agree with it. He has suggested to us that we need to bring someone in from out of state, and that can be...that can take the form of a study or it can take the form of a different CEO. And I would submit to you that doing a study of Health and Human Services would be a monumental undertaking. But when Warren Buffett decides to invest in a business, his primary criteria is who's running it. If you have a well-run business, if the person at the top is good at what they do, the business will succeed. As I said the last time I stood up, I don't have a...it is not personal with Chris Peterson. She has been candid every time I've asked her a question. But we have a billion-dollar...this is tantamount to a billion-dollar business, 6,000 employees, and our search was inside the Capitol. I think that the search for the person that should be the CEO of Health and Human Services ought to be nationwide. We ought to be looking for someone with some executive experience, some experience in running a business, and some experience in cleaning up a health and human services department in another state. I think that is for the new CEO to tell us we are going to reorganize Health and Human Services, a billion-dollar part of our budget, and tell us that we're not going to have any savings? We will not

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have any savings? I haven't heard anybody tell us another reason to do it, because no one said after we get done reorganizing... [LB296]

SENATOR LANGEMEIER: One minute. [LB296]

SENATOR LATHROP: ...after we get done reorganizing that we will have met the mission of the Department of Health and Human Services. No one has said the foster kids will be better off. No one has said we'll have less caseworker turnover. No one has said that the children will be better off and that the agency will be better run. It is disheartening to hear the litany of concerns that people have. I think our goal should be not just to provide economic development to the people in the state of Nebraska, not just to better educate our children, but let's do what we need to do to move up from 43rd in the country when it comes to taking care of our children to 1st. Thank you. [LB296]

SENATOR LANGEMEIER: Thank you, Senator Lathrop and Senator White. Wishing to speak, we have Chambers, Pankonin, Erdman, Wallman, Johnson, and others. Senator Chambers, you're recognized. [LB296]

SENATOR CHAMBERS: Mr. President, members of the Legislature, I think what Senator Schimek did this morning was to do a service for the body and the state. A few days ago I had put what I would call an embargo or a hold on this bill. Senator Kopplin had brought a bill that would make food stamps available to more people, and it was tied up in the Health and Human Services Committee, and I had said I'm going to hold this bill to reorganize HHS until that bill was released by the committee and allowed to this floor. I had said this bill is my hostage and I'm not going to let it go. The committee released LB171, which was the food stamp bill. I talked to Larry Bare, who is the commander in chief of--well, that's not what they call him, is it; he's the chief of staff of the Governor--and Chris Peterson, who will be the CEO under this bill. I pointed out that I would not put forth a "yeoperson" effort to stop this bill; that I was not going to support it, but that I was not going to put forth that effort to delay it or stop it. The only interest I had in it at that time was to use it to leverage LB171 from committee. Once that had been done, this bill was free of me. But that doesn't mean I think it's a wise bill. It doesn't mean that I think it ought to be done. Clearly, something must be done about HHS. Former Governor Nelson, while he was boondoggling and put that Work Ethic Camp, or whatever they call it, out there where he was born to try to pick up votes when he wanted to run for the Senate, he was using HHS to show that he could make government more efficient, so they combined on this floor to do with HHS what has been done to it, and which is to be undone by this bill. I fought against that. But like so many times when I'm waging an appropriate struggle against a bad idea, the forces of evil and cowardice prevail and HHS was converted into the monstrosity that it is now. I'm not going to vote for this bill, but I'm not going to offer amendments or anything to try to kill it. The votes probably are here to send it on. I haven't read the whole bill, but I'd venture to say I've read more of it than most on this floor. That bill is several inches

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thick. Not every change is of consequence. When you have a bill like that sometimes you have to change a few words, but you have to change them every place they appear in the statute, so that adds to the number of pages. Some people will look at the thickness of the bill and the mere thickness of it will deter them from reading or putting forth an effort to read it. The kind of discussion going on now is the kind that should have attended the movement of this bill across the floor of the Legislature. But that water has been spilt. [LB296 LB171]

SENATOR LANGEMEIER: One minute. [LB296]

SENATOR CHAMBERS: The genie is out of the bottle. The genie is not going to be returned to the bottle. In years to come, dissatisfaction will be expressed with not only the way HHS is not doing its job, but with the organizational structure. There was a lot of thought put into this bill by those who crafted it, but not much thought put into it by those of us on the floor of the Legislature. The final straining or review of the bill is to be done by us, and the ball has been dropped, but a deal is a deal with me. I made my deal with the devil, or they made their deal with this devil, and the devil, even in literature, has always kept his word even when others violated theirs. Thank you, Mr. President. [LB296]

SENATOR LANGEMEIER: Thank you, Senator Chambers. Senator Pankonin, you are recognized. [LB296]

SENATOR PANKONIN: Thank you, Mr. President, members of the body. Just some follow-up to the comments this morning. I think the word that comes to mind, after hearing the testimony and the comments today, is I'm embarrassed. I think it's embarrassing to have an agency with this kind of performance, governance, follow-through that we've heard about, the Business and Labor folks yesterday. I'm embarrassed. I think we all should be for our state and for the people it serves. But I'm also encouraged today by the body's support. I know that I will feel more confident in asking questions and demanding improvement on the HHS Committee. I really thank you for all these words of encouragement today. My commitment is strengthened. Can we make a difference over the next few years? That's what I want to do, and I think we all want to. We need to. We've got to in this area. So at this time, I'm going to vote to pass LB296. As Senator Hansen said, that was the very first thing we had the first week, that this is what we've got to do. Being new to the process, I'm going to go with that assumption that this is the first step. But I think we've also sent a message, you've sent a message to me and I think we've sent a message to the Executive Branch that we're going to be asking questions and demanding better performance over the...in the next few years. We've got to. And so this has been very beneficial to me, and I thank you for your support because I know I will have a stronger will in trying to make improvements in this area. Thank you. [LB296]

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SENATOR LANGEMEIER: Thank you, Senator Pankonin. Senator Erdman, you are recognized. [LB296]

SENATOR ERDMAN: Mr. President and members of the Legislature, Senator Schimek, thank you for the opportunity to discuss these issues, and I'm going to focus specifically on what Senator Ashford brought to our attention, and I think it's consistent with the discussions that we're having in the committee. We have advanced LB82, which is Senator Synowiecki's bill on removing the family cap. That was a provision that was generally brought down to the states under the Federal Welfare Reform Act of 1996. If you look at the Cato Institute's study, that was done in 2004. The Deficit Reduction Act was passed in...actually, it was supposed to be passed in 2005, but in typical congressional fashion they were a year late, so it was actually passed in 2006. That further changes what we're allowed to do and receive credit under some of these programs in meeting some of those obligations. So we have these proposals that have been introduced before the committee. In preparation for these issues, and in fact under the leadership of our former Chairman, Senator Jensen, we did an interim study last session, and I'm sure that it would be available to the members of the Legislature, in addition to those of us that are on the committee. LR400 compiled every one of the programs that we employ as the state of Nebraska, under the Department of Health and Human Services, under the Federal Welfare-to-Work...or Federal Welfare Reform provisions. Generally, those provisions are what was looked at in the state report card in implementing welfare reform. If you go to the web site for the Cato Policy or Cato Institute you can find that. Specifically, they graded us in five areas: one, family caps. If you have a family cap, you got 100 points; if you don't have a family cap, you got zero. Second one is whether or not you have living arrangements that are required for minors who are young mothers. If your requirement is that you live with an adult or relative or with a supervisory adult, you got 100 points; if you allowed them to live independently, you got less. You can start going through here and figuring out why we didn't score higher than we did, and it's because we have different policies and allow for greater flexibility. One of the things that I have offered to the committee, and I think it's going to be something we as a committee will look at in the interim, is analyzing all of those programs that we have in place and whether they're being effective. That's what this is about--are we being effective in meeting the intent of getting people to be self-sufficient, getting them off the welfare rolls, and making sure that they have an opportunity to be successful? If we have 60 pages of programs in a binder that we as a committee have compiled, we need to do our due diligence in deciding which one of those policies should receive more priority. If you'll notice, there were four votes to advance Senator Synowiecki's bill. There were no votes against it, but there was an understanding in that discussion that we should have a broader look at all of these programs and determine if this is the best bang for our buck. So I would encourage you to go look at the additional information. There's about 12 pages of analysis from the Cato Institute, and then there are a number of appendixes and tables that analyze how they arrived at their findings. So I think it's appropriate to have all of these discussions. I think that's what our

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committee is supposed to be doing. Since I've been on the committee I've looked at the agency and I've said, you know what, they don't have a clear mission on what it is that they're doing, other than the individual agencies that are required to do certain things under statute. And we've done interim studies. Senator...or excuse me, our staff from the Health Committee, and when Senator Jensen was here, commissioned interim studies to analyze all of those statutes that we have given authority to the department to analyze whether or not that's an appropriate use of their time... [LB296 LB82]

SENATOR LANGEMEIER: One minute. [LB296]

SENATOR ERDMAN: ...and whether or not that time inhibits their ability to truly affect and to do the things that we expect from the department. We have spreadsheets of all the statutory references that the department has responsibility for, and those are going to be the basis for their organization. Had we not done that work up front that you don't hear a lot about, they wouldn't really have a lot of direction, because they probably don't have the time to sit back and analyze these things. That was the first step. It is the responsibility of the committee that Senator Pankonin, Senator Hansen have talked about this morning, to make sure that we are holding them accountable. And it's going to take an effort, and it's not going to happen overnight, but it is going to happen with constant watch. And whether you want to call it benchmarks, or whether you want to call it legislative oversight, whatever you want to call it, we have that responsibility. And I'm hopeful that with this new group, and continuing with what we've begun in the past, that we'll be able to see additional improvements in the agency. Thank you, Mr. President. [LB296]

SENATOR LANGEMEIER: Thank you, Senator Erdman. Senator Wallman, followed by Friend, Howard, Pahls, White, and others. Senator Wallman, you're recognized. [LB296]

SENATOR WALLMAN: Thank you, Mr. President, members of the body. Yesterday, too, I was kind of sad after the committee meeting. And I'm proud to be a native Nebraskan. And running for office, my opponents called us the welfare capital of the Midwest. I don't exactly agree with that statement. But before we fix things, let's make sure where the problems are. Sometimes we are in the forest, we wander around there, you know, and we can't see the problem for the trees. And I agree with Senator Harms, sometimes, like the military, if you got a problem, they bring in somebody else, and they can see more clearly, whether it be from the private area or the public area. And we're living in an age now where accountability seems to be out the window, whether you're a CEO of a major corporation, or working for the government, national, state. Accountability is almost nonexistent. So what are we going to do here? I am proud to be Nebraskan. And they do lots of good things. HHS, let's not condemn them right across the board. They do do some good things. But our number one mission on this earth, according to the Bible, is love your children. And that's our number one mission, take care of the children. And if we don't take care of our children, where is our society

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going? I think we can look at different societies down through the ages that abused their children. Where did they go? They had lots of trouble. So thank you, Mr. President. [LB296]

SENATOR LANGEMEIER: Thank you, Senator Wallman. Senator Friend, you're recognized. [LB296]

SENATOR FRIEND: Thank you, Mr. President and members of the Legislature. I think a lot of the conversation this morning identified some valid problems, things we're dealing with, with Health and Human Services. Good points. Caseloads are too large, dysfunctionality between departments, cultural difficulties, billions of dollars spent tossing money down a rathole. We've asked ourselves, why is Health and Human Services so big? Why is it such a big bureaucracy? Why are we getting calls every two weeks in regard to placement, in regard to child custody, in regard to placement of children? Health and human services organizations, I would submit, around this nation, organize to solve problems like this, like some of the ones that we've talked about this morning. None of them are set up to succeed, none of them, because they can't. Government does two things really well. Government does two things halfway decent, I should say. It organizes; and it funds, it finances. Implementation is a totally different subject. I think we'd all like to think--and I believe this--that a sound education, sound education, either public or private, I don't care--a sound education beginning at home, by the way--can temper some of the social costs we've talked about this morning. I think we all...I would hope we all know that. I would hope we all believe that. And I talked about the implementation factor of health and human services organizations throughout this nation, and how it's virtually impossible for them to succeed. Let me give you an example. We've all heard the story of Boys Town. It's now Girls and Boys Town, obviously. In 1917, Father Flanagan borrowed 90 bucks--that's a lot of money, back then--from an anonymous donor, they think it was another priest, started a nonsectarian, nonproselytizing home for boys, in an old, rundown Victorian mansion, probably rat-infested. But this is the interesting part, and I think this is important. The front door was never locked, and any boy who came was allowed to enter, regardless of race, color, or creed. There was hardly enough money to feed them, and these boys received stronger nourishment than food. They received love, care, patience, and understanding in rich quantities. That's off the Boys Town web site. I believe it. That's what happened, anybody that understands history knows. It's not the government working. These are people caring for each other. One guy, two guys, five people, women, men, getting together and saying, look, the government can't handle it. There was no government to handle it then. That's obvious. They handled it, and they're handling it today. I don't work for Boys Town. Boys Town doesn't give money out to people like me. But I know what they've done. [LB296]

SENATOR LANGEMEIER: One minute. [LB296]

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SENATOR FRIEND: Private, nonsectarian organization that has been wildly successful, producing result after result. Show me the result after result that Health and Human Services has produced. It's a government entity, folks. It's not going to happen. I like people that work in Health and Human Services. I know a lot of them. Their hearts are in the right place. It's government. I'm a married man, and I have had, particularly, probably, since...this is a stressful job, we all know that. And my wife and I are both passionate people, and we've fought in front of our children. And one day, I brought all the kids down and sat them down on the couch, tears in their eyes. And I said, I love your mother and she loves me. That's all you have to know. Dismissed. And everything was fine. [LB296]

SENATOR LANGEMEIER: Time. [LB296]

SENATOR FRIEND: I need more. [LB296]

SENATOR LANGEMEIER: Thank you, Senator Friend. Senator Howard, you're recognized. [LB296]

SENATOR HOWARD: Thank you, Mr. President, members of the body. I sincerely appreciate the discussion we're having regarding this matter, and I think there's much, much more to be said. I'm going to be as concise as I can be on this issue, which is always very emotional for me and very close to the heart. I believe it was Senator Harms who recommended an outside study, which is very...a very good recommendation. And I would say to you that an outside study is exactly what accreditation would do with the Department of Health and Human Services. It's a standard of excellence, a standard of accountability. The department, in my opinion, is resistant to moving in that direction. I've talked with them. Rather than in an spirit of cooperation--how can we look at this together, what needs to be done, what will it cost, all of those issues that we all want to know--they tell me why they can't do it. They tell me about other agencies or hospitals or concerns that aren't accredited, so that should be the reason why they don't look at accreditation. I don't take that answer. That's not good enough. When I look at the department, and I realize...and remember, I'd been there many years; many years I spent with them. They did have a federal audit done on a periodic basis. They're preparing for another federal audit next year. The department consistently fails federal audits, and there's a reason for this, there's a reason for a failure of a system. Right now, there's a federal lawsuit against the department, allegations of misuse of IV-E dollars. That's federal training money. That's exactly what I referred to earlier regarding the new worker training; IV-E dollars, \$11,000 spent for each worker that's trained, for each worker that leaves before the end of their probation period. They're walked out of the building. This is a serious problem. This is a serious problem, not only in terms of dollars and cents, but more importantly, in terms of human lives, human lives that we have the responsibility to govern. I've talked to some of my friends who are guardian ad litem in the juvenile court system. They wring their hands

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and say, we can't get parental rights terminated on cases because of the turnover of case managers. There's no consistency in documentation and testimony. When a case is brought in for termination, there's a new worker. It's not the worker that's been working with the family of the child. That new worker doesn't have the information that we need to move forward, again, and again, and again. The numbers mount of the children in foster care. When are we going to say enough is enough? Is it 7,000 children? Is it 8,000 children? Is it 9,000? I could go on and on with the reasons why the problems aren't addressed. I could tell you, caseloads sit unattended for months, or they're distributed to the workers who remain when a worker leaves. Any of you can look at this and say, this doesn't make a lot of sense, this isn't a good way to operate. But why doesn't the department come in and say, we've got problems, we want to work on them, we want to work with you? I would welcome that. What happens is, I bring in bills to Health and Human Services; the department comes in opposed, opposed to a change in training, opposed to looking at caseload caps, opposed to looking at the issue of state wards on medication, some of which, psychotic medication that's not even recommended for pediatric use. Yes, I get frustrated. Yes, I feel we're pushing a giant boulder up a hill. [LB296]

SENATOR LANGEMEIER: One minute. [LB296]

SENATOR HOWARD: Thank you. But I do believe we can make changes. I didn't stay with that department for as many years as I did being a discontented employee or thinking that it was hopeless. I do believe we can make changes. But it's going to take a commitment from everyone in this body. I certainly can't do it alone. And I ask you to support me on this, and to support these children that, through no fault of their own, have come into foster care. Thank you. [LB296]

SENATOR LANGEMEIER: Thank you, Senator Howard. Wishing to speak, we have Pahls, White, Engel, Lathrop, Johnson, and others. Senator Pahls, you're recognized. [LB296]

SENATOR PAHLS: Mr. President, members of the body, I want to thank Senator Harms, Senator Lathrop, and others. I wasn't going to speak on this issue, but you brought up that maybe an outside agency needs to come in and take a look what's happening to HHS. What I'm going to ask you to do today, right now, take a look on your desk and see this piece of information I gave out to you. It deals about auditing. Now, I do not want to bring the schools or education into this, but that was one of my suggestions that we need to do with some of the school systems. So again, what I said a week or so ago when I was talking to Senator Howard, this is parallel thinking. That, possibly, is the answer. I think if we would have done this earlier, in the...we would not have some of these educational issues in the city of Omaha. If people were satisfied with what was going on in those systems, we probably wouldn't be in some of the predicaments we are right now. I just...would just like to reinforce having an outside

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group come in, not affiliated with the organization, take a look at it. And they will tell you the good things that are happening, and the things that need to be improved. This does not only have to happen in this area, but several. Again, I ask you to take a look at this little diagram. It's a microscope. Trying to say, put some organization under a microscope, take a look at them. And I am surprised at the number of people who appear to support that concept. Again, calling parallel thinking, we can probably solve several issues in front of this body this session. Thank you. [LB296]

SENATOR LANGEMEIER: Thank you, Senator Pahls. (Visitors introduced.) Wishing to speak, we have White, Engel, Lathrop, Johnson, and others. Senator White, you are recognized. [LB296]

SENATOR WHITE: Thank you, Mr. President. I yield my time to Senator Lathrop. [LB296]

SENATOR LANGEMEIER: Senator Lathrop. [LB296]

SENATOR LATHROP: Thank you, Mr. President, Senator White, and colleagues. I have...the last time I stood up and had an opportunity to talk and address the body, I suggested that what this situation may call for is a nationwide search for a CEO. And I think it's important for me to say this, kind of as a footnote, perhaps, that I think sometimes when we take a look at Health and Human Services, or any other agency of state government, that maybe we take a moment and thank the people that do the work. We have a lot of caseworkers who are on the front lines. And we talk about caseworker turnover like they're inventory to the state of Nebraska. I think we should express our appreciation for the people that work at Health and Human Services. I think we should also express our appreciation for the work Chris Peterson has done. I know she's worked hard on LB296. Having said that, I think it's important that we...that when we reorganize Health and Human Services and we put a CEO in charge of that organization and we say, you will be accountable, you will be accountable for the functioning of that agency, that when you are talking about a billion-dollar budget, when you are talking about 6,000 employees, plus, when you are talking about what's at stake, that we should have a search for a CEO that goes across the country. I think that search may bring us back to Chris Peterson. I don't know. If it does, I think we would be doing Chris Peterson a service by conducting a nationwide search if it brought us back to her, because then she would have the respect and the credibility of the people at Health and Human Services. This is a systemic problem. It is a problem of culture. And the culture in Health and Human Services is not going to change until something changes at the top, and I think that has to be the result of a nationwide search. And so I would be an advocate of that. Perhaps I'll have another opportunity to talk about that as we address other bills and concerns relative to Health and Human Services. And with that, thank you, Mr. President. [LB296]

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SENATOR LANGEMEIER: Thank you, Senator Lathrop, and thank you, Senator White. Senator Engel, you're recognized. [LB296]

SENATOR ENGEL: Mr. President, members of the body, I, too, was here, I think, in 1994, when we first overhauled the Department of Health and Human Services. And I think I mentioned before that one thing did come out of that, that especially the people being served out in the area, there used to be five different agencies handling each family, with no coordination between them. Well, one thing did come out of that reorganization, that that was changed so that one person deals with the family, and then they coordinate backwards through the various agencies. So we did accomplish something, but I...but over the years, I can't see we've accomplished a lot more than that. And...but I think the effort was there, because we realized we had a big problem then, and I...and we realize and the Governor realizes we have a bigger...big or bigger problem now, and so we have to solve it. So I think Senator Harms and Senator Lathrop have basically hit the nail right on the head. And I think I'd like to commend Chris Peterson for everything she has done. She served in the Legislature here a few years ago, and went on over to Health and Human Services and became part of that organization, and she's done a fine job. I'd like to commend Joel Johnson for all the work he's put on in this bill. He's done...it's been a tremendous effort. And then I'd like to commend anybody that's read the entire bill. I'd like to ask what's, like, on page 662, paragraph three, what that means, you know. And I don't think any of us...well, perhaps someone could here. If Chris Beutler was still in the Legislature, we could ask him, and he said, yes, I have read it, because he spends his nights reading bills. But the thing is, I think it's faith. What we're doing when we're passing a bill this large, we're passing it on faith. And so...but the thing is, when the Governor came out with this, I was all for it. I thought, good, we're overhauling the six different departments and a CEO. And I think I don't have to say again what Senator Lathrop said. I think Chris Peterson could be the person. And...but I think, a situation like this, you do need a CEO who can CEO, who had the experience, and I think sometimes from within isn't the best. Sometimes it is the best. So I think probably we should look at this a little longer. Thank you. I return the rest of my time to...well, Senator Lathrop, if he'd like to speak. Would you like...I guess he doesn't want any time, so I return my time to the Chair. Thank you. [LB296]

SENATOR LANGEMEIER: Thank you, Senator Engel. Senator Cornett, followed by Johnson. Senator Cornett, you're recognized. [LB296]

SENATOR CORNETT: I yield my time to Senator Friend if he wishes it. [LB296]

SENATOR LANGEMEIER: Senator Friend. [LB296]

SENATOR FRIEND: Thank you, Senator Cornett. I appreciate that, and I...and Mr. President and members of the Legislature, again. Senator Fischer reminds me...it's funny. I was trying to say, look, I'm trying to make a point here; and she goes, you never

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have a point. Well, maybe she's right, but I think I have one here. I just wanted to finish up by trying to make the point that this bill is eye candy. I've read it. I know what it does. What we're doing is spending a lot of time--and I'm part of the mix, obviously--spending a lot of time talking about reform and doing things that's going to change this system. Two things. One: We can't. Nationwide, they're having problems with government agencies trying to fulfill the needs of people and the social ills that plague us. None of them are successful. Measure the success rates. Measure it against places like Boys Town...Girls and Boys Town, measure it against private institutions that do this work, measure those health and human services organizations against those benchmarks. It never adds up. So this is eye candy. And we're talking about how bad Health and Human...of course. It's a government agency, and it's a big one. Show me one of those that's successful. Look, when I finished before, I made the comments that...you know, about how I dismiss my kids and move them on to the rest of their evening, or day. It's happened before. It will happen again. They have the luxury of having that. They have the luxury of having a dad and a mom that love them and love each other. A lot of folks don't. And when you talk about trying to fix problems, which is what we've been doing this morning, with an agency, fix problems for a lot of those folks that don't have those things, with agencies that are dysfunctional by nature because they're governmental, then you're bouncing your head off a wall, absolutely bouncing your head off a wall. Government can't do it right. Private sector can. Boys Town is proof positive. Boys and...Girls and Boys Town is proof positive that they have the benchmark. But government hasn't wanted to follow that benchmark. You know what Father Flanagan said? He said, love is not enough; I've got to educate these boys. Do you think Health and Human Services worries about that? Let's move this particular child out of harm's way. That's not what Father Flanagan did. The love, all the things that are more nourishing than food--love, care, patience, understanding; I repeat, show me a government that can provide that, one in this world. My kids are fortunate enough to have it at home. Some aren't. Where are they going to go, to Health and Human Services, to get it? I beg to differ. Senator Cornett, thank you for the time. That's all I had, Mr. President. [LB296]

SPEAKER FLOOD PRESIDING [LB296]

SPEAKER FLOOD: Thank you, Senator Friend. Senator Johnson, you're recognized. [LB296]

SENATOR JOHNSON: Thank you, Mr. Speaker. What a great discussion we've had here this morning. One of the things that is a concern with term limits is that you end up with a weakened legislative branch of government. I think this Chamber has sent the message that that is not going to be the case. Now, to back that up, we have three freshmen on the Health and Human Services Committee which I think are just outstanding--Senator Pankonin, Gay, and Hansen. And they have already come forth with a performance audit of the foster care system. So again, they're getting in harness

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right way, to move us in the right direction. I think what this discussion does, however, more than anything else, is give us great hope for the future. There's lots of things to be done. The mental health reform is now in the middle of the transition. We have gone away from the massive facilities at Hastings and Norfolk, etcetera, to community response. But we have not finished that, and that is one of the critical things that we have to do in this state. Mental health intertwines with so many of these other problems. What I see is that we need to retool the factory to produce more mental health workers. There are terrible problems in this state. Pregnant teens--I think we lead the industrial world, or are at the bottom of the pile, whichever way you want to look at it. We need to do better. Foster care we've already mentioned. We absolutely have to do better here. But to get back to the call of the day, LB296 is the reorganization of Health and Human Services. This is just the start. The two previous Chairmen of the Health and Human Services Committee believed that this is the structure that we do need to move ahead, and I think we need to do just that. Yes, we have great problems. But I would suggest to you that that also means great opportunities. So we in this Chamber all need to work together in future years, so that ten years from now we don't hear the same comments that we've heard this morning. We have to do better. With that, I'd yield the rest of my time to Senator Schimek. [LB296]

SPEAKER FLOOD: Senator Schimek, you're recognized. [LB296]

SENATOR SCHIMEK: Thank you, Senator...or, Mr. Speaker, and thank you, Senator Johnson. I want to thank all of you for an excellent, serious discussion this morning on this issue. I think it was much needed. I think you've identified many of the problems. And we could probably continue this discussion all morning, if not all day, if not all week, if not till the end of the session, because what we've done here is we've identified some problems, and maybe only touched the tip of the iceberg. But I want to reiterate what... [LB296]

SPEAKER FLOOD: One minute. [LB296]

SENATOR SCHIMEK: ...Senator Lathrop said a little while ago, and that is the fact that we...I am not, anyway,...my intention is not to knock state employees here. I think we've got a lot of really dedicated, caring people over at Health and Human Services, and I think that needs to be said for the record again. But what we as a Legislature need is resolve, and we need a plan of action. And I've heard several suggestions here yet this morning about what needs to change. First of all, a number of people have talked about, a systemic change needs to be made, and that is not going to happen overnight. We need accountability. And I'm pleased to hear that the Appropriations Committee is thinking about addressing this, in some manner, at least, through the appropriations process yet this year. [LB296]

SPEAKER FLOOD: Time. [LB296]

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SENATOR SCHIMEK: Thank you. [LB296]

SPEAKER FLOOD: Thank you, Senator Schimek. There are no other lights on. Senator Schimek, you're recognized to close on your motion to return LB296E to Select File. [LB296]

SENATOR SCHIMEK: Thank you, Mr. Speaker. I don't intend to take the entire five minutes, but I do have a few final closing thoughts to leave with you. We do need benchmarks, and that has been suggested several times by several members in their remarks. We need vision, we need controls in place, so that we have some kind of oversight over the department. We need to evaluate how we are allocating dollars. And perhaps we need an outside evaluation. And I'm not clear in my own mind what form this would take, how thorough it would be. But that, at least, has been a suggestion. How do we do all these things? How do we see that they're accomplished? Well, I'm pleased, like everybody else, to know that some of our freshman senators are taking a real true interest in this. I'm also pleased to know that Program Evaluation is going to be looking at one little piece of the puzzle, probably, or at least that's on the list of things to consider when we look at our list. I'm also pleased to know that the Appropriations Committee has already begun looking at everything on a broader scale. And Senator Jensen, I think we need to thank you for that, and hope that we can stay on top of that study and continue it. We can also continue to ask questions this year. And I think that we have another bill coming up, LB463. We have an appropriations bill. If some of you feel that there are still questions to be asked, or suggestions to make, let's make this as positive as we can. Then we're going to have further opportunity. And I just thank you all for your interest, for your commitment to doing something. And with that, Mr. Speaker, I would like to pull the motion to return to Select File. [LB296 LB463]

SPEAKER FLOOD: Your motion to return LB296E has been withdrawn. Members, please find your seats as we continue on Final Reading. Mr. Clerk, the first vote on LB296E is to dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Record please, Mr. Clerk. [LB296]

CLERK: 40 grateful ayes (laughter), and 4 nays, Mr. President, on the motion to dispense with the at-large reading. [LB296]

SPEAKER FLOOD: The at-large reading is dispensed with. Mr. Clerk, please read the title. [LB296]

CLERK: (Read title of LB296.) [LB296]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB296E pass with the emergency clause attached? All those

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in favor vote aye; all those opposed vote nay. Please record, Mr. Clerk. [LB296]

CLERK: (Record vote read, Legislative Journal page 827.) 47 ayes, 1 nay, 1 excused and not voting, Mr. President. [LB296]

SPEAKER FLOOD: LB296E passes with the emergency clause attached. We now proceed to LB347. [LB296 LB347]

CLERK: (Read LB347 on Final Reading.) [LB347]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB347 pass? All those in favor vote aye; all those opposed vote nay. Please record, Mr. Clerk. [LB347]

CLERK: (Record vote read, Legislative Journal page 828.) 48 ayes, 0 nays, 1 excused and not voting, Mr. President. [LB347]

SPEAKER FLOOD: LB347 passes. (Visitors introduced.) Next bill, Mr. Clerk, is LB390. [LB347 LB390]

CLERK: (Read LB390 on Final Reading.) [LB390]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB390 pass? All those in favor vote aye; all those opposed vote nay. Please record, Mr. Clerk. [LB390]

CLERK: (Record vote read, Legislative Journal pages 828-829.) 48 ayes, 0 nays, 1 excused and not voting, Mr. President. [LB390]

SPEAKER FLOOD: LB390 passes. Before we move to Select File, but we are off Final Reading at this time, and while the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LB83E, LB124E, LB145, LB231, LB237, LB239, LB248, LB296E, LB347, LB390, LR42, LR43, LR44, and LR45. We now move to Select File. Our first bill is LB464. Mr. Clerk. [LB390 LB83 LB124 LB145 LB231 LB237 LB239 LB248 LB296 LB347 LR42 LR43 LR44 LR45 LB464]

CLERK: LB464, Mr. President. Senator McGill, I have Enrollment and Review amendments, first of all. (ER8030, Legislative Journal page 702.) [LB464]

SPEAKER FLOOD: Senator McGill, you're recognized. [LB464]

SENATOR MCGILL: Mr. President, I move the E&R amendments. [LB464]

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SPEAKER FLOOD: You've heard the motion before the floor. The motion is, should the E&R amendments be adopted? All those in favor say aye. All those opposed, nay. The ayes have it. The amendments are adopted. [LB464]

CLERK: I have nothing further on the bill, Senator. [LB464]

SENATOR LANGEMEIER PRESIDING [LB464]

SENATOR LANGEMEIER: Senator McGill. [LB464]

SENATOR MCGILL: Mr. President, I move LB464 to E&R for engrossing. [LB464]

SENATOR LANGEMEIER: You've heard the motion before the body, is to advance LB464 to E&R for engrossing. All those in favor say aye. All those opposed say nay. It does advance. Mr. Clerk. [LB464]

CLERK: Mr. President, LB661. I do have Enrollment and Review amendments pending. (ER8044, Legislative Journal page 787.) [LB661]

SENATOR LANGEMEIER: Senator McGill. [LB661]

SENATOR MCGILL: Mr. President, I move the E&R amendments. [LB661]

SENATOR LANGEMEIER: You've heard the motion to adopt the E&R amendments. All those in favor say aye. All those opposed say nay. The E&R amendments are adopted. [LB661]

CLERK: I have nothing further on the bill, Mr. President. [LB661]

SENATOR LANGEMEIER: Senator McGill. [LB661]

SENATOR MCGILL: Mr. President, I move LB661 to E&R for engrossing. [LB661]

SENATOR LANGEMEIER: You've heard the motion to advance LB661 to E&R for engrossing. All those in favor say aye. All those opposed say nay. It does advance. Mr. Clerk. [LB661]

CLERK: LB497. I have E&R amendments first of all, Senator. (ER8040, Legislative Journal page 753.) [LB497]

SENATOR LANGEMEIER: Senator McGill. [LB497]

SENATOR MCGILL: I move the E&R amendments, Mr. President. [LB497]

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SENATOR LANGEMEIER: You've heard the motion to adopt the E&R amendments. All those in favor say aye. All those opposed say nay. They are adopted. Mr. Clerk. [LB497]

CLERK: Senator White would move to amend with AM646. (Legislative Journal page 804.) [LB497]

SENATOR LANGEMEIER: Senator White, you're recognized to open on your amendment, AM646. [LB497]

SENATOR WHITE: The amendment corrects a technical error made in bill drafting. AM646, as you might recall, is the Family Military Leave Act. Many of the military personnel that are called in now are called in at a period of 179 days. Unfortunately the drafting would exclude people called in at that point. And we want to try to get anybody who's getting a serious call-in covered. So this is simply a technical amendment that would provide coverage for military families who are called to duty at 179 or more days. [LB497]

SENATOR LANGEMEIER: Thank you, Senator White. You've heard the opening on the amendment, AM646, offered by Senator White. The floor is now open for discussion. I see no lights on. Senator White, you're recognized to close. Senator White waives closing. The question before the body is, shall AM646 be adopted to LB497? All those in favor vote yea; all those opposed vote nay. Have all those voted that wish to? Record, Mr. Clerk. [LB497]

CLERK: 34 ayes, 0 nays, Mr. President, on the adoption of Senator White's amendment. [LB497]

SENATOR LANGEMEIER: The amendment is adopted. Mr. Clerk. [LB497]

CLERK: I have nothing further on the bill, Mr. President. [LB497]

SENATOR LANGEMEIER: Senator McGill. [LB497]

SENATOR MCGILL: Mr. President, I move LB497 to E&R for engrossing. [LB497]

SENATOR LANGEMEIER: You've heard the motion to the advancement of LB497. All those in favor say aye. All those opposed say nay. It does advance. Mr. Clerk. [LB497]

CLERK: Mr. President, the next bill, LB255. Senator, I have no E&Rs. I do have an amendment...first amendment, Mr. President, Senator Rogert, AM613. But I have a note you want to withdraw that one, Senator. [LB255]

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SENATOR ROBERT: Yes, sir, Mr. Clerk, I want to withdraw that. [LB255]

CLERK: Mr. President, the second amendment I have is Senator Rogert. But again, Senator, this is AM640, but again I have a note you'd like to withdraw that. [LB255]

SENATOR ROBERT: Yes. Mr. President, Clerk, I want to withdraw that amendment, as well. [LB255]

CLERK: Mr. President, Senator Rogert would move to amend the bill with AM679. (Legislative Journal pages 830-832.) [LB255]

SENATOR LANGEMEIER: Senator Rogert, you're recognized to open on AM679. [LB255]

SENATOR ROBERT: Thank you, Mr. President. Members of the body, just a little reminder on what LB255 is. It's a clarification on the Wage Payment Collection Act that regards the Roseland decision last year regarding different types of leave and the payment of those upon separation of employment. What we've done here with the amendment that we're looking at today is, it was a bill by Senator Mines, LB505. Is that right? Yeah. And it amends the same section of the statute, in a different way, and it's concerning commissions that are paid. The amendment to LB255 stipulates that terminated employees receive their unpaid commissions on wages on the next regular payday after receipt of payment for goods or services by the customer, as opposed to within two weeks or the next regular payday, which originally was stated. The amended time frame allows the employer to wait and see how the payment or commission is generated by an individual for any one account, and then be able to remit payment to the individual when the actual money is received. This protects the employer from unjust claims and liabilities for commissions on goods and services for which the employer has not been paid yet by the customer. This amendment also provides that wages include commissions on all orders delivered and all orders on file with the employer at the time of separation, unless the employer/employee have specifically agreed to otherwise through a contract made at the beginning of employment or at least 90 days prior to the separation. The purpose of this language is to give the employer/employee the ability to make an agreement and to set parameters and to set a definite, definitive amount for the former employee at a point in time in which the commission becomes available through payment by the customer, rather than speculating amount that is required to be paid within two weeks or the next regular payday. It's important to note that orders on file does not take into account the orders that may be returned, canceled, or uncollectible at the time of a claim. In other words, some orders on file are ongoing, and the account or contracts bring in commission or payment in increments of a yearly or monthly basis. If there is an agreement between the employee and the employer regarding on how to deal with the ongoing account, there is a safety net for employers with respect to unwarranted liabilities, and a

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clarification on appropriate payments due the former employee or his or her replacement. Just as LB255 provides for negotiation and agreement power between employee/employer on accrued but unused paid leave, with the exception of vacation time, the termination of employment...after termination of employment, this amendment provides for the ability of the employer/employee to make an agreement based on their own circumstances, to allocate commissions, payments, after termination, as may be appropriate. All in all, this bill provides a necessary clarification and expectation level for the former employee on the status of their commission payments and their accrued but unused paid leave, as well protecting the employer from unreasonable liabilities and inequitable claims. Thank you. [LB255 LB505]

SENATOR LANGEMEIER: Thank you, Senator Rogert. You have heard the opening on the amendment, AM679. The floor is now open for discussion. Senator Mines, you're recognized. [LB255]

SENATOR MINES: Thank you, Mr. President, colleagues. I'd like to thank Senator Rogert for including LB505 as the amendment. I think he's done a great job explaining what the bill does. I'd just like to also mention that through the work of the Business and Labor Committee, Senator Lathrop, and specifically the Chair of the committee, Senator Cornett, they brought it all together. And I appreciate their hard work, and Senator Rogert, I appreciate you adding this to your bill. Thank you, Mr. President. [LB255]

SENATOR LANGEMEIER: Thank you, Senator Mines. Is there anyone else wishing to speak to the amendment, AM679? Seeing no lights on, Senator Rogert, you are recognized to close on AM679. [LB255]

SENATOR ROBERT: Thank you, Mr. President. I will be brief. In the amendment, we have asked for the emergency clause, and I would ask so we get the votes necessary for that, and I encourage your support of this amendment. Thank you. [LB255]

SENATOR LANGEMEIER: Thank you, Senator Rogert. You have heard the closing on AM679. The question before the body is, shall AM679 be adopted to LB255? All those in favor vote yea; all those opposed vote nay. Have all those voted that wish to? Record, Mr. Clerk. [LB255]

CLERK: 34 ayes, 0 nays, Mr. President, on the adoption of Senator Rogert's amendment. [LB255]

SENATOR LANGEMEIER: The amendment is adopted. Mr. Clerk. [LB255]

CLERK: I have nothing further on the bill, Mr. President. [LB255]

SENATOR LANGEMEIER: Senator McGill. [LB255]

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SENATOR MCGILL: Mr. President, I move LB255 to E&R for engrossing. [LB255]

SENATOR LANGEMEIER: You've heard the motion on the advancement of LB255. All those in favor say aye. Sorry. Senator Chambers, you're recognized. [LB255]

SENATOR CHAMBERS: That's all right. Mr. President, members of the Legislature, I'm so insignificant I could get lost in a phone booth if I'm the only one in it. But I would like to see if my esteemed seatmate and resident of the culture corner will improve my education by answering a question or two? [LB255]

SENATOR LANGEMEIER: Senator Rogert, would you yield to a question? [LB255]

SENATOR ROGERT: I will. [LB255]

SENATOR CHAMBERS: These are not difficult questions to answer. How do you pronounce R-o-y? [LB255]

SENATOR ROGERT: Roy. [LB255]

SENATOR CHAMBERS: How do you pronounce J-o-y? [LB255]

SENATOR ROGERT: Joy. [LB255]

SENATOR CHAMBERS: How do you pronounce P-a-m? [LB255]

SENATOR ROGERT: Pam. [LB255]

SENATOR CHAMBERS: How do you pronounce S-a-m? [LB255]

SENATOR ROGERT: Sam. [LB255]

SENATOR CHAMBERS: How do you pronounce R-o-n? [LB255]

SENATOR ROGERT: Ron. [LB255]

SENATOR CHAMBERS: How do you pronounce J-o-n? [LB255]

SENATOR ROGERT: Jon. [LB255]

SENATOR CHAMBERS: How do you pronounce R-o-b-e-r-t? [LB255]

SENATOR ROGERT: Robert. [LB255]

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SENATOR CHAMBERS: How do you pronounce R-o-g-e-r-t? [LB255]

SENATOR ROBERT: Rogert. [LB255]

SENATOR CHAMBERS: I quit. (Laughter) [LB255]

SENATOR LANGEMEIER: Thank you, Senator Chambers. Senator McGill, will you readvance? [LB255]

SENATOR MCGILL: Mr. President, I move LB255 to E&R for engrossing. [LB255]

SENATOR LANGEMEIER: Thank you. You have heard the motion to advance LB255 to E&R for engrossing. All those in favor say aye. All those opposed say nay. It does advance. Mr. Clerk. [LB255]

CLERK: Mr. President, the next bill, LB143. I do have Enrollment and Review amendments, Senator. (ER8043, Legislative Journal page 787.) [LB143]

SENATOR LANGEMEIER: Senator McGill. [LB143]

SENATOR MCGILL: Mr. President, I move the E&R amendments. [LB143]

SENATOR LANGEMEIER: Sorry. Senator McDonald, would you wish to be recognized? Okay. You've heard the motion before the body, the advancement...the adoption of the E&R enrollment amendments to LB143. All those in favor say aye. All those opposed, same sign. They are adopted. Mr. Clerk. [LB143]

CLERK: I have nothing further on the bill, Mr. President. [LB143]

SENATOR LANGEMEIER: Senator McDonald, for what purpose...you're recognized. [LB143]

SENATOR McDONALD: Yes. Yes, Mr. President, members of the body. When we discussed LB143 on General File, I mentioned the dollar amount of grant funds coming to Nebraska. Since General File debate and the accompanying news reports on LB143, we found out that there are more funds coming to Nebraska than originally estimated. The Nebraska Crime Commission receives \$1.128 million in funds for Violence Against Women Acts regarding...excuse me, \$1.128 million in Violence Against Women Act grant funds in 2006. In addition, the grant division of the Crime Commission estimates, based on an informal survey of domestic violence and sexual assault programs across the state, that approximately \$3 million in grant funds are awarded to these programs directly from the federal government. These new figures make the approximate amount

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of grant funds coming to Nebraska in the range of \$4.6 million. These grant funds will be protected by passing LB143. Thank you. [LB143]

SENATOR LANGEMEIER: Thank you, Senator McDonald. Senator McGill. [LB143]

SENATOR MCGILL: Mr. President, I move LB143 to E&R for engrossing. [LB143]

SENATOR LANGEMEIER: Thank you. The motion before the body is, shall LB143 advance to E&R for engrossing? All those in favor say aye. All those opposed say nay. It does advance. Mr. Clerk. [LB143]

CLERK: LB223, Mr. President. Senator McGill, I do have Enrollment and Review amendments. (ER8028, Legislative Journal page 661.) [LB223]

SENATOR LANGEMEIER: Senator McGill. [LB223]

SENATOR MCGILL: Mr. President, I move the E&R amendments. [LB223]

SENATOR LANGEMEIER: The motion is the adoption of the E&R amendments. All those in favor say aye. All those opposed say nay. They are adopted. Mr. Clerk. [LB223]

CLERK: Senator Raikes would move to amend with AM649. (Legislative Journal page 805.) [LB223]

SENATOR LANGEMEIER: Senator Raikes, you're recognized to open on AM649 to LB223. [LB223]

SENATOR RAIKES: Thank you, Mr. President, members of the Legislature. This amendment changes the definition of "livestock production" for purposes of the Nebraska Advantage Rural Development Act. The definition is amended to limit the qualification for the credits offered under the act to businesses engaged in the commercial--underlined, commercial--production or livestock. The amendment clarifies the activities related to horses that would qualify under the act. It also sets a standard by which to determine whether commercial production has occurred. To refresh your memory, livestock production enterprises are eligible to claim tax credits under both incentive programs included in the Nebraska Advantage Rural Development Act. One program provides tax credits to businesses in rural counties that exceed specific investment and job creation thresholds, with an additional requirement that those jobs pay above a particular qualifying wage. There are two different tracks under which a business can qualify for this program. The first is for businesses that invest at least \$125,000 and create two new jobs in counties with fewer than 15,000 residents. The second is for businesses that invest a minimum of \$250,000 and increase employment by five employees in counties with less than 25,000 inhabitants. Businesses earn

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credits under this program of \$3,000 for each new employee, and \$2,750 for every \$50,000 of investment. The second program in the act is exclusive to livestock production businesses. To qualify, a livestock production operation must invest a minimum of \$50,000 for the purpose of modernization or expansion. Some of you might recall that this program was added just last session under LB990, a bill offered by Senator Wehrbein. The credit under this program is equal to 10 percent of the investment, not to exceed a total of \$30,000. In other words, the credit would max out at the point the investment reaches \$300,000. This amendment was prompted out of a concern that livestock owned simply for the enjoyment of the owner could qualify for tax incentives under this act. One example would be a horse stable that is maintained for the owner's pleasure in riding, as opposed to one used for a commercial breeding or training operation. Keep in mind that the state's interest in providing these incentives is expansion of the economy. That interest cannot be fulfilled unless a commercial purposes...or, purpose is associated with the activity. This amendment simply clarifies the definition of "livestock production" to ensure that this condition is met. I hope I've made that clear. If you have any questions, I'd be happy to try to address them. I would urge your support of the amendment. Thank you. [LB223]

SENATOR LANGEMEIER: Thank you, Senator Raikes. You have heard the opening on AM649. The floor is now open for discussion. Seeing no lights on, Senator Raikes, you're recognized to close. Senator Raikes waives closing. You have heard the closing on the adoption of AM649. The question before the body is, shall AM649 be adopted to LB223? All those in favor vote yea; all those opposed vote nay. Have all those voted that wish to? Record, Mr. Clerk. [LB223]

CLERK: 34 ayes, 0 nays, Mr. President, on the adoption of Senator Raikes' amendment. [LB223]

SENATOR LANGEMEIER: The amendment is adopted. Mr. Clerk. [LB223]

CLERK: I have nothing further on the bill, Mr. President. [LB223]

SENATOR LANGEMEIER: Senator McGill. [LB223]

SENATOR MCGILL: Mr. President, I move LB223 to E&R for engrossing. [LB223]

SENATOR LANGEMEIER: You've heard the motion for the advancement of LB223. All those in favor say aye. All those opposed say nay. It does advance. Mr. Clerk. [LB223]

CLERK: Mr. President, LB441 on Select File. No enrollment and review. Senator Hudkins would move to amend with AM691. (Legislative Journal pages 832-835.) [LB441]

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SENATOR LANGEMEIER: Senator Hudkins, you're recognized to open on AM691. [LB441]

SENATOR HUDKINS: Thank you, Mr. President and members of the body. This amendment, AM691, actually is LB46. This is the bill...a bill that I had before the Agriculture Committee that would require payments by grape producers. What it is, in effect, is a checkoff. There would be a one-cent-per-pound fee that would be assessed, and that money would go to the Winery and Grape Producers Promotional Fund. The growers are willing to do this. Senator McDonald was kind enough to allow me to attach this bill to LB441. There were two people that supported this, one of whom was from the Nebraska Grape and Wine Board, the other one was a person who has a winery and is a member of the Grape Growers Association, and they said they would be willing to pay this checkoff fee for the money to be used for promotion and development of grapes. It came out of committee 7 to 0, with one person absent. And I think that's all I can tell you about it right now. Thank you, Mr. President. [LB441 LB46]

SENATOR LANGEMEIER: Thank you, Senator Hudkins. You have heard the opening on AM691. The floor is now open for discussion. Senator McDonald, you're recognized. [LB441]

SENATOR McDONALD: Mr. President and members of the body, Carol came to me and asked me if I approved having this amendment on my bill on Select File. And since it deals basically with the same thing, I think that it's appropriate that we continue to work towards having ideas that we can improve our Nebraska wineries. And with this amendment, we're going to be able to tax the producers of the grapes, and be able to put that in a fund that's going to help our grape industry in the state of Nebraska. So I hope that you will also approve AM691, the Hudkins amendment, and then also move the bill. Thank you. [LB441]

SENATOR LANGEMEIER: Thank you, Senator McDonald. Anyone else wishing to speak to the amendment? Seeing no lights on, Senator Hudkins, you're recognized to close. [LB441]

SENATOR HUDKINS: Thank you, Mr. President. I would like to point out to the body that the amendment is LB46 as amended by the Agriculture Committee. I won't go into all the changes. You can look those up if you're so inclined. But it doesn't apply to grapes that are purchased for consumption as table grapes, it doesn't apply to grapes that are going to be in storage only, and it does not apply to sales of grapes to the federal government. The first purchaser, whoever that is, would be responsible for deducting the amount of this tax from the payment to the grower. And the rest of the amendment parts are on LB46, if you would like to read each one specifically. Thank you, Mr. President. [LB441 LB46]

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SENATOR LANGEMEIER: Thank you, Senator Hudkins. You have heard the closing on AM691 to LB441. The question before the body is, shall AM691 be adopted to LB441? All those in favor vote yea; all those opposed vote nay. Have all those voted that wish to? Record, Mr. Clerk. [LB441]

CLERK: 30 ayes, 0 nays, Mr. President, on the adoption of Senator Hudkins' amendment. [LB441]

SENATOR LANGEMEIER: The amendment is adopted. Mr. Clerk. [LB441]

CLERK: I have nothing further on the bill, Mr. President. [LB441]

SENATOR LANGEMEIER: Senator McGill. [LB441]

SENATOR MCGILL: Mr. President, I move LB441 to E&R for engrossing. [LB441]

SENATOR LANGEMEIER: You have heard the motion on the advancement of LB441 to E&R for engrossing. All those in favor say aye. All those opposed say nay. It does advance. Mr. Clerk. [LB441]

CLERK: Mr. President, LB441A on Select File. Senator McGill, I have no amendments to the bill. [LB441A]

SENATOR LANGEMEIER: Senator McGill. [LB441A]

SENATOR MCGILL: Mr. President, I move LB441A to E&R for engrossing. [LB441A]

SENATOR LANGEMEIER: You've heard the motion to advance LB441A to E&R for engrossing. All those in favor say aye. All those opposed say nay. It does advance. Mr. Clerk. [LB441A]

CLERK: Mr. President, LB470. Senator McGill, I have no amendments to the bill. [LB470]

SENATOR LANGEMEIER: Senator McGill. [LB470]

SENATOR MCGILL: Mr. President, I move LB470 to E&R for engrossing. [LB470]

SENATOR LANGEMEIER: You have heard the motion to advance LB470 to E&R for engrossing. All those in favor say aye. All those opposed say nay. It does advance. Mr. Clerk. [LB470]

CLERK: Mr. President, LB470A. I have no Enrollment and Review. Senator Heidemann

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would move to amend with AM487. (Legislative Journal page 699.) [LB470A]

SENATOR LANGEMEIER: Senator Heidemann, you are recognized to open on AM487. Senator Chambers, why...what purpose do you rise? [LB470A]

SENATOR CHAMBERS: I can take the amendment if he's not here. [LB470A]

SENATOR LANGEMEIER: I recognize Senator Chambers to do the opening on AM487. [LB470A]

SENATOR CHAMBERS: Mr. President, members of the Legislature, this is an amendment that Senator Heidemann and I discussed, and I suggested that he go ahead and offer it, since it is in the nature of an appropriations type amendment. It would make sure that this amount of money will be expended only for this program. I did not have specific information as to how this money would be expended. This is the bill, by the way, that would do away with those arrest notations of people who had no conviction to follow. The State Patrol, in responding to the issues that had been raised, did some research, committed it to writing. I handed the paper out to all of you which contained the explanation by the State Patrol. I am totally convinced that this money is needed to carry out the requirements of the bill. And such being the case, it would not be appropriate to enact a bill without giving the State Patrol the money it needs to carry it out. The way this amendment is drafted by Senator Heidemann's staff is to make sure that if there happens to be a lesser amount than this which is needed, it cannot be funneled into any other State Patrol activity. That's all that it's for. And it's not to express a lack of trust or confidence. But the best thing the State Patrol could give us was an estimate. I think they are very close to being on the money, so I'm asking that you adopt Senator Heidemann's amendment, and then move the bill forward. Thank you, Mr. President. [LB470A]

SENATOR LANGEMEIER: Thank you, Senator Chambers. You have heard the opening on the amendment, AM487, offered by Senator Heidemann. The floor is now open for discussion. Seeing no light...oh, Senator Gay, you're recognized. [LB470A]

SENATOR GAY: Thank you, Mr. President. I just have one question that's more for educational purposes, for Senator Chambers, I suppose. [LB470A]

SENATOR LANGEMEIER: Senator Chambers, would you yield to a question? [LB470A]

SENATOR GAY: If he'd yield to a question? [LB470A]

SENATOR CHAMBERS: Yes, I will. [LB470A]

SENATOR GAY: Thank you. When we have that estimate, the estimate was in there

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from the State Patrol, who follows up to say, if it's...many times, these computer consultants, they will give you a high estimate and they'll work up to that level. But if it's less, who monitors the spending on this? [LB470A]

SENATOR CHAMBERS: I believe, Senator Gay, that the State Patrol, having heard the discussion on the floor, will make sure that there is no puffery, no bloating or adding to try to get up to that amount. They want enough money to get the programming that is needed to carry out the bill, and that's all. So in this case, I'm trusting the State Patrol. [LB470A]

SENATOR GAY: Okay. That's good enough for me. Thank you. [LB470A]

SENATOR LANGEMEIER: Thank you, Senator Gay. Anyone else wishing to speak to the amendment? Seeing no lights on, Senator Chambers, you're recognized to close. Senator Chambers waives closing. The question before the body is, shall AM487 be adopted to AM...to LB470? All those in favor vote yea; all those opposed vote nay. Have all those voted that wish to? Record, Mr. Clerk. [LB470A]

CLERK: 35 ayes, 0 nays, Mr. President, on the adoption of Senator Heidemann's amendment, as offered by Senator Chambers. [LB470A]

SENATOR LANGEMEIER: The amendment is adopted. [LB470A]

CLERK: I have nothing further on the bill, Mr. President. [LB470A]

SENATOR LANGEMEIER: Senator McGill. [LB470A]

SENATOR MCGILL: Mr. President, I move LB470A to E&R for engrossing. [LB470A]

SENATOR LANGEMEIER: You've heard the motion on LB470A. All those in favor vote yea, all those opposed vote nay. All those in favor vote yea. All those opposed vote nay. It does advance. Mr. Clerk, items for the record? [LB470A]

CLERK: Mr. President, two announcements. First of all, the Transportation and Telecommunications Committee will meet in Executive Session at 1:30 in Room 1113. That's Transportation Committee, 1:30, in their normal hearing room. And Education Committee will meet upon adjournment in Room 1126; Education Committee, upon adjournment, Room 1126. Mr. President, I have a Reference report referring certain gubernatorial appointees to standing committee for confirmation hearing. I have amendments to be printed: Senator Schimek to LB39; and Senator Hudkins to LB232. Your Committee on Government, chaired by Senator Aguilar, reports LB232 to General File with amendments; LB352, General File with amendments; LB391, General File with amendments; these reports signed by Senator Aguilar. Judiciary, chaired by Senator

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Ashford, reports LB474 to General File; LB672, General File with amendments; LB695, indefinitely postponed. Bills read on Final Reading were presented to the Governor at 11:35 a.m. (re LB83, LB124, LB145, LB231, LB237, LB239, LB248, LB296, LB347, and LB390.) A Revenue notice of hearing for confirmee, signed by Senator Janssen as Chair of the committee. And new resolutions: Senator Engel offers LR53; Senator Avery, LR54; Senator McDonald, LR55. Those will all be laid over. Senator Mines would like to add his name to LB304 as cointroducer. (Legislative Journal pages 835-850.)
[LB39 LB232 LB352 LB391 LB474 LB672 LB695 LB83 LB124 LB145 LB231 LB237 LB239 LB248 LB296 LB347 LB390 LR53 LR54 LR55 LB304]

And, Mr. President, a priority motion. Senator Flood would move to adjourn until Wednesday morning, March 14, at 9:00 a.m. []

SENATOR LANGEMEIER: Thank you, Mr. Clerk. You've heard the motion to adjourn till Wednesday, March 14, at 9:00 a.m. All those in favor vote yea. All those opposed say nay. The ayes have it. We are adjourned. []