

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

[LB8 LB214 LB233 LB236A LB247 LB277 LB283A LB299 LB305A LB305 LB317 LB318
LB319 LB320 LB321 LB322 LB323 LB324A LB324 LB342 LB367 LB367A LB382
LB424 LB435 LB438 LB445 LB449 LB456 LB463 LB508 LB540A LB540 LB564 LB580
LB610 LB629 LB629A LB670 LB700 LR1CA LR6CA LR113 LR114 LR115 LR116
LR117 LR118 LR119 LR120]

SENATOR LANGEMEIER PRESIDING []

SENATOR LANGEMEIER: Good morning, ladies and gentlemen, and welcome to the George W. Norris Legislative Chamber for this, the seventy-sixth day of the One Hundredth Legislature, First Session. Our chaplain for the day is Senator Wallman. Please rise. []

SENATOR WALLMAN: (Prayer offered.) []

SENATOR LANGEMEIER: Thank you, Senator Wallman. I call to order the seventy-sixth day of the One Hundredth Legislature's First Session. Senators, please record your presence. Record, Mr. Clerk. []

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

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

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

SENATOR LANGEMEIER: Thank you. Are there any messages, reports, or announcements? []

CLERK: Your Committee on Enrollment and Review reports LB8, LB214, LB233, LB277, LB382, LB424, LB445, LB449, LB508, LB580 as correctly engrossed. Enrollment and Review also reports LB540 and LB456 to Select File with Enrollment and Review amendments attached. And that's all that I had, Mr. President. (Legislative Journal pages 1431-1435.) [LB8 LB214 LB233 LB277 LB382 LB424 LB445 LB449 LB508 LB580 LB540 LB456]

SENATOR LANGEMEIER: Thank you, Mr. Clerk. We'll now proceed to General File. First bill, LB540A. [LB540A]

CLERK: LB540A by Senator Synowiecki. (Read title.) [LB540A]

SENATOR LANGEMEIER: Thank you, Mr. Clerk. Senator Synowiecki, you're recognized to open on LB540A. [LB540A]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

SENATOR SYNOWIECKI: Thank you, Senator Langemeier. Members of the Legislature, good morning. This is a follow-up A bill to the bill that was discussed last week relative to the study that will be commissioned on the probation and parole service delivery bill on...the question is whether or not we move to merge these two departments in the interest of efficiency and responsiveness to taxpayers and the offender community and of upholding public safety. The A bill appropriates the \$25,000 for the study. If you recall, this is just...this represents one-half of the cost of the study, and I would appreciate your support of LB540A so that it can move with LB540, which is now on Select File. Thank you. [LB540A LB540]

SENATOR LANGEMEIER: Thank you, Senator Synowiecki. You have heard the opening now on LB540A. The floor is now open for discussion. Seeing no lights on, Senator Synowiecki, you are recognized to close. Senator Synowiecki waives closing. The question is, shall LB540A be advanced to E&R Initial? All those in favor vote yea; all those opposed vote nay. Has everyone voted that wishes to? Record, Mr. Clerk. [LB540A]

CLERK: 28 ayes, 0 nays, Mr. President, on the advancement of LB540A. [LB540A]

SENATOR LANGEMEIER: LB540A does advance. Mr. Clerk, LB629A. [LB540A LB629A]

CLERK: LB629A by Senator Dierks. (Read title.) [LB629A]

SENATOR LANGEMEIER: Thank you, Mr. Clerk. Senator Dierks, you are recognized to open on LB629A. [LB629A]

SENATOR DIERKS: Thank you, Mr. President, members of the Legislature. LB629A is the funding bill for my priority bill, which deals with the C-BED legislation. I was surprised, really, when the Fiscal Office brought this A bill to my office but I didn't think there would be any necessary funding for my bill. Actually, it comes from a cash fund that doesn't affect the...that isn't from the General Fund, doesn't affect our budget. No one knows how many projects will be proposed in the first year following expected passage of LB629. I do know there are many people who are interested in developing wind energy and do anticipate this bill will help farmers and ranchers decide how best to harness the wind. It is my hope that the Power Review Board needs all \$7,400 to hold extra meetings in order to approve many C-BED projects in rural Nebraska. I ask that you vote to advance LB629A to Select File. Thank you, Mr. Speaker. [LB629A LB629]

SENATOR LANGEMEIER: Thank you, Senator Dierks. You have heard the opening on LB629A. The floor is now open for discussion. Seeing no lights on, Senator Dierks, you're recognized to close. Senator Dierks waives closing. The question before the

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

body is, shall LB629A advance to E&R Initial? All those in favor vote yea; all those opposed vote nay. Have all those voted that wish to? Record, Mr. Clerk. [LB629A]

CLERK: 33 ayes, 0 nays, Mr. President, on the advancement of LB629A. [LB629A]

SENATOR LANGEMEIER: LB629A does advance. We now move to Select File, LB236A. [LB629A LB236A]

CLERK: LB236A. Senator Lathrop, at this time I have no amendments pending to LB236A, Senator. [LB236A]

SENATOR LANGEMEIER: Senator Lathrop, you're recognized for a motion. [LB236A]

SENATOR LATHROP: I move LB236A to E&R for engrossing. [LB236A]

SENATOR LANGEMEIER: Thank you, Senator Lathrop. You have heard the motion to move LB236A to E&R for engrossing. All those in favor say aye. All those opposed say nay. The ayes have it. LB236A does advance. Mr. Clerk, LB463. [LB236A LB463]

CLERK: LB463, Senator Lathrop, I have Enrollment and Review amendments first of all. (ER8042, Legislative Journal page 1364.) [LB463]

SENATOR LANGEMEIER: Senator Lathrop. [LB463]

SENATOR LATHROP: I move the E&R amendments. [LB463]

SENATOR LANGEMEIER: You've heard the motion for the adoption of the E&R amendments. All those in favor say aye. All those opposed say nay. The ayes have it. The amendments are adopted. [LB463]

CLERK: Senator Johnson would move to amend with AM1114. (Legislative Journal page 1392.) [LB463]

SENATOR LANGEMEIER: Senator Johnson, you are recognized to open on AM1114. [LB463]

SENATOR JOHNSON: Thank you, Mr. President, members of the body. AM1114 is a technical amendment that I did refer to on General File. The amendment simply makes it clear that if there's a conflict between the provision of the specific act in the new Uniform Credentialing Act, the UCA, and the general provisions of the act, that the provisions...the specific provisions of the act will prevail. With that, sir, I would ask that this amendment be adopted. [LB463]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

SENATOR LANGEMEIER: Thank you, Senator Johnson. You have heard the opening on AM1114 to LB463. The floor is now open for discussion. Seeing no lights on, Senator Johnson, you're recognized to close. He waives closing. The question is, shall AM1114 be adopted to LB463? All those in favor vote yea; all those opposed vote nay. Have all those voted that wish to? Record, Mr. Clerk. [LB463]

CLERK: 35 ayes, 0 nays, Mr. President, on the adoption of Senator Johnson's amendment. [LB463]

SENATOR LANGEMEIER: AM1114 is adopted. Mr. Clerk. [LB463]

CLERK: Senator Lathrop, I have nothing further on the bill, Senator. [LB463]

SENATOR LANGEMEIER: Senator Chambers, you are recognized to speak to LB463. Your light is on. [LB463]

SENATOR CHAMBERS: Mr. President, members of the Legislature, I'd like to ask Senator Johnson a question. [LB463]

SENATOR LANGEMEIER: Senator Johnson, will you yield to a question? [LB463]

SENATOR JOHNSON: Yes, sir. [LB463]

SENATOR CHAMBERS: Senator Johnson, this is just for the record. We had discussed this matter on General File, maybe not a great deal on the mike, where in case of a conflict between a specific provision and a general, the specific will prevail, correct? [LB463]

SENATOR JOHNSON: Yes, sir, that is correct, and I might say that I apologize for not acknowledging your contribution to this because it is an important consideration. [LB463]

SENATOR CHAMBERS: And, Senator Johnson, here's why I had to ask you the question. I was over here doing something else and when I pushed to vote yes, I put the speaker on; a book I was working on fell on the no vote button, so when I corrected that to yes I didn't turn off the Chair button. So I had to have a reason for addressing you or they'll think that Senator Friend has had an undue influence on me. Thank you. (Laughter) [LB463]

SENATOR JOHNSON: Thank you, sir. [LB463]

SENATOR LANGEMEIER: Thank you, Senator Chambers. Senator Lathrop, for a motion. [LB463]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

SENATOR LATHROP: Yes, Mr. President, I'd move LB463 to E&R for engrossing. [LB463]

SENATOR LANGEMEIER: Thank you. You have heard the motion. All those in favor say aye. All those opposed say nay. The ayes have it. LB463 does advance. Mr. Clerk, LB610. [LB463 LB610]

CLERK: Senator Lathrop, on LB610, I have no amendments to the bill, Senator. [LB610]

SENATOR LANGEMEIER: Senator Lathrop, you're recognized for a motion. [LB610]

SENATOR LATHROP: Yes, Mr. President, I move LB610 to E&R for engrossing. [LB610]

CLERK: Excuse me, Senator, an amendment just arrived. Senator Hudkins would move to amend with AM1035. (Legislative Journal pages 1436-1437.) [LB610]

SENATOR LANGEMEIER: Senator Hudkins, you are recognized to open on your amendment. [LB610]

SENATOR HUDKINS: Thank you, Mr. President and members of the body. AM1035 is LB670, except for one change that you can find in the last paragraph on page 2 of the amendment. Over the past few months I have been talking with Senator Johnson about amending LB670 into LB610. He's been very helpful in that endeavor. I'm happy to report that LB670 is alive and well, but it is still in foster care with the Health and Human Services Committee. I'm hopeful today that you will provide LB670 with some permanency and adopt it to LB610. In 1999 both the Nebraska Department of Health and Human Services, HHS, and the Nebraska Department of Correctional Services, DCS, became increasingly concerned with the number of postincarceration mental health board commitments for sex offender treatment. In January 2000, HHS and DCS began meeting to generate solutions to the increased demand for a limited number of treatment beds. During these meetings the agencies concluded that they were trying to meet immediate needs without serving...solving the long-term systemic problem. On July 28, 2000, HHS and DCS generated a plan to request a change from then-Governor Mike Johanns. The purpose of the charge was to access community resources and agency resources to examine the current fragmented system, and to develop a comprehensive study for the management of sex offenders in Nebraska. On November 15, 2000, Governor Johanns appointed the Governor's working group on the management of sex offenders, and in August 2001 the group issued its final report. The number one recommendation was to develop a Governor's council on the management and treatment of sex offenders for the purpose of designing and implementing multiagency collaboration, explicit policies, and consistent practices. In 2006 the

Floor Debate
May 07, 2007

Nebraska Legislature enacted LB1199, which made significant statutory changes regarding the management and treatment of sex offenders. Sections 107 and 108 of LB1199 required the director of Regulation and Licensure to establish a working group to study sex offender treatment and management services, and recommend improvements. The work group was asked to study sex offender treatment and management on the state level to determine future legislative and executive actions necessary, based upon the recommendations of the Governor's working group report issued in August of 2001 with regard to the following: credentialing of professionals who provide sex offender assessment or treatment, creating treatment standards for sex offender specific treatment as a component of comprehensive approach to sex offender management, and providing increased training opportunities for all professionals involved in the treatment and management of sex offenders. This working group recognized that government agencies, public-private partnerships, and private providers and organizations can transform the system, but also recognized the need to create a perpetual working group for the purpose of coordinating policies and enhancing communication among all parties. The Sex Offender Treatment Providers Coalition of Lancaster County was formed very soon after the enactment of LB1199 in response to Lincoln-Lancaster County human services planning activities that prioritized the need to create the group. The coalition continues to meet regularly to discuss the implementation of LB1199 in Lancaster County and how to generally improve the community's response to sexual offenders. This coalition includes representatives from Lancaster County Community Mental Health Center, Lancaster County Alternatives to Incarceration Program, Lancaster County adult probation, Voices of Hope, Child Guidance Center, and eight other groups. Since its inception the Sex Offender Treatment Providers Coalition has completed a system walkthrough to assess needs and prioritize its activities. Priorities the group identified were more and better training; improved coordination and information sharing, including establishing a group response protocol; the standards of care; and ensuring adequate, qualified providers are available; improved funding; policy development; and improved services for victims and family members. Toward that end, the group submitted a U.S. Department of Justice grant seeking funds for a sex offender management program. In response to the recommendations found in both the 2001 and 2006 reports, and the potential future implications of LB1199, the coalition wanted to ensure that the Legislature readily evaluated the necessity for implementing an ongoing state work group to monitor and coordinate sex offender treatment and management services, in addition to responding to credentialing, treatment standards, training issues, and systemic issues. The purpose of LB670, or AM1035, is to improve public safety and ensure the treatment and management of sex offenders through a creation of a council on the management and treatment of sex offenders that would, one, provide oversight and coordination of existing agencies currently managing and treating sex offenders; and number two, develop needs assessment, training standards, and guidelines for a comprehensive management system for sex offenders. The change between AM1035 and LB670 is a simple change. In the original bill the council was mandated to form sex offender

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

treatment teams across the state. Under AM1035 the council is to work with county boards to form the teams when a county or counties request the development of the team. I ask your support of AM1035. Thank you, Mr. President. [LB610 LB670]

SENATOR LANGEMEIER: Thank you, Senator Hudkins. You have heard the opening on AM1035 to LB610. There are a number of lights on. Wishing to speak we have Erdman, Johnson, Schimek, and Pedersen. Senator Erdman, you are recognized. Senator Erdman, you're first and recognized. [LB610]

SENATOR ERDMAN: Mr. President, members of the body, AM1035, I believe, is as Senator Hudkins explained it, LB670. She either learned from her previous attempts to pull a bill from committee that if she tries it this way it won't kill her bill, or she honestly believes that this is something we should adopt. If it is something that she believes that we should adopt, I understand that there are some concerns. There may be some redundancy. I remember the committee hearing on LB670; that the groups that came and testified in favor of LB670 somewhat were dismissive of the existing process. And so I am interested to hear further information from Senator Hudkins. But given the fact that this amendment has just been adopted (sic), I turned my light on to make sure that we had time to actually analyze it before we advance the bill or if we were going to vote on this, due to the fact that the bill was set to move before the amendment was even filed. So I just simply pressed my light to discuss this. I would wonder, somewhat out loud, whether or not this is necessary, given the fact that there are other existing task forces within the department to do this, and whether or not there could be a way to address their issues within that structure, or if this statutory language is necessary. I may have caught some of that from Senator Hudkins' opening on this amendment, but it wasn't as clear as what I would...hoped it would be. So maybe she can address that. I see others have their lights on, as well, to discuss this. But I don't want to be dismissive of Senator Hudkins' amendment; neither has the Health Committee been dismissive of it. We're just not convinced as a committee at this point that this is the right mechanism to go, given the fact that there is an existing process and task force in place. But I will be listening to what Senator Hudkins' further rationale is to see if there's new information that she is aware of since our committee hearing. Thank you, Mr. President. [LB610 LB670]

SENATOR LANGEMEIER: Thank you, Senator Erdman. Senator Johnson, you're recognized. [LB610]

SENATOR JOHNSON: Thank you, Mr. President. This amendment, and I think what I'm really standing up for is to kind of semi-apologize to Senator Hudkins because we have not had the time or the ability to coordinate discussions with Senator Hudkins and the people in HHS at this point in time. There is certainly some good substance to what Senator Hudkins is talking about, and she certainly hasn't come to this body without reason. However, to this point in time, our committee has not had the ability to get the

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

sides together. Senator Hudkins and HHS, I understand from the discussions, are moving in that direction, but at this point in time we're not there yet. So let's see what the rest of the body talks about. Let me just say that from the committee's standpoint one of the options might be...is that if their other discussions can be carried on, that we would be glad to work with Senator Hudkins to bring it back from Final Reading if that option were necessary as well. So with this, let's listen to further discussion on it and I think perhaps Senator Schimek, who was the leader of this bill originally, may have better comments than mine. But I will offer to Senator Hudkins that we will continue to work with her and, like I say, we've had lots of things to work on this year and this one we just haven't gotten the pieces all lined up yet. Thank you. [LB610]

SENATOR LANGEMEIER: Thank you, Senator Johnson. Senator Schimek, you're recognized. [LB610]

SENATOR SCHIMEK: Yes, thank you, Mr. President and members. With all due deference to Senator Hudkins, I think she did tell me some time ago that she might be introducing an amendment, but, frankly, I had not seen it and in fact had just looked on the gadget 5 minutes ago to determine if there were any amendments filed and I didn't see any. So even after she started speaking, the amendment wasn't up on our gadget. I haven't even had time to really study the amendment. And I have been told that...by Senator Johnson, that there will be a possibility maybe of still getting Senator Hudkins together with the health department to see if anything can be worked out. But meanwhile, I've been able to go out into the Rotunda and talk to the health department and they have indicated that there are all sorts of avenues for overseeing the whole sex offender program, so I don't know that I think they're very receptive, Senator Hudkins. But I guess if we're going to do this, it shouldn't be done just (snaps fingers) bang, like that, without people having a chance to think about this amendment. So I would be open to considering it again on Final, especially if something could be worked out with HHS. But I can't say that I support this amendment right now. It's just too quick, and especially knowing that the Health Committee didn't go ahead and do anything with it, not that that should always make a difference, Senator Hudkins. You know I supported you on another issue and I still do, but in this case I think it does maybe stop the bill or at least bring enough controversy to it that it wouldn't advance. And so at this point, I will not be supporting the Hudkins amendment. [LB610]

SENATOR LANGEMEIER: Thank you, Senator Schimek. Senator Pedersen, you're recognized. [LB610]

SENATOR PEDERSEN: Thank you, Mr. President, members of the Legislature. I, too, have not read the amendment, but I do...have read and understand the bill that Senator Hudkins is trying to do. We have to do something, people, with the sex offenders in our state, and I don't mean lock more of them up, because we've got a lot of them locked up, and we should lock up the ones who are dangerous. But the ones that are getting

Floor Debate
May 07, 2007

out, and there's a lot of them, of both the regional center and the Department of Corrections, we have no programs in this state for them to go to; very, very few. We have a program here in Lincoln. We have...the only thing we have in Omaha, the metropolitan area, is a program where they will work with only those sex offenders who have offended against their own family--incest--because they work with the family, the entire family: the perpetrator, the victim, and the rest of the family. So those who have offended outside of the family, there's no services in Omaha. And what Senator Hudkins is trying to do or what Senator Schimek was trying to do with the bill and with the amendment, when we're talking about management, it's not just keeping track of them, but trying to help them so they don't reoffend and we have to spend more money on incarceration. I can tell you this, people: We can't afford to incarcerate them all. We have to do more in the area of programming. I talked with a counselor in the Omaha area just last week, trying to get somebody into that program, and that's where I got some of the information I just told you about, the only program they have in Omaha. Now there are some private programs, but private programs start at a minimum of \$40 an hour, and that goes back to individual counseling. And if you think individual counseling is the answer, you've got another guess coming. There is individual counseling that helps, but we need to have group work and we have to have follow-up self-help groups, and that all comes under this area of management. I beg you to take a look at this. Whether Senator Hudkins' amendment is right at this point, I can't say that, but it's something we have to look at and we have to do right away. Because these people who do not get help and have not got a program to go to will come back, and the more they offend the more dangerous they are, and we cannot afford to incarcerate all. Thank you. [LB610]

SENATOR LANGEMEIER: Thank you, Senator Pedersen. Senator Dierks, you're recognized. [LB610]

SENATOR DIERKS: Thank you, Mr. President and members of the Legislature. I would like to visit with Senator Johnson for a moment, if I could. [LB610]

SENATOR LANGEMEIER: Senator Johnson, would you yield to a question? [LB610]

SENATOR JOHNSON: Yes, sir. [LB610]

SENATOR DIERKS: Senator Johnson, in medical circles, how successful is treatment of pedophilia, for instance? [LB610]

SENATOR JOHNSON: Sir, I think my microphone is on. Yes. I think there's varying degrees and certainly there are those that can be helped, and maybe a better word is trusted, and certainly there are people at the other end of the spectrum as well where it seems that little, if any, help can be managed in these people. [LB610]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

SENATOR DIERKS: Do you think there's a possibility that some treatment is possible...I mean successful treatment is possible? [LB610]

SENATOR JOHNSON: Yes, sir. [LB610]

SENATOR DIERKS: Okay. Then I'd like to ask... [LB610]

SENATOR JOHNSON: But percentagewise, I...this is out of my realm entirely, so I couldn't give you a very good number, sir. [LB610]

SENATOR DIERKS: Yeah. Well, thank you. Mr. President, I'd like to speak with Senator Pedersen, please. [LB610]

SENATOR LANGEMEIER: Senator Pedersen, would you yield to a question? [LB610]

SENATOR PEDERSEN: Yes, Mr. President. [LB610]

SENATOR DIERKS: Senator Pedersen, you talk about the overwhelming numbers out there and the inability for us to keep them incarcerated. What is the answer for those people who are...that have this problem and have gone through what little treatment and management they can go through? What's the answer for them in their life today in Nebraska? [LB610]

SENATOR PEDERSEN: Senator Dierks, the treatment we have in Nebraska is good. The regional center out here has very good inpatient treatment for the sex abusers...sex offenders, and they do not let them out until they feel they are safe. Some of them reoffend. I can tell you that treatment does work. There are treatment centers across the country that have been able to help a good number of these people. [LB610]

SENATOR DIERKS: Does the treatment that you say works, does that actually provide a cure? [LB610]

SENATOR PEDERSEN: No. But the same as...let's take a look at alcoholism. Treatment for alcoholism does not provide a cure either, but we need aftercare, we need follow-up, we need self-help meetings, them type of programs. And if people stay involved and set up disciplines that work for them, they can and do get better and stay better. [LB610]

SENATOR DIERKS: Thank you, Senator Pedersen. Thank you, Mr. President. [LB610]

SENATOR LANGEMEIER: Thank you, Senator Dierks. There are no other lights on. Senator Hudkins, you are recognized to close. [LB610]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

SENATOR HUDKINS: Thank you, Mr. President and members. I do want to apologize to the body for the late introduction of this amendment. You know what they say, that your staff takes care of all your problems and makes you look good. I completely forgot to file this amendment, so that's why it was so late. In respect to what Senator Schimek said, that there hadn't been a lot of time to look at this, I agree. I hopefully explained what the amendment did that before...well, Lancaster County's program is so good that it was just felt that this should be something that all counties should take advantage of, and to do that, of course, we have to have a statute because if it doesn't say you can do it, you can't do it. But we changed LB670 so that it was not mandatory. We have, as you know, 93 counties. Not everybody has as big a problem as, for example, Lancaster and Douglas and Sarpy, so if there isn't a problem in those counties then they would not be mandated to put together this program, this council. But in the places that it has been tried, it has been very good. What I would like to do now is to withdraw the motion on Select File and I would like to refile it on Final Reading as a motion to return to Select File. Now if I have to do some more paperwork I can do that, but that is my intent. This will give everyone a chance to look at this, to ask questions. I have not had any conversation with HHS. They have not come to me and said, well, we don't like this, we don't need this, whatever, and to be fair I have not sought them out either. But now that we have it before the body, this will give everyone involved a chance to look at it a little closer, see how it would affect their particular county or area in the state. And so, Mr. President, if I could do that, withdraw it now and refile it on Final Reading as a motion to return to Select File. [LB610 LB670]

SENATOR LANGEMEIER: Thank you, Senator Hudkins. AM1035 is withdrawn and refiled on Final Reading. Senator Lathrop, for a motion. [LB610]

SENATOR LATHROP: Yes, Mr. President, I move LB610 to E&R for engrossing. [LB610]

SENATOR LANGEMEIER: You have heard the motion on the advancement of LB610. All those in favor say aye. All those opposed say nay. LB610 does advance. (Visitors introduced.) Returning to Select File, Mr. Clerk, LB324. [LB610 LB324]

CLERK: LB324, Senator Lathrop, I have Enrollment and Review amendments first of all. (ER8096, Legislative Journal page 1369.) [LB324]

SENATOR LANGEMEIER: Senator Lathrop, for a motion. [LB324]

SENATOR LATHROP: Yes, I'd move the E&R amendments. [LB324]

SENATOR LANGEMEIER: You have heard the motion on the advancement of the E&R amendments to LB324. All those in favor say aye. All those opposed say nay. They are adopted. [LB324]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

CLERK: Senator Synowiecki would move to amend with AM1184. (Legislative Journal page 1386.) [LB324]

SENATOR LANGEMEIER: Senator Synowiecki, you're recognized to open on AM1184. [LB324]

SENATOR SYNOWIECKI: Thank you, Senator Langemeier. If you recall, LB324 is a retirement bill that sets up the deferred retirement option plan for members of the Nebraska State Patrol retirement system. This amendment was introduced at the request of the Governor's Office. It inserts language clarifying that the State Patrol shall not make required employer contributions during the DROP period, as the employee is deemed to have retired. Want to thank you for your consideration of the amendment and would encourage its adoption. Thank you. [LB324]

SENATOR LANGEMEIER: Thank you, Senator Synowiecki. You have heard the opening on AM1184 to LB324. The floor is now open for discussion. Seeing no lights on, Senator Synowiecki, you are recognized to close on AM1184. Senator Synowiecki waives closing. The question before the body is, shall AM1184 be adopted to LB324? All those in favor vote yea; all those opposed vote nay. Have all those voted that wish to? Record, Mr. Clerk. [LB324]

CLERK: 32 ayes, 0 nays, Mr. President, on the adoption of the amendment. [LB324]

SENATOR LANGEMEIER: AM1184 is adopted. Mr. Clerk. [LB324]

CLERK: I have nothing further on the bill, Mr. President. [LB324]

SENATOR LANGEMEIER: Senator Lathrop, for a motion. [LB324]

SENATOR LATHROP: Yes, Mr. President, I move LB324 to E&R for engrossing. [LB324]

SENATOR LANGEMEIER: You have heard the motion on the advancement of LB324. All those in favor say aye. All those opposed say nay. LB324 does advance. Mr. Clerk, LB324A. [LB324 LB324A]

CLERK: LB324A, no Enrollment and Review. Senator Synowiecki would move to amend with AM1154. (Legislative Journal page 1352.) [LB324A]

SENATOR LANGEMEIER: Thank you, Mr. Clerk. Senator Synowiecki, you are recognized to open on AM1154. [LB324A]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

SENATOR SYNOWIECKI: Thank you, Senator Langemeier. Members, the amendment, AM1154, appropriates \$84,000 from the State Patrol Retirement Act Expense Fund for fiscal year 2000 (sic) to 2008 to the Public Employees Retirement Board to make computer programming changes that would allow for the DROP program. I want to remind you that these are cash funds being transferred. I would thank the members for your consideration and encourage advancement and adoption of AM1154. Thank you. [LB324A]

SENATOR LANGEMEIER: Thank you, Senator Synowiecki. You have heard the opening on AM1154. The floor is now open for discussion. Seeing no lights on, Senator Synowiecki waives closing. The question is, shall AM1154 be adopted to LB324A? All those in favor vote yea; all those opposed vote nay. Have all those voted that wish to? Record, Mr. Clerk. [LB324A]

CLERK: 34 ayes, 0 nays, Mr. President, on the adoption of Senator Synowiecki's amendment. [LB324A]

SENATOR LANGEMEIER: AM1154 is adopted. Mr. Clerk. [LB324A]

CLERK: I have nothing further on the bill, Mr. President. [LB324A]

SENATOR LANGEMEIER: Senator Lathrop, for a motion. [LB324A]

SENATOR LATHROP: Yes, Mr. President, I'd move LB324A to E&R for engrossing. [LB324A]

SENATOR LANGEMEIER: Thank you, Senator Lathrop. You have heard the motion on the advancement of LB324A. All those in favor say aye. All those opposed say nay. LB324A does advance. Mr. Clerk, LB435. [LB324A LB435]

CLERK: LB435, Senator Lathrop, I have Enrollment and Review amendments pending. (ER8095, Legislative Journal page 1370.) [LB435]

SENATOR LANGEMEIER: Senator Lathrop, for a motion. [LB435]

SENATOR LATHROP: Yes, Mr. President, I'd move the E&R amendments. [LB435]

SENATOR LANGEMEIER: You have heard the motion on the advancement of the E&R amendments to LB435. All those in favor say aye. All those opposed say nay. The amendments are adopted. [LB435]

CLERK: I have nothing further on the bill, Senator. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

SENATOR LANGEMEIER: Senator Lathrop, you are recognized for a motion. [LB435]

SENATOR LATHROP: Mr. President, I move LB435 to E&R for engrossing. [LB435]

SENATOR LANGEMEIER: Thank you, Senator Lathrop. You have heard the motion on the advancement of LB435. All those in favor say aye. All those opposed say nay. LB435 does advance. Mr. Clerk, LB317. [LB435 LB317]

CLERK: LB317. The first item I have, Senator Lathrop, are Enrollment and Review amendments. (ER8100, Legislative Journal page 1388.) [LB317]

SENATOR LANGEMEIER: Senator Lathrop, for a motion. [LB317]

SENATOR LATHROP: Yes, Mr. President, I move the E&R amendments. [LB317]

SENATOR LANGEMEIER: You have heard the motion on the adoption of the E&R amendments to LB317. All those in favor say aye. All those opposed say nay. They are adopted. Mr. Clerk. [LB317]

CLERK: Senator Heidemann would move to amend with AM1254. (Legislative Journal page 1438.) [LB317]

SENATOR LANGEMEIER: Senator Heidemann, you are recognized to open on AM1254. [LB317]

SENATOR HEIDEMANN: Just one second. [LB317]

CLERK: Senator, it increases the General Fund appropriations by \$1 million to the Governor's Emergency Fund. [LB317]

SENATOR HEIDEMANN: We came to notice over the weekend, and it was notified by the Governor's Office, that when it rains it pours. Before we was dealing with dry conditions across the state of Nebraska. Over this past spring and especially over the last weekend we have a lot of rain. We have roads that have been washed out, I think up to three times over the last several weeks, and I was told that even some bridges went over this last weekend. The Governor's Emergency Fund, this was a deficit appropriations for the Governor's Emergency Fund. We knew we was going to be short. When we addressed it earlier on I think we had put a little bit of extra money in there. This will increase it by \$1 million because of things that are happening over...especially over the last weekend and because of the recent rainfall events. I urge your adoption of AM1254. [LB317]

SENATOR LANGEMEIER: Thank you, Senator Heidemann. (Doctor of the day and

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

visitors introduced.) You have heard the opening on AM1254 to LB317. The floor is now open for discussion. Is there anyone wishing to speak to...Senator Raikes, you're recognized. [LB317]

SENATOR RAIKES: Thank you, Mr. President and members. Senator Heidemann, I'd like to ask you a question. [LB317]

SENATOR LANGEMEIER: Senator Heidemann, would you yield to a question? [LB317]

SENATOR HEIDEMANN: Yes. [LB317]

SENATOR RAIKES: Is this the equivalent of an A bill for \$1 million? [LB317]

SENATOR HEIDEMANN: I'd have to...it's not...it would be equivalent to it. I guess you could call it that, yes. [LB317]

SENATOR RAIKES: So, at any rate, the amount of money left for A bills, once we do the budget, would be reduced by \$1 million as a result of this amendment if in fact we adopt it. [LB317]

SENATOR HEIDEMANN: This isn't in the next biennium. This is actually in the deficit so it will show not on...as spending in the next biennium, but it will be a loss of spending, probably where you're going, that we can actually spend for A bills later on. I would take it that way. [LB317]

SENATOR RAIKES: Okay. So it will be a \$1 million reduction in the amount of money available for whatever other programs. [LB317]

SENATOR HEIDEMANN: Yes. If you look at your status sheet, even though it doesn't show a spending in the next biennium, there will be a difference on line 34, I would say, of \$1 million. [LB317]

SENATOR RAIKES: Okay. And this money would be used exactly how? [LB317]

SENATOR HEIDEMANN: Because of we had put more money in, if I remember right, when we first adopted our budget, the committee did, because of the recent ice storms. They use it for, like, generators to keep towns with electricity. I think now they're more after recent rainfall events. We've had roads wash out. We've had bridges that are floating down the river, the way I understand. And they'll use part of this money, and I believe it's in conjunction with federal money, to help. [LB317]

SENATOR RAIKES: Is there...you got to the point I wanted you to address. Is there federal money that's available only if there's a state match? Is that what this is about?

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

[LB317]

SENATOR HEIDEMANN: First there has to be a federal disaster declared and then, at certain times, there may be a requirement of a state match. But sometimes this fund actually is there just to pay for what needs to be paid for up front and then the feds come in and repay later on. And right now, because of so much...because of the ice storms and of all...there's been more activity through this fund recently, they're asking to be more money just put in there to take care of things as they are now, and then they...some of it will be repaid by the feds. [LB317]

SENATOR RAIKES: Well, but the latter, wouldn't it make sense to allow for, say, borrowing money from the Cash Reserve rather than appropriating money into a fund, if in fact it's going to be repaid at some point? [LB317]

SENATOR HEIDEMANN: I suppose that action could be taken, if you're worried about that we don't have enough money to spend. [LB317]

SENATOR RAIKES: Well, I'm always worried about that. We're spending more money and this is basically an additional A bill for \$1 million, in some sense. Now is this a one-time appropriation of \$1 million? Would it be \$1 million each year, or how would it work? [LB317]

SENATOR HEIDEMANN: This is just a one time. [LB317]

SENATOR RAIKES: So it would parallel a reduction in the Cash Reserve by \$1 million. Cash Reserve money is one-time money. It's not annual. [LB317]

SENATOR HEIDEMANN: Well, we tend to...if we drag money out of the Cash Reserve, we like to make sure it's a one-time expenditure instead of ongoing. [LB317]

SENATOR LANGEMEIER: One minute. [LB317]

SENATOR RAIKES: So wouldn't it make...wouldn't it make sense in this case, maybe the answer is no, but wouldn't it make sense in this case to transfer \$1 million out of the Cash Reserve into whatever account here that we're talking about rather than...or maybe that's what you're doing. [LB317]

SENATOR HEIDEMANN: No, we are...this will come from General Fund money. I...I mean this is...I know where you're coming from. You're concerned there won't be enough money left at the end of the budget cycle to fund things that you would like to see funded. I probably am on the other side of the fence that think that we need to look for priorities and maybe we can't fund everything that we possibly have out there. [LB317]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

SENATOR HEIDEMANN: Well, I don't know that I disagree with you on that. It just seems to me that if this is a one-time expenditure it probably makes more sense to say...and if you want to do it, that we're going to reduce the Cash Reserve by \$1 million, compared to what it otherwise would have been, in order to accommodate this need. [LB317]

SENATOR LANGEMEIER: Time. [LB317]

SENATOR RAIKES: Thank you. [LB317]

SENATOR LANGEMEIER: Is there anyone else wishing to speak to AM1254? Senator Raikes, you're recognized. [LB317]

SENATOR RAIKES: Thank you, Mr. President, members. If I could, I'll continue the discussion with Senator Heidemann. [LB317]

SENATOR LANGEMEIER: Senator Heidemann, would you yield to a question? [LB317]

SENATOR RAIKES: So can you give me a read on that proposal? Is that what, in fact, is being done here, or are we doing something different, or what? [LB317]

SENATOR HEIDEMANN: Restate that again. [LB317]

SENATOR RAIKES: Are we, in effect, taking this money out of the Cash Reserve, or are we somehow adding this to General Fund expenditures? [LB317]

SENATOR HEIDEMANN: This is a General Fund deficit request. [LB317]

SENATOR RAIKES: So it's adding an expenditure, a one-time expenditure, to our...from our General Fund. [LB317]

SENATOR HEIDEMANN: From the General Fund, as a deficit request. [LB317]

SENATOR RAIKES: And your justification for doing it that way, rather than as a draw on the Cash Reserve is? [LB317]

SENATOR HEIDEMANN: It's not a large item. To me, if we're worried about \$1 million being not left on the table to spend some place else, then I'm a little concerned. [LB317]

SENATOR RAIKES: Well, but are you sure that there is implied discipline here that if there's \$1 million out there to fix bridges or whatever it might be, I mean there's always needs for that kind of thing. Isn't it fairly sure...aren't you fairly sure that that will be

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

spent on those sorts of projects? [LB317]

SENATOR HEIDEMANN: I would have to think so, yes. It's there for that purpose. [LB317]

SENATOR RAIKES: So I'm lost on the argument that, well, gosh, this is a way to keep us from spending this money. If you're arguing that it keeps us from spending it, adding it to a base, which is a year-after-year deal, I do agree, I think. But it seems to me then the source of the funding ought to be the Cash Reserve rather than the General Fund, which is an ongoing. [LB317]

SENATOR HEIDEMANN: You want to take it...you want to take the money out of the savings account; I want to take it out of the checking account. I feel that there's enough money in the checking account to do this and leave the savings account alone for days when we truly, truly need it. And that's just my preference. I mean there's no reason that we couldn't in LB322, which is Cash Reserve Fund, I believe, you would take a...have an amendment, put \$1 million into the General Fund, and it would replace what we've just done. You could do that. [LB317 LB322]

SENATOR RAIKES: Okay. Thank you. [LB317]

SENATOR LANGEMEIER: Thank you, Senator Raikes. Seeing no other lights on, Senator Heidemann, you are recognized to close on your amendment, AM1254. Senator Heidemann waives closing. The question before the body is, shall AM1254 be adopted to LB317? All those in favor vote yea; all those opposed vote nay. Have all those voted that wish to? Record, Mr. Clerk. [LB317]

CLERK: 26 ayes, 1 nay, Mr. President, on the adoption of Senator Heidemann's amendment. [LB317]

SENATOR LANGEMEIER: AM1254 is adopted. Senator Ashford, you are recognized to speak to LB317. Senator Ashford waives his time. Mr. Clerk. [LB317]

CLERK: I have nothing further on the bill, Senator Lathrop. [LB317]

SENATOR LANGEMEIER: Senator Lathrop, for a motion. [LB317]

SENATOR LATHROP: Yes, Mr. President, I move LB317 to E&R for engrossing. [LB317]

SENATOR LANGEMEIER: You have heard the motion on the advancement of LB317. All those in favor say aye. All those opposed say nay. LB317 does advance. Mr. Clerk, LB318. [LB317 LB318]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

CLERK: LB318, Senator Lathrop, I have no amendments to the bill. [LB318]

SENATOR LANGEMEIER: Senator Lathrop, for a motion. [LB318]

SENATOR LATHROP: I move LB318 to E&R for engrossing. [LB318]

SENATOR LANGEMEIER: Senator Chambers, do you wish to be recognized? [LB318]

SENATOR CHAMBERS: Yes, thank you, Mr. President, members of the Legislature. When a bill was being discussed, or a proposal, that would put a salary increase for senators on the ballot, a lot of negative things were said relative to senators, the Legislature, and the statement was made that people knew what the salary was when they ran for this office, and some of the most juvenile, silly comments that I heard since I've been in the Legislature were uttered during that debate. You talk about disrespecting yourself, denigrating the institution of which you are a part, pandering to the ignorance of the public is not anything any member should be proud of. You're not going to get a vote from anybody because you've downgraded yourself and the Legislature and said you're not worth anything. Well, each person knows what he or she is worth, but don't place the low regard that you have on yourself on the institution of the Legislature. We should be pushing to make people understand what it is that we do. And when those simpleminded comments are made that you might be getting too much anyway, that's stupid. This is a job. You are an employee. Employees receive a salary. Even the "Bible" said the workman is worthy of his hire. Muzzle not the ox that treadeth out the corn. People are entitled to fair compensation for the work that they do. If you think you're worth nothing, that you are trifling, that you don't do the job that you agreed to do, just make that comment about yourself and leave others alone. I have said before, and I'll say it again from time to time, in this society value is placed on the basis of how much money a person derives from the work he or she does--how much does the job pay. Oscar Wilde said something to the effect that some people know the cost of everything and the value of nothing, or something along that line. When I got a bill through and overrode the Governor's veto to give substantial raises to every holder of a constitutional office, I did that not because I like the people who are holding those offices or because I dislike them. We in government understand the responsibilities of the office we hold and the job that we do. There should be a decent salary annexed to that office, regardless of who happens to hold the office at a specific time. The constitution will not allow a salary to be increased or diminished during a person's term, because that will be used as a methodology to either not exactly bribe but unduly influence a person favorably or to threaten a person negatively. I will support efforts to raise the salary of members of the Legislature. [LB318]

SENATOR AGUILAR PRESIDING [LB318]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

SENATOR AGUILAR: One minute. [LB318]

SENATOR CHAMBERS: You all know that this is the only office which the voters can vote on the salary. When they're angry at people in Congress, they vote against the salary for the members of the Legislature because they don't know the difference between Congress and the Legislature, and you all play to that ignorance. Some criticize these talk shows on radio and even television and how they pander to the lowest element in society. They vulgarize the society. They diminish what little civility may be there. Then the legislators play to that same ignorance level in the public and we should not do that. Our job is to remove ignorance, to the extent that we can, and not to pander to it. So I was greatly disappointed. [LB318]

SENATOR AGUILAR: Time. [LB318]

SENATOR CHAMBERS: Thank you, Mr. President. [LB318]

SENATOR AGUILAR: Thank you, Senator Chambers. Your light is on next and you are recognized. [LB318]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, to continue, I was very disappointed at the tone of that debate. Do you think people voted for you because you said you're not going to seek a salary increase for the senators? If that's the only reason they voted for you, you don't even deserve to be here and it shows they don't think a pop of the finger for you. The biggest thing you can say is that you're not for a salary increase for the senators. You should be pushing for issues and informing the public. The district that I come from needs a representative such as me. From the mail that I get, every district in the state needs a representative such as me. To the best of my ability I represent and push for what I deem to be in the best interests of people in general and, on specific issues, the people in my district. But I'm never going to let the people in my district or anybody else narrow me and make me foolish, make me look simpleminded, make me look like somebody who if you pinch me I will come up with a hee-haw. And that's what the senators ought to do. You have no self-respect, no self-esteem. You're easily whipped. You're easily pushed over. The Governor calls you and pinches you by the ear and drags you and sits you down in a seat and sits you in the corner and say, sucker and "suckeress," do what I tell you to do; the Legislature is nothing, the Governor is everything. And he orders you all around like children. What would your child think of you? What would your grandchild think of you, seeing you debase and abase yourself before another human being and say you're not worth anything? And the poor child, the poor grandchild might say, my daddy, my momma, my grandpa, my grandma, that person is really something because he or she is a part of the government and makes laws. Good thing they don't actually see you in action, watch you over here mooching and sponging off the lobbyists and standing on this floor and saying the Legislature is worth nothing. That makes them proud? You're

Floor Debate
May 07, 2007

tricksters. You're deceivers. When I was a barber, many years ago, I was much younger then. I understand--this is a digression, by the way--that Billy Joel was in Omaha. Somebody should have notified him that one of his songs, the "Piano Man," is almost a theme song of mine and he should have requested that I be there and not have to buy a ticket, come up on the stage with him and sing a bar or two of the "Piano Man," especially when it says, when I wore a younger man's clothes. Well, when I was a barber many years ago, those of us who were younger had trouble persuading the older barbers, set in their ways, that the time had come to increase the cost of haircuts, and some of the old guys, doddering like they often are and mumbling and grumbling, were saying, no, we shouldn't increase the price. [LB318]

SENATOR AGUILAR: One minute. [LB318]

SENATOR CHAMBERS: And one of the fiery young barbers, it was not myself, had looked at them all and said, well, every man knows what he's worth. And that's what I say about these senators. You all know what you're worth. No, that's not true. You have a low opinion of what you're worth and in reality you're worth more than what you realize. You sell yourself short and you rob your own till. Whether you realize it or not, you are a lawmaker. If you just come here and sit 60 days during the short session, 90 days during the long session, you're worth more than the \$12,000 that you get. Few jobs in this society pay that small a wage. No job in this society carries the responsibility of this one and such a small wage is given. [LB318]

SENATOR AGUILAR: Time. [LB318]

SENATOR CHAMBERS: Thank you, Mr. President. [LB318]

SENATOR AGUILAR: Thank you, Senator Chambers. Your light is on next and you are recognized. [LB318]

SENATOR CHAMBERS: Thank you, Mr. President. I recognize also that this is my third time speaking and I selected a bill that relates to the Legislature in order to do this. People who come into a community and explain to workers that they're entitled to something in addition to what they're receiving, either in terms of a better wage, better hours, better working conditions, some insurance coverage, are called, by those who want to exploit the workers, labor agitators. Oscar Wilde had pointed out...by the way, anybody who wants to get my attention, just start a statement with Oscar Wilde and you'll have my undivided attention. Oscar Wilde had talked about the need for somebody to come from outside to explain and convince people that they, in fact--and I'm paraphrasing, maybe even adding to it--have a basic dignity and a right to a fair wage for the work that they do. They in fact are exchanging part of their life for the wage that they receive and it takes somebody from the outside to make them understand what the true relationship between themselves and the one employing them actually is;

Floor Debate
May 07, 2007

that it is not a privilege to give your life to somebody else for peanuts. And he pointed out that one of the great ironies is that the poor, the disadvantaged are the ones you will often find advocating for the exploiters and the wealthy. He said words to the effect, I could understand these people supporting a system which is oppressive, which bears down the individual, which crushes out the spirit of a person if they were going to benefit from it, but they are not even benefiting from it and yet they support it. This is how you condition people. You take control of their minds. They didn't have the term "brainwashing" in Oscar Wilde's day, but if they had that term he would have given it much broader and greater currency than it has now. If you can control people's minds, you don't need to put chains on their limbs, you don't need to have a police officer at every corner. You own them. You set them on a path, even if it leads to their own destruction, and they voluntarily will follow that path. You all have no excuse. Every one of you, I believe, has at least finished high school. Some of you have finished college and gone beyond. Some of you are professionals or were professionals, and that, to me, is a combination of talents, abilities, and experiences which should have resulted in one of the most enlightened, enlightening discussions relative to the compensation of elected officials and why a fair compensation ought to be extended. But instead, what do you get? Well, I said I ain't going to seek a increase in salary and I ain't going to do it; they'll think the only reason I came here is to get more than \$12,000. They don't think much of you. [LB318]

SENATOR AGUILAR: One minute. [LB318]

SENATOR CHAMBERS: Nobody could...there's not enough money in the world to compensate me for what I do. So the irony is that I will do what I do for zero because I choose to, but nobody has enough money to pay me to do what I do. And you will not find anybody who receives a salary who does what I do at the level I do it, the quality in the work that I do, the consistency, the persistence, without getting anything of substance in return. Next time we talk about a salary increase I'm going to participate in that discussion. Thank you, Mr. President. [LB318]

SENATOR AGUILAR: Thank you, Senator Chambers. Senator Preister, your light is on next and you are recognized. [LB318]

SENATOR PREISTER: Thank you, Honorable President, friends all. And thank you, Senator Chambers. Well said, well said, well said. I spoke on this on General File. I spoke on it when we had LR1CA on...for our discussion, and I guess I'll say candidly that I was disappointed in that vote. I thought that there should have been more votes. It certainly ended up saving me a whole lot of time because I had intended to do some organizing, to do some fund-raising, and I would have spent the summer getting an organization together to be able to help make the vote happen favorably to give an increase in salary to the Legislature. It is needed. Senator Chambers is absolutely right. We don't value ourselves enough, and when we listen to the public downgrade,

Floor Debate
May 07, 2007

denigrate us and the position, and when we participate willingly in that with some of the...you can call it humor or put-downs of the Legislature, that's to our own detriment and it's to the detriment of the institution. If we don't value ourselves enough, at least we shouldn't denigrate the institution and the other people who serve. It is important that all of us help to educate the public and help to get people to understand the commitment and what goes into this position, and help them to understand the value of paying more than \$12,000 a year for a position. Yes, we're citizen legislators. Yes, we have other jobs, but in most cases what we spend time doing here takes us away from that and ends up costing us money for even being here. We do it willingly. Yes, we do it as a service, but at the same time, it's a matter of fairness. It's a matter of respect for the institution. It's a matter of respect for the individuals who represent the institution. It's easy for Governors to bash the Legislature. It's easy for the public to do it. It doesn't seem to be so easy for people to appreciate the challenges of making the difficult decisions to set state policy. Show me a CEO in this state or any other who has control over a \$3.5 billion budget, and show me that CEO or that board member who only makes \$12,000 a year. It's unheard of. It does not happen. We do have a responsibility to help to inform our constituents. Any of you who think that a single vote on putting on the ballot whether to give us a raise is going to make that much difference in an election should ask your constituents. You're not voting on a salary increase for yourself. You're simply putting it on the ballot and giving the public a chance to vote for it when these measures come before us. The public isn't going to, in any numbers, make any difference in an outcome of an election based on you putting something on the ballot and giving them a vote on. It's not that crucial to the public. They may not want to give us a vote, but...in favor of a raise, but they're certainly not going to be that upset by having it on the ballot. And for those who like to denigrate the body, it gives them a chance to have their say and to put us down. I don't think that that's something we should feed into or have a part in doing. I think we do have a responsibility for educating people. I think when this comes before us again next year, more of us will be more involved. I hope that more of you will, at that point, see that, well, maybe a year has gone by, maybe it is okay to support something like this. Maybe you will have taken time to... [LB318 LR1CA]

SENATOR AGUILAR: One minute. [LB318]

SENATOR PREISTER: ...speak with more people in your district. Maybe you will have a feeling that you can support it. It's going to take more support in this body. It's going to take more opportunity to educate the public and I think, in respect to the institution of the Unicameral, we each need to do that every opportunity we get. We need to help to inform people when they put the body down of what it has done and why it is important in the state. It's going to take more leadership from our Speaker, from our committee chairs, the Appropriations Committee, the Revenue Committee. All of us need to get behind increasing this salary. It will be back and for those of us who won't be here after next year, someone else will need to continue that effort should it not be done next year.

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

I appreciate the people who commented to me after the vote was taken in disappointment for those who... [LB318]

SENATOR AGUILAR: Time. [LB318]

SENATOR PREISTER: ...took courage to support it and those who hopefully will support it in the future. Thank you, Mr. President. [LB318]

SENATOR AGUILAR: Thank you, Senator Preister. Senator Carlson, your light is on next and you are recognized. [LB318]

SENATOR CARLSON: Mr. President, members of the Legislature, I stand this morning in agreement with Senator Chambers and Senator Preister, and as a member of the new class, I'm going to take a little risk this morning, and that's okay. After four months' experience, I've come to some conclusions. Number one, this is a full-time position, and I really believe that treating it as anything less is incorrectly minimizing the position. Now to this point, along with the rest of my colleagues in their first term, I haven't experienced the time after the session but I think I know how it ought to be treated. I think there will be interim studies. I am certain there will be interim committee work. I'm certain there will be time spent in the interim preparing bills for the next session. I know that I have an obligation to be a listener to the concerns of my constituents. I know I have an obligation to respond to new issues as they come up in talking with my constituents. I know that there will be many responsibilities for speaking engagements, attending meetings. I know that I have an obligation and a responsibility and a desire to attend many district events. I know that I will be spending some time attending legislative conferences for professional development. So I've concluded I don't know how to effectively be a part-time legislator. And under present salary structure, I don't know how our younger members manage financially. This experience should not be a huge financial burden. I agree with Senator Chambers; to whom much is given, much is expected, and we need a fair day's pay for a fair day's work. Thank you, Mr. President. [LB318]

SENATOR AGUILAR: Thank you, Senator Carlson. Senator Wallman, your light is on next and you are recognized. [LB318]

SENATOR WALLMAN: Thank you, Mr. President. And I also want to thank Senator Carlson, Senator Chambers, and Senator Preister. And I would yield the rest of my time to Senator Chambers. [LB318]

SENATOR AGUILAR: Senator Chambers, you have 4 minutes and 49 seconds. [LB318]

SENATOR CHAMBERS: Thank you, Mr. President. Thank you, Senator Wallman.

Floor Debate
May 07, 2007

Some people might wonder how in the world I can stand on this floor and talk about how the Legislature is put down, and then be so critical of the Legislature myself. If you pay attention, my criticisms are always aimed at trying to get us to do something better than what we're doing, to reach higher, to stand taller, to be firmer in our resolve, and be an example to the children we say need a role model, to those naysayers on the outside who have no understanding of government and hate anything associated with the government, and to give a message to the judiciary, if that ever becomes necessary, and certainly to the executive branch. I know that I'm not going to be here all the time, thank goodness (laughter), and I know other people would shout out those words "thank goodness." But while I'm here I do think that the Legislature needs a defender. You know what I think would not be out of the question? Do you know what I think would be very reasonable? I think it would be reasonable for us to be good to ourselves. Haven't you seen commercials where they say pamper yourself, and they usually will show a woman who might be taking a luxurious shower or soaking in a bathtub with these bubbles and a towel around her head so her hair won't get wet, listening to music, maybe have a goblet of something liquid near at hand, soft music, just being good to herself? We all should do that. And do you know how I think we ought to be good to ourselves with respect to what I'm talking about? We should prevail on the Speaker to reschedule that bill. We control our destiny. We should never elevate empty form against...above meaningful substance. Those of us who are not coming back still see the need for a better salary. If you don't put forth the effort, you know that you cannot get anything done. Do you know why I will never win the lottery? Because I won't buy a lottery ticket, so I can't hit the lottery, ever. We should have that bill rescheduled. We should vote to put it on the ballot and, instead of anticipating the public turning their back on us, make up our minds that we will do whatever is necessary, we will show the persistence, we will work with those who are trying to enlighten the public to establish that a better salary is due. But if we don't show the backbone and the gumption, we don't even put ourselves in a position to be helped by others who are willing to lend a hand. We would not sit by and watch an agency of government handled in the dismissive, disregarding way that the Legislature is. [LB318]

SENATOR AGUILAR: One minute. [LB318]

SENATOR CHAMBERS: We have got to do better for ourselves. The amount of money that was in the bill still amounts to nothing. It is difficult to live on the amount that would be contained in that bill that was to be submitted to the public. And if they vote no, so what? All of you put together during however many years you stay in this Legislature will never receive as many overwhelmingly negative votes as I, as one man, have received while being in this Legislature, but as that poem Invictus says, "My head is bloody, but unbowed," well, my head is not bloody but it is unbowed. And I'm going to continue to push for what I think is appropriate and this morning I'm trying to show us... [LB318]

SENATOR AGUILAR: Time. [LB318]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

SENATOR CHAMBERS: ...something that we ought to see better. Thank you, Mr. President. [LB318]

SENATOR AGUILAR: Thank you, Senator Chambers. Thank you, Senator Wallman. Senator Stuthman, your light is on next and you are recognized. [LB318]

SENATOR STUTHMAN: Thank you, Mr. President, members of the body. This has been very interesting to listen to this morning, and it's very nice to hear the fact that some of the new senators are saying that, you know, this is a full-time job. That is very, very true. Yes, they have not had any time after the close of the session this year, which will be in June, and it will not be over for those people come June 1. I have always said that my busiest time is after the session is over because there's never a time, never an hour throughout the day, even when you're not in the Legislature, when you're not doing something for the state of Nebraska or thinking about things you need to do for the state of Nebraska and especially for your constituents out there in the communities. I think that's very, very important. I'm sure there's going to be several of the new senators that, when they get through with their four years, they're going to say, boy, did I take a beating on my financial status. But I will admit I was one of the people that did not vote, you know, to move that bill on and the reason for that was I thought that it was too soon after we took a pretty good shellacking that other time. but I think it's very important that we get out into the communities and talk to the people and do a good job down here, and that the people see that we do a good job, and we got to stay positive. And Senator Chambers has alluded to that, that, you know, you got to be positive and keep moving ahead. So I would totally be in favor of possibility of bringing that back for debate on the floor. I don't know if it's possible or not. I haven't been here that long to know all the rules that can happen. So I would favor that part of it. And I'll give the balance of my time to Senator Chambers. [LB318]

SENATOR AGUILAR: Senator Chambers, you have 2 minutes and 48 seconds. [LB318]

SENATOR CHAMBERS: Thank you, Mr. President. Members of the Legislature, I have described myself down through the years as the defender of the downtrodden. Those who are downtrodden are not always impoverished. They are not always illiterate. They can be people who do not even recognize the downtrodden condition they're in. When I wanted to stop a man from being executed, some lawyers, whose opinion I respect, said I should not write to the Nebraska Supreme Court, that that is not done, I'm not a party, I might alienate them. But my response is how much worse off can things be than they are now, and it might work. And I have been turned away so many times when I've attempted to do things, had so many doors slammed in my face, but that's par for the course for me. It does not dishearten me. It does not deter me. And this is one of those projects that falls into that category now. What I'm saying and what I'm pushing for has

Floor Debate
May 07, 2007

nothing whatsoever to do with how you may vote on an issue, what you may think or how you may feel about me. I'm talking about the Legislature as an institution and I do believe that if those of us who are on the inside and a part of that institution think nothing of it, how can we expect the public to drag us kicking and screaming to a point where they will vote a salary increase and we will not even put it on the ballot? What I am willing to do, and it will give... [LB318]

SENATOR AGUILAR: One minute. [LB318]

SENATOR CHAMBERS: ...each of you a chance to tell me where to go in your courteous way or in a blunt way, I'm going to circulate a piece of paper and see how many senators are willing to have that bill rescheduled. The Speaker could do it on his own if he chose to, and I will talk to him also. Even if we have a somewhat extended debate on that proposal, it will not limit itself just to the money but to some of the things that I'm trying to get us to look at this morning, some of the things that Senator Carlson and Senator Preister and Senator Stuthman had mentioned. Thank you, Mr. President. [LB318]

SENATOR AGUILAR: Thank you, Senator Chambers. Thank you, Senator Stuthman. Those waiting to speak are Senators Schimek, Dierks, and Wallman. Senator Schimek, you are recognized. [LB318]

SENATOR SCHIMEK: Yes, thank you, Mr. President and members. I had no idea when I came up here this morning that we were going to be discussing the state of legislative salaries, but it's a good idea to do it. When that bill did not advance from General File, my first thought was, well, it wouldn't actually be on the ballot until next year anyway, we could come back and either take up the bill again or we could introduce another bill for the Legislature to consider. But in any event, it never entered my mind not to try again next year. It is very important that we do so. I'm looking back at the history of salary increase efforts over the years and in 1968 there was a ballot issue that actually passed and legislative salaries were raised to \$4,800 a year. That was in 1968. Then if you look at the record, in 1972, in the general election, there was another amendment put on the ballot for the voters that didn't pass. In 1974, in the primary election, there was another legislative issue which didn't pass. In 1976, in the general election, there was another legislative issue that didn't pass. In 1978, in the general election, there was another issue that didn't pass. In 1980, in the primary election, there was another issue that didn't pass. In 1982, in the primary election, there was another issue that didn't pass. In 1982, in the general election, there was...oh, no, I take that one back. There wasn't an issue. In 1988, in the primary election, there was another issue that finally passed. It took multiple efforts to get an issue passed, and I think that it possibly could take multiple efforts again to get another salary increase passed. I think it's very important that we keep the issue before the voters to encourage them to think about it in terms of the fairness issue. I would willingly sign any petition or whatever that Senator Chambers

Floor Debate
May 07, 2007

wanted to circulate. I would be willing to talk to the Speaker about this as well. I guess the main thing that I could say to all of you is that last year when the issue was on the ballot the Legislature passed that overwhelmingly and people who were leaving the Legislature voted for it overwhelmingly because they understood it was not about them. It was about the institution. And I would say to you that that's the reason that Senator Preister and Senator Chambers and myself and others are adamant about doing it again, not that it will affect us, because it's not about us. It is about the institution. And you need to be able to go home to your voters and explain why you voted to put it on the ballot. You're not voting to raise your salaries. You're voting to put it on the ballot to say to your constituents, who are your employer, I think it's time for a raise; would you be open to that idea; would you support that. You can't do it yourself. It takes the voters to do it. All you're doing is giving them an opportunity to speak again. So I thank...
[LB318]

SENATOR AGUILAR: One minute. [LB318]

SENATOR SCHIMEK: ...Senator Chambers for bringing this issue to us once again. It looks like, from the number of lights I can see just from here, that we may be on it awhile. But I think the importance is getting it back before the body before the November election next year, and we've got time to do that. Whether it's done now in this session or whether it's done in the beginning of next session, I think it's critical that it needs to be done, and I hope that for anybody who might be wavering that you will give it some serious consideration. And even for those who may have voted no last time, I hope you will rethink the issue as well. Thank you very much, Mr. President.
[LB318]

SENATOR AGUILAR: Thank you, Senator Schimek. (Visitors introduced.) Senator Dierks, your light is on next and you are recognized. [LB318]

SENATOR DIERKS: Thank you, Mr. President. I have been very interested in the conversation this morning. I was especially struck by some of the rhetoric we heard from Senator Chambers, mainly about the business of pride in our process and pride in ourselves and being impressed with what we do. And I have seen that in so many of the reports we've seen about the new senators in the newspapers and most often they're saying, I'm very pleased to be here because I think I'm doing what I need to be doing for my people and for the state. I was also struck by something that Senator Chambers said as far as supporting the institution and the state as he saw that he should do that. I can tell you from experience that I was Chairman of the Agriculture Committee for ten years when I was here before. Senator Chambers has been a member of the Ag Committee for as long as I can remember. And if there was any one senator that was more supportive of rural Nebraska and ag issues, I don't know who it was than Senator Chambers. As a matter of fact, there was an effort to remove the Ag Committee from our legislative process a couple times. Who do you think got up and said that that isn't

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

going to happen? It's that minority senator from the middle of Omaha, folks. He does a great job taking care of our Legislature. Thank you. [LB318]

SENATOR AGUILAR: Thank you, Senator Dierks. Those waiting to speak are Senator Wallman, Mines, Nelson, and Harms. Senator Wallman, you are recognized. [LB318]

SENATOR WALLMAN: Thank you, Mr. President, members of the body. I, too, am honored to serve on a committee with Senator Chambers. And listening to the conversation, if we're scared to put something on the ballot, we weren't scared to run for our office. And so I agree with his comments on the negative votes. We should not be afraid. If we think we earn a salary increase in here, we should not be afraid to put it in front of the voters. And with that, I'll yield the rest of my time to Senator Chambers. Thank you, Mr. President. [LB318]

SENATOR AGUILAR: Thank you, Senator Wallman. Senator Chambers, you have 4.5 minutes. [LB318]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, I have often been critical, sometimes even irreverent in discussing religion and religious notions, but there is one thing that I have in common with one order of priests, and mine is more real than theirs, and that is the vow of poverty. I don't have somebody supplying me with a car or every other thing that I need, as some of my colleagues of the robe have. But why should people come here and have to live in poverty? I wouldn't want anybody to have to live the life that I live, but I choose it. I choose to live the way that I live. There are things that other people desire that I have no yen for whatsoever. As a matter of fact, for me, young Senator Lathrop, a spartan life, the life of a spartan, would be lavish compared to my actual life, and I don't think anybody should come to the Legislature with the mind-set that you're not going to be able to afford things for your family that your family is entitled to look for from you; that if you have small children there are places you may not be able to take them, things you may not be able to give them, a long-suffering spouse who should not have to suffer long simply because you're a member of the Legislature. This should not be a job where we test our virtue, our fortitude and our willingness, as I say, to engage in self-denial. There is no rational basis for that to be the mind-set of this body. Since there is a large crop of new senators, those of us who are on our way out the door should do everything we can to prevent them from developing that notion that the Legislature should be the butt of everybody's joke. This is the most powerful branch of government. We cannot cut the Governor's salary. We cannot cut the Attorney General's salary, or any other officeholder's salary while that person is serving a term, but we can diminish the amount of money that goes to the office of that person. We can cut their staff. We have a lot of things we can do to exert control and influence. All money bills at the federal level originate in the house, and some people as old as I am don't even know that. There is so much about this government of which the public is ignorant that we ought to look at

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

what is going on in the public schools. And if you... [LB318]

SENATOR AGUILAR: One minute. [LB318]

SENATOR CHAMBERS: ...were a sentimentalist, you might weep, not from sentimental considerations but the fact that this is supposed to be a democratic society and the way for it to flourish is to have an informed electorate. When people don't even understand their own government, when they disrespect the government, the society and the republic are not going to be the better for it. So we are going to have to set the example, and I think, I hope anyway, that a move in that direction can start this morning, just like, as I pointed out to you all, the Mississippi River started with a leaky faucet of an old widow up in northern Minnesota. Thank you, Mr. President. [LB318]

SENATOR AGUILAR: Thank you, Senator Chambers. Senator Mines, your light is on next and you are recognized. [LB318]

SENATOR MINES: Thank you, Mr. President, colleagues. I don't disagree with very much that Senator Chambers has to say; however, let me also couch this entire debate in the fact, and remind you again, that the voters overwhelmingly a year ago said no, n-o. In the world of politics and in the world of many other professions, timing is critical. Marketing and timing is critical to selling your ideas to the public, and we're back one year later asking for another increase in our pay after the citizens told us no. Now we've had this debate already and we can certainly have much more of this debate. I don't believe that...I don't believe, and I can...I would be willing to place a wager if that were fair and legal, that if this were to advance and if it were to be on the ballot next year the voters would be outraged, the voters would imagine what kind of gall this body has to come back within a year and ask for a salary increase again, within a year. You brand new senators come in. You know exactly what the pay was coming into this body, we all knew. And do we make sacrifices? Absolutely. We are a citizen Legislature. We know what the value of this office is and, yet, we're willing to come in here and serve for \$12,000 a year plus expenses, plus campaign, and let me remind you and the audience and the media we live on much more than \$12,000 a year. I believe we deserve an increase in pay at some time in the future. It is not appropriate right now. The timing couldn't be worse. It smacks of arrogance. And again I ask you, what part of the word "no" don't you understand? Thank you, Mr. President. [LB318]

SENATOR AGUILAR: Thank you, Senator Mines. Senator Nelson, your light is on next and you are recognized. [LB318]

SENATOR NELSON: Mr. President, colleagues, I want to commend Senator Chambers for bringing this back again; also, my colleague Senator Tom Carlson for standing up and saying what a lot of we new senators actually feel. I was one of those who voted for the bill. I went over to Senator Preister afterwards and we talked about it a little bit and I

Floor Debate
May 07, 2007

share his concern that there are a lot of people who would be well qualified to serve down here in the Legislature but they're young, they're raising families, they are perhaps living from paycheck to paycheck, as Senator Friend alluded to some days ago, and that it's just impossible for them to serve their state at that time in their lives. I recently did an interview for the Legislative Update and I had to say in there that I waited to run for this position until my kids were out of college. One went to the University of Nebraska. A couple others elected to go to private schools, which were more expensive, and there was really no way that I could come down here and serve until their education was completed. Otherwise, I might have tried it some time ago and hopefully would be here a lot longer than I am for either four years, or possibly eight. I disagree. I agree with Senator Mines on a lot of things, but I disagree. Again, I...a lot of people said no to me when I was campaigning, I'm not going to vote for you, but that didn't deter me from moving on and trying to find as many yeses that I could. Yes, there was a resounding no in some places, probably more in western Nebraska, but I think in Douglas County and Lancaster, the population centers, generally it was a lot closer than that. And I had people tell me they would have voted for it except for the provision in the bill...or on the ballot that there would be an annual raise for living expenses, and they mistrusted that. So I think if we do reconsider this and come back to this again, we ought to look at it as a straight salary...a straight increase that is reasonable but yet advances us a little higher so that we don't have to be concerned about where our income is coming from for the year while we're down here and even during the interim. I think it's time to go again. I think this is an opportune time for us to get it on the ballot again and to inform voters, tell them the value of our services. And I think, you know, if it's a well-run campaign and people actually understand, they are aware of what we are doing in the Legislature, which I think is greatly positive, the things that are coming out this year--we have yet to see the Education bill but I am optimistic about that--as I say, I think the timing is good and I'm certainly in favor of bringing this back again and reconsidering it, talking about it a little more and perhaps voting to put it on the ballot next year. It's not too early. I think we have to keep at this. Thank you, Mr. President. [LB318]

SENATOR AGUILAR: Thank you, Senator Nelson. (Visitors introduced.) Those waiting to speak are Senators Harms, Erdman, and Wallman. Senator Harms, you are recognized. [LB318]

SENATOR HARMS: Thank you, Mr. President, colleagues. The first time this came up on our floor, I was one who voted no. But you know what? That was a mistake. After I have gone home and I have visited with different people in our community, the very things that Senator Chambers is talking about, what I've heard discussed here is the simple fact is that if we're not proud of ourselves and what we do and what we represent, there's something wrong with this. And I believe the next time this comes up, I don't believe, I know that I will support this legislation. Because when I look at the future and I look at term limits and what it's going to be doing to this body, we can't fill

Floor Debate
May 07, 2007

this body up with people like myself who are retired, who have already had another career, or people who can financially afford to come here independent because they have the wealth, or people who have to have a second income. We're missing a very important part of Nebraska and that's our middle class. And Nebraska's characteristics are changing. We have more persons of color. We do not see enough of that representation in this body. And if we don't start to address that and if we don't start to put this Unicameral in a position to attract younger people or persons of color to this body, we will not represent them. We hope that we do, but we won't. And we need to have that kind of expertise on this floor and in this body. And I will tell you that in the future, as the term limits take place, it's going to be more difficult for us to attract quality people, people who are willing to give the time, people who are willing to stand up against the issues and vote appropriately for this state. So I would urge you, as you mull over in your own mind what's appropriate and what's not appropriate, I will have to tell you that I think I was wrong in the position that I have taken and I'm going to adjust that thinking. I'm not afraid of the criticism. I'm proud of what we do. I'm proud of the expertise that we bring to the floor. I didn't run for this because I wanted to become wealthy or to get my expenses out. Because I am retired, I have another income. But for the young people and for the future we must change this. We must look forward to bringing another group of people into this body. And so I would urge you, as you think about it, and no matter when this comes up, to vote positively, to think more about yourself. I understand what "no" means, but I also understand that we didn't do a very good job in selling this. We didn't go home and talk to the people. We didn't get into the middle of the people and go to the coffee shops and say, these are the reasons why we need this. I think if you have a really well-laid-out program, that we pursue it actively, and you go home and you talk to the people that you represent, and all of us do that when we leave here, and talk about the time that you're involved and talk about what we want to do in the state. We're making important decisions for the state and I don't take that lightly, nor should you. And so I think as we look at the future we need to prepare ourselves for the future by getting an increase in salary, because it's not going to be particularly for us because we're only going to be here for a short period of time. It's preparing us for the future, and I'd ask you to take this into consideration. Thank you, Mr. President. [LB318]

SENATOR AGUILAR: Thank you, Senator Harms. Mr. Clerk, do you have messages from the desk? [LB318]

CLERK: I do, Mr. President, thank you. Your Committee on Enrollment and Review reports they've examined and engrossed LB305, LB305A, LB367, LB367A, and LB564. Study resolutions: Senator Schimek, LR113; Senator Janssen, LR114, LR115, LR116; and Senator Mines, LR117; all study resolutions. Amendments to be printed: Senator Chambers to LB299; Senator Johnson to LB247. (Legislative Journal pages 1438-1444.) [LB305 LB305A LB367 LB367A LB564 LR113 LR114 LR115 LR116 LR117 LB299 LB247]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

And, Mr. President, I have a priority motion. Senator Nantkes would move to recess until 1:30 p.m. [LB318]

SENATOR AGUILAR: Senator Nantkes has made a motion to recess until 1:30. All in favor say aye. Opposed, same sign. We are recessed. [LB318]

RECESS []

SENATOR AGUILAR PRESIDING []

SENATOR AGUILAR: Good afternoon, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber. The afternoon session is about to reconvene. Senators, please record your presence. Mr. Clerk, please record. []

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

SENATOR AGUILAR: Thank you, Mr. Clerk. Do you have any items for the record? []

ASSISTANT CLERK: Not at this time, Mr. President. []

SENATOR AGUILAR: Mr. Clerk. []

ASSISTANT CLERK: Mr. President, when we recessed for lunch, under consideration was a motion to advance LB318. There were several lights on at that time. [LB318]

SENATOR AGUILAR: Senator Wallman, you are the first to speak, and this is your third time. And you are recognized. [LB318]

SENATOR WALLMAN: Thank you, Mr. President, members of the body. I appreciate all what's being said. And I guess if we're scared of "no,"...what part of "no" don't they understand, I heard this morning. And I, too, visit the coffee shops, the Legion clubs, VFWs, and they all said they'd like to see that on the ballot again. They didn't promise to vote for it. I suppose it's what dollar figure we put on there. But they thought it should be on the ballot again. And all the stuff we had on the ballot last time, they got used to voting no, and I think they just kept going. So they want us to make some decisions, they want us to put something out there. And most of the decisions should be made with us. But I think it should be put back on the ballot, and I would support whatever is going around. And thank you, Mr. President. [LB318]

SENATOR AGUILAR: Thank you, Senator Wallman. Next to speak is Senator Erdman. Senator Erdman, you are recognized. Senator Erdman waives his opportunity to speak. Senator Preister, you are recognized to speak. [LB318]

Floor Debate
May 07, 2007

SENATOR PREISTER: Thank you, Honorable President, friends all. I thought I would outline how, in my world, I would like to see the LR1CA provision proceed as we're discussing legislative salaries on the budget today. Prior to adjourning, there were some people who spoke and suggested that a petition be signed by members of the body, requesting that the Speaker put LR1CA back up to the body. I have put together such a petition. A number of you have already signed it. Anyone who is interested in signing it, I have it here. It simply states, the undersigned request that you reschedule LR1CA for full debate, with the understanding that we will support the bill. Very clear, very easy to understand. If that is to happen, how I would like to see it happen, I think the Speaker could do it, since we have many evening sessions, could do it after 5:00 at a time when we're not even in the normal day. If people have problems with that taking up legislative time, it would be, or could be, at the Speaker's discretion, done in the evening. I would like to see it advanced to Final Reading this session, and then remain on Final Reading until next year, next session. At that time, the body would have had a chance to visit with individual constituency, interest groups; get their feedback, their sense of how they see things in their individual districts, with their individual constituency bases. They would have feedback. They would have opportunity to educate, inform, and help people to understand. And then a final vote could be taken early next year, if the body chooses to put it on the ballot at that time. In the interim, there would be opportunity to put together a coalition, as we did last time, to find a spokesperson who is well known in the state. I have ideas on that. Others may have, as well. A coordinated, organized campaign, which it will take, can be done. The last time, that was done. And I would remind the body that there was only about 5 percent of the electorate whose votes would have changed, would have made the difference in the outcome--5 percent of the voters had changed their mind, this vote would have gone differently. How many of you would like those odds in a legislative race, only 5 percent of the electorate? I think it's well within doing. Remember prior to the last election cycle what we did? We raised taxes. We created the construction sales tax on labor. Remember how that alienated a whole lot of folks? What's different now? Well, for one thing, we're going to be giving back over \$400 million to the taxpayers. Big difference--raising taxes, reducing taxes. If that isn't enough to sway 5 percent, I'm not sure what would be. I think the other thing that was a factor prior to the last election, we were talking about overturning term limits. Now that, a lot of people thought, was a slap in the face to the voters. The salary increase was not so much of an issue. There were a lot of things... [LB318 LR1CA]

SENATOR AGUILAR: One minute. [LB318]

SENATOR PREISTER: ...that made a difference in the vote. But I would suggest to you that the discussion on overturning term limits, which we didn't end up doing but which certainly got a lot of the public aroused, and the fact that we raised taxes were two major issues. I think the other one was the cost of living that was factored in. We don't have a cost of living in LR1CA, and we are going to be giving back over \$400 million, in

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

one fashion or another, in taxes taken from Nebraskans, back to those Nebraskans. I think those factors alone can create a 5 percent difference, and a 5 percent difference would have made the outcome very different in the last election. I do have this petition. I'm not twisting any arms, but if you are interested in having the discussion, I will be having this petition and giving it... [LB318 LR1CA]

SENATOR AGUILAR: Time. [LB318]

SENATOR PREISTER: ...to the Speaker. Thank you. [LB318]

SENATOR AGUILAR: (Visitors introduced.) Next to speak is Senator Mines. You are recognized. [LB318]

SENATOR MINES: Thank you, Mr. President, colleagues. In opposition, again, to the return of LR1CA, it was a bad idea the first time; I believe it's a bad idea this time. And I don't know what else to say, ladies and gentlemen. The voters denied us what I think we all believe is fair as an increase in the amount of money that we get paid. But it was a year ago. I mean, let's slap them in the face and tell them we don't really care about what they think. Let's introduce something and promise to hold it over for another year, and maybe we'll sweeten the pot by lowering taxes. And oh, by the way, maybe it was because we had some other things going, and oh gee, they didn't understand. They knew exactly what they were doing. Don't discount the value of what our constituents understand. They do understand. Are we underpaid? Absolutely. Should we have a pay increase? Absolutely. But your timing is awful. Your timing, from a political perspective, from trying to sell a product--and that's what you're trying to sell, is a product to increase our salary--your timing is awful. And you will get your clock cleaned, and I'll help them, because it's wrong to come back this year, absolutely wrong. Now, I hope those that sign the petition, there are 33 of you, because it will take 33 to advance anything. I just think it's wrong. It's ill-timed. It's in bad taste. It's just a dumb idea to come back...we said no already this year. What's wrong with...well, please go ahead and sign it, and I hope there are 33 signatures, because we'll be on this quite some time. Thank you. [LB318 LR1CA]

SENATOR AGUILAR: Thank you, Senator Mines. Next up to speak is Senator Erdman, and you are recognized. [LB318]

SENATOR ERDMAN: Mr. President (laugh), members, you know, on April 23, 2007, at 10:50 a.m., LR6CA was before the body. LR6CA was a constitutional amendment that's been offered by Senator Avery that is essentially LR18CA from last session. Went to the voters. It received the designation Amendment 2. It received 43 percent of the vote in support; 56 or almost 57 percent in opposition. You say, well, what difference does that make? Well, on April 23, 2007, at 10:50 a.m., that amendment receive Senator Mines's vote. On April 24, at 5:05, LR1CA was before the body. It received 47 percent of the

Floor Debate
May 07, 2007

vote of the public; had 53 percent in opposition. In other words, it was closer to passing than what LR6CA would stand to pass, under the theory that Senator Mines has advanced. And Senator Mines voted no. Now, if you want to vote no because you don't like this idea or you don't want to be seen as raising your salary or whatever it is that you want to see, then do that. But don't stand on the floor and say, well, we can't do this, it was too early, when in fact you've done that yourself this session. I guess maybe I'm the only one that sees the connection there, or maybe it's the disconnect, between the arguments being made. Let me take you back to what LB318 does. It pays our salary. The \$12,000 a year that we receive is in LB318. We've had a healthy discussion on other issues today, but you need to vote for LB318 unless you don't want to get paid \$12,000 a year. So I just thought I would point out for the record that if we are concerned about what the public told us last election, then we should be concerned on every constitutional amendment, not just selective ones. Thank you, Mr. President. [LB318 LR6CA LR1CA]

SENATOR AGUILAR: Thank you, Senator Erdman. Next up to speak is Senator Karpisek, and you are recognized. [LB318]

SENATOR KARPISEK: Thank you, Mr. President, members of the body. One thing that has kind of struck a chord with me is listening to the voters. I agree, they voted down the pay raise. I think the main reason was because of the annual up in the salary. I think this is a different idea to come forward, and I have signed onto the sheet of paper by Senator Preister, and I feel that the Speaker can decide if he wants to bring it back or not. If he doesn't want to, I completely understand. We have talked it over. I do think that there would have been more people...I didn't talk on the subject. I just couldn't believe that we wouldn't try to give ourselves a vote for more money. If I don't need it, I'm sure there's others of us in here that do. And if I don't need it, I can donate it to someone. The part that really got me about listening to the voters is the Class I schools. If we're listening to the voters, then why did we just not pass Senator Dierks's amendment? Let's listen to them, bring up different subjects if we want, and in a different way. But I think if we don't see some more money come our way, we won't see a lot of the faces that we see here today. Thank you, Mr. President. [LB318]

SENATOR AGUILAR: Thank you, Senator Karpisek. Next up is Senator Christensen, and you are recognized. [LB318]

SENATOR CHRISTENSEN: Thank you, Mr. President. I didn't speak much on this before, but I did vote for the pay raise, and I think it's very necessary. You know, everybody says that they want to have good people in the Legislature. Yet we're using the adage that the people have spoken, that the people...but I appreciate Senator Karpisek's bringing up Class I's. Very good point I'd like to bring back in there. You know, and I visited with a lot of people after that vote, and a lot of them told me that, I voted for you, but I didn't vote for your raise. And I asked them why. And they said, well,

Floor Debate
May 07, 2007

I didn't get a double in wages last year; why would I vote for you to have one? And I asked them, have you had an increase in wages since the seventies? Well, yeah. I said, we haven't. I said, if you want good people, then you'll put in the raise. If you don't want good people in there, or you want just the wealthy or retired, that's what you'll get, because not everybody can afford to go for \$12,000 a year plus mileage. I mean, let's be honest here, folks. This is as needed thing to keep this body equal with everybody, having all classes people represented here, as you could do. It's really not raising it far enough. But the fact is, it is something that's very needed, and many people didn't understand what they were voting for. And I have explained that to a lot of people, and they understood it. So I think you need to look at this. I was disappointed last time I didn't get up and speak much, and I didn't want to miss this opportunity. Thank you. [LB318]

SENATOR AGUILAR: Thank you, Senator Christensen. Next up to speak is Senator Stuthman, and you are recognized. [LB318]

SENATOR STUTHMAN: Thank you, Mr. President and members of the body. This discussion has been very interesting to me, and I think we need to take a serious look at, you know, the possibility of bringing it back to the legislative floor for debate again. I think some of the people that were in opposition to it at that time will be in favor of it this time. And I think, and I will say myself, that I have signed that sheet that Senator Preister has run around. And I think we should get it to Final Reading and then leave it there until next year, because, you know, nothing will be done until the election of next year. So I think that's the right direction to go, in my opinion. And those are my comments. I'm not going to speak on this again. And I'll give the balance of my time to Senator Chambers. [LB318]

SENATOR AGUILAR: Senator Chambers, you have 4 minutes and 7 seconds. [LB318]

SENATOR CHAMBERS: Thank you, Mr. President. Thank you, Senator Stuthman. And I'm of a different frame of mind than that of Senator Stuthman and Senator Preister. I believe in striking while the iron is hot. It's true that nothing may happen before sometime last...next year. But while we're on this roll, so to speak, I think we ought to go ahead and move the bill across the board and vote for it on Final Reading like we do every other bill. I have to say that, because the world might end for me, Senator Stuthman, before next year, one way or the other, and I want to be a party to getting this thing done and put before the public. Senator Mines, in the culture corner, had posed a number of questions. He asked, what don't people understand about "no"? I understand nothing about "no". "No" does not deter me. If I accepted "no" as the final answer, I say again, I would just be sitting here like a knot on a log, not opening my mouth again. In fact, I heard "no" around here so much, Senator Harms, I began to think it was my name. (Laugh) But then I reminded myself that it was just people expressing their point of view. There are political things that go on. For example, I had mentioned the bill to

Floor Debate
May 07, 2007

increase the salary of all the constitutional officers. As Senator Erdman pointed out when we were discussing it off the mike, the Governor vetoed that bill. But he knew I was going to get an override, and then he accepted the raise. But he's in a position to get the raise and then tell the public, well, I vetoed it. He didn't have to accept the raise, or, if he did, he could have donated it to somebody. But that's the way those things go. I was told that Senator Erdman did mention Senator Avery's amendment that relates to allowing certain political subdivisions, now it would be cities, the smallest one, one which could adopt a charter. It was defeated last year by the public. But it deals with money, investing, so my friend Senator Mines voted for that, even though it was defeated by the public last year. So that is an argument that is raised when there is no other good argument. So either Senator Mines made a mistake when he voted for Senator Avery's amendment this time even though the public voted against it last time when it was on the ballot, or he's mistaken in talking against this ballot issue for the senators' salary. And I know that a slavish consistency is the hobgoblin of small or little minds, m-i-n-d-s, not m-i-n-e-s. (Laugh) However, I'm going to look for some consistency from "big Mines," M-i-n-e-s, who sits behind me and to my left. Senator Mines also mentioned that we knew the salary when we came here. [LB318]

SENATOR AGUILAR: One minute. [LB318]

SENATOR CHAMBERS: He works for somebody. I forget who it is. But I'm sure that he knew what the salary was when he started, but he didn't expect it to remain at that level for his entire career there. And I'm sure he's gotten raises, and he expected to get raises. Everybody does. That's a part of Americana. So none of his arguments is compelling. And although I never vote for cloture, never, I do think we probably will get sufficient senators signing the petition to have the bill rescheduled, because the Speaker is a very reasonable person. This relates to the integrity and welfare of the Legislature as a body, and not any individual senator or any individual senator's agenda. So I think we'll move in the correct way on this. And I'm pleased that my colleagues are going to revive this matter and will handle it in the appropriate way. Thank you, Mr. President. [LB318]

SENATOR AGUILAR: Thank you, Senator Chambers and Senator Stuthman. Senator Langemeier, you are recognized. [LB318]

SENATOR LANGEMEIER: Thank you, Mr. President, members of the body. I got an e-mail from my wife after Karpisek said he would donate some of his pay. She said, go take him up on that. (Laughter) I just want to tell you, I want to...I...tell you a little of more of a personal note here is, my second year here in the Legislature, my wife called me one day and she said, Chris, she said, just keep this in mind, this is a business decision. She said, don't take it personally, but if you don't start contributing to this operation, I'm going to have to replace you. And I really think that is a mind-set that we all have to face, and I have to thank my wife every day for continuing her job so I can be

Floor Debate
May 07, 2007

here. She told me when I ran for Legislature, she said, Chris, I'll tolerate this for eight years, but then after that, you better have a plan. And she was pretty serious about that. And I do want to thank her every day for the opportunity to be here, because if it wasn't for her, I couldn't financially be here. Thank God she's got a job. And so with that, I'm going to lend my support to this. I never...I didn't talk much the first time. Matter of fact, I'm not even sure I was present when we voted, because I didn't vote. And so I would support bringing this back up and having the discussion again, because I think it's important. I think you have candidates out there in some of the districts that there was a little pent-up desire to run, and so you're seeing a lot of good candidates come forth. I think if we don't start adjusting the pay raise...the pay rate into the future, you're not going to see candidates step forward. And I want to say I will thank my wife for giving me the opportunity to be here. And maybe some of my colleagues would want to call her and say, you know, keep him at home. But I do want to thank her for that. And I would yield the rest of my time to Senator Chambers. [LB318]

SENATOR AGUILAR: Senator Chambers, you have 3 minutes and 9 seconds. [LB318]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, this Legislature, I think, is going to really cut a trail that will be different and probably better from what has been done in the past. But sometimes we do need to be reminded of things, and I have to be reminded of the fact that the new people have not gone through what some of us who have been here a long time have, and our thoughts are not your thoughts. So it's going to be learning for both of us--the ones who have been here, the ones who are just here. I do agree that the new people bring a fresh and different perspective. But the perspective is limited and narrow, because some things come only after you've been here for a while, not that you cannot learn it when you're exposed to it, but some things are not going to develop or occur until farther down the line in your career. But if you pay attention, keep your eyes open, you'll learn, and you'll provide the leadership for the state that is really needed. And then when that day comes that you've got to leave here, you will not have been here nearly as long as I have, but you might begin to think in different terms from those you had when you first came. I've repeated this several times, but I never thought the day would come when I'd have any concern about the Legislature as an institution. And if somebody had told me that when I first came here, I'd say, you're out of your mind, that has nothing to do with me, I'm there to do just what I was sent here for and that's all. Well, I began to evolve in my thinking, and there is more that I have an obligation to do than what I thought would be my only obligation when I first came. So I do want to, if we can, get that salary increase. And even if we don't, I'd rather we lose it trying to get it, instead of losing it by forfeit. And that's all I will have to say today, thank you, Mr. President, on this bill. [LB318]

SENATOR AGUILAR: Thank you, Senator Chambers and Senator Langemeier. Next up, Senator Friend, you are recognized. [LB318]

Floor Debate
May 07, 2007

SENATOR FRIEND: Thank you, Senator Aguilar, members of the Legislature. You know, Senator Landis, I didn't agree with him all the time. As a matter of fact, we disagreed quite often. But one of the things that happened a couple years ago was that we set this thing up--and I had an amendment after it came out of the Executive Board--to set this thing at...I think the original amendment was \$24,000 without a CPI. When it came to the floor, I had an amendment that moved it to \$18,000. I think it was after Senator Landis spoke, because I thought he was...he was very prophetic, I think. On General File--and I know we're not talking specifically about this amendment now--but on General File, I talked about...didn't totally agree with Senator Mines, but I was on his page. I think it's a mistake. I still do. That being said,...and I used an analogy. I walked into my boss's office and said, hey, I need a raise. He or she turns around and says, no. I come in a week later, said, I need a raise. Well, how much do you need? The same amount I asked for last week. No. Senator Landis promoted the idea of \$18,000, \$12,000 to \$18,000. I promoted the idea, with an amendment, of \$12,000 to \$18,000, without any CPI or anything else. If I walk back into that boss's office and said, hey, on second thought, I'd still like a raise, but is something like this feasible, you're changing the discussion, you're changing the idea, you're changing the attitude of the Legislature. I told Senator Preister this. I believe that strategically, from the standpoint of the voters being able to actually grab hold of something and say, you know what, we said no to \$21,000,...and forget the CPI for a second, because they said no to \$21,000 flat out. I mean, maybe the CPI was one of the extenuating circumstances, but they said no to \$21,000. Every one of those things that Senator Erdman brought up were a little bit different ideas, a little bit, not much. You're asking for the same type of thing, you're asking for the same type of authority, but they were different. And I think that's where strategy comes in. Not trying to pull one over on the voters, not trying to yank the wool over their eyes, but saying, look, we understand as a Legislature, we know you said no to \$21,000, but you know what,--what was it, a 5- or 10-point defeat?--what about \$18,000? This makes sense, because look, quite frankly, the difference between \$18,000 and \$21,000 for a guy like me, and probably, I'm guessing, if I could be so bold, as for most of us out here, not that much. And it's not going to be a decision-making, you know, tool for somebody who's going, boy, I'm sure on the fence right now; should I run for the Legislature? Boy, when it was \$12,000, that was just not feasible; now it's \$21,000, I can make that work. I don't buy that argument. I think that we're asking, I still believe, at \$24,000 two years ago, at \$21,000 last year, we're asking for too much. I think that's where I fall on this. I think if you...and if you put that \$18,000 in there and you flat-out say, this is different, we're asking for a change, what do you think, for me, it's as simple as that, folks. And, members of the Legislature, I told Senator Preister flat out, if we want to kick something out that's going to win, I firmly believe that we've got to change our MO a little bit, and we've got to change the strategy. So in short, \$18,000, I think it's feasible. I think that they'll say, yeah, well, at least they're not asking for--somebody else... [LB318]

SENATOR AGUILAR: One minute. [LB318]

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Transcriber's Office

Floor Debate
May 07, 2007

SENATOR FRIEND: ...brought this up on the floor--at least we're not asking for the full, you know, 100 percent raise; at least you're asking for half of that, or whatever. It's just different. Mr. President, that's all I had. Thank you. [LB318]

SENATOR AGUILAR: Thank you, Senator Friend. Next up, Senator McDonald, and you are recognized. [LB318]

SENATOR McDONALD: Mr. President, members of the body, I have not also spoken on this issue. When I came into the Legislature, it was a real eye-opening experience for me. I was appointed by the Governor, had no political experience, didn't know what the expectations on the floor were going to be, nor the time commitment, nor the size of my district. My district is 5,000 square miles. And people talk about mileage reimbursement. Let me tell you, that's no mileage reimbursement in my district. It's a trip to Lincoln and back, to the Capitol, but it's not in my district. Five thousand square miles is a big district, and I'm not the largest district. There are two or three districts that are larger than mine. In a normal year, I will spend probably between 7,000 and 10,000 miles on the road in my car in my district, attending various meetings, road issues, chamber of commerces, whatever the problem is, and they call and say, can you come and meet with us, we need to talk about this. Those are on my pennies. Those are on my dollars. And let me tell you, with \$3-a-gallon gas, you can't put many dollars of gas in your car out of your own pocket, because the \$12,000 is gone immediately, and you're digging into your own pocket. So you don't have money from the salary here; you have your own pocket to deal with. When I came into the Legislature, I was an investment rep at the bank. And I'm sure that if I went to the bank and said, you know what, I need six months off, I need at least one or two days a week when I'm not in session to attend meetings, maybe go to conferences, whatever the case may be; can you continue to keep me on the payroll, still pay my salary, give me health insurance, and contribute to my retirement, even though I can't be here, well, that might work for a year or two, but after awhile most employers will say, hey, listen, you know what, it's a good idea, I'm glad you're a senator, but I can't support you anymore. And I think there are several senators in this body that quit their jobs so that they could be senators. And I have scrambled most every summer looking for a part-time job. And you'd think, as a senator, everybody would want to hire you. Well, they want more of a commitment than a few days a week and maybe six months a year. It doesn't happen. So you come in here thinking that the time commitment is only going to be 60 or 90 days; it's not. And then after you get some experience and have been here for a little while, they're needing leadership opportunities, and you can become a committee chair. Wow, that's awesome. You don't get paid any more, but you do spend a lot more time. My committee is only one day a week, and I couldn't imagine being on a committee that was five days a week, or even three days a week, dealing with water issues, dealing with education. Those are also issues that are done in the interim. So you cannot keep a full-time job unless you're independently wealthy or have retirement and this is just

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

kind of a bonus. It just doesn't happen. So we need to look at quality people out there that can afford to be here. And in my case, I have to come down here and live here. Is it a problem? I get a per diem while I'm here, but that doesn't pay the bills at home. So I think we need to seriously look at this. And I don't think \$21,000 is a large number. I think what we really need to do is, every so many years, every five or every ten years, we need to put it on the ballot. That's probably been our mistake. We wait too long to ask for enough to make it the amount of money that would work for us. We need to ask for a salary increase every five or eight years, so it doesn't appear to be so much. The problem is, we've not done it. It's very difficult to ask for a raise. There's never a good time, because no matter how you vote on something, at least half the people are going to be upset. If we don't raise taxes, we do raise taxes, we cut services, whatever the case may be, not everybody is going to be happy with us. And the media doesn't necessarily do us a good job either. So we need to toot our own horn and... [LB318]

SENATOR AGUILAR: One minute.. [LB318]

SENATOR McDONALD: ...ask for that raise yourself, because nobody is going to give it to you. You don't often go to your employer and let them say, you know what, you've done such a good job we'll give you a raise. Most employers that I've ever worked for, I've had to say, you know what, let's sit down and let's talk about what's going on here, and ask them for a raise. And if you do it the first time and they say no, you know, you know what you have to do to get that raise. And I think what we're doing this year, we know what we have to do to get that raise, and we're doing it. And I think it's a good time to ask again. Thank you. [LB318]

SENATOR AGUILAR: Thank you, Senator McDonald. There are no lights on. Excuse me, I recognize Senator Stuthman. Senator Stuthman waives. Senator Lathrop, for a motion. [LB318]

SENATOR LATHROP: Mr. President, I would move LB318 to E&R for engrossing. [LB318]

SENATOR AGUILAR: You've heard the motion. All those in favor say aye. All those opposed say nay. LB318 is advanced. Now, LB319. [LB318 LB319]

CLERK: LB319. Senator Lathrop, I have no amendments to the bill, Senator. [LB319]

SENATOR AGUILAR: Senator Lathrop, for a motion. [LB319]

SENATOR LATHROP: Yes, Mr. President. I'd move LB319 to E&R for engrossing. [LB319]

SENATOR AGUILAR: You've heard the motion. All those in favor say aye. All those

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

opposed say nay. LB319 is advanced. Mr. Clerk, LB320. [LB319 LB320]

CLERK: Mr. President, LB320. No E&Rs. Senator Heidemann would move to amend, AM1193. (Legislative Journal page 1418.) [LB320]

SENATOR AGUILAR: Senator Heidemann, you are recognized. [LB320]

SENATOR HEIDEMANN: AM1193 would amend the cash flow appropriations for the Capitol exterior restoration projects to match the cash flow originally requested by the Nebraska Capitol Commission and recommended by the Governor. The amendment would represent no net change in total 2007-09 biennium appropriations for the project. The amendment would increase the appropriations from the Nebraska Capital Construction Fund for fiscal year 2007-2008 by \$2 million, and correspondingly reduce the appropriations for 2008-2009 by \$2 million. Pretty much all this does is put \$2 million in the first year, take it out of the second year. This is the way they had requested it, and this puts it back that way. I ask for your support in passing AM1193. [LB320]

SENATOR AGUILAR: You've heard the opening on AM1193. Those wishing to speak, Senator Pirsch, you are recognized. [LB320]

SENATOR PIRSCH: Thank you, Mr. President, members of the body. I was just wondering if Senator Heidemann would yield for a question or two. [LB320]

SENATOR AGUILAR: Senator Heidemann. [LB320]

SENATOR HEIDEMANN: Yes. [LB320]

SENATOR PIRSCH: Thank you, Senator. And you had indicated that there is no net either increase or decrease in the total cost of the project. Is that correct? [LB320]

SENATOR HEIDEMANN: That is correct. They just wanted money put in the first year so that they could continue on with the project at the rate that they had currently...had forecasted or they wanted to use it. [LB320]

SENATOR PIRSCH: And I apologize if you had earlier addressed this, but is this affecting the speed with which the project is completed? [LB320]

SENATOR HEIDEMANN: Well, if we put the \$2 million in the first year, it will probably help the speed of the project, or not slow it down, anyway. [LB320]

SENATOR PIRSCH: Okay. I'm just wondering why it wasn't...is that all that's changing, is the rapidity of the project has been kind of expedited then, as well as the payment? [LB320]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

SENATOR HEIDEMANN: I believe, at one time, the reason this happened is we had thought about trying to fund this in a different manner, and we had took the \$2 million out of the first year and put it in the second. And when we come up with a different funding mechanism, we had not put the \$2 million back where it originally was. And someone caught it. I can't quite for sure who. But they asked us if we would do this, and we said it only made sense, so we decided to draw the amendment up at that time to concur with their wishes. [LB320]

SENATOR PIRSCH: Very good. Thank you very much. [LB320]

SENATOR AGUILAR: There are no further lights on. Senator Heidemann, you're recognized to close on AM1193. Senator Heidemann waives closing. Those in favor of AM1193 vote aye; those opposed vote nay. Have you all voted that care to? Please record, Mr. Clerk. [LB320]

CLERK: 32 ayes, 0 nays, Mr. President, on adoption of Senator Heidemann's amendment. [LB320]

SENATOR AGUILAR: The amendment is adopted. [LB320]

CLERK: Senator Schimek would move to amend, AM1261. (Legislative Journal page 1445.) [LB320]

SENATOR AGUILAR: Senator Schimek, you are recognized. [LB320]

SENATOR SCHIMEK: Yes, thank you, Mr. President and members. I apologize profusely for bringing this at the last minute. And I did bring this at the last minute. I just filed it about a minute, 2 minutes ago. And I did it only because I only found out just before lunch that there might be an issue problem here. And let me go back in time just a little bit, to 1999, when this Legislature passed a bill that basically said it was the intent of the Legislature to complete the interior courtyards of the Capitol at the same time doing the masonry project on the outside of the Capitol. And the way the intent language read is it said that it would be coordinated with the progress on the masonry project, and that it would be at least 70 percent completed by the completion of the Capitol masonry restoration project. And what was envisioned was that we would take the Capitol courtyards back to the original plan of the Capitol for that landscaping in the interior courtyards, which was never completed, by the way. It was never completed. What was envisioned were fountains in each of the center of the courtyards, and lots of blooming trees, shrubs, and bulbs in those interior gardens. Unbeknownst to me--and I fault myself for this explicitly--was that in 2004, when we established the Office of the Capitol Administrator, there was some language added into that bill...which I believe was Senator Beutler's bill. I've been trying to get a hold of him over the lunch hour, and

Floor Debate
May 07, 2007

he, as you can imagine, is fairly busy at this time. But we...that bill was amended into Senator Hudkins' bill, LB439. And what I didn't catch, and I don't know if Senator Beutler caught it or not, was that there was a deletion in that bill of the original landscaping language. And when we got a hold of Bob Ripley this morning, he said he knew about it in the original draft, but thought it was going to be taken out in a subsequent draft. But the upshot is there's no intent language left in statute. What the Capitol Administrator was going to ask for this year was \$40,000 to begin the study on getting the fountains done and how much that would cost. And he was not able to proceed with it, of course, when he was told by the administration that that intent language was no longer there. So if you want to see a grown woman cry, you will not pay any attention to this amendment at all. I would at least like to hear from other people on this floor that they think it is important that we finish the landscaping plan as originally envisioned by the Capitol architects, and as originally determined by this body that we would do. And I...you know, I know how difficult it is to bring an amendment like this before this body at this late date, especially not having been able to vet it before the Appropriations Committee. But all I can tell you is that it was the intention of the Legislature at a point in time, and I rather suspect that, if given enough information and conversation about it, the Legislature would want to accomplish that in the end. Now, I know Senator Heidemann told me he would have to oppose this amendment. And I...you will hear from him. But I would like the conversation to take place, and I would like you to think about this, whether we want to proceed with it. Now, if we don't do it this year, then it would come...it would mean one of two things--either coming back for a deficit appropriation next year, or coming back with an entirely separate bill, with intent language in it, which would have to go to the Appropriations Committee, I presume. It would delay everything another year, and we wouldn't be able to meet our original expectation. But be that as it may, I think it is a very important issue, and it...in fact, I think it's just as important, almost, as the masonry project, although we don't want the Capitol falling down around us. When the Capitol is restored, not only will the original courtyards...would the original courtyards have been restored, or--I shouldn't say "restored" in that case--taken to the original vision, but the outside of the Capitol landscaping will have to be replenished and refurbished as well. So I would just ask you to seriously, seriously think about this issue. If the Legislature thinks it is important, I think we can do it. One of the people I was unable to speak with also is Senator Flood, the Speaker, who is on the Capitol Commission by virtue of his office. And he is...has not been on the floor this afternoon, so I haven't been able to talk to him about this. But with that, Mr. President, I'd just ask for the body's indulgence, and ask them if they would agree to have that \$40,000 taken out of the Capitol Building Fund, which is essentially what the amendment does. Thank you. [LB320]

SENATOR AGUILAR: Thank you, Senator Schimek. You've heard the opening on AM1261. Those wishing to speak are Senator Erdman, Engel, Heidemann, and Chambers. Senator Erdman, you are recognized. [LB320]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

SENATOR ERDMAN: Mr. President. Senator Schimek, would you yield to a question so that I can better understand your funding here? [LB320]

SENATOR AGUILAR: Senator Schimek, would you yield? [LB320]

SENATOR SCHIMEK: Yes. [LB320]

SENATOR ERDMAN: This is a redistribution of existing funding, not a new appropriation of \$40,000? Or is this a new appropriation of \$40,000 for this purpose? [LB320]

SENATOR SCHIMEK: I think I can answer that, Senator Erdman. And was trying to talk to Phil Hovis, who is the fiscal analyst on this issue. It would be taken out of the Building Fund. So it wouldn't come out of General Funds, so to speak, although it's all pretty much the same thing. [LB320]

SENATOR ERDMAN: So what you're proposing is an earmark of that funding for this purpose? [LB320]

SENATOR SCHIMEK: That is correct,... [LB320]

SENATOR ERDMAN: Okay. [LB320]

SENATOR SCHIMEK: ...I believe. Is that correct? Oh, okay. I'm going to let Senator Heidemann answer the question then. He says it's new money. That wasn't my understanding. [LB320]

SENATOR ERDMAN: Okay. But I just have one question for you. [LB320]

SENATOR SCHIMEK: Okay. [LB320]

SENATOR ERDMAN: Based on the timing in which you've offered this amendment, would you be willing to work with Senator Hudkins between now and Final Reading to address this issue? [LB320]

SENATOR SCHIMEK: Senator Hudkins? [LB320]

SENATOR ERDMAN: Do you remember the bill earlier, on LB...? [LB320]

SENATOR SCHIMEK: Oh, yes, I remember very well. And I say... [LB320]

SENATOR ERDMAN: It was a lighthearted question, Senator. [LB320]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

SENATOR SCHIMEK: I know. But with Senator Hudkins, at least she knew about the issue well in advance. I did not know it until about 30 minutes before the lunch hour. Okay? [LB320]

SENATOR ERDMAN: Fair enough. Fair enough. Thank you, Senator Schimek. Would Senator Heidemann yield to a question? [LB320]

SENATOR AGUILAR: Senator Heidemann, would you yield? [LB320]

SENATOR HEIDEMANN: Yes. [LB320]

SENATOR ERDMAN: Senator Heidemann, if I understand the comments correctly, this would be a new appropriation of \$40,000, as I read the amendment, for the first year. Is that your understanding? [LB320]

SENATOR HEIDEMANN: That's the way the amendment was drafted. You'd have to redraft a different amendment if you was going to take it from someplace else. But the way the amendment was drafted, the way I understand it, it is new money to be appropriated. [LB320]

SENATOR ERDMAN: And I would tend to read that, as well. The amendment that we just adopted deals with funding for the Capitol renovation. Having some conversation with other members, that money would possibly be used for improvements in the Chamber here and different things. Is that accurate? [LB320]

SENATOR HEIDEMANN: Yes. [LB320]

SENATOR ERDMAN: And is that...was that part of the original planning when we were doing the masonry project, was to include that? Or is that something that has come up since that contract? [LB320]

SENATOR HEIDEMANN: I've only been here two years, but from the story that I've got, that once the Capitol masonry project was finished, that they was going to continue on and do restoration work in the Chamber. The roof is another major project that would be worked on. I think it was just a continuation. [LB320]

SENATOR ERDMAN: Okay. Do you know, Senator Heidemann...and I, again, don't know the history of what Senator Schimek pointed out. Has there been...as I understand the language, this is to fund a study. Has there been other studies done similar to what she's asking this be done? Or is this new, uncharted territory that's never been done? [LB320]

SENATOR HEIDEMANN: I believe there was something that was done, and we had

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

some figures. Now, whether it was a study or just an estimate of some costs that, you know, might incur if we did this, I'm not for sure on that. [LB320]

SENATOR ERDMAN: Okay. Thank you. And I see Senator Schimek has other information, and I'll wait for that. Thank you, Mr. President. [LB320]

SENATOR AGUILAR: Thank you, Senator Erdman, Schimek, and Heidemann. Next to speak is Senator Engel, and you are recognized. [LB320]

SENATOR ENGEL: Mr. President, members of the body, I, too, have a few comments to make, and probably a question to ask Senator Schimek. I know one thing--this hadn't come before us this year as far as appropriations. And then...and usually Bob Ripley is not bashful about asking for things. And perhaps he had instructions otherwise. But the thing is, but we did put...this year, we did put more money into, one thing like Senator Erdman just mentioned, into restoring our Chambers here, because they are deteriorating. But the roof has to be fixed on the outside first, and that is part of the Capitol restoration project. But that's also in...that will be done this summer, and then in the summer of 2008 they'll be in here restoring this area here. And so it...so we did put more money in. And then we also put more money in to speed up the Capitol restoration. So there has been money put into the Capitol, a lot of money, and we...because we think it's something we have to do and we need to do, and we want to speed it up so it's done. It saves money in the long run. It saves a lot of money in the long run. So...but as far as this particular appropriation, I know it's just...it's \$40,000, doesn't sound like a lot. But I'd like to ask Senator Schimek, what will be the cost of these four monuments, or whatever it is, for the...? [LB320]

SENATOR AGUILAR: Senator Schimek, would you yield? [LB320]

SENATOR SCHIMEK: Thank you, yes, I will, Mr. President. Senator Engel, we don't know now. There have been estimates that they...the four of them would cost \$800,000. But we don't know that, and that's one of the reasons for doing the study, if you will. The total interior...I think these have all just been estimates. [LB320]

SENATOR ENGEL: Well, the thing is, too, another thing, we put more money into restoring the senators' offices, too, speeding that up, because right now, it would take about 20 years to get everybody restored, and by then, it's all...it's just...you're in a circle all the time, keep restoring. So we have put a lot of money in it. And I would think, as far as those...that amount of money, I think it's a little premature, personally, to ask for that, because every time they do something as far as repairing the Capitol itself, they're always finding more problems that cost more money, and I think that would all have to be a priority first. And down the road, I would certainly love to see the environs brought up to snuff, as far as the gardens and the courtyards, etcetera, etcetera, and around the Capitol. But for now, I think we're a little premature, personally. So...but thank you for

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

your efforts. And I would have to go along with Senator Heidemann. Thank you. [LB320]

SENATOR AGUILAR: Thank you, Senators Engel and Schimek. Senator Heidemann, you're next, and you are recognized. [LB320]

SENATOR HEIDEMANN: Thank you, Mr. President, fellow members. I, too, stand in opposition. I don't believe I stand in opposition to what Senator Schimek is probably after, as much as just the timing of it. It came at us fairly late. I'd also like to talk maybe a little bit about priorities. Right now, we are working on Capitol masonry restoration. We've got money appropriated for various things to help with the Capitol. And I think down the road that I could actually support what Senator Schimek is talking about doing. But I believe that we should finish up what we have planned first. I kind of question somewhat the priorities--if this was a priority, why we haven't ever heard anything from Bob Ripley, that he hasn't brought it before us that he would like to do this. I do believe that we don't have to address this today. As this Capitol is being restored, there is plenty of time to come back and address this issue later on. I have been told there has been some people that have looked at this before, and just for the courtyard landscapes, they come up with \$2.6 million. And I would like to ask Senator Schimek a question, if I could. [LB320]

SENATOR AGUILAR: Senator Schimek, would you yield? [LB320]

SENATOR SCHIMEK: Yes. [LB320]

SENATOR HEIDEMANN: Where did you come up with the \$800,000 figure? And was that per fountain, or was that for all four, or...? [LB320]

SENATOR SCHIMEK: You know how short notice this has been, Senator Heidemann. And I had even forgotten we had this restoration plan put together. And all my files from 1999 are down in the basement, so we didn't have time to go down and look for it. So I believe the \$800,000 is for all four of them, and then the rest of them is for landscaping. As I briefly glanced over this a few minutes ago, there are other things involved, like the irrigation system, the paving, the grillworks over the air-conditioning system. There are some structural kinds of things that may need to be done when they get in and do that landscaping. Some of the courtyard brick is deteriorating, for one reason or another, but mainly for water standing sometimes where it really shouldn't stand. So it's not just shrubs and bushes and fountains; it is some structural things, too, that that, I think, covers. [LB320]

SENATOR HEIDEMANN: If somebody has come up with a figure of \$800,000, has somebody looked at this before and maybe studied it before? And what would...? [LB320]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

SENATOR SCHIMEK: Only looked at it, yes, Senator Heidemann. The Capitol Administrator, before he was Capitol Administrator, got some preliminary suggestions and ideas, but hasn't really, to my understanding, hasn't really had the opportunity to investigate it thoroughly. [LB320]

SENATOR HEIDEMANN: Thank you. [LB320]

SENATOR SCHIMEK: Yes. [LB320]

SENATOR HEIDEMANN: As I said before, this is something that I believe I could support down the road. I believe this came at us at a very late...not only late date, but a late time, but it's something that I think I could support down the road. We do have time to do this, as we are...still have plenty of other work to do on the Capitol before we'd want to start landscaping. So at this time, I will be opposing AM1261. Thank you. [LB320]

SENATOR AGUILAR: Thank you, Senator Heidemann and Senator Schimek. Next up is Senator Chambers, and you are recognized. [LB320]

SENATOR CHAMBERS: Mr. President, members of the Legislature, I do support Senator Schimek's amendment. And I'll concede that beauty is by far most useless of all useless things. It serves no purpose whatsoever. Without beauty, a stone remains a stone, a tree is a tree, a bush is a bush. But there are attempts by human beings to beautify their environment for no reason other than the good feeling, the serenity, the appreciation of something other than the jangling, clanging, commercialism that we're exposed to all the time. So they have what they call ornamental shrubbery. There are people who are expert in that. They know how to take something that looks like the Garden of Eden did when God had it all to himself, and turn it into something beautiful, which is what it became after Adam and his descendants got hold of it. There are people who make a living, and a good living, by beautifying grounds and environs. There are shapes given to bushes. Trees are trimmed a certain way. Michelangelo could have said, what I want you to do is look at this piece of stone and visualize the most perfect representation of the male form that you can come up with, and every time you see that stone, that's what I want you to see. He knew that some people did not have a lot of imagination, and there were juices that flowed in him, and he may have even had a fifth bone, an artistic bone. So he got a chisel and a hammer, and he began to remove excess portions of that stone until that perfect representation of the male form which he envisioned, that was hidden away, locked up inside that stone, came to fruition, and everybody who looked at that Statue of David was able to see, without having to use imagination, what the mind of the artist envisioned. This building has to be utilitarian. It has to be functional. But a building can serve our purposes if it had four walls that were all straight up. The building could have been constructed like a block, and you could have even had a flat roof with only slight slant so the water would run off,

Floor Debate
May 07, 2007

and that would be sufficient. Why do we have that arching structure in front of the Chamber? Why do we have these depictions on this wood on the ceiling? Why do we even have beautiful wood like this on the ceiling? Why don't we just have cement blocks forming the walls to this building? We don't need these shiny pillars. They don't do anything more than what ordinary, square, concrete blocks would do, were the constructed and placed there. But there is something in human beings, something that is touched, moved, inspired, and even calmed by beautiful things, whether that beauty appeals to eye, to our ear, or even to our nose. There are certain scents which can have a calming effect on people, and other effects on people. Music can either stimulate you to the activities of a warrior, so that you will charge... [LB320]

SENATOR AGUILAR: One minute. [LB320]

SENATOR CHAMBERS: ...into the valley of death, knowing you're going to die, to the sounds of bugles, fifes, and drums; or, as I touched on the other day, you can be under the influence of an evil spirit from God, and somebody playing a harp, those concords of sweet sounds, will drive away that evil spirit and you'll be clothed again in your right mind. So although Senator Schimek has spoken of fountains and other things, that doesn't mean they have no value, that they are of no moment when it comes to completing what this building is to be about. Thank you, Mr. President. [LB320]

SENATOR AGUILAR: Thank you, Senator Chambers. Next up is Senator Wightman, and you are recognized. [LB320]

SENATOR WIGHTMAN: Thank you, Mr. President, members of the body. I stand in support of LB320. And while I think Senator Schimek has good ideas, and Senator Chambers certainly gave us a great oration in preserving the beauty of this building, I still feel that we have to look at priorities. The Appropriations Committee, as most of you are aware, spent the better part of four months determining these priorities, trying to make all of the pieces of the puzzle fit in to where we would have a budget that we could bring forth to the rest of the body. That's what we have done. We looked at issues with regard to restoration of the Capitol. We looked at what we needed to do to maintain the functionality of the building. And one of the things we looked at was repairing the roof here on the inside. We looked at...the roof on the outside, but we're protecting, as you can see, part of the ceiling on the inside. We've had leaking, leaks in that roof. I agree that we need to look at the beautification, retaining the beautification that's already there, perhaps building on it. But I think it gets down to a matter of timing, as Senator Heidemann has said, Senator Engel has said. You know, we could bring forth 1,000 amendments, without half thinking, to the budget that's been proposed by the Appropriations Committee. If we do this, we're going to end up with a hodgepodge, without near the thinking, in my opinion, that the Appropriations put forth in coming up with the budget that we're proposing. I'm not saying there aren't items that are going to come up that may not merit consideration as amendments. I just don't think this rises to

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

that level, that this is something we need to keep in mind, look at down the road when we have completed those items of restoration that maintain the functional integrity of the building. So again, I would urge you to oppose the amendment, AM1261, and to vote in favor of LB320. Thank you, Mr. President. [LB320]

SENATOR AGUILAR: Thank you, Senator Wightman. Senator Schimek, you are next. You are recognized. [LB320]

SENATOR SCHIMEK: Thank you, Mr. President, and thank you, members, for your discussion. And, Senator Wightman, I hear what you're saying, but I also remember our forefathers and foremothers, who decided to build a Capitol that wasn't just for function. In fact, if you look at the murals and the intricacies in this Capitol,...even the light fixtures; look at the light fixtures, how special they are. They were in the middle of a depression, and yet they saw a reason to build a building of which they could be very proud. Granted, some of those murals had to be done down the line. But they planned for them and they sacrificed for them and, as you know, this building was built without putting the state into debt. I am not suggesting here that the state go into debt for this \$40,000. And you know, I remember two years ago on the floor of this Legislature--and it may have been on Select File; I'm not sure--but we put \$15 million into training funds at the last minute on the this floor. I mean, I'm just talking about enough to do the research and the study on these fountains for this courtyard--\$40,000. If we don't do it this year, then we're going to have to wait till next year, and the project will be delayed. I very much appreciate the Appropriations Committee's work on getting the Capitol project, the masonry project speeded up a little bit. Originally, it was supposed to be done a lot sooner, as you all know. But in times of hardship, we cut back. We'll probably end up paying more because of it, in the long run. But I appreciate all the work they've done to get that speeded up so we do get done with it by maybe the year 2011, I think, is maybe when they're planning on that. But let me tell you that the original landscape plan called for the outside quadrants to be done in a very subdued style, just like the outside of the Capitol is done in a very subdued style. It isn't until you get into the interior of the Capitol that you have all the color and all the symbolism and all the really pretty parts of the Capitol. That's what the landscape architect's plan for the interior courtyards, as well, is that they be very pleasing to the eye, that they be colorful, that they be beautiful, and that they be a place where not only the employees of this building could go to get restored, maybe, in the middle of the day, but where public ceremonies could take place and where the public could enjoy that part of the Capitol grounds. I think it would just be so beautiful and so wonderful to have that original landscape plan, that I had to come to you and ask you please to consider this at the last minute. And, Senator Hudkins, I don't know if you're on the floor yet. I did apologize for doing this, but I think it's important. So I intend to take this amendment to a vote, and I hope that you all will support it. It is not unprecedented to do something like this... [LB320]

SENATOR AGUILAR: One minute. [LB320]

Floor Debate
May 07, 2007

SENATOR SCHIMEK: ...on the...at the last minute. It shouldn't be done lightly, and it shouldn't be done normally, and it shouldn't be done often. But sometimes I think the issue is important enough to do it, so that's why I brought it to you today. Thank you. [LB320]

SENATOR AGUILAR: Thank you, Senator Schimek. Senator Harms, you are next. You are recognized. [LB320]

SENATOR HARMS: Thank you, Mr. Chairman. I also...and colleagues, I rise to oppose AM1261, and ask you to support LB320. There's so much that has to be done in this building. Until I got on the Appropriations Committee, I didn't really realize what we're confronted with here. Just take some time and walk around and take a look at the damage we've had from water coming through our roof, take a look at the inside of this Chamber, walk through the different levels of this Capitol. We need to really concentrate on the things that I think are really important to us. I think what Senator Schimek is saying is really nice, and it would be wonderful to have. But at this time, I do not believe this is appropriate, and that I would rather have...take up this discussion in the Appropriations Committee next year and take a look at some long-range planning that might change the direction that we're going. But I would ask you not to support AM1261. I don't think bringing this in at the last moment is appropriate. We worked very hard in the Appropriations Committee to give you a good budget, and we're going to fight for that budget. I think it's important, and it's important for the taxpayers. But as I said, as you just look at the building itself, I don't think this is the time to be spending \$800,000, or whatever it might be, to do that landscaping. I think it's important to fix what we have inside, get the outside corrected, so we have a little more pride in the conditions that we're living in and working in, and when people come to see us, things aren't falling...paint is not falling off the ceilings, on the walls, and you have to try to cover them up. I think that's an embarrassment for this Capitol. So I would urge you to not support LB1261 (sic), amendment, and support LB320. Thank you, Mr. President. [LB320]

SENATOR AGUILAR: Thank you, Senator Harms. Senator Chambers, you are next and recognized. [LB320]

SENATOR CHAMBERS: Mr. President, members of the Legislature, today I feel something like an antiquarian, if there is such a person; not an antique. Again, I am the one who regularly, especially when we stayed here late, would point up to the ceiling and the walls when it was raining and let them know that you can hear the water running down the walls and hitting the floor. Up there in the balcony they have buckets. They had big drapes to hide and conceal what was going on that was hurting this building. If you want to talk to Mr. Ripley, ask him about the work that I've done down through the years to help get money and raise the awareness of my colleagues so that

Floor Debate
May 07, 2007

we would see the need to preserve this building. We've had Governors who didn't see any value in it. I'm going to go ahead and mention who gave me the correct quote I was mentioning from Oscar Wilde, and Walt Radcliffe completed it for me: A cynic knows the cost of everything and the value of nothing. The part I left off was the cynic. This amount of money will be lost and frittered away with nothing to show for it. I still believe that what Senator Schimek is talking about has value. Why do you put pictures on your walls in your house, if you've got pictures? They don't strengthen the wall. But there's something that you want which those pictures will convey. Even when you live with somebody and you can see the real article every day, you will have pictures of that person in your house, maybe on your desk, maybe in your billfold. Why? You don't need that. There is more to a human being, I regret to say, because on other occasions I talk about the five senses, but there might be something which goes beyond just what we can see, hear, smell, feel, and taste, perhaps. And it's that other something that needs to be nurtured and tended to, just like the physical parts. Maybe there would be fewer wars if that other part were given attention to. What do you think Abraham Lincoln was talking about when he talked about the angels of somebody's higher nature? He didn't mean angels that go flapping around with wings. When I first came down here, they had chalkboards in front of the Chamber on sticks, rickety, and they'd write the numbers of the bill, then they'd erase the bill and write other numbers. They had ticky-tacky pictures up there. And I was condemned tremendously for trying to get some of that stuff out of the Chamber and create a decor that was in more...more in keeping with what is here. And Bob Ripley went along with it. These things that you see around you now didn't just happen. There were people who I'm sure felt we could have got some nickel-and-dime carpeting from a dime store or a hardware store, or even some tile, and it might have held up even longer than this carpeting. But that wasn't what we wound up with. Do you think for a moment... [LB320]

SENATOR AGUILAR: One minute. [LB320]

SENATOR CHAMBERS: ...that the Sistine Chapel's ceiling would come tumbling down if those paintings by Michelangelo were not there? They do not strengthen the structure of that ceiling. They don't need to be there. But there was another purpose, another function that they served. Why do you think churches have all of these stained-glass images, the plaster saints, all of these other things that have no bearing whatsoever on maintaining the structure of the building? It's to have some impact on people's mind, on their emotions. And that's not going to happen when you come into a cold stone building. There are mausoleums that are as decorative as this building. So you need something to humanize it. And Senator Schimek is talking about... [LB320]

SENATOR AGUILAR: Time. [LB320]

SENATOR CHAMBERS: ...helping to put us on the road to that. Thank you, Mr. President. [LB320]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

SENATOR AGUILAR: Thank you, Senator Chambers. Senator Wallman, you are next and you are recognized. [LB320]

SENATOR WALLMAN: Thank you, Mr. President. I stand in support of this bill, too, and kind of iffy on the amendment yet. As a public servant in a school board, I find you have many, many good people in this area, with gardeners and garden clubs and the greenhouses and the nurseries. And I think if we give Mr. Ripley a plan, I think we could get tremendous amount of volunteer support here, and also monies from the private sector. And we shouldn't always have to be paying out for this and that here, and there should be people willing to make this place more beautiful. And we wouldn't necessarily have to put a name tag on it either, but we could have a plaque somewhere. But before we spend money all the time on this and this and this, but let's spend money on the bricks and mortar and the roof. And that is something you're not going to have any volunteers for, and we shouldn't have. That should be done by expertise. So I urge the passage of this bill, and kind of iffy on the amendment. So thank you, Mr. President. [LB320]

SENATOR AGUILAR: Thank you, Senator Wallman. Senator Schimek, you are next and you are recognized. This is your third time to speak. [LB320]

SENATOR SCHIMEK: Thank you, Mr. President. Are there other lights on? [LB320]

SENATOR AGUILAR: Yes, there are two after you. [LB320]

SENATOR SCHIMEK: Thank you. Then I won't take long this time. I'd like to ask Senator Heidemann a question or two, if I might. Thank you. [LB320]

SENATOR AGUILAR: Senator Heidemann, would you yield? [LB320]

SENATOR HEIDEMANN: Yes. [LB320]

SENATOR SCHIMEK: Senator Heidemann, I haven't really had a chance to talk with you much about this. It was suggested to me that there would be other ways, perhaps, of getting this money, by taking it out of the interior Capitol funds, or something like that. I don't really want to do that, because I know what the problems are and the amount of...the number of things that need to be done. In fact, you probably haven't even planned for all of the things in that interior budget, right? [LB320]

SENATOR HEIDEMANN: No, there will be more after what we get funding...what we got funded for now, there will more after that. [LB320]

SENATOR SCHIMEK: Okay. So I really hate to even make that attempt. That's why I've

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

chosen not to have Fiscal draw a different amendment. Yet I feel passionately that this is something that we really need to do, that needs to be done to follow the restoration of the Capitol. Could you tell me when exactly the Capitol is to be restored? When is that work to be finished? Is that 2010? Am I correct on that? [LB320]

SENATOR HEIDEMANN: I think the last appropriation is in 2009 and the year 2010, yes. [LB320]

SENATOR SCHIMEK: So by the end of 2010, anyway, we should probably see the end of all the work on the Capitol, exterior-wise? [LB320]

SENATOR HEIDEMANN: You would hope so. But this project was supposed to be...been completed quite a few years ago, the way I understand it. [LB320]

SENATOR SCHIMEK: Well, and part of the reason it hasn't been is because new problems were found as we went along. And another reason it wasn't was because we slowed down on the amount of money that we were appropriating. When times got tough, we cut that budget, if I'm recalling and remembering correctly. So it was a little bit of this and a little bit of that. What is supposed to happen with the exterior landscaping at the time of the completion of the Capitol? [LB320]

SENATOR HEIDEMANN: I would have to look in and get back with you. I don't want to lose your time, but I still go back, if you build a house, you build a building, you get that project done, and then you come in and landscape. I go back to the fact that we have time to address this. And if it...we had attempted this a little bit earlier in the budget process, we...I mean, there's the possibility...we still look for priorities, but there's that possibility we would have entertained this thought. My whole thought...I mean, if you look at the year 2010, we have three years to look into the landscaping part of it. [LB320]

SENATOR SCHIMEK: Right, but next year would be a deficit appropriation, and I'm skeptical in thinking that we might do anything with it next year. [LB320]

SENATOR HEIDEMANN: If this is important to you, I would urge you to draft a bill next year, and it wouldn't be a deficit. It would have an A bill with it to appropriate money to, you know, do a study. We did a study this year on looking at a parking garage, and it came to Appropriations, and we appropriated I think it was \$50,000 to look into building a parking garage. [LB320]

SENATOR SCHIMEK: We also bought a brand-new building, or are in the process of that. [LB320]

SENATOR AGUILAR: One minute. [LB320]

Floor Debate
May 07, 2007

SENATOR HEIDEMANN: We're in the process of that. [LB320]

SENATOR SCHIMEK: Yes. Well, it is very important, I think, not only to me, but I think it would be to the citizens as well. And I guess I still would like to know what's going to happen around the outside. I hope we're not going to leave the outside of the Capitol looking like it's looking...well, like it will look when they take all the rock out and put the grass back in. It will look kind of barren. And some of those bushes have to be taken out. Some of it is overgrown. I know that. So if we don't have any money in the budget for landscaping, I presume that we'll have to put that in, in 2009 and 2010. I guess what I think would help a lot is to be able to get this study done and to be able to come back to the Appropriations Committee and say, this is a reasonable expectation of how much this interior landscaping project... [LB320]

SENATOR AGUILAR: Time. [LB320]

SENATOR SCHIMEK: ...might take. [LB320]

SENATOR AGUILAR: Senator Chambers, your light is next and you are recognized. [LB320]

SENATOR CHAMBERS: Mr. President, members of the Legislature, I was just having a very enjoyable discussion with Senator Fulton. And I won't mention what our discussion was about, but I did confess or concede to him that, whereas I'm probably the most pragmatic politician on this floor, I might also be the most idealistic one. I like poems, not just those that I write; I like those that other people write. And there was one that occurred to me when Senator Schimek used the term "gardens," and others did, with reference to what's outside this building. And I'm not going to go through the whole thing, "Parson" Carlson, but it...and I don't even remember the name of it, I don't even remember who wrote it, but I want to make a point. It started, "The royal feast was done; the King / Sought some new sport to banish care, / And to his jester cried: "Sir Fool, / Kneel now, and make for us a prayer!" / The jester doffed his cap and bells, / And stood the mocking court before; / They could not see the bitter smile / Behind the painted grin he wore." Then he began to say things that only the court fool was allowed to say--poke at the king, talk about everything, because that was the way for the people to vent their feelings, through this person who was irresponsible and wouldn't be punished. But one of the things he said was, he reached the point where he wanted to bring it home: These clumsy feet, still in the mire, go crushing flowers without end; these hard, well-meaning hands we thrust among the heartstrings of a friend. And after each one of these, he would come up with the refrain, "Be merciful to me, a fool!" So he went on and on, and finally he got through. And it said: The room was hushed; in silence rose the King, and sought his gardens cool. He walked apart, and murmured low, be merciful to me, a fool. So the jester, "sir fool," had uttered his prayer, and it struck a chord. The

Floor Debate
May 07, 2007

king got the message. And where did he go to walk? In his gardens. Gardens play a function. Where did Jesus go, "Parson"? To the garden of Gethsemane. Where did everything start? In the garden, the Garden of Eden. And we have an opportunity to carry through that idea and that concept, and we cannot think above the tiled floors. We cannot think beyond these stone walls to see that there is something out there that ought to be out there, which can be of great value. Nobody is going to look at that wall and be inspired. But somebody could walk in that garden, could watch the fountain spraying water and feel not only inspiration, but a sense of serenity, maybe even a bonding with nature. Senator Carlson,--"Parson" Carlson, for this--maybe somebody such as myself, without a heart, would even feel something, not to the extent that those of you who have a heart would feel it, but know that there is something there. But my colleagues have to hang together as a committee. There will be no great art produced here, no great literature, no great poetry, no sculpting, no music, no dance, no theater, but stone walls, clear glass windows,... [LB320]

SENATOR AGUILAR: One minute. [LB320]

SENATOR CHAMBERS: ...and light fixtures. There is more to life than that. This building was constructed so that it wouldn't be just like any commercial building that you would find. Why do you need ceilings this high? Wasted space. We waste fuel. But there's a reason for it. I only had 15 minutes, all told, that I could speak, and that's not enough time to take a heart that's made of stone, pulverize it, and cause it to feel. "Parson," I'm only speaking what I've heard about; I wouldn't know anything about that from experience. But I support what Senator Schimek is trying to do. I think it's noble, I think it's worthy, and besides that, it doesn't cost very much. Thank you, Mr. President. [LB320]

SENATOR AGUILAR: Thank you, Senator Chambers, and that was your third time. Senator Kopplin, you are next and you are recognized. [LB320]

SENATOR KOPPLIN: Thank you, Mr. President, members of the body. I'm going to support this amendment. This is a beautiful building. I have toured lots of places that I...some of you haven't been there. I hope you will do so. Go up to the library and see the artwork. It's also a sad place to be because we've let it deteriorate so much. But every day I come in here, I see more of the beauty of this building. And when I bring guests, I don't point out, hey, there's the chair where I make these great decisions, or I don't say there's where Senator Chambers stands, or there's where Senator Schimek sits. No. I say, look at the artwork; look at the beauty of this place. Forty thousand dollars is a lot of money, but not much when you're talking about keeping one of the real gems of Nebraska in beautiful shape. We need to do this thing. We need to keep this place an attraction, where we feel great about bringing people and saying, look, this is what is important to us. We can do our business anywhere. We can do it in a steel building--it doesn't matter. But we need some place that attracts us, and Senator

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

Schimek's amendment would help do that, and I certainly will vote for it. Thank you, Mr. President. [LB320]

SENATOR AGUILAR: Thank you, Senator Kopplin. There are no other lights on. Senator Schimek, you are recognized to close on AM1261. [LB320]

SENATOR SCHIMEK: Thank you, Mr. President and members. In a former life, I might have said there's more than one way to skin a cat, but (laugh) that expression just makes me cringe anymore. I have just found out that there is a great amount of money that is sitting in the Capitol Commission's discretionary fund, and our Speaker sits on the Capitol Commission, by statute. All three branches of government are represented on the Capitol Commission, and they actually have the power and the ability to do something like this. So here's what I'm thinking. And, Senator Kopplin, thank you for your comments. Thank you, everyone who commented. I think the pragmatic thing to do is to pull the amendment, which I'm not quite ready to do, and to say to you that I'm not pulling it because I'm afraid of not having it pass. I think that's always a definite consideration when you have nine members of the Appropriations Committee standing very firm on their bill. But I think if something is worth it, you stand and you fight for it. But there may be better ways to do this. So what I'm going to do is I'm going to explore other ways to do this, and if I'm not successful, then I will come back to this body at some point, whether it's on Final Reading, whether it's next year. But I think I've made you...or tried to help make everybody aware of the issue, and that it's something that we need to be thinking about. And we don't want to put it off forever and ever; we do need to get it done. So with that, thank you all for the time. I'm sorry to have brought it at the last minute, but it is important, and we will see that it gets done. So, Mr. President, I'd like to pull the amendment. [LB320]

SENATOR AGUILAR: It is withdrawn. [LB320]

CLERK: I have nothing further on the bill, Mr. President. [LB320]

SENATOR AGUILAR: Senator Lathrop, for a motion. [LB320]

SENATOR LATHROP: Yes, Mr. President. I'd move LB320 to E&R for engrossing. [LB320]

SENATOR AGUILAR: You've heard the motion. All those in favor say aye. Those opposed say nay. The bill is advanced. Mr. Clerk. [LB320]

CLERK: LB321. Senator Lathrop, I have Enrollment and Review amendments, first of all. (ER8103, Legislative Journal page 1388.) [LB321]

SENATOR AGUILAR: Senator Lathrop, for a motion. [LB321]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

SENATOR LATHROP: Yes, Mr. President. I'd move the E&R amendments. [LB321]

SENATOR AGUILAR: All those in favor say aye. Nay? Those opposed say nay. It is advanced. [LB321]

CLERK: Mr. President, the next amendment that I have, or I should say the first amendment to the bill, Senator Friend, AM1161. (Legislative Journal page 1352.) [LB321]

SENATOR AGUILAR: Senator Friend, you are recognized. [LB321]

SENATOR FRIEND: Thank you, Mr. President, members of the Legislature. A lot of pomp and circumstance here. I'm going to pull this amendment because over the last week or so, in regard to the Commission on the Status of Women, I've worked with the Appropriations Committee and gotten the type of response that I expected that I would get, and creating later on, with Senator Heidemann's amendment, some cash fund authority that would be a heck of a lot easier and a heck of a lot more appropriate, I think, than dealing with AM1161. AM1161 would change some intent language as to what this commission could do with per diem money, and that's confusing. It's totally not standard with the way they've operated in the past. So with that, I'd like to address it later on, if need be, under Senator Heidemann's amendment, AM1194. With that, I would pull AM1161, Mr. Clerk. And thank you, Mr. President. [LB321]

SENATOR AGUILAR: It is withdrawn. Mr. Clerk. [LB321]

CLERK: Well, Senator, do I understand that you want to withdraw and allow Senator Heidemann to substitute...no, you do not. I'm sorry. Okay, very good. Excuse me. Mr. President, the next amendment I have to the bill is by Senator White, AM1177. (Legislative Journal page 1371.) [LB321]

SENATOR AGUILAR: Senator White, you are recognized. [LB321]

SENATOR WHITE: Thank you, Mr. President. My fellow senators, AM1177 is an amendment, and it would apply to pages 72, line 6, and 73, lines 26 and 27 of the bill. What this does, essentially, is reduce the appropriation for road spending so we do not have an increase in the gasoline tax. For each of you here, I know that you drive a lot and you know what the gasoline prices have been doing. But what you may not understand, although I hope that you do, is the incredible impact this is having on the middle class and working people in the state. Gasoline taxes at the best of times are a species of sales taxes, and that, according...and I agree with Senator Wightman, are one of the most regressive of taxes. But they are, in fact, in many ways even more regressive than anything short of property taxes on homes, or if we had allowed sales

Floor Debate
May 07, 2007

tax on food. We do not allow sales tax on food, but in order for people to earn the money to buy the food, they have to in this state drive a vehicle. Now there are some limited public transportation...or there is some available in Omaha. But I would tell you right now, it is extraordinarily difficult to try to function, keep a family together, go to work and get back from work if you're relying on the buses. It is very difficult. So most of our citizens must drive in order to work. In a sense, this is a very regressive tax on working. Now we are in a time of a budget surplus. We have spent days talking about taxes and how we can cut taxes, and how we have done a good job cutting taxes. Obviously, there are those of us who had different ideas on what taxes should be cut, but it strikes me as profoundly ironic that in the midst of cutting taxes we would quietly, and without any debate whatsoever on General File, enact a very substantial increase in gasoline taxes at a time when our citizens are already crying out that they are overburdened by taxes and are having a hard time getting along. This is made more bitter for many of the citizens by recognizing that last year the president of Exxon made over \$400 million--one year, that's what he made. For us to pile on to our fellow citizens, when they're already suffering at the pump, and others are doing that, seems to me to be inappropriate. Now I know the Appropriations Committee was very thoughtful. I know they would not do this idly. I know they believe that we need roads in this state, and we deeply need them for economic development. And generally, I would agree, except I would submit one unalterable fact for your consideration. What good are roads if our people cannot afford the gasoline to drive on them? And we are at that point. As they scrape and seek to conserve gasoline, which we are telling them they must do--not only for economic reasons, but for the environment, in order to be responsible citizens--as they scrape and try to reduce gasoline consumption to help balance our trade and make us less dependent on foreign oil sources, we punish them by increasing the cost to them. This again is an irrational tax, in my opinion, though again, I do understand and appreciate the need for the roads. But I submit to you, ladies and gentlemen, that no one has stood up and articulated why this tax increase is needed at this time. No one has articulated why we will increase the gasoline tax while we purport to reduce other taxes. No one has articulated clearly what roads must be built, what must be done, and why we must do this, and who is paying for it. Until those debates are held, until those questions are answered, I'd submit to you it is irresponsible to increase the taxes and the burden on the citizens of the state of Nebraska. I thank you for your time, and I would appreciate your consideration of this amendment. And I hope that you will consider carefully before voting to raise taxes on our fellow citizens. Thank you. [LB321]

SENATOR AGUILAR: Thank you, Senator White. You've heard the opening on AM1177. Those wishing to speak are Senator Heidemann, Nantkes, Stuthman, Wightman, and Harms. Senator Heidemann, you are recognized. [LB321]

SENATOR HEIDEMANN: Thank you, Mr. President, fellow members. I stand up in opposition to AM1177. Last week we sat in here one night--it was almost midnight when we left--and we talked about LB305, and it was a roads funding bill that was brought to

Floor Debate
May 07, 2007

us by Senator Deb Fischer. And I left the Capitol, it was after midnight, and I went through Lincoln and I got on Highway 2, and I started to travel east. And as I was right outside of town, it occurred to me that I was thankful for the Department of Roads, and I was thankful for the roads that we have. It was a nice trip to Syracuse, Nebraska, on the four-lane highway, thanks to the money that we give to the Department of Roads to build roads like that. I got to Syracuse and I turned on Highway 50, and I started to travel south, and by this time I was getting very tired, because it was late at night. It was well after midnight by this time, and I was thankful for the Department of Roads, because Highway 50, from Syracuse all the way to the corner where I turn to go home, has just recently been redone. It's been ground down, made smoother. The shoulders have been put on it. It's a nice road. It's a safe road. And I'm thankful for that. Do I like gas tax increases? No. That's not who I am. I am not a person that takes increasing anybody's taxes lightly. But on the other hand, when you look at what this will do and why we have to do this--Senator White says no one had articulated why we needed to do this--I will tell you why we need to do this. The department's construction cost price index shows that the construction costs increased 13.2 percent in 2004. They increased 9.3 percent in 2005, and 10.1 percent in 2006, for a total of 36.2 percent during this time period. The increase in state receipts to the Highway Cash Fund during this same period was 3.25 percent, or an average of about 1 percent a year. Costs increased 36 percent; money coming in came in at an increase of 3.25 percent. That's why we need to do this. Also, salary and health insurance increases will cost a total of \$8.3 million in fiscal year 2008 and 2009. Without an increase in state funding, these costs will need to be funded by a reduction in highway construction. Is this what we want to see? I think not. You can see this referenced on page 166 in the budget books. In 2006, needs assessment identified \$12.4 billion of highway needs over the next 20 years. Estimated revenue over this time period, \$6.7 billion. Needs, \$12.4 billion; revenue coming in, \$6.7 billion, leaving a funding shortfall of \$5.7 billion. This is an average shortfall of \$285 million per year. What we are about to give them in this biennium budget is a drop in the bucket, according to the needs that they want, or that we want in this state, and need. The committee's \$370 million recommendation for the roads in fiscal year 2008-2009 increased the state funding by 5.7 percent when compared to the current year's appropriation of \$350 million. This is an average increase of 2.9 percent... [LB305 LB321]

SENATOR AGUILAR: One minute. [LB321]

SENATOR HEIDEMANN: ...over the two years and does not seem excessive, compared to the inflation that is having an effect on their budget. Thank you. [LB321]

SENATOR AGUILAR: Thank you, Senator Heidemann. Next up, Senator Stuthman, and you are recognized. [LB321]

SENATOR STUTHMAN: Thank you, Mr. President and members of the body. I would

Floor Debate
May 07, 2007

like to also echo some of the comments of Senator Heidemann, and I'm very sympathetic to the people that are paying the fuel bill to get to work. I think that's very important, and it's very much of a concern of them. I've got one of my small communities in my district where gas is \$3.11 this weekend already, and the talk is of going to \$3.50, and you know it probably will within a month. It generally goes up quite a bit for the end of the month, for Memorial Day, because they know people will be traveling. And I know the citizens are crying because their fuel bills are too high, but there's one thing about it: What we have to do to maintain the roads for these people to drive on and get to work, and also for economic development, we need to continue to maintain these roads and build new roads. But the fact is, right now, with the costs going up 36 percent, as Senator Heidemann had stated, you know, we will not be able to even maintain the roads that we have, let alone put in any new construction. And I think that's something we really need to be thinking about. A lot of people say, you know, if you raise the gas tax, we won't be able to drive anymore to get to work. I'm very concerned about that, but that may just be a couple cents. But at the pump, it will go up 20 cents, 30 cents within a week or two. They don't complain to us about that. But we have to be very serious as to what we are doing here, if we want to continue to maintain and build roads in the state of Nebraska. I think this is something that's very, very important that we need to do. And it, yes, it's going to be a couple cents added onto it, but the jump that we've seen in the last, you know, several weeks, you know, is a real concern to the people, and maybe adding another couple cents on it will make a lot of difference. But I think we have got to be, you know, very serious about what we want to do as far as our roads are concerned, and there are a lot of roads that need some maintaining, and there's a lot of places where we need to continue to build the four lanes in the communities. We've got a project that needs to be completed in my area, from Schuyler to Fremont, a four lane. That's very important, but as of now, it don't look like that's going to be continued for quite a number of years. It's been put off already. I think we got to be serious about this, and the main thing is that maybe a couple cents isn't enough, especially when the cost of doing the business for the roads, the increases have been 36 percent in the last several years. I think we need to pass the legislation with the initial...with what the Appropriations Committee has come up with, and I think that's very important. So I'm in opposition of this amendment, and I think we need to all take that very serious as to what we plan to do. I don't like to increase taxes, but when you look at the other side of it, when the cost of doing the business has increased 36 percent, I think we got to take a very serious look at it. Thank you, Mr. President.
[LB321]

SENATOR AGUILAR: Thank you, Senator Stuthman. Senator Wightman, you are next and you are recognized. [LB321]

SENATOR WIGHTMAN: Thank you, Mr. President, members of the body. I rise in support of LB321, and in opposition to Senator White's amendment, AM1177. You've heard the figures. I would correct a little bit of what the proposed or projected price

Floor Debate
May 07, 2007

increase in gas would be. Quite frankly, I did propose a bill...a portion of this appropriations bill that would have increased the rate to as much as 2 cents, and we at one time voted in favor of doing that, and then in discussion of other matters, we resubmitted it to our Appropriations Committee for a vote. We backed down the amounts from where they were, and at this point, as I recall the projections, it was that probably we would be able to maintain the 27.1 percent limit for the first year of the biennium, and the second year that we could see a rate increase of a half of a percent. See, what we're doing, we don't actually set...we set an amount that we're going to raise with that tax, and that's what we did, and then it's anybody's guess, because there's a board that sits, I think, four times a year and determines what the tax is going to have to be to come up with the figure that's going to be necessary to raise the appropriation amount. So I don't think it's going to go up 2 percent, but we don't set that amount. But we think it may go up a half a percent in the second year of the biennium. So unless there was a change in those projections, that's my best recollection. I agree with Senator Heidemann, and I certainly stated that at the time that the Appropriations Committee considered this, and that is that there's been a 36 percent increase. We've been averaging a 1 or 2 percent increase in the appropriations budget on an annual basis for the last three years. We aren't even coming close to keeping pace with inflation. Now I agree with Senator White, to the extent that this may be a regressive tax, and it probably is. It hits the low-end wage earner harder than it does the high-end wage earner, as far as the percentage of his budget. But a long time ago this Legislature decided that they were going to commit funds from the gas tax, and that would be their main funding source for highway construction, both the Highway Trust Fund and the Highway Allocation Fund, and there's been...never been any suggestion that that should change. I think we may have to change it at some point, and that was certainly discussed within the committee. But that hasn't been done yet, and so if we're going to look...and, in effect, it becomes a users' tax. We can talk all we want to about Exxon not paying very much. Well, they're not using the roads. They're paying for the use they make of the roads. Now maybe we're in error. Maybe we do have to, at some point, consider funding some of this by something other than the gas tax, but right now we don't have any mechanism in place to do that. I think that it's shortsighted on the part of the Legislature, and shortsighted upon everybody that has any voice in this process, if we don't at least come closer to keeping pace with inflation. Let me assure you that what we're talking about doing here is hardly a dent in keeping pace with inflation, because this increase won't anywhere near keep pace with inflation over the biennium. So...another thing I would bring up is that the ethanol and the subsidies of ethanol has also created a hardship as far as the amount of money that's collected... [LB321]

SENATOR AGUILAR: One minute. [LB321]

SENATOR WIGHTMAN: ...from the fuel tax--thank you--and as we've subsidized that industry, and I'm not opposed to subsidizing it at all, but it has detracted from the

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

amount of tax collected, and it's probably going to detract from the collections over the next several years, as we phase into the use of more ethanol. So I think it's important that people realize that this is our source of funding until we change that. If we're going to try to keep pace with inflation, we have to do it with this tax. Thank you, Mr. President. [LB321]

SENATOR AGUILAR: Thank you, Senator Wightman. Senator Harms, you are next and you are recognized. [LB321]

SENATOR HARMS: Mr. President, colleagues, I rise to support LB321, and oppose AM1177. And would Senator White yield, please? [LB321]

SENATOR AGUILAR: Senator White, would you yield? [LB321]

SENATOR WHITE: Certainly. [LB321]

SENATOR HARMS: Senator White, when was the last time you were in western Nebraska? [LB321]

SENATOR WHITE: Oh, four or five months ago. [LB321]

SENATOR HARMS: When was the last time you drove on the expressway between Kimball and Scottsbluff and Gering, Nebraska? [LB321]

SENATOR WHITE: That's been a number of years, probably six or seven. [LB321]

SENATOR HARMS: Well, thank you very much, Senator White. There's a great example, folks, of where the roads need to be fixed. This expressway has been on the drawing board for 17 years, and it still is not done. The connection right at Kimball has not been completed, and that's the heart of our economy. That is the heart of economic development, is the infrastructure, and highways play an important role. And my greatest concern is the fact that we're not going to have the money in the roads at all. And you know who's going to suffer, folks? It's not going to be urban America; it's not going to be Lincoln and Omaha. It's going to be rural America. And I have talked with the Department of Roads when we had the discussion in the Appropriations hearing about this very issue, and they are simply saying, well, you know, we haven't had good times. You know what? We've had great times in these last 17 years, and that road is still not completed. And I have great fear for rural America, when we start to see the damage that these huge trucks are going to have with hauling our ethanol out of all these plants, and start to deteriorate. You think we're going to fix those roads? Not if you don't have any revenue in it, not if you don't have any money in it. I hate the thought of raising this tax. I hate the thought of doing this. Unless we can find another source we don't have any choice, because we're going to have to put dollars into the Roads

Floor Debate
May 07, 2007

Department. We're going to have to keep Nebraska's infrastructure strong, and there are not many options here. Whether we like it or not, there just are not. And I would urge you to give serious consideration to not approving AM1177 amendment, and understand what the impact of this is, understand who will pay the price later. It will not Lincoln and Omaha; it will be rural America. As I said, Senator White wanted to know what highway wasn't finished, or where we're going to go. Well, there's a great example. It hasn't been completed, and I'd guess it probably will be put off for the next ten years. I don't know. But in order for us to survive, in order for us to have the kind of economy that we want, the infrastructure is critical, and roads is critical to what happens in rural America. When we start our farming, when we start our harvesting, and to put those beet trucks on the road, and to take the corn to where it needs to go, those roads have to be good. They're talking about changing in the Roads Department the width of the roads and the depth of the road, because they simply don't have the dollars. And what I'm concerned about, we're going to cut so many corners that it's going to cost us in the long run. So I hope that as you think through this...none of us want to do this. But I don't know what our other choices are, what our other alternatives are, that we can actually agree to on this floor. And so I would urge you to look at this carefully, and if it's in your heart, vote against the AM1177, and vote for LB321. Thank you, Mr. President. [LB321]

SENATOR AGUILAR: Thank you, Senator Harms. Senator Erdman, you are next and recognized. [LB321]

SENATOR ERDMAN: Mr. President, members of the body. Senator Schimek, there's more than one way to skin a cat. There actually is, and there's actually a different approach, or even if you adopt the White amendment, there's an approach that would still fund the expenditures without raising the gas tax, as we know the circumstances today. I have those amendments drafted. I think it's a matter of what the body's willingness to do is on AM1177. You can vote for Senator White's amendment, and it will do what he says, and that is to lower the appropriations for the cash fund down to \$351 million, and the program total for the agency down to the number specified, which is a reduction of about \$19 million. You can do that in this amendment, and later you can come back and take funds somewhere else and restore that. Or you can vote down the White amendment and transfer the funds anyways, and still not be raising the gas tax, because it's contingent upon the money being available in the cash fund. And if we transfer the money into that specific cash fund, we can avoid raising the gas tax while still providing the funding for road construction. Now I'm not comfortable with LB321 or the budget package if it includes raising the gas tax, and some may argue, well, it's based on a point in time. It's based on the here and now, and if our consumption or if the use of gasoline in the state goes down and creates a need, the variable gas tax may go up anyways. That's a point well taken, because again, it's based on what is appropriated, and that is assuming a certain amount of revenue to be coming in through gas tax. That's the same scenario as our budget. There's no guarantee that on the last day of this...of the biennium that this budget is designed for that we will have the same

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

balance that we do today. It's based on the here and now and the best information that we have available to us. So I offer you this perspective, that we can vote for the White amendment, and if your concern is the availability of funding for road construction in the state, there's a way to resolve that. If you want to vote for a gas tax increase, you can vote against the White amendment, but even if you vote against the White amendment, there's another way to not have to pay the higher gas tax and the variable tax rate, by other amendments that may be offered. Those amendments have not been filed, and the reason that they haven't been filed is because, depending upon what you do with the White amendment, it will affect how those amendments have to be drafted in order to accomplish the goal. And so I have four different amendments that are ready to be offered. Now some of you may say, well, we should just adopt the White amendment and not give them any money, because they're going to get the money out of LB305. That's another legitimate issue. But my focus here is to point out that there is more than one way to skin a cat, and there's a couple different opportunities that you have. And ultimately, what we're going to have to decide with this budget, whether it's in LB321 or the other bills that transfer funds here and there, is what are the priorities of the state? If the priorities of the state are \$250,000 for this program and \$3 million for this program, or \$5 million away from this program, or if roads are the number one priority that this Legislature thinks are important, we'll have that opportunity. But we have the chance to set those priorities. I think the Appropriations Committee has worked hard. I have seen their work since I've been a member of this Legislature. This year is no different. They have worked tirelessly to try to come up with something that their committee can support. It shouldn't surprise some of you that they're all standing up in support of what the committee has advanced. That's what they believe is in the best interests of the state. That's what they believe is the best fundamental policy for our budgeting. There's going to be areas where we disagree. But if you still want to accomplish the same goal, you have some options available to you. Thank you, Mr. President. [LB321]

SENATOR AGUILAR: Thank you, Senator Erdman. Mr. Clerk, items for the record? [LB321]

CLERK: Thank you, Mr. President. Enrollment and Review reports LB540A to Select File, LB629A to Select File. Enrollment and Review also reports LB236A as correctly engrossed. I have a hearing notice from Business and Labor for a confirmation hearing. Senator Schimek offers LR118, Mr. President. That will be laid over. That's all that I have. Thank you. (Legislative Journal pages 1446-1447.) [LB321 LB236A LB540A LB629A LR118]

SENATOR AGUILAR: Thank you, Mr. Clerk. Senator Dubas, you are next and you are recognized. [LB321]

SENATOR DUBAS: Thank you, Mr. President. Would Senator Heidemann yield to a question, please? [LB321]

Floor Debate
May 07, 2007

SENATOR AGUILAR: Senator Heidemann, would you yield? [LB321]

SENATOR HEIDEMANN: Yes. [LB321]

SENATOR DUBAS: Thank you, Senator Heidemann. As I've been listening to the discussion, is this raise in the gas tax really going to make that much of an impact financially, if we're that far behind in what we need to do for our infrastructure? [LB321]

SENATOR HEIDEMANN: I would have to think that anything helps. It's \$19 million in that second year. In the first year it's...the gas tax should stay level. We never know that for sure, because this is variable. But it is \$19 million in the second year, and even though the needs looks to be great, \$19 million will go quite a ways, if you...I will give you an example. In my district on Highway 50, from Tecumseh until about ten miles south, they redid our highway--they ground it down, they added shoulders, and they improved it 100 percent. I think the cost was \$3 million. So yes, it doesn't seem like much, but \$19 million will do some roads projects spread across the state, and I think it's important that we do this. [LB321]

SENATOR DUBAS: All right. Thank you very much. I guess, you know, I'm struggling with raising the tax, especially the fuel tax. I appreciate what Senator Erdman had to say, that there is more than one way to skin a cat, and I'm looking forward to what he has to say. And I know and understand how important our roads are. I live in rural Nebraska. I know I have to travel a long way to get anywhere and, you know, I want our roads to be in good shape, and they're important to my business as well as other farmers and ranchers. This weekend I don't know how many times I was asked, as a state senator, why aren't you doing something about the price of gas? Well, I wish we had that power, and then I tried to explain that that's not a state issue; that's more at the federal level. But we do have a chance to impact the price of gas through the taxes that we impose on our fuel, and right now we're currently number 16 in the nation for gas tax, and I don't like being that high up for that issue. As I said, for those of us who travel many miles to get anywhere, this is an issue. And I know our roads appropriations are in a precarious situation, I know that and I understand it, but so are the budgets of so many of the taxpayers in our state, so are the budgets of farmers and ranchers who are...just because the price of corn may have gone up a little bit, that doesn't mean everybody else is stepping up in line to get a piece of that action, and it seems like every time we make a dime, we give away 20 cents. So this...again, I really struggle with this vote, because it seems obvious that we need to seriously look at how we fund our roads, how we finance our road infrastructure. But at the same time, who are we placing this burden on, and can they afford it? What are they going to be able to do to make up this difference in their financial picture. So you know, at this point in time, I'm just going to continue to listen to the discussion and see where it goes, but I have some very serious reservations about raising this gas tax, and I'm hoping there are some

Floor Debate
May 07, 2007

other things we're going to be able to do to make this a little more equitable situation. Thank you, Mr. President. [LB321]

SENATOR AGUILAR: Thank you, Senator Dubas and Senator Heidemann. Senator White, you are next. You are recognized. [LB321]

SENATOR WHITE: Thank you, Mr. President. I'd like to make a couple of points on this amendment. First of all, I am appreciative of Senator Erdman's support on this amendment that now may not at all be the time to raise gas taxes. He has a different theory on how we might make this funding, and I will address that briefly, but I do appreciate very much his acknowledgement that, given everything our people are going through with the price of gas, the pain that it's causing, now is really a particularly bad time, almost a cruel time, to raise taxes on gasoline. Now I would like to point out to the ladies and gentlemen, my colleagues, that we transferred \$9 million from the General Fund just last week, I believe, into roads. We moved money from the sales tax from leased vehicles into the roads budget, and that money for 20 years has been coming into the General Fund. How much is enough? When will there ever be enough? And Senator Harms raises a good point. You know, I have not been on that particular freeway in a long time. I do, however, drive across the state a lot, and I spend a lot of time in rural Nebraska, riding...taking my horse and my horse trailer different places, so I spend a lot of time on the roads, and they are good roads. But I will point out one of the real concerns I have with moving General Funds money, but even also increasing the gasoline tax by increasing the budget, is we don't know what the priorities are going to be. We could increase the budget today by 50 percent, and there's no guarantee Senator Harms's freeway would be built. We don't have a clue. They might just make 20-foot wide shoulders. I mean, they clearly made a choice over the last ten years not to have the 4-foot shoulders recommended by the federal government; they put 12-foot shoulders in. Couldn't that have built that whole freeway and rebuilt it several times over? But what we're being asked to do is buy a pig in a poke. I grew up in the country, too, and when you're being told to force sacrifice after sacrifice on people on a commodity that is essential, and which has become so expensive it's breaking family budgets across the state, and we don't have a clue where the money is going to go. Not one person here, to my knowledge, has had any hearing where the Department of Roads has justified the amount they want, has justified why the increases are going up, has talked to us about what they're doing to cut those prices, has talked to us about prioritizing what should be built and what shouldn't be built, has talked about whether we should suspend new roads and instead just focus on maintenance. How much is being spent on new construction versus repair? Are there cheaper ways to repair? None of this has been discussed, none of it has been clearly debated, none of us really know it, and yet we're going to raise taxes on middle-class families in the state? What seems completely irresponsible to me. Without hearings, without assurance of what will be built, without assurance that the money that we're already appropriating is being responsibly spent, it strikes me that a tax increase is completely inappropriate. I submit

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

to you that if we are going to take on this issue, whether it comes, as Senator Erdman suggests is possible, from the General Fund in the sense of spending our savings, or if it comes out a gasoline tax, we should not do so unless we have hearings and know what and how the money is to be spent. That just seems to me... [LB321]

SENATOR AGUILAR: One minute. [LB321]

SENATOR WHITE: ...to be basic. Thank you, Mr. President. [LB321]

SENATOR AGUILAR: Thank you, Senator White. Next up, Senator Hansen. You are recognized. [LB321]

SENATOR HANSEN: Thank you, Mr. President. We did talk about LB305 last week, and I voted in favor of it. It looked like that was a thing to do to get some money into the...into our roads funds. When you go west on Interstate 80, you go through a...you go underneath a big...oh, it's a...they call it the Arch; isn't that correct, Senator Johnson? I think...we go under the arch. Well, what the Arch stands for is that's...you're entering western Nebraska, and that's where the roads peter out. Western Nebraska over the years...in 1970, the interstate system was finished clear across Nebraska, and western Nebraska, of course, was kind of where it came together. It was finished in 1970 and then started to be rebuilt in 1999. Well, it lasted 30 years, almost 30 years, and when they built it the second time, they realized that the amount of traffic on there contains a lot of truck traffic. Well, the truck traffic is what beat out the first interstate system. So they built this one--I don't know--half again as thick. It took a lot of money, I'm sure, to build it. It was state funds, federal funds, and even some local funds on some of the off-ramps and connecting highways. But we do have a good interstate system west of the Arch. But then you get on the two-lane roads and...with narrow right-of-ways, and the quality of the roads goes down quite a bit. We think that adding a shoulder to a two-lane road is quite an improvement, and it really is. We don't have a lot of bling out there, but a shoulder on a road seems to be bling for us. Senator Heidemann brought up the...you know, we're always talking about, well, maybe we need to do a study on it. Sounds like the studies have already been done. The needs for the budget are there, the revenue sources have been studied, and guess what? We come out with a deficit. Well, what that means is western Nebraska is going to be living even more on the crumbs from Douglas County and Sarpy County and Lancaster County, where the two largest areas of the state travel back and forth. It amazes me when I do go on that interstate, is why those people in Omaha don't get a job in Omaha, and why the people in Lincoln don't get a job in Lincoln. I think (laugh) that would solve some of that problem. But there's a great amount of traffic there, and I see why the interstate breaks up in between those two places. In District 6, where I live, car traffic was down 20 percent in 2006, compared to 2005. Truck traffic is up, but it's not up that much. What does that mean? Our gas tax collected is less, about 20 percent less. When we bring problems to the Legislature, I think we ought to bring solutions, too. No tax increases on

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

gas tax--I agree with that. I agree with Senator White's, we should have no gas tax increase. But what is the solution? I think we have three alternatives. Either we have poor roads, we find alternative funding, or we lower the price of gas so we get more traffic and we get more revenue. There's not many alternatives to these solutions. Senator Erdman said he has some amendments, and I'll be anxious to see those. Unfortunately, he didn't...hasn't put them on the gadget yet, but we need to see those. But I think we need to look into some alternative funding, and I'll wait for the Erdman amendments, and I will be voting against the amendment, AM1177. Thank you, Mr. President. [LB321]

SENATOR AGUILAR: Thank you, Senator Hansen. Senator Lathrop, you are next. You are recognized. [LB321]

SENATOR LATHROP: Thank you, Mr. President and colleagues. Let me begin by expressing my appreciation for the work done by Appropriations. I have to tell you, I pull into the parking lot every morning, there's this black car in the stall next to mine, and I thought it was an abandoned vehicle. And it wasn't until the budget passed the first reading that I realized it was Senator Heidemann's car, and he gets here before I do and leaves after I do, and I appreciate the amount of work that those folks have done. Nevertheless, I am...I would like to ask Senator Heidemann some questions relative to AM1177, if he'll yield. [LB321]

SENATOR AGUILAR: Senator Heidemann, would you yield? [LB321]

SENATOR HEIDEMANN: Yes. [LB321]

SENATOR LATHROP: Senator Heidemann, we're talking about an appropriation for the Department of Roads, and I've looked through the orange book that we were provided. Is the information that we're talking about on page 165, that portion of the budget? [LB321]

SENATOR HEIDEMANN: I believe it's 69. I'd have to look, but I believe...just memory is telling me it's 69. Cash Fund, Department of Roads, page 69. [LB321]

SENATOR LATHROP: Sixty-nine? [LB321]

SENATOR HEIDEMANN: Yes. [LB321]

SENATOR LATHROP: While I'm looking for that, the gas tax, does that go into a separate fund? [LB321]

SENATOR HEIDEMANN: Yes, Highway Cash Fund. [LB321]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

SENATOR LATHROP: And is that different than the sales tax revenue derived from the sale of vehicles, and what will be the lease of vehicles? [LB321]

SENATOR HEIDEMANN: The roads share of it goes in the Highway Cash Fund. [LB321]

SENATOR LATHROP: Does the fact that LB305...when LB305 moves ahead, as it appears to be headed for passage, will that change any of these figures, or any of the requirements for the Department of Roads? [LB305 LB321]

SENATOR HEIDEMANN: It will increase their money by whatever LB305 puts in it. With the A bill following, they'll be able to use that money. [LB305 LB321]

SENATOR LATHROP: But will that money...the figure is somewhere around \$9 million, is that right, for LB305? [LB305 LB321]

SENATOR HEIDEMANN: In total it is, but Roads only gets about \$5 million of that. The rest of it goes into Highway Allocation Fund, if I remember right, and that goes to counties and cities. [LB321]

SENATOR LATHROP: So that's not going to lower or offset some of the...what would be the gas tax increase? [LB321]

SENATOR HEIDEMANN: No. That actually is extra money to spend... [LB321]

SENATOR LATHROP: Did the Governor make a recommendation... [LB321]

SENATOR HEIDEMANN: ...as long as the A bill is passed and not vetoed. [LB321]

SENATOR LATHROP: I'm sorry. Say that again. [LB321]

SENATOR HEIDEMANN: As long as the A bill follows LB305, passes and isn't vetoed, then it will be money for them to spend. [LB305 LB321]

SENATOR LATHROP: All right. The Appropriations Committee has made a recommendation, which is the subject of AM1177. Did the Governor make a recommendation with respect to this fund? [LB321]

SENATOR HEIDEMANN: Yes, he did. [LB321]

SENATOR LATHROP: And what was the Governor's recommendation, in comparison to the recommendation of Appropriations Committee? [LB321]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

SENATOR HEIDEMANN: It was \$348 million the first year...actually, it was both years; \$348 million both years. There was a reason we went to \$351. Because after the Governor's recommendation, it looked like there would be enough revenue that was coming in, that we could appropriate \$351 million and still not raise the gas tax. That's the reason we did that. I think the Governor is okay with that, actually. [LB321]

SENATOR LATHROP: All right. I have this book put out by the Chamber of Commerce that shows where the different states are, in terms of their ranking with a gas tax, and it...Senator Dubas said 16. This book shows that it's 17. How many cents or portions of a cent, fractions of a cent, will the gas tax go up... [LB321]

SENATOR AGUILAR: One minute. [LB321]

SENATOR LATHROP: ...under your estimate? [LB321]

SENATOR HEIDEMANN: I think it's...the first year it's held level at 27.1. The second year it will go up 1.7 cents, I believe, 1.8 cents. [LB321]

SENATOR LATHROP: One point eight? So we move into somewhere in the 13 or 14th in the highest gas tax in the country? [LB321]

SENATOR HEIDEMANN: I...can I have just a second? [LB321]

SENATOR LATHROP: Sure. [LB321]

SENATOR HEIDEMANN: You know, we're not the only one that's struggling here. Across the nation, as other states see gas tax...gas go up, consumption goes down, construction costs go up, we will not be the only state that has to raise their gas tax to keep up with building needs or just even keep them level. I will tell you, they're either going to do what we do, or they will fall behind further than what the state of Nebraska is now. [LB321]

SENATOR LATHROP: In Omaha it's a little...perhaps a little bit different. I see on this list that Iowa is at 21.7... [LB321]

SENATOR AGUILAR: Time. [LB321]

SENATOR LATHROP: Thank you, Mr. President. [LB321]

SENATOR AGUILAR: Thank you, Senator Lathrop, Senator Heidemann. Senator Chambers, you are next. You are recognized. [LB321]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, I say

Floor Debate
May 07, 2007

again that the Roads Department is the most irresponsible department of government in the state. It is accountable to nobody. It's a good thing that while Senator Heidemann was driving home late that night after you all stayed here with me...and I want to thank you all for having done that; I really enjoyed it and I had a lot of comments from people about how I kept all of you all here working. And I explained that the Speaker sets the schedule, I just go along with the program, play within the rules, and do the best I can in the time that I'm required to be there. But Senator Heidemann is lucky that he wasn't driving on the interstate between Omaha and Lincoln, or when he came to that part where they're tearing up the interstate to repair the flawed portion that they built with inferior material, he might have gone off the road. He might have run into some of those little things they have in the highway right-of-way, so that you will know that they are doing something. They look like little cones, except that they sit on a base and I think they're made of metal. Well, I've got some good news, brothers and sisters. I always bring you bad news about the Department of Roads, don't I? Well, now I've got some good news that was brought to me today. If the weather is not bad, then instead of closing off the eastbound lanes, they're going to close off the westbound lanes between Omaha and Lincoln, to fix the mess that the Department of Roads is responsible for there. Nobody oversees this department. There are...there's a committee of the Legislature, which feels more beholden to the Department of Roads than it does to the citizens. Senator Harms is talking about some expressway he needs. Well, if the interstate, which you could call the flagship of roads in Nebraska, is so shoddily constructed that within about three years after it's built then they've got to tear it up again...and the state is going to pay part of that cost. The contractor is not paying it all. Contractors donate to people's campaigns. They are the ones making the money. When Senator Heidemann and others stand up here and whine--oh, and Senator Fischer is not in it, today, but she did her whining the other day--about what great roads they are and how we need them, and how thankful they are, they don't talk about the shabbily constructed roads that are always being repaired, and that goes into a part of the total cost that the Department of Roads says that they need. And they come to the Appropriations Committee and say, appropriate this money and then don't worry about it, we'll raise the gas tax. And you know what you all make me think of? There are songs that are sung, but I'm not going to sing one on this time I speak; maybe the next time. And I won't sing it all; maybe a bar or two. But speaking of that, some of you all are aware of Willie Nelson, a singer who has done a great amount of work trying to raise money for farmers through Farm Aid. And they had him singing the national anthem at an athletic event, and they said when Willie Nelson was singing the national anthem, he missed a few bars, because he didn't miss any bars on the way to the event. (Laughter) Thank you very much. But at any rate, when we have this Department of Roads shabbily constructing these roads again and again and again, and the Appropriations Committee gives them the appropriation they want and then let them raise the variable gas tax again and again and again. Then Senator Dubas will have some of her constituents say, why don't you do something about the price of gasoline, and she says, we can't. [LB321]

Floor Debate
May 07, 2007

SENATOR FRIEND PRESIDING

SENATOR FRIEND: One minute. [LB321]

SENATOR CHAMBERS: But you're doing something about it--you're raising it. You're raising the price of gasoline. You're pouring water on drowning people. But have it your way! But at least be honest. When your constituents talk to you, tell them, yeah, we raised the price of gasoline. It went up 20 cents in two weeks. It's over \$3. Well, that ain't enough; we're going to add to your pain. We want you to feel that pain. Every time you put that nozzle in your gas tank and you let that gasoline flow, know that your state Legislature added something to the cost of that gasoline; put a higher tax than most of the states in this country. That's what they think of you! Farmers have to buy gasoline. Farm trucks have to run on gasoline, and you've raised the gas tax as high as you have. Don't talk about that board. [LB321]

SENATOR FRIEND: Time. [LB321]

SENATOR CHAMBERS: Thank you, Mr. President. [LB321]

SENATOR FRIEND: Thank you, Senator Chambers. Senator Johnson, you're next and you're recognized. [LB321]

SENATOR JOHNSON: Thank you, Mr. President. I want to change how we're going about this discussion a little bit. First of all, you know what we're really talking here today is keeping up the infrastructure to grow this state. Now how are we going to do it? What is going to be the funding sources that we have available to us? In many places they have toll roads. Where in Nebraska could we put a toll road? The only place I know where you could put a toll booth is at about the Platte River, between Lincoln and Omaha. It's basically the only place that you could do it, and that isn't going to happen. So what other alternatives do we have? We have only the gas tax. Now let's talk a little bit about what's been going on here recently. We're talking about raising the gas tax less than 2 cents. Do you know how much gas prices have gone up in the last six weeks? Do you remember it was about \$2.25 a gallon just six weeks ago? It's now \$3.05 or more. That comes out to about 80 cents a gallon that gas has gone up in the last six weeks. And we're concerned about adding 1.2 or 1.8 cents per gallon? That's almost laughable. When was the gas tax set where it is now? About 1983 is the best answer I can find. What was the price of gasoline in 1983? Well, let's just say it was a dollar; I think it was less than that. But if it was a dollar and the gas tax was 27 cents, that makes 27 percent of your bill was tax. Now it's still virtually the same for \$3. What percentage is that? About 8 percent. One of the things that I do...oh, one other thing. People were saying that our gas tax is about 17th highest in the country. One other statistic you might want to look up is the actual cost of our gas compared to other

Floor Debate
May 07, 2007

states, because you will find that we are much, much better than that, if you look at just the cost of the fuel, and that's what you pay. Now here's a couple of things that I happen to agree with Senator White about, and that is this; is that I think we have to have a better system of determining our priorities in this state. Our expressway system basically is an expressway system of spokes going into the hubs of Lincoln and Omaha. [LB321]

SENATOR FRIEND: One minute. [LB321]

SENATOR JOHNSON: I am not critical of this. I think this should have been done first. But, my friends, there are other parts to this state besides Lincoln and Omaha, and if we don't grow these other parts of the state, they will become an economic no man's land, when the rest of the state can contribute their fair share of taxes and so on. So what I suggest that we do is quit quibbling about 1.8 cents out of the 80 cents it's just gone up. Let's start talking about the priorities and the needs of this state for economic development, so that we use these monies responsibly and to their best advantage to all of us here in Nebraska. Thank you. [LB321]

SENATOR FRIEND: Thank you, Senator Johnson. Senator Nantkes, you are recognized. [LB321]

SENATOR NANTKES: Good afternoon, Mr. President, colleagues. I rise in opposition to this amendment offered by my very good friend, Senator White. And I appreciate the concerns that he addressed in his opening to address this issue. However, I wanted to point out to the body the context in which we on the Appropriations made this very difficult decision in this regard. And it's already been mentioned by some of our other committee members here on the floor, but I just wanted to reiterate some of the reasoning that we considered. Overall, what we are looking at is essentially, without this increase, a basic maintenance budget, folks. We're not talking about any sort of increased infrastructure and development needs that need to be addressed in the state of Nebraska without ensuring that we have adequate funding and resources to accomplish that. Another interesting aspect of the Department of Roads' budget, as an agency which is kind of unique, and maybe some other members might not be aware of, is the fact that this agency operates primarily on a cash-funded basis. Out of a \$659 million budget, about \$18,000 is from General Funds. The rest of this is a cash-funded operation. And that \$18,000 goes to pay for some membership fees and some compacts and commission, but the rest of this does, indeed, come from taxes. And currently, the Nebraska Department of Roads is at the lowest level of employees since the 1950s. I think that's also important to point out. As we look at state agencies and their budget, and talk about encouraging them to find efficiencies, please keep that in mind. We're operating, really, with a bare-bones level for employee operations and a bare-bones budget. We're doing really nothing with this proposal to really push and drive the economy like we need to, and make strong and lasting investments in our

Floor Debate
May 07, 2007

infrastructure and in our roads. At the end of the day, also, the jobs provided by this kind of infrastructure investment is something that I think is also critical to our economic development efforts, and I know that my good friend Senator White would be very supportive of issues that provide good-paying jobs. These are jobs that pay more than a living wage in our state. The folks out there building our roads are making in excess of \$40,000 a year and that allows them to truly provide for their families and to achieve self-sufficiency, and that's another critical reason I think that we have to keep in mind as we address this issue. So with that, Mr. President, I yield the balance of my time to Senator Heidemann, if he would like it. (Laugh) [LB321]

SENATOR FRIEND: Senator Heidemann, will you yield to a question? [LB321]

SENATOR NANTKES: Not a question. [LB321]

SENATOR FRIEND: Oh, I'm sorry. Senator Heidemann, you have a minute and 50 seconds. [LB321]

SENATOR HEIDEMANN: Can I do with it as I will? (Laugh) [LB321]

SENATOR FRIEND: Maybe. [LB321]

SENATOR HEIDEMANN: I wanted to address one thing that Senator Chambers had brought up. As he was traveling home, or there's a place on the interstate between Lincoln and Omaha that I guess they're having to tear up the road because it wasn't built right. And I was informed that he's correct; it wasn't built right. The Department of Roads, they were doing their job. They caught that. They said it wasn't built right. The concrete was poured too dry--air pockets, wasn't going to hold up; you're going to do it over. The contractor will come back in and tear that part of the road up. It's going to cost \$500,000 to fix that part. [LB321]

SENATOR FRIEND: One minute. [LB321]

SENATOR HEIDEMANN: They will pay that. That will be no cost to the state of Nebraska, that portion. I was told there is another portion that they found that isn't quite right. They couldn't figure out which...who was going to suffer the liability on it, and they decided to split the cost, and at that time the Department of Roads picked up \$125,000 and the contractor picked up the same amount. But the Department of Roads was doing their job. They found out that, in quality control, that it wasn't up to snuff, and they was going to have to tear it up. But it wasn't Department of Roads, it wasn't the people that pay the gas tax that will pay for the \$500,000 mistake. It's the contractor, and that's who needs to pay for it. The Department of Roads caught the mistake and it is being corrected, but not at our expense. Thank you. [LB321]

Floor Debate
May 07, 2007

SENATOR FRIEND: Thank you, Senator Heidemann. Members of the Legislature, we are discussing AM1177. Senator Kruse, you're next and you're recognized. [LB321]

SENATOR KRUSE: Thank you, Mr. President and members. I stand to oppose AM1177. I cannot imagine that this is the time to decrease the quality of our roads. We're not talking here about any options of improving them, but simply the question of whether we would keep up, and we're debating an amendment which opposes increasing by 3 percent a year. I remind you that in cost of roads, 3 percent a year does not keep up. I also remind the body that this is not voting on a gas tax increase. It could be, and it may not be. We're voting on the amount of money that shall be set aside for roads for the coming two years. There...gas tax is a part of that, but only a part of it, and as Senator Erdman has indicated, when we decide how much we want to spend on this, then we can have other options in terms of how we will pay for it. That is not before us at this time. Also, I would note that compared to other states--several comments about comparing to other states--that's a pretty shifty business. Some states use sales tax. There are a variety of sources. Comparison to other states is not a reliable comparison in any way. What I'm particularly concerned about is economic development. We value economic development. We have voted for it. We have spent money on it several times. If this does...if this amendment were to pass, we definitely would reduce ourselves in economic development. And where would it be hurt the most? (Laugh) I hope we all recognize it would be rural roads. The urban roads would be kept up, but the rural roads would be the ones that would take the hit on this, not only in the amount that might be redone, but in the quality, for one of the options that roads is going to be forced to look at is reducing the width of the shoulder. I guarantee you they won't do that in Omaha, Lincoln, or Grand Island. That will be in the rural roads. Again, I do not think this is the time to decrease the quality of our roads to fall back on something that is economic...basic economic development, and we've known that forever. So it's time for us to look at all the strategies by which we can move forward in a very reasonable rate, still less than inflation. I thank you. [LB321]

SENATOR FRIEND: Thank you, Senator Kruse. Senator Fischer, you're next and you're recognized. [LB321]

SENATOR FISCHER: Thank you, Mr. President and members. We've had some discussion on the floor about where Nebraska stands on the gas tax, and I think I would also like to bring up where Nebraska stands on spending on roads, and where we get our money from the revenue to have road construction and road maintenance in this state. Currently, Nebraska is 18th...16th in the gas tax, but if you look at where we get our money from, that's where it comes from. That's where the revenue comes from for road construction and road maintenance in the state of Nebraska. The states around us: Colorado, they have toll roads, they have bonding, as does Kansas, Missouri. We don't have that in Nebraska. South Dakota and Wyoming, they receive more of their funding from the federal government. Wyoming--half of their funding for their roads comes from

Floor Debate
May 07, 2007

the federal government. That's because they have less miles. South Dakota--they send less of their money at the state level to local governments for roads. Here in Nebraska, I told you the other night, we're unique in that we do send a lot of our funding to counties and to cities through our Highway Allocation Fund. If you look at the current gas tax, yes, Nebraska, we have 27.1. We don't have the population that Iowa has, but they're at 22 cents a gallon. But we have 1.7 million population in this state; Iowa has 2.9 million. If you look at the fuel tax revenue, we have \$301 million; Iowa has \$418 million; Kansas, \$405 million; Missouri, \$707 million. Their highway funding is also much larger than ours. On the numbers I have here on this comparison that my staff put together, \$893 million for Nebraska; Iowa, \$1.4 billion; Kansas, \$1.2 billion; Colorado, \$1.8 billion. And you need to remember--they're not getting all of their revenue from a gas tax. They have other sources of revenues in those states that they are tapping into. Senator Nantkes brought up that the Department of Roads' budget, \$690 million for two years. Do you want to know what comes out of General Funds for that \$690 million? About \$36,000. We do not fund our roads through the General Fund. Since we're seeing a decrease in the revenue that our roads are receiving, though, and we're in this preservation mode, instead of more a maintenance and any kind of construction mode here in this state, I think we need to be open to looking at increasing the revenues. When you increase the budget, as the Appropriations Committee has decided to do here in the second year for the Department of Roads, yes, that will increase the gas tax. It will increase it 1.8 cents a gallon. None of us want to say we're going to increase a tax. None of us want to say that. But until you're ready to come forward with other suggestions on how we're going to maintain roads in this state, let alone construct them, this is the only option we have. I've also heard on the floor that the Department of Roads, they don't justify their budget. [LB321]

SENATOR FRIEND: One minute. [LB321]

SENATOR FISCHER: The Legislature doesn't have any say in what is going to be built and, my gosh, we don't even know what they're going to build. We don't know what their priorities are. As I said the other night, Department of Roads sends out to every office a packet filled with materials. One of those is the 2006 state highway needs assessment. If you look in District 2, which includes Fremont, Blair, Omaha, Ralston, Bellevue, and Plattsmouth, among other communities, there are 46 miles of interstate, the expressway system is 128 miles, and all the other highways are 329. They also give the average daily traffic by the system, and they give you FY 2007 program requirements. The interstate would be \$17 million; expressway, \$40 million; all of the other highways, \$24 million. That's for District 2. You can compare the districts,... [LB321]

SENATOR FRIEND: Time. [LB321]

SENATOR FISCHER: ...and you can also find the 20-year needs in there. Thank you, Mr. President. [LB321]

Floor Debate
May 07, 2007

SENATOR FRIEND: Thank you, Senator Fischer. Senator Synowiecki, you are recognized. [LB321]

SENATOR SYNOWIECKI: Thank you, Senator Friend, members of the Legislature. Senator White, I appreciate you bringing the amendment. I truly sympathize and can appreciate your words relative to the impact on working families, and I, too, am particularly sensitive to what this might do relative to the working poor. Senator Heidemann, Senator Wightman, Senator Harms I thought did a really good job and a good accounting of what our needs are, in terms of relative to our road construction program and how we are not keeping up with our very basic needs. And I think there...what we're talking about here, Senator White, is we're talking about--and Senator Johnson kind of spoke to this--we're talking about 1.8-cent increase in the second year. And with the fluctuating markets in the Omaha area, it's not uncommon at all for the price of gas to go up or down a nickel or 10 cents or even 15 cents in the course of a week in the Omaha market. And I fail to see this, what the Appropriations Committee did, at putting this at the \$370 million level, I truly fail to see this as an explicit increase in gas tax. It's entirely drawn upon what our current consumption levels are. It's market conditions that drive how much goes into the program, to the construction program. If we see a dramatic increase in consumption levels, we will not realize a 1.8-cent increase. If gas prices decrease dramatically, as gas is like any other market--the price goes up and down in the marketplace--and consumption levels return, and consumption levels go up and increase, we will not realize the 1.8-cent increase. This is a figure, a program figure at \$370 million dollars, that is constructed around current consumption levels, and at current consumption levels we might see a 1.8-cent increase per gallon. And again, if consumption increases dramatically, we will not realize this increase. And, quite frankly, Senator White, if consumption decreases dramatically and we realize the \$4-per-gallon kind of prices that some forecasters are talking about, your amendment might very well, given the variable context to this, your amendment, returning it to the \$350 million level might actually raise the gas tax if consumption levels decrease dramatically. So a lot of this we really don't know, and Senator White's amendment may actually...what sets the program at the \$350 million level, may, in fact, increase gas taxes, given the market fluctuations that's going on in the gas price. So I fail to see this as an out-and-out...we are not raising the gas tax. We are setting the program level, and the market fluctuations, the market conditions will set the gas tax. We don't set the gas tax. That's relative to consumption levels, and it is adjusted as consumption levels go up or down. Senator Friend, if I may, I'd like to yield the balance of my time to Senator Wightman. [LB321]

SENATOR FRIEND: Senator Wightman, you have a minute and 5 seconds. [LB321]

SENATOR WIGHTMAN: I had a couple of things, one that I intended to bring out before. My suggestion is that if you polled 100 people out here on the highways,

Floor Debate
May 07, 2007

stopped along the highway and asked them what the maximum gas tax to be, there wouldn't be 1 in 100 that could tell you. But I'd like to go into one other, to try to just this in perspective, just how much money this might cost the consumer. If the average consumer used 15 gallon a week, filled up his gas tank once at \$3 gas--it was \$4.50--got 20 miles per gallon, it would be 15,600 miles per year. If it were a half-cent increase, it would cost \$3.90 per year. Actually, if it's at 1.8 cent, I come up \$14.04. That's what it would cost for the entire year for a consumer who drove about 15,000 or 16,000. Maybe he gets a little better mileage than that. But I think you need to keep this in perspective, that we're really not taking a big bite out of the commuter or the person who uses his car during the year. [LB321]

SENATOR FRIEND: Senator Wightman, your time is up, but we're on your time now, another 5 minutes. [LB321]

SENATOR WIGHTMAN: Okay, I have another 5 minutes. Well, I'd like to just again stress the fact that we're not talking very much money. Actually, it should be the people out in Lexington that Senator White was decrying that we weren't on union wages and that we should (inaudible) on union wages that probably should be crying, rather than people in his district who he's secured those union wages for. But even in Senator White's district, assuming it is poorer than my district, which might be the case, I cannot believe that \$14.04 is going to be the straw that broke the camel's back, and that's based upon 1.8 cents per gallon. At .5 cent per gallon, or a half a cent per gallon, we're looking at a total of \$3.90 per year. So we're not talking very much money. When we're talking about taxes, I can't imagine any tax being much less, I guess, destructive or whatever we might say, a real problem for the taxpayer, than this small amount we're talking about. Again, I don't think anybody realizes how much this tax is right now. I think if you'd have asked the members of this Legislature at the beginning of the term...now today I think they can tell you that the maximum is 27.1 cents. But I don't believe you could have asked the members of this Legislature and gotten five people who could have told you what the gas tax is. So we're the ones that are really sitting here telling them how big that we're really increasing their tax, but I think very few of them would understand how small that is in the course of a year. Now quite frankly, it's been discussed that the truckers would probably be one group that was opposed to this, and I can tell you that the truckers' association were in requesting that we increase the gas tax because they need better roads. So you get down to what you're going to have. Are you going to have poor roads and lower taxes, or are you going to try...and I'm not saying we'll have good roads, because we aren't going to have good roads. We aren't even keeping pace with inflation with the increase we're talking about here. We might be keeping, almost, pace with inflation for the biennium, but we're so far behind, as a result of that revenue only going up 3 to 4 percent over a three-year period, compared to a 36 percent construction increase, that we can't catch up. But we can at least start to try to catch up, and so I would again request that you vote in opposition to AM1177 and in favor of LB321, at least as far as that issue goes. Thank you, Mr. President. [LB321]

Floor Debate
May 07, 2007

SENATOR FRIEND: Thank you, Senator Wightman. Members, we are discussing AM1177. Those senators wishing to speak: Senator Gay, Heidemann, White, Nelson, Howard, Erdman, Chambers, and Carlson. Senator Gay, you are recognized. [LB321]

SENATOR GAY: Thank you, Mr. President. Senator Nantkes referred to this as a basic maintenance budget, which, when I'm looking at this, I would agree with her. When you look in the budget book, this is a...what is it, a 1.7 percent increase and a 3.9 percent in the roads funding. Senator Heidemann talked about some of the shortfalls we're going to have. This is a good discussion we need to have, and as we look at these shortfalls, we've got \$12.4 billion in highway needs over the next 20 years, with an estimated revenue shortfall of \$5.7 billion. So this is a very good discussion we're having, and the input...Senator Fischer discussed earlier about...mentioned several times that they're going to do a study this summer about...with the Department of Revenue and it sounds like Transportation, to decide priorities. When we talk about this, we do need to look at what are our priorities, how are we arriving at those today? Is it just political, to please people politically, or is it based on needs? Because it is very important to our future economic department, and there's limited dollars to go around. So I really appreciate this discussion. I think I've...we've all learned a lot. But again, as we look at these things, what are our opportunities? I'm not so sure this amendment does that. I am looking forward to Senator Erdman's amendment. I agree with him. I think we need to...if you're going to fund this and get the extra \$20 million, I would look at the Cash Reserve Fund, and I want to hear some discussion on that, why we couldn't take it from Cash Reserves. Because if that is our priority, and this is what we're going to do, is we need this for basic maintenance and upkeep, then we've got to go fund it. I don't think these kind of things...well, I'm against this, I'm for this. That's a good, workable solution, I hope, that maybe we can look into. So I know that amendment has been filed, I understand, on another bill to add this money back to the Department of Roads. Maybe that's where we're going to go from here. I don't know. But these discussions are very worthwhile, and if we're going to not get the revenue and we still want to prioritize and have something funded, we need to decide where that's going to come from. And I do, I've had several discussions earlier with Appropriations Committee members about the Cash Reserve. I'm concerned how we arrive at that figure, how much we have in there. I think there's a substantial amount in there. I think the economy and the projections are looking very good, that we could go the Cash Reserve and still fund these basic needs. But the key point, as we look at this whole project, I don't think anyone can quite tell, one way or another. We can talk about waste and inefficiencies and all those, but until we've really sat down and you understand it, I don't think we need to go and be changing things immediately. But I think there's a...Senator White had a very good point. Are we doing the right things, building the roads where they need to be? That, you know, overlays, should we do overlays instead of concrete? Depth of those overlays, what should they be? Because I think there's a lot of solutions in here. Senator Johnson even had...I mean, that idea, the toll road, maybe that's an idea. The leased

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Floor Debate
May 07, 2007

vehicles, I think we took a step in the right direction by taking the money from leased vehicles and funding some of that...funneling some of that money to roads. But as we look at this problem, and Senator Fischer commented on this, about how much...or, in this way, how little we're spending, compared to other states, that's a great discussion to have. So as we look at this, I would just say, you know, let's for two years, if we're going to fund this, take it from the Cash Reserve, if that's...that's going to be the option here. I think that might be a good option. We can avoid this...I assume that would avoid the 1.8-cent increase in the taxes, I hope. So I'd like to hear more about that. So with that, I would...would Senator Fischer yield to a question, please? [LB321]

SENATOR FRIEND: One minute. Senator Fischer, will you yield to a question? [LB321]

SENATOR FISCHER: Yes. [LB321]

SENATOR GAY: Thank you, Senator Fischer. Senator Fischer, one more time. This summer, what is your plan as far as looking at this whole funding stream for roads? [LB321]

SENATOR FISCHER: This summer...I visited with Senator Heidemann, as Chair of Appropriations Committee, and Senator Janssen, as Chair of the Revenue Committee. We hope to meet with the Department of Roads and also with the Budget Office to get started and then bring our committees into that discussion, too, on how we can finance roads in this state, do we need to look beyond our current financing that we use, and look at the needs in the state; and if we are going to be able to meet those needs the way we currently finance roads, or are we going to have to look for an alternative source of revenue. [LB321]

SENATOR GAY: Okay. And along, when they're having that discussion, I would encourage that we do look at are we building...look at everything on the roads. I mean, the quality of the roads, a lot of other factors go into where and how we're going to build a road. Maybe there could be overlays in areas versus concrete. Maybe, you know, depths... [LB321]

SENATOR FRIEND: Time. [LB321]

SENATOR GAY: Thank you, Mr. President. [LB321]

SENATOR FRIEND: Thank you, Senator Gay and Senator Fischer. Senator Heidemann, you are recognized. [LB321]

SENATOR HEIDEMANN: Thank you, Mr. President, fellow members. I was going to touch briefly on just a couple of things, and then I'm ready to let it go. What else could be do and not raise gas taxes? Well, some things that some other states did, and the

Floor Debate
May 07, 2007

one that I'm closest to is the state of Kansas, they started bonding several years ago, or some years ago, I might say. And right now, they have got themselves in a situation that the majority of the money or quite a bit of the money that is coming in on revenues in the state Kansas goes to pay off bonds. This is not where we want to go. We have been a state that we pay as we go. As we build we pay for it, and I believe from the bottom of my heart we need to continue that so we don't get ourselves into long-term trouble. Sure, bonding works good in a short term. You're going to get a lot of new highways. It's going to be good right then, but for the next 20 years you're going to pay for them. The revenues you got coming in, you're going to pay for them, and at that time you won't see that road building going on, unless you once again do some more bonding and just dig yourself deeper and deeper and deeper into your hole. First year there will be no gas tax increase the way it looks now, or at least what is projected; and the second year it's 1.8 percent...1.8 cents. You know, as Senator Wightman talked a little bit about what it's going to cost, and I just got to thinking, you know, you pull into a gas station and you put in ten gallons--you're a little bit short of money so you only put in ten gallons. One point eight cents extra for gas tax, what we're calling for right here, is 18 cents. It's 18 cents. I know it is 18 cents and it is money, but you know, right after you fill up full of gas, what do you probably do? You probably walk into the filling station and you get yourself a Big Gulp fountain pop and you spend a \$1.49, and you never hear anybody really complain about that, do you? You look at the price of fountain pop, it's probably more per gallon...it is more per gallon than gasoline is, and all that is, is water and a little bit of coloring, some flavoring. So something to think about. Where do we get our money? We get our money from the gas tax to build our roads, and some other sources, licensing fees. And I support this concept, because who pays it? It's the people that use the roads. And I think it's very important also that we continue on with this, because how else do you capture the money from the people that travel across the state of Nebraska? They use our roads, they fill up at filling stations, and they pay the tax. And if we start pulling money out of General Funds, if we start pulling money out of the Cash Reserve, we, the people of Nebraska, will be paying for these roads and not the people that are traveling across the state of Nebraska. We need to make sure that they pay their fair share. So this is why I'm not in opposition--well, I am in opposition to AM1177--why I'm not in opposition of paying 1.8 cents a gallon more next year and the following year. We talked a little bit about ranking, where we rank. Sometimes you look at 16; sometimes it's 18. You know, one thing that the rankings don't take into account for is some of those states put General Fund money into their roads building projects. We do not. Ours comes solely from the Highway Trust Fund, from a gas tax, and from taxes on motor vehicles. [LB321]

SENATOR FRIEND: One minute. [LB321]

SENATOR HEIDEMANN: Something to always keep in mind when you're looking at rankings, maybe they don't tell the whole picture, and I don't believe that this one tells the whole picture, because some states do put in General Fund money from sales tax,

Floor Debate
May 07, 2007

from income tax, from people that live in the state of Nebraska, but not from people just traveling through. So I support that 1.8-cent increase the second year. I don't do it with a happy heart by any means, because it is an increase. But when you see the cost of construction continually rise, we will either do this--be forced to do this--or we're going to see our roads program building go down and our maintenance maybe going up, just to hold steady with what we got on our roads. I ask that you oppose AM1177. [LB321]

SENATOR FRIEND: Thank you, Senator Heidemann. Senator White, you are recognized. [LB321]

SENATOR WHITE: Thank you, Mr. President. I'd like to address a number of different issues that we've discussed today. First of all, I'd like to point out that what we're really doing here is controlling spending. We don't know what's going to happen to the gas tax. What we are doing is setting the amount we spend. If the gasoline does go to \$4 a gallon, the gas tax increase will be substantially more than 1.8 cents, because consumption will necessarily drop, and it will drop because those who are poorest flat out won't be able to buy gasoline. And so the price could actually go higher. By voting for the amendment, you are controlling spending in the tune of \$20 million a year. I was charged with being fiscally irresponsible when we were discussing sales tax cuts, that I had to adjust and find actual cost savings, and I said, well, the appropriation process has not been done. We'll fight our way through it. We have already increased spending on roads by \$9 million when we transferred from the General Fund the \$9 million that came from sales tax on leased cars, and by the way, that all goes to roads, though not necessarily the Highway Trust Fund. It does go to cities and counties, but it's going for a use in maintenance and construction of roads in cities and counties. So it is going to roads; it is going to construction jobs. And it is not true that all of the money that goes into the roads comes from the gasoline tax. All sales tax now from sales of cars, or a portion of sales tax from cars, whether they're purchased or leased, goes into this fund. So we are, in fact, funding from other sources. Now do the roads have needs? Do we need more money? Sure. But there are many things that we need, and I am actually kind of staggered that when I stand up and talk about fiscal discipline, actually not spending as much money, the chorus of conservative voices is silenced. Now they're in favor of spending money, because it's roads and, well, we'll take this gas tax. Well, I tell you, whether we fund it from our savings account or we fund it from a gas tax, spending is spending, and you cannot have fiscal discipline, you cannot have low taxes without controlling spending, and it's painful. And the worst part of this spending increase which will drive a tax increase is no member of this body can stand up and say what we are buying. We have increased funding...if my amendment is voted down, we will have increased funding for roads by over \$30 million that we know of, and not a soul in this body can tell you what we're getting for it. What road? We say, well, we have excellent roads, but they're in bad shape. Are we buying 12-foot shoulders and now 4-foot is good enough, and what could we have saved if we had never done 12-foot shoulders? What roads would be there? And if 12-foot shoulders are good, how come we're not

Floor Debate
May 07, 2007

continuing them? The point here is, you cannot divorce the painful choices of spending from taxes, and I stand ready, and I stand before you ready to take the heat for controlling spending, ready to take the heat from one of the most powerful lobbies that we have in this body, to vote to control spending and to control taxes. And where are the conservative voices who were yelling about pandering, who were yelling that we--I and others--were being irresponsible by proposing a tax cut on sales tax? Where are those voices? [LB321]

SENATOR FRIEND: One minute. [LB321]

SENATOR WHITE: Where is your courage, I ask you, on behalf of the hard-pressed taxpayer? This is not a small amount, and you may in fact drive a gas increase far higher than 1.8 percent (sic) if gas taxes go up to \$4. They will increase the gas taxes to raise this \$20 million, and the fewer gallons we sell in this state, the higher the tax increase. That is not responsible, and I ask your support for this amendment. Thank you. [LB321]

SENATOR FRIEND: Thank you, Senator White. Senator Nelson, you are recognized. [LB321]

SENATOR NELSON: Thank you, Mr. President, colleagues. I appreciate Senator White bringing AM1177. I'm sure he knows that, as a member of the Appropriations Committee, I stand in opposition to the amendment. As has been said, we spent a lot of time on appropriations and I think, by and large, you could say that the committee is pretty conservative, and we worked very hard to come up for a reasonable budget here, or appropriation for the Department of Roads. I would just like to point out that we thought we could go with \$356 million for the first year of the biennium and \$370 million on the second, because of the fact that we were depending on LB305 to pass. We thought there was a probability. And I have to disagree a little bit with my good friend, Senator White. It's not \$9 million. Yes, but \$5 million of that is going to go to the Trust Fund. The rest...it's not going to the Department of Roads, the balance of that, the other \$4 million. It's going to the cities and counties and other places. So we can't count that in. If we pass AM1177, effectively we're going to go backwards and it's going to be a matter of system preservation only with our roads. I happen to think that our highway roads basically, by and large, does a very good, conscientious job. I drive in Omaha. I'm thrilled with the east/west expressway on the other side of 120th Street, Westroads. I know a lot of that was federal funds but, nevertheless, it was built by our local construction companies. They got it done ahead of time. They worked on a bonus system, and it worked out very well for everyone. Earlier than that our Department of Roads has built a very fine interchange at 480 and Dodge, where you can easily access east/west Dodge Road. In addition, several capital projects will not be built if we don't approve the budget that we are promoting here from the Appropriations Committee. I think you have to bear in mind that there's been a significant increase in oil, steel,

Floor Debate
May 07, 2007

cement prices. Those were major contributors to the increase in the needs of our Department of Roads. And in the last several years, revenues have fallen short of projection, let's put it that way, to a loss of about \$22 million for the road construction budget. I missed a little bit of the debate here on the floor, and I don't want to be redundant, but I will say that Senator Heidemann said practically everything I intended to say. But I think we have to bear in mind that the users of the roads, by and large, need to pay for part of the cost of maintenance and new construction, and those of us that drive back and forth from Omaha and have a huge number of trucks go thundering by--it seems to me every third vehicle--we know that they're crossing the state, and somewhere in Nebraska they're going to have to buy gas. And so that industry is helping to pay, in a sense, through the tax that we impose for the beating that is imposed upon the roads by larger vehicles. I'm always watching the price of gas. I will recount that this past weekend I got a coupon where I was able to save 5 cents a gallon at a new establishment there at 60th and Center in Omaha, and I was tickled pink, for 11 gallons of gas, to save 55 cents. While I stood there paying, people came in, paid \$30 or \$40 for filling up their gas tanks, and then went around and walked out with another \$10... [LB305 LB321]

SENATOR FRIEND: One minute. [LB321]

SENATOR NELSON: ...worth of goodies. And it seems to me that people have to drive. They may cut back, they may conserve but, nevertheless, they're going to have to buy gasoline, and 1.8 cents a year from now is not going to make one whit of difference. They're going to pay attention to what the price of gas is. At this time, I would encourage you to vote against AM1177, and I will yield the rest of my time to Senator Erdman. [LB321]

SENATOR FRIEND: Senator Erdman, you have 20 seconds. (Laughter) [LB321]

SENATOR ERDMAN: (Laugh) I would request we stand at ease for 20 seconds. [LB321]

SENATOR FRIEND: Thank you, Senator Erdman, but I cannot honor that request. Senator Howard, you are recognized. [LB321]

SENATOR HOWARD: Thank you, Mr. President, members of the body. You know, listening to this makes me wonder: How do we expect the average person, the taxpayer, to go to the voting booth and say, yeah, they deserve an increase, when, truth be known, they feel this body has their hand in their pocket, in the taxpayer's pocket, at every opportunity that comes their way? I am very concerned about the effect a raise in the tax on gas will have on the average person. Again and again the message comes through loud and clear that when we need to finance an issue, we tax what is utilized by the everyday working person. This is not a state with an excellent public transportation.

Floor Debate
May 07, 2007

People in this state are very reliant on their own cars. This translates to reliance on gas needed to fuel the car. People who are working minimum wage jobs are constantly seeing their funds decreased through relentless taxation. The modest amount that is being provided for property tax credit will easily be consumed by an increase in the gas tax. And I'm going to say to you, people on this floor who have said the auto driver who goes into the Kwik Shop and buys a soda will spend more on that than they do on gas, you know what? If someone wants to spend their money buying their child or even themselves something to drink, I have no problem with that. If we continue to raise the tax on items such as gas, things that people are dependent on, they won't be able to make the choice to treat their child to a soda, and I think that's just wrong. Thank you. Oh, I would like to offer the remainder of my time to Senator Chambers. [LB321]

SENATOR FRIEND: Senator Chambers, you have 3 minutes. [LB321]

SENATOR CHAMBERS: Thank you, Mr. President. Thank you, Senator Howard. Members of the Legislature, somebody was talking and said that the truckers want the gas tax to increase. Naturally, they want other people to pay for the roads that their trucks are tearing up. But whoever made that statement--oh, Senator Wightman--I'd like Senator Wightman to go back and ask the trucking industry if they're willing to pay more in taxes to compensate and offset for the damage that they're causing to the roads. And they'd say, heavens, no! We want the other suckers to pay. So that doesn't mean anything, Senator Wightman. Senator...oh, I see Senator Fischer is over there--I don't want to seem to be saying anything when she's not here--talked about what funding for the Department of Roads comes from taxes and whatever else, that it doesn't come from the General Fund. What state agency would not like to be in a position to have variable taxing authority? HHS--well, this is what we need, this is what we need, this is what we need. So they come to the Legislature and they say, we need about \$450 million and you say, okay. Then they go raise it with some kind of variable tax. The Roads Department is given favored treatment, unlike that given to any other agency, and there is no effective oversight. I don't care what anybody on this floor says. All you have to do is go out there on the roads and look, but you don't want to deal with that. Senator Heidemann doubted me, so he went to the Roads Department and they said, shamefacedly, yeah, Chambers is right. Senator Heidemann thought I was lying? I'm going to stand on this floor and lie on the Department of Roads? I don't need to. If I knew the whole truth it would be worse than what I'm telling you. And another part of that road is messed up, and he gave the impression that the state is not paying for it. What I said is that the state is going to have to pay part of the cost of repairing it. And after him saying that the Department of Roads did its job,... [LB321]

SENATOR FRIEND: One minute. [LB321]

SENATOR CHAMBERS: ...found out that something was wrong, and that the contractor is going to pay, he said, oh, and there is additional damage and the state is going to

Floor Debate
May 07, 2007

have to pay half of that. What did I say? The state is paying part of it. You all don't listen to me, but I say it for the record, because there are people watching us who say so, and they write letters and e-mails to other senators about it. They understand things. And when you talk about this tax being so small, why were you against a very small percentage of a penny increase on the corn checkoff, to help the ones who are growing the corn? You didn't like that. No, we can't stand that! You all are so inconsistent it is pathetic. You don't listen from moment to moment what you say. That's all I ask of you. Pay attention to what you say this morning, so this afternoon you can put the two things together and admit that you're inconsistent, then explain why you go north when you're talking about the issue this morning,... [LB321]

SENATOR FRIEND: Time. [LB321]

SENATOR CHAMBERS: ...and south when you're talking about the same this evening. (Yelling) Thank you, Mr. President! (Laughter) [LB321]

SENATOR FRIEND: (Whispering) Senator Erdman, you're recognized. [LB321]

SENATOR ERDMAN: Mr. President, members of the Legislature, I am speaking in my normal tone. It's hard to hear after all this shouting. Let me give you a couple options, so that you can figure out what you would like to do, and you can vote accordingly. Senator Kruse says we should look at all the strategies, and I think that's appropriate. As I said earlier, we need to look at not only this area of the budget, but other areas of the budget, because some of you are going to be offering us different strategies to accomplish similar or maybe more than what the Appropriations Committee would have you do under the original bill, LB321. Strategy number one is you adopt...you vote down the White amendment, you advance LB321, and you advance LB323, in the form that they're in. That will generate a 1.8-cent increase in the variable gas tax in the second year of the biennium, based on the projections that we have today. That's strategy number one. That's the status quo. That's if you vote against AM1177 and you vote against AM1229, which is filed on LB323. Strategy number two: You vote for the White amendment. The White amendment reduces the Highway Cash Fund authorization from \$370 million to \$351 million, which is the exact same authorization that's under the first year of the biennium, except for the \$5 million one-time funds that have been allocated to that fund for some specific projects. So it's the same spending or proposed spending for the two years of the biennium, at \$351 million. If you adopt the White amendment, I will then file AM1237 on LB323. AM1237 would authorize \$19 million from the Cash Reserve Fund to the Roads Operations Cash Fund, which would allow us to meet the proposed spending opportunities that the Appropriations Committee would have us attain. In other words, we would be able to accomplish the same thing that the Appropriations Committee would have you accomplish under LB321 and LB323 as it is, but we would do it without the gas tax increase, based on our current projections. The third strategy is if Senator White's amendment fails, which is AM1177,

Floor Debate
May 07, 2007

we would leave the Highway Cash Fund authorization at \$370 million in the second year of the biennium. You would then have the opportunity to vote to adopt AM1229, which is an amendment that's currently filed to LB323, which would transfer \$19 million from the Cash Reserve to the Highway Cash Fund and negate the need, based on our current projections, for the 1.8-cent increase in the gas tax. Senator Fischer said that you should come forward with other suggestions, because this is the only option. Senator White said that all those people that were accusing him of all kinds of unfair and inappropriate things earlier should come forward with their ideas. They're before you. If your concerns are simply the gas tax increase, but you don't want to fund what the Appropriations Committee would have us fund, then vote for the White amendment and against any amendment that I would offer. But if you don't like the gas tax increase, but you believe that there is a need for funding for roads construction in the state of Nebraska, then it doesn't matter what you vote on the White amendment. You can vote for either amendment that I offer on LB323, and you will be able to fund it without a gas tax increase. There are some that would rather vote for the White amendment and against whatever I would offer. That's fine. I'm simply offering you what I would propose. It's filed on LB323 as the way to accomplish it, because that's the bill that deals with the Cash Reserve Fund. We cannot authorize that under LB321. That's why it's not filed as an amendment to Senator White's amendment. [LB321 LB323]

SENATOR FRIEND: One minute. [LB321]

SENATOR ERDMAN: So again, you can vote strategy one, which is the Appropriations Committee's way, and raise the gas tax by 1.8 cents in the second year of the biennium; strategy two, you can vote for Senator White's amendment and maintain the authorization of \$351 million for both years, and then vote for the amendment that I would offer to put the money in the Roads Operations Cash Fund so that we can meet the obligations that the Revenue Committee would like us to meet; or strategy three, you can vote against Senator White's amendment and then vote for my amendment that's currently filed, and it will transfer \$19 million in the Highway Cash Fund. Those are the strategies, for those of you that are asking what they are. I'm not saying that they're the right way go, but they seem reasonable to me, and they are another option. Actually, there's two other options, Senator Fischer, in addition to what the Appropriations Committee has offered us. Thank you, Mr. President. [LB321]

SENATOR FRIEND: Thank you, Senator Erdman. Senator Chambers, you are recognized. [LB321]

SENATOR CHAMBERS: Thank you, Mr. President. Members of the Legislature, I listen to some of the senators talk about 1.8 cents as not being very much--nobody is even going to notice it. Well, it was in these small increments that Nebraska got up to 27.1 cents. Now tell your constituents how much the Nebraska tax is that you put on gasoline and see what they think of you. See, there's a lot of difference between 27.1 cents and

Floor Debate
May 07, 2007

1.8 cents. Don't talk about 1.8 cents. Talk about the totality. It's like a narrow path and it stretches for 20 miles. There is a row of people on each side, and they're all facing that path. There's a young man named Senator Steve Lathrop with a large wicker basket on his back. It is air light--weighs nothing. And as he walks down the path, each person just has a pebble. Each person throws a pebble in his basket. Well, it's not even noticeable at first. But then, after he gets to about the tenth mile, then his legs start to shake because his knees are getting a little weak. Then he walks on further, and everybody is just throwing in a pebble. He reaches a point finally where somebody throws in a pebble and he collapses. You heard the straw that breaks the camel's back? The pebble that broke Lathrop's back. You know what that last person will say? If all those people before me had not thrown in a pebble, mine would not have caused any problem whatsoever. And each of the other says, well, obviously, mine didn't make any difference, because when I threw mine in, he kept walking. But it's the cumulative effect that we have to look at, and these same conservatives who were so concerned about raising taxes and spending are now saying, well, it's just a little bit--it's just a little bit. But as the "Bible" says and "Parson" Carlson can tell you, it is the small foxes that destroy the vines. Here a little, there a little, but you don't want to give the totality. I sure wish Senator Wightman was here. He read my mind. He took off running. (Laughter) Really, I never saw him move that fast. How much time do I have, Mr. President? [LB321]

SENATOR FRIEND: Two minutes and thirty-eight seconds. [LB321]

SENATOR CHAMBERS: He might make it back here by the time I get through, but I'd like to ask Senator Nelson a question. He'll do. [LB321]

SENATOR FRIEND: Senator Nelson, will you yield to a question? [LB321]

SENATOR NELSON: Yes, I will, Mr. President. [LB321]

SENATOR CHAMBERS: Senator Nelson, did I hear you indicate that the person at the pump wouldn't know how much the gas tax is that he or she is paying? Did you make a comment like that? [LB321]

SENATOR NELSON: No, that was Senator Wightman's statement. I... [LB321]

SENATOR CHAMBERS: He was the only...okay. [LB321]

SENATOR NELSON: Yes. [LB321]

SENATOR CHAMBERS: Thank you. Another finger of blame points at Senator Wightman. I'd like to ask...somebody else, it seems, made that statement. Well, I'll just have to wait till Senator Wightman comes back, and maybe get him the next time around. But he was saying that people don't know the amount of the gas tax, and I don't

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

want to ask the question of anybody else that I choose to ask of him. But I do want to make it clear that I support Senator White's amendment, and when I offer...Senator Wightman...how much time do I have, Mr. President. [LB321]

SENATOR FRIEND: One minute and thirty seconds. [LB321]

SENATOR CHAMBERS: Come on, Senator Wightman, come on. (Laughter) Now, Senator Wightman, did I hear you correctly when you said that when we first started the session even members of Legislature probably would not know that the total gas tax was 27.1 cents? Did you say that? [LB321]

SENATOR WIGHTMAN: I did, in fact, say that, Senator Chambers. [LB321]

SENATOR CHAMBERS: Okay. [LB321]

SENATOR WIGHTMAN: I heard my name being maligned (inaudible)... [LB321]

SENATOR CHAMBERS: Okay. Well, not maligned; just calling for you. Senator Wightman, how much was your automobile tax this year? [LB321]

SENATOR WIGHTMAN: How much was my automobile tax? [LB321]

SENATOR CHAMBERS: Yes, how much was it? [LB321]

SENATOR WIGHTMAN: I can't tell you that, either. [LB321]

SENATOR CHAMBERS: Say it again? [LB321]

SENATOR FRIEND: One minute. [LB321]

SENATOR CHAMBERS: You don't know that? [LB321]

SENATOR WIGHTMAN: I don't know that. [LB321]

SENATOR CHAMBERS: Thank you. Now see, he doesn't know that, and it's considerably more than the gas tax. There are a lot of taxes we pay and we don't know the amount, but we don't like to pay them. So that makes my case, and I wish people would be more direct when we talk about this taxation. You're being like Scrooge, you're tightening the screws. Thank you, Mr. President, thank you. [LB321]

SENATOR FRIEND: Thank you, Senator Chambers and Senator Wightman. Senator Carlson, you are recognized. [LB321]

Floor Debate
May 07, 2007

SENATOR CARLSON: Mr. President and members of the Legislature, I'm going to take a risk here, and some of the things I share I'm glad that Senator Chambers talked before me. In our system I believe we've got two regressive taxes. I will agree that the sales tax is regressive, and I would agree that the gas tax, per gallon, is regressive. In addition to those, we raise revenue through income taxes, and we raise revenue through property taxes. I'd like us to look at these four taxes in a little bit different light. I'm going to call the income and the property taxes, they are "we" taxes--we pay them. The sales tax and the gas tax is partially a "we" tax, but it's partially a "they" tax. They help us pay those--people that don't live in Nebraska. And again, I'll refer to some of our discussion as being partially a tax myth, because we had a big discussion on lowering the sales tax a half a cent--we didn't do it to this point--that it was going to be a real victory for low-income people, and lowering our sales tax a half a cent would really amount to less than \$50 a year for most low-income people. If we talked about eliminating the sales tax, then we're talking about a real difference for low-income people. It could make up to \$500 or more a year difference. But that's a serious decision. We aren't going to do that. The gas tax: We've had a lot of discussion now about raising the gas tax 1.8 cents a gallon, and 1.8 cents a gallon to somebody that drives 100,000 miles during the year is less than \$100 difference. Now people who drive that many miles, they got to have some money to buy gas. That's not really much of a difference. In the normal person, it's going to be less than a dollar a month. I appreciate what Senator Johnson said a long time ago today--what we really need to do is reprioritize which roads to build. And so I agree with that, and I think one of the roads that we need to build is that Snowbird Highway from South Sioux City to southwest Nebraska and then think about what happens when we improve the roads in rural Nebraska. We use those roads, we drive more, we go to Lincoln and Omaha more often, and we spend more money, but it's still an economic boost to rural Nebraska to keep our roads good and make them even better. Build the road and we and they will come. But let's be careful about giving up the "they" tax and risk becoming everything a "we" tax. I'd have a real difficult time explaining to people what happened to their income and property taxes because we did away with sales tax and gasoline tax. Thank you, Mr. President. [LB321]

SENATOR FRIEND: Thank you, Senator Carlson. Senator Stuthman, you are recognized. [LB321]

SENATOR STUTHMAN: Question. [LB321]

SENATOR FRIEND: Members, the question has been called. Do I see five hands? I do see five hands. Members, the question is, shall debate cease? All those in favor please vote aye; all those opposed vote nay. Record please, Mr. Clerk. [LB321]

ASSISTANT CLERK: 26 ayes, 2 nays to cease debate, Mr. President. [LB321]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

SENATOR FRIEND: Debate does cease. Senator White, you are recognized to close on AM1177. [LB321]

SENATOR WHITE: Senator Friend, point of order. May I now call the house? Because I do intend to do that and have a roll call vote in reverse order. [LB321]

SENATOR FRIEND: You may call the house. That is your intent, Senator White? And you said a roll call vote. [LB321]

SENATOR WHITE: And then close, yes, sir. I mean, I'll close before the vote, obviously. Let me withdraw that. I'll rather take my time and then we'll call it. [LB321]

SENATOR FRIEND: You are recognized, then, Senator White. [LB321]

SENATOR WHITE: Thank you. I would like to make several points about what we're about to do here. First of all, we are talking about spending \$20 million in additional funds, for which there's never been a hearing in this body. When we sat here during the State of the State, one of the absolutes laid down by the Governor, as necessary for the future prosperity of our people, was controlling spending. I have been pilloried by various good friends over being irresponsible with regard to tax cuts, not balancing the budget. I stand here to tell you I'm ready to take on the Roads Department and their lobbyists on this issue, and alone, on this matter alone, save \$20 million in spending. I ask for you to join me, because it will not be an easy vote. There are powerful lobbyists that want us to spend more, not less, and they don't want to tell you, in fact, you don't know what they will spend it on. I would tell you, if you are a fiscal conservative, if you do wish to vote for controlling spending, if you do wish to secure the future prosperity of this state, as identified by our Governor as being absolutely necessary, you will vote for this amendment and control spending. Spending is essential. It is essential to the future of our state, both when we spend but also when we do not. I would submit to you, spending more, when our people are already deeply suffering over the increase in gasoline, is unfair and irresponsible. I would submit to you that when, in fact, we are looking at gasoline price increases predicted to be as much as one-third higher than they are now--we're at \$3--they are seriously talking about \$4 this year. And what is not being said is that if we increase spending, the gasoline tax increase necessary--because, believe me, consumption will decline because people will not be able to put gas in their tank, they won't have the money, period. So the price, the actual increase, will be far higher than that we are speaking of. And then there is the thought--and it is proffered to you and it is tempting--that we can just spend this out of our savings, and I would submit to you that's irresponsible. That is profoundly irresponsible. We need to teach government to do more with less. We need to teach government, and government bureaucracies like the Department of Roads, to justify their spending, to stand before the elected representatives of the people and say, you must ask them to accept this pain and this is what they will get for it. We have done

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

neither. And for those who say we have been irresponsible in trying to pass on tax cuts, that we were not balancing the budget, I tell you, walk the walk. You've talked the talk, now walk the walk and vote against this \$20 million spending bill. Where I come from, you actually do what you say. You mean what you say, and say what you mean. This is your opportunity. Vote for AM1177. Prove to the voters you're serious about controlling spending. Prove to the voters you're very serious about controlling the tax burden that we have laid on them. Thank you, Mr. President. [LB321]

SENATOR FRIEND: Thank you, Senator White. Members, you have heard the closing on AM1177. There has been a call for the house. Senator White? [LB321]

SENATOR WHITE: I would like to call the house and, if possible, have a roll call vote in reverse order. [LB321]

SENATOR FRIEND: Members of the Legislature, there has been a request to place the house under call. The question is, shall the house go under call? All those in favor please vote aye; all those opposed vote nay. Record please, Mr. Clerk. [LB321]

ASSISTANT CLERK: 38 ayes, 1 nay to go under call, Mr. President. [LB321]

SENATOR FRIEND: Members, the house is under call. Senators, please record your presence. Those senators outside the Chamber please return to the Chamber and record your presence. All unauthorized personnel please leave the floor. The house is under call. All senators are present and accounted for. Mr. Clerk, there has been a request for a roll call vote in reverse order. You may call the roll. [LB321]

ASSISTANT CLERK: (Roll call vote taken, Legislative Journal page 1447.) The vote is 17 ayes, 23 nays, Mr. President. [LB321]

SENATOR FRIEND: The amendment is not adopted. I do raise the call. Next item, Mr. Clerk. [LB321]

ASSISTANT CLERK: Mr. President, the next amendment I have is offered by Senator Langemeier, it's AM1209. [LB321]

SENATOR FRIEND: Senator Langemeier, you are recognized to open on AM1209. [LB321]

SENATOR LANGEMEIER: Mr. President, I would ask to withdraw AM1209. [LB321]

SENATOR FRIEND: Without objection, so ordered. Mr. Clerk. [LB321]

ASSISTANT CLERK: Mr. President, Senator Langemeier would offer AM1213.

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

(Legislative Journal page 1379.) [LB321]

SENATOR FRIEND: Senator Langemeier, you are recognized to open on AM1213. [LB321]

SENATOR LANGEMEIER: Thank you, Mr. President, members of the body. AM1213, if you go to your orange budget book, is Agency 32, Educational Lands and Funds, page 176. What it would do is take the Appropriations Committee's recommendation back to the Governor's current budget, so it would take the dollars from \$400,532 down to \$326,691 in the budget. And I bring this to you just to talk about Educational Lands and Funds. I don't plan to take this to a vote. Actually, the money that I have attacked here is the State Surveyor's Office, who falls under Educational Lands and Funds, not by their own wishing. That's just where they are. And so I don't want to actually do what we're doing here; I want to talk about Educational Lands and Funds. We have an agency out there that was, back in 2004, was chartered on a path to start selling off their property, which I believe there's some question to whether they've actually started to achieve what they were set forth to do by this body, and so that's kind of the pretense here. They currently have 1.34 million acres of land that generates \$42 million--about 8 percent return on your money before expenses. I would argue that we could take that money, put it into a bonding type account and earn a better net return after expenses, instead of having the staff they have and, in return, they go out and oversee these lands, which I would argue, since I'm in the farm management business, I would argue that they're some of the poorly managed land in the state of Nebraska. And there are some poor farm managers out there that are doing a poor job, too, but I would argue that these are the worst, as far as our ranch lands, letting them overgrow with trees, even though their leases say they should, as you rent those, you should be removing the cedar trees. The typical...there's one buyer ranch that is just terribly overgrown with cedar trees, and they seem to do nothing about it. I've had the opportunity to send my staff to one of their meetings, and they indicated to their staff that we were spying on them that day. I thought that was kind of an interesting concept, that the legislative body, that should have some say over what they do, would be considered a spy and not observing what each of us are out there to protect. I think the money they raise goes to a great cause--K-12 education. I think that's extremely important, but however, I question whether the retaining of these assets, competing in the private market for rentals, if this money couldn't be better served (inaudible) in Berkshire Hathaway stock, to be honest with you. The net value, projected net value of this property is \$474.1 million as of 2006, and so I wanted to have a little discussion on that. I will be withdrawing this amendment shortly, but I thought we'd have some discussion. I've talked to the Appropriations Chair, and we are going to look to do an interim study to study whether they're actually selling the ground off like they have been chartered to do, and just an overall look at Educational Lands and Funds and their true usefulness in the way they conduct themselves. And with that, thank you, Mr. President. [LB321]

Floor Debate
May 07, 2007

SENATOR FRIEND: Thank you, Senator Langemeier. Members, you have heard the opening on AM1213. Senator Chambers, your light was first; you are recognized. Senator Chambers actually waives his opportunity to speak. Senator Kruse, you are recognized. [LB321]

SENATOR KRUSE: Thank you, Mr. President and colleagues. I welcome this amendment by Senator Langemeier. Since he's not going to take it to a vote, I'm not going to speak to one side or the other, except to recognize that this is an area that we should be looking at. I'll let our Chair speak to the point of an interim study, which I strongly support. But I think this is a significant moment to inform the body that if we were to pass or not to pass this is absolutely insignificant. This is the only budget of a state agency over which we have no say. We can make it zero on every account, and it would mean nothing. They'd still spend what they want to, and that not only includes various accounts, but it's their cash accounts that they're basically working off of. They don't get money from us. But they can spend that any way they want to, because they are not accountable to the Governor, they are not accountable to the Legislature. They are the only agency that is not so accountable. They are a constitutional agency and, somehow or other, in drawing that up, those who drew it together didn't put supervision into it. So when Senator Langemeier sends his staff over there--I enjoyed that--they're really on foreign ground, because we don't have any right to be there, or there's nothing that we can do or say or comment on. I would hope that we might be able to have an amendment. Senator Fischer has an amendment, a constitutional amendment, in which I have prepared an amendment, that would make their budget accountable to the Legislature. If that comes along, I hope you pay attention. Thank you. [LB321]

SENATOR ERDMAN PRESIDING

SENATOR ERDMAN: Thank you, Senator Kruse. Senator Carlson, you're recognized to speak on the Langemeier amendment, followed by Senator Fischer. [LB321]

SENATOR CARLSON: Thank you, Mr. President. Members of the Legislature, I would like to address a couple of questions to Senator Langemeier. [LB321]

SENATOR ERDMAN: Senator Langemeier, would you yield to a question from Senator Carlson? [LB321]

SENATOR LANGEMEIER: Yes. [LB321]

SENATOR CARLSON: Senator Langemeier, when you introduced this amendment, you indicated how much land is there. What was that? [LB321]

SENATOR LANGEMEIER: According to the Educational Lands and Survey (sic), 2004 through 2006 annual biennium report, they have 1.34 million acres in Nebraska. [LB321]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

SENATOR CARLSON: Now who owns that? [LB321]

SENATOR LANGEMEIER: The state of Nebraska and the Board of Educational Lands and Funds. [LB321]

SENATOR CARLSON: Are there property taxes paid on that land? [LB321]

SENATOR LANGEMEIER: If they rent them out, yes, there are. If they don't, if they're not generating a lease, no. [LB321]

SENATOR CARLSON: And what did you say was the...you said an 8 percent income off of that land? [LB321]

SENATOR LANGEMEIER: According to their report, before expenses--because I can't break down their expenses--but before their expenses, the lease rentals on those properties is \$42,128,000, which is approximately an 8 percent return, prior to expenses, and their expenses are lumped in a big chunk, and they have some--and I'm sorry, I'm using your time--they have some investments that they oversee, as well, so I don't know what expenses go to what. [LB321]

SENATOR CARLSON: All right, but this is under the Educational Lands and Funds division? That's the agency? [LB321]

SENATOR LANGEMEIER: Yes. [LB321]

SENATOR CARLSON: And their duties, other than managing this land, would be to manage some investments, probably from the sale of land that they have sold? [LB321]

SENATOR LANGEMEIER: Right. They have invested that into what they call permanent investments, which that...their permanent investments this year, and I don't know what the total is, the net value of those investments, but it earned them \$20,779,000 last year. [LB321]

SENATOR CARLSON: How many employees are involved, do you know? [LB321]

SENATOR LANGEMEIER: I don't know. They're kind of their own agency; they don't fork over information just the easiest. [LB321]

SENATOR CARLSON: And do you know how much a percentage of land has been sold since this was to have started in 2000 and what? [LB321]

SENATOR LANGEMEIER: The marketing of land was switched in '04, and it's in here,

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

June 30, 2006, it should have started. I'm told there's 22 employees. [LB321]

SENATOR CARLSON: Okay, well, I appreciate you bringing this up. I think this is an area that the Legislature really needs to be serious about and address, and if those...the value of those lands could be turned into better income for our educational system, I think it should be done. Thank you for bringing it up. [LB321]

SENATOR ERDMAN: Thank you, Senator Carlson and Senator Langemeier. Senator Fischer, you are next to speak on the Langemeier amendment, followed by Senator Langemeier. [LB321]

SENATOR FISCHER: Thank you, Mr. President and members of the body. I thank Senator Langemeier for bringing this amendment for discussion purposes on the Board of Educational Lands and Funds. I also thank Senator Kruse for referencing a constitutional amendment that I introduced this year, and it's currently in the Education Committee. The reason I introduced this constitutional amendment was to bring forward the discussion on this board. In 1996, this body passed a bill that required the Board of Educational Lands and Funds to sell their ag land, or the land that they have in land holdings, and to get that down to 25 percent of their portfolio. It is currently at 57 percent. They were supposed to be down to 25 percent of all their investment holdings in land by 2008. Obviously, they're not going to make it. Obviously, they did not follow the law that this Legislature passed in 1996. I have great concerns over that, that an agency of the state of Nebraska would not abide by a law that was passed in 1996. The board and the associate director of that group say that it's their fiduciary responsibility that they have and make the best decisions on how their funds are invested. I don't have an argument with that. We don't want to put that fund in jeopardy, because it is for the children in this state. My problem with the board and the staff is I feel they have blatantly disregarded a law that was passed in 1996 by this body. So I thank Senator Langemeier for introducing this amendment so we could get this on the floor and have a discussion on it. I also appreciate that he will be withdrawing the amendment. Thank you, Mr. President. [LB321]

SENATOR ERDMAN: Thank you, Senator Fischer. Senator Langemeier, you're recognized to speak on your amendment, followed by Senator Friend. [LB321]

SENATOR LANGEMEIER: Thank you, Mr. President, members of the body. I just want to talk about, if you look at...what started this amendment is, is if you look in the orange budget book, if you look at Educational Lands and Funds, you'll see they have a cash appropriation, and that's what we're addressing in this amendment. What first brought this to my attention is, why do we have a General Funds appropriations to a cash agency? Well, that line happens to be the State Surveyor's Office. It just happened to be department two of Agency 32, which is Educational Lands and Funds. So that money all goes to the State Surveyor. And so that was the first thing that brought to my attention

Floor Debate
May 07, 2007

is, why do we have a general appropriations to a cash agency, when we have lots of other cash agencies out there that are self-funding, we don't need to happen? And through some further review, we learned that it was a...what it is, and so we already had the amendment dropped, and I knew I wasn't going to go to a vote, so I said we're just going to use it and put it in anyway and have the discussion. Am I the last? Oh, no, never mind. And so again, I think we're going to...in talking to the Chair of Appropriations, we are going to do a study and look into this a little farther. I think this agency needs some accountability. I think what they generate money for is a great cause--again, from K-12 education. I think it's very crucial, but I think there's some better options out there for our children into the future. And thank you, Mr. President. [LB321]

SENATOR ERDMAN: Thank you, Senator Langemeier. Senator Friend, you are next to speak on the Langemeier amendment, followed by Senator Schimek. [LB321]

SENATOR FRIEND: Thank you, Mr. President and members of the Legislature. Free at last! I was in the penalty box. When we got an opportunity to vote on Senator White's amendment, if anybody paid any attention at all, you'll notice something really, really important, I think. Senator White made some decent points. He convinced me. He also pointed out that there was a vocal minority or majority--I'm not exactly sure how he described it--that labeled him during the revenue process. Has nothing to do with AM1213. I think it's appropriate to discuss this, because I'm going to tell you what I'm going to do on this budget now, if it remains the way it is. Where are those conservative voices, he cried, that were screaming earlier on? Well, let me tell you where this conservative voice was the last four years. I haven't voted for a budget yet. I haven't seen one that I liked. And that last vote, it doesn't matter if Mickey Mouse brought that amendment. To me, that last vote solidified it. Unless we can change that, I don't vote for a budget again, this time around. Am I proud of that? Absolutely not. But that's where the conservative voices were, Senator White. They're here. They've been here. And thank goodness you're here, whether it's pandering or not, thank goodness you're here singing the song now because, quite frankly, three years ago it was a bit lonely. I take offense of this tone that seems to imply that suddenly there's a conservative voice in this body. I take true offense to it. Now, here's what's going to happen, and the strategy has already been laid out. You heard it. The gentleman that sits right behind me laid it out. But you know what? I might not vote for any of his amendments, either. Senator White said something that's true. That is spending that's not needed, and everybody on this floor knows it. Now if I want to call somebody a panderer, I'll do it. Make no mistake about it. I've done it before, I'll do it again, and I'll say what I feel that you're doing either to voters or to this body. The revenue system and the revenue process is different than the appropriations process. It's like apples and oranges. You want to label people in here for their votes, let's start doing that, but you better be darn careful. Those conservative voices are here, folks. And was I screaming on General File? Yes, I was, and I'm doing it again, because I don't believe that I'm staring at the

Floor Debate
May 07, 2007

type of budget that I told my voters five years ago that I would vote for. Appropriations is spending; revenue is trying to come up with the revenue--two different types of approaches to business. Now, if we have options, I say we look at them. But quite frankly, I'm not really in the mood to look at any options after that last vote, not only because the guy that I was following, who I really thought he had a halfway decent idea,... [LB321]

SENATOR ERDMAN: One minute. [LB321]

SENATOR FRIEND: ...decided to group the whole process together. I wonder what that's all about. I'll follow who I want to follow to do the right thing for my constituents, when I want to do it. Comments like that, (inaudible). I've got a record, and I've done what's right, at least what I feel is right, and I'm going to do it again. I can't vote for this budget, not the way we sit. I like the work the Appropriations Committee did. I liked the ones that they did two years ago; four years ago I liked it. But you know what? It wasn't good enough and, quite frankly, I'm in the kind of mood where red looks pretty good to me. Thank you, Mr. President. [LB321]

SENATOR ERDMAN: Thank you, Senator Friend. Senator Langemeier, there are no lights on. You're recognized to close on AM1213. [LB321]

SENATOR LANGEMEIER: Thank you, Mr. President, and I thank everybody for their comments. And I really think this is area that needs some exploring, and we're going to spend some time and go out and look at it in a little more detail. I really think we need to step up to the plate and get this a little more accountable, and make sure they're doing what we need them to do. They are an arm; if they don't fund it, we have to fund education, as well as property tax have to fund education. So we have to make sure those agencies we have out there are maximizing their resources to do that. And with that, I would withdraw AM1213. [LB321]

SENATOR ERDMAN: No objection, so ordered. Mr. Clerk, next amendment. [LB321]

CLERK: Mr. President, next amendment, Senator Stuthman, but I understand, Senator, you want to withdraw at this time and refile at... [LB321]

SENATOR ERDMAN: Senator Stuthman? [LB321]

SENATOR STUTHMAN: Yes, I would respectfully request that I would refile it at the bottom. [LB321]

CLERK: Very good. [LB321]

SENATOR STUTHMAN: Thank you. [LB321]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

SENATOR ERDMAN: So ordered. Mr. Clerk, next amendment. [LB321]

CLERK: Mr. President, Senator Dwite Pedersen has AM1203 but he is excused, Mr. President. (Legislative Journal page 1418.) [LB321]

SENATOR ERDMAN: Senator Aguilar, for what purpose do you rise? [LB321]

SENATOR AGUILAR: I've been asked to carry the amendment for Senator Pedersen. [LB321]

SENATOR ERDMAN: Senator Aguilar, you are recognized to open on AM1203 on behalf of Senator Pedersen. [LB321]

SENATOR AGUILAR: Thank you, Mr. President, members. I rise to bring this amendment, which would restore the original funding recommended by Governor Heineman for the Nebraska Lied Main Street Program. In his original budget, the Governor recommended funding in the amount of \$113,850 for fiscal year '07-08, fiscal year '08-09. The Appropriations Committee declined to recommend funding for the '08-09 fiscal year. This amendment simply restores that funding in the amount of \$113,850. For those of you who are not familiar with the Nebraska Lied Main Street Program, it's a wonderful example of what can be done when private funding and government funding come together with dedicated volunteers interested in revitalizing main street districts in communities throughout our state. There are exciting projects that have been done across the state of Nebraska. This is truly a statewide venture that is providing jobs and economic development across the entire state, not just in the eastern section of Nebraska. In Burwell, a number of new businesses have opened and there is new interest in preserving the historic flavor of the downtown core of this community. In Elkhorn, the Elkhorn Station Main Street Program has received enthusiastic support from the Elkhorn community, which is working hard to restore the commercial core of Elkhorn. In Fremont, the community received Main Street enhancement program funds for a lighting project that restored historic streetlights in the downtown area in conjunction with the successful public art project that helped to raise matching funds. Geneva has received a grant from the Federal Home Loan Bank of Topeka to utilize for improving storefronts. They are raising money for the project by selling Revitalize Geneva candles. In Lexington, they are using designs provided by the Nebraska Lied Main Street design team to expand their historic lighting and facade renovation projects. Plattsmouth has worked with the program to revitalize the Missouri River community and has utilized the information gathered to work in their economic restructuring committee to fill once-vacant storefronts. In Sidney, Nebraska, \$100,000 in matching funds from the Sidney corporations are being offered to properties that renovate according to recommendations made by the Historic Preservation Board using Main Street design guidelines. Citizens of Wayne have joined together to keep

Floor Debate
May 07, 2007

downtown thriving and residents shopping during their downtown highway reconstruction project. All across the state, the Nebraska Lied Main Street staff is benefitting local business districts by providing support and the expertise necessary to get these projects moving along. In many downtowns, having people who know the ins and outs of design, planning, grants, and such is very important to getting these projects from the dream stage to the implementation stage. By the way of background, the Nebraska Lied Main Street project was established in 1994 with Lied Foundation trust money. In 1998, Christina Hixson agreed that the Lied trust would provide \$130,000 per year for ten years if matching funds could be found. The state has since provided approximately \$1 million and Christina has provided \$2 million. The most exciting part of this is that the return on the total investment, both public and private, is \$16 for every \$1 invested. If you just take the state investment, that jumps to \$40 for every \$1 invested. Over the years, the Nebraska Lied Main Street Program has provided 11,000 new jobs, \$48 million in reinvestment in buildings on main streets throughout the state of Nebraska, the bulk of which has been private money. The average cost per job created is approximately \$1,200. In the world of economic development, this is a real bargain. It is my understanding that the Appropriations Committee cut the funding for the '08-09 fiscal year because the Hixson matching funds are only provided through '08. I have been assured that other private money will be available to replace these funds and match the state's contribution. This is truly a small investment that will provide large benefits for communities across the state. I believe that by restoring the \$113,850 to the budget, we will be gaining much more benefit than what we are spending. And I urge you to join me in voting for this amendment. Thank you, Mr. President. [LB321]

SENATOR ERDMAN: Thank you, Senator Aguilar. Members, you've heard the opening on AM1203. Those senators wishing to speak are Senator Heidemann, Senator McDonald, and Senator Wallman. Senator Heidemann, you're recognized to speak on the Pedersen amendment. [LB321]

SENATOR HEIDEMANN: Thank you, Mr. President and fellow members. Just to let you know how we came to the position of what we're at right now, I'm not arguing this isn't a good program, not whatsoever. We funded it in '07 and '08 because we think it's a good program. What we're doing is we're sitting and waiting. And we're going to flag it, we're going to come back, and we're going to look at it next year when we come back in session and to see if that private funding is there. And if that private funding is there, I am confident that this committee will come in and restore that money to match that. And I don't think there's a problem whatsoever with the program, what they do and what they've accomplished. I think the Appropriations Committee probably applauds that. All we're doing is doing a wait and see to see if they get that private funding. If they do, I hope, and it's my belief, that the committee would come back in and restore that money that we took out in the second year. We do not have to do this, this year. There is funding in '07-08. It is in '08-09, which we can address next session when that private funding comes in. We'll see it and we'll address it at that time. So for the time being, I

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

ask if you would please oppose AM1203 and give us time to see if those private funds come in. And at that time, we can match. Thank you. [LB321]

SENATOR ERDMAN: Thank you, Senator Heidemann. Senator McDonald, you're recognized to speak, followed by Senator Wallman. [LB321]

SENATOR McDONALD: Mr. President, members of the body, this program has been very, very effective to my district and as I'm looking at other areas in the state of Nebraska that have been beneficiaries of this. Burwell was just one of them, but Fremont, Grand Island, Lexington, Geneva, Elkhorn, Beatrice...lost my place here...Sidney, Wayne, Plattsmouth, McCook. Communities all over the state of Nebraska have reaped benefits from this program. So I think we really need to look at funding these programs to the best we can because that's what sustains economic development in the state of Nebraska. As we are having declining population in many of the rural areas, we need every bit of help that we can. And even a few dollars' cut make a lot of difference in the benefits that our communities receive. So I think we need to take a good hard look at a budget cut in these programs. And so I fully support Senator Pedersen's approach of maintaining this program at its full levels and not the Appropriations' cut on this. And I understand the Appropriations' stand. They're all sticking together. It's the committee Chair and all of them stand up and scare us away, but let's not look at that. Let's look at what's right for the state of Nebraska. They're only nine votes. We can do it without them. So let's stick together and move something. Thank you. [LB321]

SENATOR ERDMAN: Thank you, Senator McDonald. Senator Wallman, you're recognized to speak on the Pedersen amendment, followed by Senator Fulton. [LB321]

SENATOR WALLMAN: Thank you, Mr. President and members of the body. And thank you, Senator McDonald and Senator Pedersen. And I think that's quite a bang for the buck when you get here, when it says, you know, when you get this much things back for what you pay for. Just for instance, Beatrice is once known as the queen city of the Blue for its distinctive Queen Anne architecture. And they're fixing up these old buildings and it looks really nice. And it's a community of about 12,500 and it's mostly on the banks of the Blue and the early commerce route of the St. DeRoin Trail to an economic crossroads; local manufacturing of national importance, like Dempster and those, and they also build church pews there. And that manufacturing plant helps also redo these old buildings. And it's in my district, I'm proud of Beatrice. And if you get this much return for your money, as it shows on this sheet here, 1,200 new jobs created and hardly any cost, and I appreciate the funding we get for this year. But let's not put them at risk for next year in case, you know, a different legislative body might have a few different ideas. And let's have a little continuity. If you want economic development, you got to have economic continuity. And so I'd appreciate your vote for this amendment by Senator Pedersen. Thank you, Mr. President. [LB321]

Floor Debate
May 07, 2007

SENATOR ERDMAN: Thank you, Senator Wallman. Senator Fulton, you're recognized to speak, followed by Senator Pankonin. [LB321]

SENATOR FULTON: Thank you, Mr. President, members of the body. Early on, I went back to my notes when we first...when the Appropriations Committee first looked at this particular program. And let me place this in context. We learned that the matching funds that were to accompany this program were going away. And so we were faced with a decision as to whether or not we would replace those matching funds with General Funds dollars. And I can tell you, by way of precedent, at least what I've learned in the short time that I served on the committee, is that any time there are matching funds, be they federal funds or what have you, that go away, Appropriations Committees in the past have resisted the temptation to match or to replace those matching funds because there are so many ways that we would have to follow that precedent. And so this isn't...this was a difficult decision but it's made with some history behind it. So what we did was to take the offering, that is the offering that was made to us. This is a place that could be cut within this particular Agency 72. And we didn't take the first year in the biennium. We allowed that to remain. It was the second year in the biennium where we removed, I think it's, \$113,850 or \$113,000. Senator Wallman, there will be some continuity here. Your question as to whether or not there would be continuity within the personnel that are on the Appropriations Committee. This is something that we could come back and look at in the second year of the biennium. The same nine people that serve on the committee will be the same nine people that will have made this particular cut. So if indeed there are matching funds that will replace those private dollars, then it could remain the prerogative of this Legislature and it would remain the prerogative of the committee to reinstate these General Fund dollars, but not until there's confirmation that those matching funds exist. Secondly, this is something else that...it's an opportunity to share a little bit of the difficulty that I have experienced on the Appropriations Committee and that my colleagues on the committee have experienced, too. There are a number of worthwhile programs and agencies and projects and initiatives that probably deserve funding based on their intention alone. But unfortunately, we cannot fund things based on intention alone. Were that the case, there are a lot of things that I intend to do at my house that I don't have the money to do. That's the same situation that we find ourselves here. While it's tempting to think that we have money, that extra money that we've collected by way of sales tax revenue or income tax revenue or tax revenue, what have you, it's tempting to be able to spend that money freely. But we tried to bring this budget down to an acceptable level. The past 20 years the budget has been at 7 percent, 6.9 percent. This budget we've submitted is at 4.5 percent and we had to make tough decisions in order to get there. But it's something that I believe the people of the state of Nebraska wanted. So if we were to reinstate this money based on the good intention, which it is admittedly a good intention, I have family in Burwell and I would like to see this type of money used so that economic development could occur in central Nebraska. But it needs to be offset. If

Floor Debate
May 07, 2007

we're going to put \$113,000 back into the budget, then it ought to come out of another place in the budget. In other words, rather than argue that this is a good intention, I think we all can agree on that, a more persuasive argument as to why this money should be reinstated is that it is a higher priority than another place in the budget. And so to the proponents of putting this money back, I'd respectfully ask, where should the money come from... [LB321]

SENATOR ERDMAN: One minute. [LB321]

SENATOR FULTON: ...within the budget? In this way, we might be able to find an agreement such that the budget itself won't increase, at least percentagewise. But by way of priority, the committee has spent several months finding where those priorities are. And as this matching money is going away, we felt that this particular expenditure didn't merit the priority of other important expenditures within the budget. So this isn't any different than what we experience in real life. There are lots of things that all of us want to fund by way of good intention. But the reality is, there's a limited pot of money. And so it's fair to ask where this money should come from if we're going to reinstate it here. Thank you, Mr. President. [LB321]

SENATOR ERDMAN: Thank you, Senator Fulton. Senator Pankonin, you're recognized to speak on the Pedersen amendment, followed by Senator Harms. [LB321]

SENATOR PANKONIN: Thank you, Mr. President and members of the body. Would Senator Fulton answer a question? I'm sorry to get you back up. [LB321]

SENATOR ERDMAN: Senator Fulton, would you yield to a question from Senator Pankonin? [LB321]

SENATOR FULTON: I will. [LB321]

SENATOR PANKONIN: Senator Fulton, appreciate your comments on priorities and I want to ask you just a couple questions. First question would be, was Governor Heineman's budget a smaller, tighter budget than the one the Appropriations Committee recommended? [LB321]

SENATOR FULTON: The overall budget? [LB321]

SENATOR PANKONIN: Yes. [LB321]

SENATOR FULTON: Yes, it was. [LB321]

SENATOR PANKONIN: And is it true that he recommended this program in his budget? [LB321]

Floor Debate
May 07, 2007

SENATOR FULTON: I believe that that is true, yes. [LB321]

SENATOR PANKONIN: Okay, the point being, when you talk about priorities, I think the reason Governor Heineman had this program in his budget is because of the importance of it and the leverage and the financial successes that have come from it. And I'm going to give you some examples. My district, District 2, has several significant historic main streets that our citizens are working to revitalize. The main street program has been a critical component to the successes in my county seat of Plattsmouth. And I want to give you specific numbers that show what's happened from the year 2001 through 2006, over those six years. The number of building and facade rehab projects that were started and completed, 19; the rehab investment, \$234,875. The new construction, which included two locally owned banks rebuilding their facilities in the downtown area and even using some of the old facades, and the new construction was historically themed to match. The new construction investment was \$14,192,000. The net business gain of businesses during that period on that main street, three blocks long, 13; the net job gain, 98. The program expenditures from this program, the match and everything that went into it, was \$173,998, and that was leveraged to provide for \$14,544,000; tremendous leverage, financial advantage for our community, Cass County. All of us in Cass County and the citizens of Plattsmouth have used this improved main street to host new community events, feel good about attracting visitors to our area, and they spend money when they come. And these improvements will lead to additional investments in our county. I ask for your support of this amendment which, as has been stated, was recommended by the Governor in his original budget. I think there's reasons for that, because of the tremendous success, tremendous financial leverage that this program has had. Thank you. [LB321]

SENATOR ERDMAN: Thank you, Senator Pankonin and Senator Fulton. Senator Harms, you're next to speak, followed by Senator Wightman. [LB321]

SENATOR HARMS: Thank you, Mr. President and colleagues. There's no question that this main street program is a great program. And, Senator McDonald, you know, I don't disagree with you. It's done some wonderful things. The issue that we have here is, the simple fact is, that its private dollars and its matching is gone. And it's really what of a public policy that this body can change whatever you like. The Appropriations Committee is simply saying to you that we're unwilling to take the risk that those private dollars will be there or any other funds will be there. And historically, as Senator Fulton has said, we've just not done that. And if you want to change that policy, that's up to you. The only thing I'm going to say to you is, when the next one comes by how do we say yes or how do we say no? What criteria will you use to make that decision? I can tell you that in the Appropriations Committee, I don't think there was one individual who said this is not a good program. We don't like what we have to do here. And I will tell you that I'm quite sure that we'll be back next year if those matching dollars are there

Floor Debate
May 07, 2007

and we will pursue that. This matching program has been for about ten years and it's coming to an end. This will be the last time we'll have those funds committed. And I would just urge you to not support this and leave us with the public policy that we have now not to replace funds that we don't know are not going to be there. So there's no question that it's a good program. There's no question that it does some wonderful things in all parts of Nebraska. And I guess you just...I'm quite sure that if the matching dollars are there, we'll be back, and you can hold us accountable for that. Thank you, Mr. President. [LB321]

SENATOR ERDMAN: Thank you, Senator Harms. Senator Wightman, you're next to speak on the Pedersen amendment, followed by Senator Adams. [LB321]

SENATOR WIGHTMAN: Thank you, Mr. President, members of the body. I can't do much more than to reiterate what Senator Fulton and Senator Harms said. It's like Senator Heidemann said, as Chair of our committee, that we reviewed this with every idea that we probably will come back to this next year, particularly if federal matching funds are there. Senator Pankonin raised an issue as to whether the Governor's budget was leaner than ours and he had this included. I think it should be pointed out that many things changed after the Governor submitted his budget. One of those things was that the special master's report came in and at a cost of several million dollars. This coming year of the biennium and quite a lot more than that in the second year of the biennium, we had to, as a committee, find places to fit all of those again into the puzzle, if you will. The federal matching funds are a real problem because of the fact that we have so many different programs that are instituted by the federal government, that they make matching funds available. But those matching funds are only available for a limited number of years and it becomes a real issue for the Appropriations Committee to decide whether we are going to pick up the portion of that program that had previously been funded by the federal matching funds. And so that's a decision we have to make, I would say numerous times every year. The federal funds have been terminated for a particular purpose and we have to determine whether we're going to continue that program and at what level we're going to replace the federal matching funds. So it is a real issue. I agree that this program, main street program, is an excellent program as you heard. I think maybe Senator Aguilar stated that Lexington was one of the beneficiaries or recipients of that program. They were, in fact. Lexington has done good things with it. But I am sure we will revisit this issue next year. And again, I would ask you to, if you do see fit to vote against the amendment and the amendment is defeated, to hold our feet to the fire and make sure we do review this next year. But I am asking you to support the committee on this and vote against the amendment. Thank you, Mr. President. [LB321]

SENATOR ERDMAN: Thank you, Senator Wightman. Senator Adams, you're recognized to speak on the Pedersen amendment, followed by Senator Karpisek. [LB321]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

SENATOR ADAMS: Thank you, Mr. President. And I know I'm going to sound like a broken record, but for the record, Senator Heidemann, could you answer a question for me, please? [LB321]

SENATOR ERDMAN: Senator Heidemann, would you yield to a question from Senator Adams? [LB321]

SENATOR HEIDEMANN: Yes. [LB321]

SENATOR ADAMS: Senator Heidemann, let me clear this up. What the Appropriations Committee is recommending here is not doing away with the Lied Main Street Program. Is that correct? [LB321]

SENATOR HEIDEMANN: Not whatsoever. Yeah, we put money into the first year and we're sitting there waiting to see what is going to happen the second year with the thought that we're going to come back and take a look at this and see what happens. [LB321]

SENATOR ADAMS: All right, so... [LB321]

SENATOR HEIDEMANN: We do not...this is a good program. We do not want to cut this program. [LB321]

SENATOR ADAMS: All right, thank you. So for the first half of this biennium, it's funded, it's still there, cities can still use it. [LB321]

SENATOR HEIDEMANN: Sure, yes. [LB321]

SENATOR ADAMS: All right. Thank you, Senator. The only thing that I would say is that the community that I represented as mayor, we were members of the Lied Main Street Program. They were right there, I mean literally within days after the fire there in York, and they were making recommendations. And it's a great concept. But it's not gone away. It's still there. And at this point, despite how good the program is, I'm inclined to agree with the Appropriations Committee that unless the matching funding is followed, makes it pretty tough to preserve some of these things. I'm sitting here with a stack of e-mails, and I'm sure you've all got them, too, about autism funding. I'm concerned about funding for cities, state aid to education, all of those things. And we're all going to have to make some priority decisions. This is one that I think I can make now because the program is still intact. Next year, I might have to look at it differently. Thank you, Mr. President. [LB321]

SENATOR ERDMAN: Thank you, Senator Adams. Those wishing to speak on the

Floor Debate
May 07, 2007

Pedersen amendment are Senator Karpisek, Senator Nantkes, Senator Heidemann, Senator Aguilar, Senator Kopplin, Senator Christensen, Senator Nelson, and Senator Pirsch. Senator Karpisek, you're recognized to speak. [LB321]

SENATOR KARPISEK: Thank you, Mr. President, members of the body. My concern about not funding it now is, what if the private investors have the same idea that we've heard here today--well, let's wait and see if the Legislature funds it; why should I put my money into it if they don't? I think this is way too important of a...for the whole state, it's just too important to let this fall by the wayside if we don't step up and do it. As mayor, Senator Adams got to work with the Lied Main Street. I was not so fortunate. We weren't able to get the funds that went with the Main Street Program, and I hope that everyone has a chance to do that because I know they do a wonderful job. And hold your feet to the fire? I plan to hold your feet to the fire on this vote and get it in there now and not on next year. The money has been there, it will be there. I think it's up to us to step up and say we will be here first; you people please bring more and let's do it together. I don't think it's right for us to stand back and let them come to us. We keep talking economic development, we keep talking all sorts of things. But then, when things might get a little bit iffy, we want to sit back. We need to stick our necks out on this one. I want to thank Senator Aguilar for picking up the ball on this one because it is very important. Thank you, Mr. President. [LB321]

SENATOR ERDMAN: Thank you, Senator Karpisek. Senator Nantkes, you're recognized to speak, followed by Senator Heidemann. [LB321]

SENATOR NANTKES: Thank you, Mr. President, colleagues. I rise in opposition to this amendment. And as already noted by other members of the committee, the fact that this additional funding in the second year was not included in our budget proposal does not mean that it isn't a legitimately good idea. It's a great program that's done good things for many, many communities in Nebraska. But as Senator Fulton and others noted, at the end of the day we have to prioritize. And at the end of the day, we have to try and adhere to the unwritten rules of our process and avail ourselves to them. As such, I think that this is an appropriate decision to not continue funding in the second year because of the lack of matching funds, etcetera. And so at the end of the day, I think that looking at different priorities within the Department of Economic Development, that this was one item where we could find some efficiencies and hopefully further other economic development activities in more, maybe even in a strengthened manner. So with that, I yield the balance of my time to the Chair. [LB321]

SENATOR LANGEMEIER PRESIDING []

SENATOR LANGEMEIER: Thank you, Senator Nantkes. Senator Heidemann, you are recognized. [LB321]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

SENATOR HEIDEMANN: Thank you, Mr. President, fellow members of the board. Senator Pankonin talked before and I totally agree with him about what this program does. And we've never had a problem, the Appropriations Committee. I think Senator Fulton might have even touched base on it, what this has been able to accomplish, what this does for main street, Nebraska. And we're not arguing that. All we're doing is saying we're going to wait and see, the private funding comes in. We're going to come back in, take a look. I've talked to the Fiscal Analyst. We've got it red-flagged. We're making the commitment to come back and take a look at this. I'd like to ask Senator Pankonin a question, if I could. [LB321]

SENATOR LANGEMEIER: Senator Pankonin, would you yield to a question, if the Speaker would step aside? [LB321]

SENATOR PANKONIN: Yes, I will. [LB321]

SENATOR HEIDEMANN: We got a good program right now and the only problem we have is probably some private funds going away. The private funds go away and the Legislature is...we're on record today. We're on record to say if these private funds come back, we're going to come back and take a look at this program and probably fund it again. What does that do to those people that need to go out and look for those private funds? [LB321]

SENATOR PANKONIN: It probably does make them work harder to get them. [LB321]

SENATOR HEIDEMANN: It incentivizes them, you "betcha." Don't...if you like this program, don't vote for this amendment and let them go out there and look for their private funds. Give them a little bit of urgency to say, hey, we need to do this and let's get it done. I don't think the Appropriations Committee has a problem with this, Senator Pankonin, I really don't, because it is a good program. It has done great things in your community and a lot of communities across the state of Nebraska. I don't do this very lightly but I will make the commitment to this body that if those private funds are raised, the Appropriations Committee will look at this. And I will urge the Appropriations Committee to look upon it favorably. And I make that commitment today. But at the present time, I ask that you please don't support AM1203 and give these private people, the people that are raising these private funds, some incentive to go out and raise them again. Thank you. [LB321]

SENATOR LANGEMEIER: Thank you, Senator Heidemann. Wishing to speak, we have Aguilar, Kopplin, Christensen, Nelson, Pirsch, Mines, and others. Senator Aguilar, you are recognized. [LB321]

SENATOR AGUILAR: Thank you, Mr. President and members. One of the things that I'd like to...first of all, let me say I really appreciate the Appropriations Committee's unity

Floor Debate
May 07, 2007

on this, as always. You know, they have a tough job ahead of them and I respect that and I respect their unity and sticking together on something like this. I do question, however, that if you are going to cut a program, especially a small program, why would you cut a program that has a 40 to 1 return on its investment? That's a difficult part for me to understand. And I also submit to you that it's a lot easier to get grant money if the state funding is already in place. The other thing I'd like to talk about is this handout that Senator Pedersen passed around. That shows me on the very bottom of this handout that the funding is already in place. The private funding is already there. And every one of you have this handout in front of them, including members of the Appropriations Committee. And I wish they would take a serious look at that and comment on that, if they would. With that, I'd yield the rest of my time, Mr. President. [LB321]

SENATOR LANGEMEIER: Thank you, Senator Aguilar. Senator Kopplin, you're recognized. [LB321]

SENATOR KOPPLIN: Thank you, Mr. President, members of the body. Actually, I guess I'm just going to echo what Senator Aguilar said. Because this is one of those programs that has a huge payoff, the small amount of money invested in this brings back tremendous returns. And we should have the money in place before we go seek matching funds. It's much easier on the people who are trying to fund the program to be able to say, well, we have the money but we have to match it, can you help us? This is a huge return on a small investment. I don't think we should mess with it. Let's keep it in place. And I realize that your aim is, well, we'll look and see again next year, if we have the matching funds then we might put it back. I don't think we should operate that way. Let's put the funds in. Let the people go and get their matching funds and keep this huge return coming. Thank you. [LB321]

SENATOR LANGEMEIER: Thank you, Senator Kopplin. Senator Christensen, you're recognized. [LB321]

SENATOR CHRISTENSEN: Thank you, Mr. President. Just want to stand and say I appreciate Senator Pedersen's amendment here. You know, I just read a little bit of what it says here about McCook: Downtown restaurants offer a variety of food and snacks; historic Keystone Hotel, where a basement speakeasy once thrived during the prohibition era and the politicians made speeches from the balcony, is being developed; a German heritage festival highlighted by storytellers known as the Buffalo Commons, is summer highlight concert. This old hotel stands on that brick street and been used in this program with them great returns that we have seen that's been talked about. I don't want to keep repeating. But you know, it's tough once we cut a program but wants to get it back. And that's my concern. I do appreciate Appropriation Committee's work. But I stand in support of this amendment. This time, I'd yield my time. Thanks. [LB321]

SENATOR LANGEMEIER: Thank you, Senator Christensen. Senator Nelson, you're

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

recognized, followed by Pirsch, and Mines. [LB321]

SENATOR NELSON: (Microphone malfunction)...time to speak at this time. Thank you. [LB321]

SENATOR LANGEMEIER: Thank you, Senator Nelson. Senator Pirsch, you're recognized. [LB321]

SENATOR PIRSCH: Thank you, Mr. President, members of the body. I'll call the question. [LB321]

SENATOR LANGEMEIER: The question has been called. Do I see five hands? I do see five hands. The question before the body, shall debate cease on AM1203? All those in favor vote yea; all those opposed vote nay. Have all those voted that wish to? Record, Mr. Clerk. [LB321]

CLERK: 26 ayes, 1 nay to cease debate. [LB321]

SENATOR LANGEMEIER: Debate does cease. Senator Aguilar, you are recognized to close on AM1203. [LB321]

SENATOR AGUILAR: Thank you, Mr. President, members. Again, I just want to reiterate some of the things I talked about. Senator Karpisek said we need to hold their feet to the fire right now. I agree, I think we do, too. You know, they have a good argument that says, you know, where do we find the money? I submit to you that the money was there. It was in the Governor's budget. They're the ones that took it away. Now their strongest argument is, well, if we had matching funds, we'd be there. There's a paper everybody has in front of them that shows the matching funds is there. I'm having a hard time understanding that part of it. The matching funds are there. This is a great program, 40 to 1 investment return. You can't do that well with Berkshire Hathaway. For that reason alone, I ask you to support this amendment. Thank you. [LB321]

SENATOR LANGEMEIER: Thank you, Senator Aguilar. You have heard the closing on AM1203. The question before the body is, shall AM1203 be adopted to LB321? All those in favor vote yea; all those opposed vote nay. Have all those voted that wish to? Senator Aguilar, for what purpose do you rise? [LB321]

SENATOR AGUILAR: I'd ask for a call of the house. [LB321]

SENATOR LANGEMEIER: There has been a request to put the house under call. The question is, shall the house go under call? All those in favor vote yea; all those opposed vote nay. Record, Mr. Clerk. [LB321]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

CLERK: 31 ayes, 2 nays, Mr. President, to place the house under call. [LB321]

SENATOR LANGEMEIER: The house is under call. Senators, please return to the Chamber and record your presence. Those senators outside the Chamber please return and record your presence. All unauthorized personnel please leave the floor. The house is under call. Senator Aguilar, how do you wish to proceed when we're all here and accounted for? [LB321]

SENATOR AGUILAR: Roll call vote, regular order. [LB321]

SENATOR LANGEMEIER: Thank you. Senator Hansen, would you please check in? Senator Ashford, would you please check in? All members are present or accounted for. There has been a request for a roll call vote in regular order. The question is, shall AM1203 be adopted to LB321? Mr. Clerk, please call the roll. [LB321]

CLERK: (Roll call vote taken, Legislative Journal page 1448.) 18 ayes, 23 nays, Mr. President, on the amendment. [LB321]

SENATOR LANGEMEIER: Thank you, Mr. Clerk. AM1203 is not adopted. Mr. Clerk? With that, I raise the call. [LB321]

CLERK: Senator McDonald would move to amend, AM1166. (Legislative Journal page 1423.) [LB321]

SENATOR LANGEMEIER: Senator McDonald, you are recognized to open on AM1166. [LB321]

SENATOR McDONALD: Mr. President and members of the body, critical shortages in healthcare workers...in health workers loom if steps are not taken to change the trend. We just received something from Health and Human Services that talks about the shortages of medical people that we have in the state of Nebraska. My amendment, AM1166, can change that. This amendment appropriates \$250,000 this year and \$500,000 next year for the Nebraska Area, AHECs, Education Centers for AHECs. AHECs identify, target, and promote healthcare professional careers across Nebraska, particularly in underserved urban and rural communities. There are five AHECs in Nebraska. Central Nebraska AHEC in Grand Island is the oldest. It was founded in 2001 and serves 34 counties. The Northern Nebraska AHEC in Norfolk was founded in 2002 and serves 26 counties. Nebraska Panhandle AHEC in Scottsbluff was founded in 2004 and serves 14 counties. Southeastern Nebraska AHEC in Beatrice was founded in 2005 and serves 18 counties. The Omaha Urban AHEC on South 36th Street was also founded in 2005 and serves Douglas County. AHECs are not-for-profit organizations established through the Title VII of the Public Health Service Act. Federal core funding

Floor Debate
May 07, 2007

passes through the UNMC to AHECs via contractual relationships. Each AHEC is eligible for federal core funding for six years. States can only receive federal core funding for a total of 12 years. Nebraska's federal core funding runs from 2001 through 2011. Once all five AHECs are off federal core funding in 2011, Nebraska can reapply for and receive federal basic funding. And I think that's a key part of this amendment, is because once all five AHECs are off federal core funding in 2011, Nebraska can apply for and receive federal basic funding. And so what we're asking for is just dollars to get us through four years to get back on that basic core funding. Because if we do not fund this, we're not sure that we will continue the AHECs so they have the opportunity to come back in four years to receive that basic core funding. A state cannot receive federal core funding and federal basic funding at the same time. Nebraska won't be eligible for federal basic funding until 2011. So over the next four years, the first three Nebraska AHECs will go off the federal core funding. Unfortunately, these three AHECs won't be eligible for that funding until 2011, when all the rest of them go off funding, because they were not established at the same time. I'm asking the state to provide transitional funding for the AHECs during this four-year period. It is the state's best interest to provide that transitional funding to the AHECs. Over the past five years, AHECs have contributed over \$8.7 million to Nebraska's economy through nonstate funds. Since 2001, the AHECs have provided continuing education locally to healthcare professionals. They have contributed more than \$500,000 toward equipment for the Nebraska Telehealth Network. They've assisted more than 437 health professional students annually to complete their clinical education with 283 volunteer facilities and 166 rural practice settings. They've increased the number of 8th grade science meets from six to ten to allow those kids to understand that they could have a career in the medical field. Central Nebraska AHEC developed the first of its kind video medical interpreting service that is now available statewide to assist Latino communities in receiving quality, culturally appropriate care. Northern Nebraska AHEC is developing an online HIPAA testing program for the use with 1,450 job shadowing experience for the healthcare career students. AHECs have strengthened Nebraska's health profession pipeline and help us grow health professionals that will practice in the state of Nebraska. My amendment requests state funding for less than 20 percent of the annual cost of the Nebraska AHEC program. And let me reiterate to you that they receive dollar-for-dollar in-kind matches from their communities. The AHECs plan to use state funds to leverage community support, private grants, other federal grants, and university funding for the remainder of their funding needs. AHECs work with hospitals, care centers, health departments, and schools to recruit, train, and retain medical professionals. AHEC's services and programs make the provision of healthcare cross Nebraska easier, more accessible, and more convenient for all of us. AM1166 asks for \$195,000 less over the next two years than LB438 was requested, and that was my original bill. AM1166 asks for \$250,000 for the first year and \$500,000 for the next year. AHECs have agreed to only seek funding for four years so they can get to 2011 so they can go back on the basic core funding. UNMC has agreed to reduce their percentage for administration to 5 percent and currently they receive 10 percent of federal funding

Floor Debate
May 07, 2007

for the fiscal oversight and compliance. It is in the state's best interest to maintain these programs with our state funds for the next four years, rather than let them fall by the wayside due to the lack of financial support. Please support this amendment and provide transitional funding for Nebraska AHECs. And I say it's only for four years, so they can get back on the federal basic funding. Because what has happened in the state of Nebraska, all the AHECs came on at different times. And so, through that transition period, we have some dropping off before others are able to...where they will continue to maintain the federal funding. So if we can do that, the transitional period, so they can all go back on that basic core funding, otherwise we have a chance of losing our AHECs. Our AHECs are very important in maintaining our healthcare industry across rural Nebraska. We have declining doctors, declining numbers of dentists, and those in the healthcare professionals. And we realize that if we don't grow our own, it's very difficult sometimes for a doctor from New York City to come into Nebraska and enjoy the type of lifestyle that we have grown to love. So please support this amendment, fund AM1166 and so we can retain our AHEC's funding for two years with our amendment and allow them to be in existence in our state. I understand the program. I know that the people on the Appropriations Committee will come up and oppose this, like they have done all the other ones. But this is a very important program, and we cannot afford to lose our medical professionals. So we have to grow our own sometimes and this allows us to do that. Thank you. [LB321 LB438]

SENATOR ERDMAN PRESIDING [LB321]

SENATOR ERDMAN: Thank you, Senator McDonald. Members, you've heard the opening on AM1166. Those senators wishing to speak to the McDonald amendment are Senator Heidemann, Engel, Johnson, Pirsch, and Harms. Senator Heidemann, you're recognized to speak. [LB321]

SENATOR HEIDEMANN: Thank you, Mr. President and fellow members. I do rise up in opposition to AM1166. I will say that this program does do some good things for the rural areas. I'm not going to argue that. What I am going to tell you is that this is a loss of federal funds. And the Appropriations Committee has a pretty set policy that we cannot start to go there. If we start to make up every time that there is a loss of federal funds, we will be in trouble as a state. Our budget will be in trouble. The federal government is notorious for starting programs and giving you some funding to start those programs and then they walk away from them, leaving the states to either pick it up or they die. When this was started, when these grants were giving out, they knew that these grants were not permanent and now we're dealing with it. The shortfall over the next four years, the way it looks to us, it will be \$1.5 million loss of federal funds. We can't come in as a state and constantly pick up funds, programs that the federal government no longer will fund. Senator McDonald has already indicated that this is just the beginning. She didn't say two years. They're going for two years, but she indicated that they're going to go for funding for four years to try to reach where they maybe will

Floor Debate
May 07, 2007

get federal funding. That federal funding is not guaranteed in four years. As much money as the federal government is spending overseas and we're seeing deficit reduction acts, that we deal with on a state level already, of less money that they're spending for various programs in the state, in four years this is not guaranteed. Sometimes the Appropriations Committee does have to make that tough choice when those federal programs...when that federal program that was started with federal money and the federal funds are starting to dry up we have to make that tough decision and say we can't do this. We really can't start to go down that road because, if we do, it's a road that could take you down a path that we don't want to go. So even though I can't argue with Senator McDonald, this is a good program, we cannot, we cannot, we cannot start picking up loss of federal funds. And for that reason, I ask you that you help me in opposition of AM1166. Thank you. [LB321]

SENATOR ERDMAN: Thank you, Senator Heidemann. Senator Engel, you're recognized to speak, followed by Senator Johnson. [LB321]

SENATOR ENGEL: Mr. President, members of the body, I know in the past the Appropriations Committee has been called "the iron claw" and now we're known as "the hosers" I guess. You get these little labels as you go along. I remember when this AHEC program first came about. I was very, very supportive of it because I think it's been very, very good for, as Senator Harms said, for rural America and it really has been. But the problem with grants, federal grants, and we found this so much in the past, that every time they come up with a federal grant, it's theirs, you got to figure it's a temporary thing. Because when they get in trouble, they withdraw their money and they leave us holding the bag, so to speak. And so that's why we have to be very, very careful. And this is a situation that in Appropriations we looked it all over and the thing is, although we think this is a good program, as Senator Heidemann said, we decided that we are not...we cannot and we are not going to take over all the spending that the federal government is starting to withhold from the state of Nebraska, because we just can't do it. There's another case. If you took everything into consideration, eventually it's going to break the budget. So, therefore, as great as I think this program is, I think, as an Appropriations member, I'll have to stick with Senator Heidemann. Thank you. [LB321]

SENATOR ERDMAN: Thank you, Senator Erdman. Senator Johnson, you're next, followed by Senator Pirsch. [LB321]

SENATOR JOHNSON: Mr. President, members of the Legislature, I rise to support Senator McDonald's amendment, AM1166. Last fall the Health and Human Services Committee toured the state of Nebraska and particularly were looking at mental health facilities, etcetera, around the state of Nebraska. One of the constants that we found was that everyplace that we went they told us that they were short of mental health professionals of all types--psychiatrists, psychologists, etcetera, etcetera. And one of

Floor Debate
May 07, 2007

the answers that we gave these people is that, you know, don't talk just to us about getting these mental health professionals. As a colleague over here who introduced this amendment stated, grow your own. That's what we told them as well. Now there's something to growing your own when the plants are well taken care of and this type of thing. If we don't nourish these young people as they're growing up to come back to these rural areas, there's only one thing that's going to happen--the shortage is going to get worse and worse and worse. So this I would submit to you is a way of helping to keep the healthcare system in rural Nebraska as good as we possibly can, and that if we don't grow our own, it's going to get worse. So I would ask that you support Senator McDonald's amendment. Thank you. [LB321]

SENATOR ERDMAN: Thank you, Senator Johnson. Senator Pirsch, you're next to speak on the McDonald amendment, followed by Senator Harms. [LB321]

SENATOR PIRSCH: Thank you, Mr. President, members of the body. I was just wondering if Senator McDonald would yield to a couple of questions. [LB321]

SENATOR ERDMAN: Senator McDonald, would you yield to questions from Senator Pirsch? [LB321]

SENATOR McDONALD: I'll try. [LB321]

SENATOR PIRSCH: Well, thank you very much. I was just wondering if you could expound upon your statement that these would be back on core funding in 2011. [LB321]

SENATOR McDONALD: It's called the federal basic funding they can qualify for, but they can't qualify for it and, excuse me...okay, because they all came on in different times, it would be easier if they all came on at one time. [LB321]

SENATOR PIRSCH: Sure. [LB321]

SENATOR McDONALD: But they all have to go off. And because they're staggered, the last one goes off in 2011, so they won't be able to do it till 2011 and that's the issue. Because some of them will never go off funding because they were the last to come on and so they will be able to retain that federal funding to continue and to go back to the federal core funding. But the ones that were implemented early are the ones that will be without it as they come off of it. So they're staggered in coming off of it. The last one will come off in 2011, which is the time they can go back on, because they have to go off before they can go back on. [LB321]

SENATOR PIRSCH: Oh, thank you for the answer. I guess I'm trying to understand. But not all of...you said there were how many centers now? Five? [LB321]

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Transcriber's Office

Floor Debate
May 07, 2007

SENATOR McDONALD: We have five, yes. [LB321]

SENATOR PIRSCH: Okay. And not all of those centers, though, will go off federal funding? [LB321]

SENATOR McDONALD: Not all at the same time. That's the... [LB321]

SENATOR PIRSCH: Oh. But they all will go off at some point in time, correct? [LB321]

SENATOR McDONALD: They all will and all will go off and they all have to have gone off before they can go back for the basic funding again. And the last one will go off in 2011, which allows them to go back on for the basic funding again. So that's the issue. We're in a transition period where if some are going off because they were gradually put on, once that last one goes off, then they can go back on to that basic core funding. So it's that interim period that we're trying to cover. [LB321]

SENATOR PIRSCH: And is that by federal law that designed that way purposefully to go off such that they are forced to exist on funds other than the federal funds? Is that correct or? [LB321]

SENATOR McDONALD: Yes, yeah. It was in that law for that particular program and how that was put together. [LB321]

SENATOR PIRSCH: Okay. And what is the period of time in which each particular center must then be off state funding before they're eligible to go back on? [LB321]

SENATOR McDONALD: You know, I don't know that there's a particular time. It's just that there can't be any on...they all have to go off and so the first one can be on for 12 years, but they have to periodically go off. It's just the last one that goes off, they have to all be off before they can go back on. So if they all went off in 2011, then you could immediately apply for it in 2011. But because some of them go off several years earlier, they're the ones that are in transition, the ones that came on early. [LB321]

SENATOR PIRSCH: I see. They all have to be off to go back on. [LB321]

SENATOR McDONALD: Yes. Yeah. [LB321]

SENATOR PIRSCH: And what is the...when they do go back on, what would the amount or percentage of federal funding then, if there is? You're saying going back on federal funding, is that correct? [LB321]

SENATOR McDONALD: Yeah, right. You know, there's no way of knowing. I can't

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

answer that. I'm sorry. [LB321]

SENATOR PIRSCH: Okay. That's fine. And with respect, what is...I'm trying to put my arms, is there a unifying type of mission underlying all five of these AHEC? [LB321]

SENATOR McDONALD: Well, the basic issue is they work in educating our youth... [LB321]

SENATOR ERDMAN: One minute. [LB321]

SENATOR McDONALD: ...in medical professions, working with telehealth people, working with our communities to basically allow children to have an experience in the medical field so that they can maybe have that as an opportunity to go in the medical field. You know, our schools do a very good job of educating our kids to go into other professions, but we really don't do much in the medical field. But a lot of the AHECs will go out into the communities and work with these kids and say, hey, listen, you could be a doctor, you could be a nurse, you could be a mental health provider, you know, these are the tools that you need, and perk that interest in them so that we can have...the rural communities can have those doctors that we so desperately need. Because without a doctor in your community, it's very difficult to continue economic growth. [LB321]

SENATOR PIRSCH: Okay, and we've had one... [LB321]

SENATOR ERDMAN: Time. [LB321]

SENATOR PIRSCH: Thank you. [LB321]

SENATOR ERDMAN: Thank you, Senator Pirsch and Senator McDonald. Senator Harms, you're recognized to speak, followed by Senator Wallman. [LB321]

SENATOR HARMS: Thank you, Mr. President and colleagues. I rise in not favoring AM1166. I'll get it out here in a minute, yeah, right, 1166, sorry about that, AM1166. Senator McDonald, would you yield to just a couple of questions, please, for me? [LB321]

SENATOR ERDMAN: Senator McDonald, would you yield to questions from Senator Harms? [LB321]

SENATOR McDONALD: I will. [LB321]

SENATOR HARMS: In regard to the core funding that might come in the future, is there any guarantee that you know of that we will get these dollars in the future? [LB321]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

SENATOR McDONALD: Well, you know what? There's no guarantees in life, none whatsoever. [LB321]

SENATOR HARMS: Well, that's the very point I'm going to get to in a moment. Okay. Well, you also...are the locations of the majority is located on community college campuses? [LB321]

SENATOR McDONALD: I would say probably so. Were you on the board for the first AHEC out in your area? [LB321]

SENATOR HARMS: I...no, I was not. [LB321]

SENATOR McDONALD: You were not, okay. I thought maybe you were involved in that. But generally they are in community colleges... [LB321]

SENATOR HARMS: Okay. [LB321]

SENATOR McDONALD: ...because they also have nursing programs in many of those community colleges and so they kind of work hand in hand together. [LB321]

SENATOR HARMS: Yes. Thank you very much. This is rather cutting for me because, quite frankly, when I served as a president of Western Nebraska Community College, I worked extremely hard to get an AHEC program on our campus because it reflected our particular mission. And so to oppose AM1166 doesn't sit very well for me. I think it does a good program. They also do a lot of training for people in the allied health fields. But it goes back to that same issue that we had in the previous discussion and that is we cannot afford to replace every federal dollar that's lost in every program that this state has. I'm not sure how many federal dollars we have, but it's staggering. And the thought of us losing those federal dollars and this state picking up those programs I don't think is possible. And I think it would stretch us financially way beyond what we are capable of handling. And so because of that, even though in my own heart I think it's a good program, I don't think we could walk there. I will also say that there are other sources of potential funding. If these programs are as good as we say, then I would suggest to you on a community college campus that they might be able to pick up some of that funding. If they are as good as the hospitals are saying, the hospitals could contribute to some of this funding. If they're as good as our communities are telling us, then I believe our cities and our counties could help us get through for these four years to see then at the end whether this core funding comes through. So I don't think that this is the end. I believe it just depends upon their own creativity and their own energy and their own mission and their own vision to develop this program. So I would ask you, as colleagues, to not approve AM1166 because I believe there are other options. And if we can get through these next four years, to be honest with you, and they can hold themselves together,

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Floor Debate
May 07, 2007

maybe that core funding will be there. And as Senator McDonald said, there's no guarantees in life. That's what worries me. There's no guarantee the feds are going to pick this up, and then we get in deeper and it's more difficult. So thank you, Mr. President and colleagues. [LB321]

SENATOR ERDMAN: Thank you, Senator Harms. Senator Wallman, you're next to speak, followed by Senator Stuthman. [LB321]

SENATOR WALLMAN: Thank you, Mr. President and members of the body. I support this amendment. I'm sorry, but why do I support this amendment? Our daughter's best friend became a doctor, a farmer's daughter became a doctor. She went back to rural area, an impoverished rural area close to a reservation. And she's doing a good job and she's happy where she's at. She doesn't want necessarily the big bucks. She's happy in the country. So what is our most important resource in this state? People. Do we want to invest in people or don't we? Does Senator Harms want to invest in people? He was an educator. He invested in people. We take chances. We educate these young men and women and they're good people. And I think we have to find some way to support these issues. And who do we elect in our federal government? We have to look who we elect. It's our government. So we can hold them to the fire also. And please, let's pay attention to what we're doing with some of these issues, especially when it comes to healthcare. They need a little push. They need a little shove. They need a little help. And once you get this thing going and keep it a going, and I really do appreciate Senator McDonald bringing this forth. And I'm, too, I hate to spend money. There's no guarantees with anything, medical fields or anywhere. We turn out engineers like Senator Fulton. He might not stay in Nebraska. So we don't have any guarantees when we give grants, when we give scholarships, we don't have any guarantees. So thank you, Mr. President. [LB321]

SENATOR ERDMAN: Thank you, Senator Wallman. Senator Stuthman, you're next to speak on the McDonald amendment, followed by Senator Hansen. [LB321]

SENATOR STUTHMAN: Thank you, Mr. President, members of the body. I think this is a program that is a very worthy program. And I would like to echo some of the comments that were made by Senator Johnson. I think this program will, and does, you know, bring people back to Nebraska. It's very hard to bring doctors to the rural communities that have never lived in a small community. One of the things I think we need to talk a little bit about is several years ago, and a lot of you weren't here then, we passed LB1083, the community mental health bill, which put the mental health, the people that had mental illness, hopefully move them back to the communities. That is where they belong, but we have a problem. We don't have the mental health practitioners to service these people, for those people to go in certain communities. They're just not available. There are no mental health doctors in some communities, so they can't go back to the communities. I think that's a problem. But I think we need to be

Floor Debate
May 07, 2007

serious about what we had intended several years ago with passing LB1083. And I think it's a very workable bill that we need to keep emphasizing on and continue what the real intent was for that. I also have another concern about federal grants, federal programs, a cost share. And I think there is a lesson to be learned here. When we start a program, yes, because we can get the big gift from the federal government--so many dollars and you just got to kick in your own dollars and you start a program, very worthy, well-thought-through program that is a benefit to the community. But there's only one thing about when the federal government decides they don't have enough money and bail out on it. We've had way too many of these programs where we've had to kick in the money, and we don't have that money to kick in. I think in the future we need to look at some of these programs and not take that candy from the federal government just to start another program. I think we got to be very, very cautious in the future. But since we have this program already, I think it's very important that we either make a decision, you know, to help subsidize it. And maybe it's going to take a little bit of an infusion of money in order to keep it going to the point where we can get some local support, some donations from communities to continue the program. But I hate to see a program just fall flat on its face when the federal grant money is taken away. And I think that's something we got to very seriously think about in any new program. So I'm in support of this amendment. Yes, it's going to take a few bucks, but I think another lesson is that we need to get to communities too. And if it's a worthwhile project, maybe we can get some community support for this also. So thank you, Mr. President. [LB321]

SENATOR ERDMAN: Thank you, Senator Stuthman. Those senators wishing to speak on the McDonald amendment are: Hansen, Wightman, Aguilar, Langemeier, Fulton, Heidemann, Pirsch, Harms, and Nelson. Senator Hansen, you're recognized to speak. [LB321]

SENATOR HANSEN: Thank you, Mr. President. Senator McDonald, I don't understand these figures. You got Omaha, the urban AHEC, with a population of 476,000 people and square miles, 331 square miles. You have southeast Nebraska group with 568,000 people and 9,715 square miles. Now look at that left-hand row of the numbers, and I totalled them up for you. There's 687,000 people living in those three areas with the square miles of 67,300 square miles. We're not talking apples to apples here. I need to talk to Senator Engel, if he would yield for a question. [LB321]

SENATOR ERDMAN: Senator Engel, would you yield to a question from Senator Hansen? [LB321]

SENATOR ENGEL: I'd be happy to, yes, sir. [LB321]

SENATOR HANSEN: I'm glad you found your mike, Senator Engel. [LB321]

SENATOR ENGEL: I am too. [LB321]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

SENATOR HANSEN: If we have a Chairman and a Vice Chairman of Appropriations, I think you're the head hoser. [LB321]

SENATOR ENGEL: I'm what? [LB321]

SENATOR HANSEN: That was your term, Senator. [LB321]

SENATOR ENGEL: Well, no, that came from Senator McDonald. [LB321]

SENATOR HANSEN: Oh, I don't think so. Would you call the AHEC program across the state of Nebraska recruiting...do they have some recruiting function? [LB321]

SENATOR ENGEL: As far as the way I understand it, they do. [LB321]

SENATOR HANSEN: Okay. If this is federally funded and we don't want to fund these Area Health Education Centers by federal funds, who's going to do the recruiting? I'll give you a list and you can pick from them: UNL, UNK, UNMC, community colleges, or maybe the hospitals. Ticktock, ticktock, ticktock, ticktock. [LB321]

SENATOR ENGEL: Are you asking me? [LB321]

SENATOR HANSEN: Yeah. [LB321]

SENATOR ENGEL: Well, I would assume that through all those different organizations, UNMC and so forth, that they would be seeking funding from other sources. Again, I'll tell you what. I talked to the Fiscal Office and I thought maybe a good project this summer would be check with all the federal programs we have in Nebraska, as many as we can, that are being funded by the feds and as far as what's happening with the federal government, as I mentioned earlier, that they fund it. And then when they start coming to hard times like they are now, then they take the money away and what that would amount to. And what I think it would be such a staggering amount it would probably totally break our budget. So the thing is funding this one or funding that one, we cannot fund all the...I don't think we can fund all the programs as the federal government pulls out of the picture. So that's where I'm at. I like the program. When it first came into being, I certainly supported it. [LB321]

SENATOR HANSEN: Senator Engel, who is doing the recruiting if we can't have our Area Health Education Centers, though? [LB321]

SENATOR ENGEL: Well, I... [LB321]

SENATOR HANSEN: UNL, UNK, UNMC, community colleges, or hospitals? [LB321]

Floor Debate
May 07, 2007

SENATOR ENGEL: Pardon? Well, they have loan forgiveness and so forth. I'm sure they do their own recruiting. [LB321]

SENATOR HANSEN: I think you're right. I think they do their own recruiting. Thank you, Senator Engel. I think that Nebraska might be better off in the AHEC arena to do away with the metro area in Douglas County because they have a total of 331 square miles. They do a great job of recruiting health professionals. Southeast Nebraska, it's a larger area, but still has the University of Nebraska, their nursing programs and everything else. But you're talking about 67,300 square miles, population of 687,000, largest of the other groups if you combine them. My idea is I think the Nebraska Legislature ought to pay for the Area Health Education Centers. And I know we're not going to change that tonight, but I think we have a responsibility. I think the Legislature has... [LB321]

SENATOR ERDMAN: One minute. [LB321]

SENATOR HANSEN: ...a responsibility to go ahead and fund those at some point in time. So if we want to study something, Senator Engel, I think that might be another thing we need to study. Thank you, Mr. President. [LB321]

SENATOR ERDMAN: Thank you, Senator Hansen. Proceeding with discussion on the McDonald amendment, Senator Wightman, you're next to speak, followed by Senator Aguilar. [LB321]

SENATOR WIGHTMAN: Thank you, Mr. President, members of the Legislature. I stand also in opposition to AM1166 and with regard to this particular item and all items, I might add, for LB321. It is an awesome responsibility to listen to all of the requests that we hear in the Appropriations Committee. First of all, every agency, when federal funding becomes available, comes in and suggests that we can't afford not to provide funding to get the federal match. And I would say this would happen maybe 100 times during our various hearings that...and we're always told how much leverage we're going to have if we provide the funding. I think the highest I ever heard was we would leverage it 23 times. Many times we would leverage it five times, ten times. And I got the feeling that eventually we could support the entire budget of the state of Nebraska if we could just get all these things leveraged appropriately. Well, obviously, that doesn't come to pass very often, and I don't know whether we get 23 times the leverage or not, but I suspect not. But I'm not kidding anybody when I say that we hear this 50 or 100 times. And I think AHEC is a very worthwhile project. The question is, among all these many, many requests that we hear, and I will tell you also that you can almost set your watch by the fact that each one of those are the most important and it's going to be the direst of consequence to the state of Nebraska if that particular area isn't funded. So I'm just telling you that if we had in front of you all of the requests that we had to either cut back or turn down, it would be numerous and we would be here for the rest of the session

Floor Debate
May 07, 2007

probably on those. I made the comment at one time that, by the time you look at all these savings, it was probably five times more savings than we could afford. And I think that is the situation. So again, I think AHEC is a worthwhile project. It was a determination made by the Appropriations Committee. Again, I would ask your support in opposing AM1166. Thank you, Mr. President. [LB321]

SENATOR ERDMAN: Thank you, Senator Wightman. Senator Aguilar, you're recognized to speak, followed by Senator Fulton. [LB321]

SENATOR AGUILAR: Thank you, Mr. President, members. I rise in support of the McDonald amendment and I want to thank Senator McDonald for bringing it forward. She completely understands the importance of this...the responsibility that the AHECs supply in Nebraska. I empathize with what Senator Harms said. He had to really struggle with the decision because he understands what the AHECs do as well. I really appreciate that, Senator Harms. You also asked about guarantees. Senator McDonald said there are no guarantees in life, but I can tell you one. I can guarantee you we have a shortage of medical workers in the state of Nebraska. It's huge. It's huge and the AHECs are making a difference in their recruitment efforts. I was a member of the board of Central Nebraska AHEC for a couple of years and was totally blown away by some of the programs they've come up with, many of which...I'll share with you one that just knocked my socks off and that was they put a virtual hospital room in Grand Island Senior High. And they got students, when they come to class, it's just like going to work in a hospital. They have mannequins there that are biologically correct, everything about it, and they get to work through procedures. They get to go to the St. Francis Hospital and participate in procedures. So they know that this is a field that they're going to make a lifelong career out of. Those are some of the wonderful things that are happening in my area and they're happening all across the state. And I won't even get into all the telehealth issues that they've been part of and originated and made work, made functional throughout the state. This is a fantastic program. And I know, I agree with what you're saying. I know the struggles of the Appropriations Committee and the unity, you know. What they're saying is, you know, you can't fund everything and that's right, you can't. But you have to pick and choose your battlefields. We have a shortage of medical workers in the state of Nebraska. This is a battle that we could win with this program. Thank you, Mr. President. [LB321]

SENATOR ERDMAN: Thank you, Senator Aguilar. Senator Fulton, you're next to speak on the McDonald amendment, followed by Senator Heidemann. [LB321]

SENATOR FULTON: Thank you, Mr. President, members of the Legislature. Good evening. There's another point that I think was made earlier, but I'd like to emphasize it a little more forcefully. This was brought to us, Senator McDonald brought this as a bill to us, I think it was LB438, and immediately what sticks out from the fiscal note is that this is a replacement, again, of federal funds. Now if we do this, if we take AM1166,

Floor Debate
May 07, 2007

we're replacing some federal funds. I understand that this is...the debate leads me to believe that this is something that's worthwhile, again, well-intentioned. And I don't disagree with that. But what we do by way of policy here is, we communicate to future Appropriations Committees, to future legislatures that that rule about replacing federal funds can sometimes be broached. There are a lot of well-intentioned, good programs that have ceased because they lost their federal funds. And so we need to be...just we can vote the way that we want to vote, but so that we understand what we're doing here is replacing federal funds with General Fund tax dollars. Now I'll put this out again. As far as the budget goes, if the body feels this is an appropriate time to set that policy to break with what precedent exists and we do replace federal funds with General Fund tax dollars, then we ought to offset that somewhere. Otherwise, what we're communicating by way of policy is that if we find something that is well-intentioned and good, we ought to fund it. Again, this is another way of saying this is to find priorities. And so if this takes a higher priority such that we'd be willing to vote for it or if this takes personally a higher priority for you such that you would vote for AM1166, then there ought to be some offset somewhere else in the budget because you're saying that it takes a higher priority than something else in the budget. And so I put that out, not as a forceful challenge, but as a matter of mathematical reality. If we're going to try to keep our budget lower than what it's been in the past, then we need to offset dollars that we spend or offset dollars that we want to add. We're going to get, when we get through the budget, the next thing we'll be doing or shortly thereafter will be A bills. We'll be talking about A bills and that will get tacked onto our budget also. And there will be a lot of cogent arguments as to why this particular A bill or that particular A bill should be voted for, all of which will add to the budget. And I just ask that anything that we're going to add to the budget there ought to be an appropriate offset. Otherwise, we're saying that anything that is well-intentioned we should fund. And I think that's been the problem in the past 20 years, at least I'm new here and that's what I have seen. We've grown 7 percent every year for the past 20 years because we have funded things which we believe are good and well-intentioned. Now something that Senator Wightman said earlier ought to be repeated. We hear this...I heard it, we heard it on the Appropriations Committee a lot, that for every dollar spent here we're going to save \$10 down the road. If that is true for every time we heard that argument, then, as Senator Wightman said, we could fund our entire budget just by making all of these savings. I think it was said that we may not be able to afford all of these savings. So we have to...that that argument, as put forward,... [LB321 LB438]

SENATOR ERDMAN: One minute. [LB321]

SENATOR FULTON: ...doesn't mean that it's necessarily true. So I want to put that out there, too, because I can tell you there are a lot of other things that we chose not to fund where that same argument was posited. So again, we should be cautious about what we're doing here. We're replacing federal funds. We're going to replace it with General Fund dollars. The budget will, therefore, grow if we don't offset these General Fund

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

expenditures. Thank you, Mr. President. [LB321]

SENATOR ERDMAN: Thank you, Senator Fulton. Senator Heidemann, you're next to speak on the McDonald amendment, followed by Senator Pirsch. [LB321]

SENATOR HEIDEMANN: Thank you, Mr. President, fellow members. Just real briefly, I'm just going to touch base that the only reason we're here is that the federal government decided that they was no longer going to fund this. And it brought us to the point now they want to get the money from the General Fund of the state of Nebraska. We can't go there. We can't start down this road. We can't start down this path because if we do it's going to get this state into trouble. There's no doubt about it in my mind. Out of all the amendments that got offered to the budget, to be right truthful, this one scares me the most. And I'm looking at Senator McDonald and I'll tell you it's not your program. It's not your program. It's just, pure and simple, the fact that we are making up for loss of federal funds. And we just can't start to go down that path. And for that reason, I ask that you be with me in opposing AM1166, the amendment 1166 to LB321. And with that, I would like to give the rest of my time to Senator Synowiecki. [LB321]

SENATOR ERDMAN: Senator Synowiecki, you have 3 minutes and 40 seconds. [LB321]

SENATOR SYNOWIECKI: Thank you, Senator Heidemann. Thank you, Senator Erdman. I am particularly sensitive relative to what Senator Johnson was speaking about in the area of behavioral health and the profound deficiencies of workers that we have in that area as well. And I'm not doubting at all what Senator McDonald brings to us in terms of value. I'm sure the program has enormous value, both in the urban and rural settings throughout our state. But I did go to the web site. If Senator McDonald would yield for a moment, a couple of questions. [LB321]

SENATOR ERDMAN: Senator McDonald, would you yield? [LB321]

SENATOR McDONALD: I will if I can. [LB321]

SENATOR SYNOWIECKI: Well, the question I have is the fact that the federal funding is being diminished. I'll just read from the web site on these programs, on the Nebraska web site: A center is eligible for core or basic funding for up to six years with the peak funding cap generally in the fourth year. Core/basic funding per center ranges from \$250,000 to \$350,000 per year and is based on population, geographic size, and programs being offered. Following the end of core/basic funding, states may be eligible to receive what they call model funding that averages \$75,000 to \$100,000 per center per year. And then under sustainability, it indicates that following the six years of core funding, the majority of centers are able to sustain the center through a combination of local, state, and federal funds. On average, three sources are utilized to continue

Floor Debate
May 07, 2007

funding a center. These funds include self-generated clinical income, 25 percent; community-based programs, 25 percent; and other federal funds. And they have here in parentheses 50 percent. Community-based programs may include donations from local healthcare facilities, United Way foundations, volunteers, or city funds. Other federal funds may include grants, special program funds such as child abuse prevention, or senior citizens programs, bioterrorism education, low-income assistance programs, etcetera. I don't...it seems to me that the information provided on the web site, Senator McDonald, and I'm not fully in the loop on the funding mechanisms for these centers, it seems that there could be a continuation of some level of federal funding for these centers for sustainability. [LB321]

SENATOR McDONALD: And that is correct, once they all go off, to go back on that core funding. [LB321]

SENATOR ERDMAN: One minute. [LB321]

SENATOR McDONALD: And I think as you did talk about that there was various opportunities for funding, and you did mention state as one of those along with the federal and local, and they do receive dollar-for-dollar in-kind funding from the hospital that they're working with, their facilities. And so they don't actually get dollars, but they have the opportunities to receive dollar-for-dollar in-kind. So it's kind of a three-legged stool as far as federal dollars and some state dollars. What we're trying to do is allow them to be able to generate more dollars on their own, but you can't just cut them off immediately and say, okay, you get no more dollars, you have to do or die. It's a gradual process. And sometimes they do need to go back on that core funding and we're just asking them to sustain some dollars till they get there. [LB321]

SENATOR SYNOWIECKI: Thank you. And I think what was presented was that there was a cutoff of federal funding. And this does not necessarily mean that that... [LB321]

SENATOR ERDMAN: Time. [LB321]

SENATOR SYNOWIECKI: Thank you. [LB321]

SENATOR ERDMAN: Thank you, Senator Synowiecki and Senator McDonald. Senator Pirsch, you're recognized to speak on the McDonald amendment. [LB321]

SENATOR PIRSCH: Thank you, Mr. President, members of the body. I just was wondering if Senator McDonald would yield to yet another series of questions. [LB321]

SENATOR ERDMAN: Senator McDonald, would you yield to questions from Senator Pirsch? [LB321]

Floor Debate
May 07, 2007

SENATOR McDONALD: Yes. [LB321]

SENATOR PIRSCH: (Laugh) Well, actually, just one series of question. If you can just relate, either anecdotally or...my understanding is that the first of these centers went online sometime 2001, I believe, in Grand Island,... [LB321]

SENATOR McDONALD: Yes. [LB321]

SENATOR PIRSCH: ...and at least a couple more went online a couple of years here. Understand that because you're working with some young people here that it will take a number of years to start to filter up to the point and level where you can statistically or empirically type of...or take meaningful results of that. I wonder, though, if there's any kind of anecdotal, at this point in time, stories or any type of anecdotal evidence that the centers are meeting its mission. [LB321]

SENATOR McDONALD: You know, I don't know that I have the breakdown of all of the things that each--give me just a second, I might have it. [LB321]

SENATOR PIRSCH: And I appreciate the... [LB321]

SENATOR McDONALD: And I apologize because... [LB321]

SENATOR PIRSCH: ...it's a very complex question. I apologize for that. But I guess what I'm saying is in each of these, and there is a center in Omaha, but I understood from the question or the debate that's gone forward prior to this point in time that one of the principal goals has been to develop healthcare as a future for many young people, and so I just pose that question to you at this time. [LB321]

SENATOR McDONALD: Okay, and I do have that information in front of me at this point in time. The Central Nebraska AHEC is the one that's based out of Grand Island. This is just a short synopsis of some of the things they've done. They've helped equip the virtual hospital rooms in area high schools. In the Grand Island Senior High, if you would take a tour of that, they have hospital beds, work with area students to get the feel of a hospital and work with healthcare industries in that way. I think they also have a dentist workshop there. They've worked with over 190 students and more than 90 preceptors on the rural rotations annually. They've hosted the site for the MVCN and telehealth continuing education for healthcare professionals. Because as everyone knows, in many of those occupations you have to have continuing education so they're able to work with those professionals. And they also provide video medical interpreting for area hospitals with over 26,500 minutes of usage. And so as we realize many of our communities speak Spanish and various other languages, they're able to do interpretations. And that's a key thing for many of our rural communities because of the number of people that speak foreign languages and they're able to help them with that.

Floor Debate
May 07, 2007

So that is key in the Lexington area and also Grand Island and various other places. [LB321]

SENATOR PIRSCH: Thank you very much. Mr. President, I'll yield back the balance of the time. [LB321]

SENATOR ERDMAN: Thank you, Senator Pirsch and Senator McDonald. Senator McDonald, there are no lights on. You're recognized to close on AM1166. [LB321]

SENATOR McDONALD: Thank you and I think we've had some good discussion. I think you have to evaluate how important healthcare is in the state of Nebraska. Right now the percentages of counties with healthcare shortages, 100 percent of our counties, as Senator Johnson has said, has a shortage of psychiatry and mental health professionals--100 percent. Yet we're taking those patients and putting them out in the communities, but our hospitals have 100 percent shortage. Ninety-five percent of our counties have internal medicine shortages, doctors, physicians for internal medicines. As in our population continues to age, more of us baby boomers are needing general internal medicine doctors--95 percent of our counties have shortages. Ninety-five percent of our counties have OB-GYN shortages. That's almost 100 percent. Ninety-four percent of our counties have general surgery shortages, another critical area for our rural communities. Seventy-three percent have shortages of family practice physicians. Those are the day-to-day colds and flus--73 percent. Fifty-eight percent, over 50 percent of our counties, have shortages of dentists. But yet we're allowing a program to do down where we can work with our kids and say, hey, listen, you can be a dentist, you can be a doctor, you can work in your rural community and keep that lifeline going. Let's not disappoint Nebraska and let the medical industry go down the tubes. We need to continue to recruit doctors. But if we can't do that, we have to grow our own and this allows us to do that. So please support this amendment. You won't be sorry you did because we'll be able to have the healthcare industry there when you bring your kids and grandkids to live in Nebraska. Thank you. [LB321]

SENATOR ERDMAN: Thank you, Senator McDonald. Members, you've heard the closing on AM1166. All those...Senator McDonald, for what purpose do you rise? [LB321]

SENATOR McDONALD: I will have a call of the house and a roll call vote. [LB321]

SENATOR ERDMAN: Members, Senator McDonald has requested a call of the house. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record please, Mr. Clerk. [LB321]

CLERK: 17 ayes, 1 nay to place the house under call. [LB321]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

SENATOR ERDMAN: The house is under call. Would all unauthorized guests please leave the floor. Unexcused senators please report to the Chamber. The house is under call. Senator Engel, Johnson, Gay, Lathrop, Kruse, White, Pankonin, Synowiecki, Mines, and Ashford, the house is under call. Senator Pankonin, would you please check in? Senator Engel, would you please check in? Senator McDonald, you requested a roll call vote in regular order. Is that correct? [LB321]

SENATOR McDONALD: Yes, that's right. [LB321]

SENATOR ERDMAN: All members are present or accounted for. Senator McDonald has requested a roll call vote in regular order on the adoption of AM1166. Mr. Clerk, please call the roll. [LB321]

ASSISTANT CLERK: (Roll call vote taken, Legislative Journal page 1449.) The vote is 20 ayes, 14 nays, Mr. President. [LB321]

SENATOR ERDMAN: The amendment is not adopted. The call is raised. Mr. Clerk, items for the record. [LB321]

CLERK: Mr. President, new resolutions, LR119 and LR120, study resolutions. Senator Raikes, an amendment to LB342 to be printed. (Legislative Journal pages 1450-1452.) [LB342 LR119 LR120]

Next amendment, Senator Schimek, AM1155. (Legislative Journal page 1423.) [LB321]

SENATOR ERDMAN: Senator Schimek, you're recognized to open on AM1155. [LB321]

SENATOR SCHIMEK: Yes, thank you, Mr. President and members of the body. The purpose of this amendment is to take \$5 million out of the budget and then make that available for expenditures that you might see fit. Now I have to tell you that I have decided not to take this to a vote, but I think it's a really...no, Senator Stuthman, don't laugh. I would like to take this \$5 million out of the budget and make it available for other things, and I think there are a lot of things that are more important than this. And let me tell you why. Two years ago on the floor of the Legislature during budget bill discussions, at the very last minute there was an amendment put up to put \$15 million into this training fund for the Nebraska Advantage Act participants. And that money was being taken out of the Cash Reserve for that purpose. And I and others argued against doing that. We did not think that was a good thing to do at the last minute. Nevertheless, it was done. And so, you know, you can't cry over spilled milk. But then when I saw this year another \$5 million being added to this fund, I thought, well, I wonder how it was spent during the last two years. How did they spend \$15 million on training in that period of time? Now I've had people in my office from DED and from the Lincoln Chamber and

Floor Debate
May 07, 2007

elsewhere to explain this to me. But I'm still not...I'm not thoroughly convinced and that's why I wanted to have the discussion. And I don't think the Appropriations Committee itself felt really confident about this. I know they had a lot of discussion on it at least. But if you look at the sheet that I handed out, and it's not very well marked, but it says DRS #27 at the top. It says "transfers to job training cash fund." And the part that really got me is when I looked at what we had spent over for job training in the past years from '89-90, fiscal year '89-90, down to the present fiscal year. And you will notice that the highest spending year, at least by my count, was probably in '95-96 when there was \$2,900,000 spent. And so I'm thinking, well, so how in two years did we spend \$15 million? Well, then I went down to the bottom of this page, and you'll see that in fiscal year '05-06 expenditures from that \$15 million transfer for that year was about a half a million dollars. For the following fiscal year, this year, up until March 31, only \$1,400,000 so for a total of about \$2 million was spent. And so my question was, well, where's the rest of that money and why are we asking for more? And I did get other information that I didn't share because, first of all, it's rather lengthy and I wasn't going to take this to a vote. But I can tell you that what I was told is that there are commitments that have been made out there and commitments that they think are going to take them over the \$15 million. And so that's why they're coming back and asking for another \$5 million. I don't think any of these are cast in stone. The second thing I would like to tell you about that discussion of two years ago was that this money was going to help the community colleges. Well, that's all well and good, except, if you look at the information that I was handed and which you don't have, there is almost no community college involvement in these contracts. Almost or at least a great deal of it is done by in-house training. And if you think about the logic of that you will understand it, because a lot of these companies are big companies. And a lot of these companies have their own trainers. And it is actually more beneficial for them to use their own trainers to do this training rather than training community college personnel to do it and then working through them. So I understand that, but I also found out that the community colleges aren't really being touted by people. They're not saying to the businesses, well...let me step back a minute. I think they're being told that the community colleges can help them, but what I don't think is happening is I don't think the community colleges are being kept in the loop about what's going on, on the economic development front. They aren't getting the business so to speak. And I think part of the Appropriations Committee discussion was, well, maybe we should channel all that money through the community colleges if we really want them to benefit and that would maybe take care of this problem. I think it's just another, well, of course, it's another incentive package. But it isn't the kind of incentive package that we thought it was. And so I just wanted to bring it to your attention. I wanted to have a little conversation with Senator Heidemann and any other Appropriations Committee members that felt like talking about it. But just to kind of get his perspective on what the conversation was in the Appropriations Committee and why they decided to continue with that \$5 million. And I think actually, if my memory is right, more was asked for perhaps but it was the \$5 million that was decided upon. So, Mr. President, I would...how much time do I have left? [LB321]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

SENATOR AGUILAR PRESIDING [LB321]

SENATOR AGUILAR: Three minutes. [LB321]

SENATOR SCHIMEK: If I could, I'd like to give my 3 minutes to Senator Heidemann and I don't know if he has his light on or not, but I'll give him the rest of my time. [LB321]

SENATOR AGUILAR: Senator Heidemann, you're recognized. [LB321]

SENATOR HEIDEMANN: Thank you, Mr. President. Fellow members, thank you, Senator Schimek. I will agree with Senator Schimek. We had questions in Appropriations. But if you get to know the Appropriations Committee, this year's Appropriations Committee, we had a lot of questions on everything. And we did look into this. I can say that Senator Harms, who was a president of a community college, he had questions. There's no doubt about that. We wanted to see if we could get the community colleges more involved. It was something that we looked into. We asked those questions. I believe the Department of Economic Development caught our drift about where we would like to see them head. I think this is something that we are going to continually monitor. Yes, we put the \$5 million in, in each year. I think the Governor, you probably are right, I think he asked \$7.5 million in each year. And before he backed it back down by himself. It wasn't our doing. He backed it down to \$5 million a year. And we followed the Governor's lead and we did put that \$5 million in each of the next two years, and the jobs training fund comes from the Cash Reserve. I will say that we did ask questions, but it's not a bad program just because we asked questions. When this was, well, this has been going on since '89-90 the way it looks. But it was expanded in part of the discussion of LB312 which took place in 2005. And this was, I don't know, a continuation or it was a part of... [LB321]

SENATOR AGUILAR: One minute. [LB321]

SENATOR HEIDEMANN: ...the discussion on LB312 and that was the new incentive package from LB775. And it is a tool that Department of Economic Development uses to attract new businesses to come into the state of Nebraska. And I believe it's an important tool. And even though we had questions and we looked into it, and I will tell you that we will continue to look into it to see if they do involve the community colleges more. I believe it is something that we need to continue to do and continue to support. And I ask that the body would continue to do that. Thank you. [LB321]

SENATOR AGUILAR: Thank you, Senator Heidemann and Senator Schimek. Senator Heidemann, your light is on next if you'd like to continue. Senator Heidemann waives his opportunity to speak. Senator Dubas, you are recognized. [LB321]

Floor Debate
May 07, 2007

SENATOR DUBAS: Thank you, Mr. President, members of the body. I'm really sorry to hear we aren't going to take this amendment to a vote. We've just spent the entire afternoon talking about making big cuts to very valuable programs with great track records for our citizens of our state. And we're subsidizing big business to help them train their employees, training that often goes on in-house. My question is, who's benefiting from this? We have CEOs who are making record-breaking wages right now. We have companies making record-breaking profits. And we're talking about sacrificing great local programs that benefit all the citizens of our state that are helping us to grow rural Nebraska, they're helping us to put our people to work out in rural Nebraska and in other parts of the state, too, so that we can train employees for the benefit of big business. I wish I could have the chance to vote on this amendment because I know what my vote would be. Thank you. [LB321]

SENATOR AGUILAR: Thank you, Senator Dubas. Next up is Senator Schimek, followed by Senator Langemeier. Senator Schimek waives her opportunity to speak. Senator Langemeier, you are recognized. [LB321]

SENATOR LANGEMEIER: Mr. President, members of the body, I'd ask if Senator Schimek would yield to a question. [LB321]

SENATOR AGUILAR: Senator Schimek, would you yield? [LB321]

SENATOR SCHIMEK: Yes. [LB321]

SENATOR LANGEMEIER: Senator Schimek, in your previous statement, you indicated, I'm just following up on this, you indicated that you have to be a participant in LB775, or now the new LB312, to receive this kind of funding for this training. Would that be correct? [LB321]

SENATOR SCHIMEK: I think that's correct. I think so because... [LB321]

SENATOR LANGEMEIER: So do you have to be a current participant, just participated once in it? [LB321]

SENATOR SCHIMEK: ...because the memo from the Department of Economic Development to the Appropriations Committee was regarding Nebraska Customized Job Training Advantage Program, so that's why I think it is. [LB321]

SENATOR LANGEMEIER: Okay. Okay, thank you. I don't know so that's why I'm asking. Thank you. Senator Heidemann, would you yield to a question? [LB321]

SENATOR AGUILAR: Senator Heidemann. [LB321]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

SENATOR HEIDEMANN: Yes. [LB321]

SENATOR LANGEMEIER: Senator Heidemann, would you have that same opinion, that you have to be a recipient of the LB775, or now the LB312, to receive this training or can any corporation or business... [LB321]

SENATOR HEIDEMANN: It's my understanding that any corporation or business, you do not have to be a participant of LB775 or LB312. You can access these funds even if you're not...you don't take advantage of those funds. [LB321]

SENATOR LANGEMEIER: Are there guidelines that would require you to have a certain type of training? I mean is this offered to...I mean does it matter what I need to train my employees for or do they have to be welders? Do they have to...do you know? [LB321]

SENATOR HEIDEMANN: I'm sure there are guidelines that the DED follows and observes to make sure that they're being used and not just money given it out. It can be in-house. I am sure that there are some money going to community colleges, probably not as much as we would probably like, but they are utilized at some, you know, somewhat. [LB321]

SENATOR LANGEMEIER: Okay, thank you. I'm just trying to educate myself a little more. Thank you, Mr. President. [LB321]

SENATOR AGUILAR: Thank you, Senator Langemeier and Senator Heidemann. Next up we have Senator Wallman, followed by Senator Wightman. Senator Wallman, you are recognized. [LB321]

SENATOR WALLMAN: Thank you, Mr. President. I, too, would like to have voted on this AM1155. As we have incentives to major corporations, we didn't have a whole lot of accountability. And some of them did quite well, some of them didn't; and that's the way it's going to be with incentives. And I realize that. But did Senator Karpisek's area get much economic incentives? It's hard to get that unless you are a major player. And some small communities did well, some didn't. But it's really hard to jump through the hoops unless you know how to jump through government hoops. So this AM1155, giving more money for training and it's in-house training, that does bother me because major corporations, if you don't have incentive money, will train you anyway. They'll pay your college education. My good friend had his son go to Motorola. They paid for everything. They paid for his college education, he got a job when he got out of school, no job incentive for them. He went to Brazil. He's back in the states. So let's be careful where we spend our money. And when we cut good, good programs for our rural youth who need the money, then we give it to major corporations which don't necessarily need the money. So I want to thank Senator Schimek for bringing this forth. And I hate to talk about this because I'm for economic development. I'm for rural America, especially

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

Nebraska. But let's be careful how we spend our money. Thank you, Mr. President.
[LB321]

SENATOR AGUILAR: Thank you, Senator Wallman. Senator Wightman, you are next and you are recognized. [LB321]

SENATOR WIGHTMAN: Thank you, Mr. President, members of the Legislature. I rise in opposition to AM1155. It was discussed a great deal. As a matter of fact, at one time the Appropriations Committee, I think, was going to cut back on that funding and later, based upon additional requests and additional information, we decided to restore that funding. I visited with people today who says that there are currently about, and I don't remember the exact figure, but almost \$10,300,000 in outstanding contracts still to be paid, and another \$3,000,000...did I say \$10,500--\$10,300,000, and I think there's another \$3,000,000 currently being negotiated. So an awful lot of that \$15,000,000 is committed or being negotiated on the basis of the commitments that are included in the job training. Are there any instances, such as Senator Wallman has mentioned, in which those companies would have come here? I'm sure there are. We're never going to be able to monitor that. But if we're going to remain competitive as far as our economic development in the state, and I don't care whether it's instate or outstate, whether we're talking western Nebraska or Omaha and Lincoln, I think we have to have those tools at our disposal. And I believe they're very important in landing industries, in having industries expand in Nebraska as opposed to maybe taking a plant elsewhere. I just think that it's essential that we have that, and I still am of the belief that it is money well spent. So I would ask that you, if that would come to a vote, leave that in the budget. I do think that it's part of Advantage Nebraska. It was part of LB755 (sic) and is necessary to the continued development of Nebraska. Thank you, Mr. President.
[LB321]

SENATOR AGUILAR: Thank you, Senator Wightman. Those waiting to speak on AM1155 are Senators Adams, Harms, Schimek, and Erdman. Senator Adams, you're recognized. [LB321]

SENATOR ADAMS: Thank you, Mr. President. I realize Senator Schimek is going to pull this, but I wanted to add just a little additional perspective on this. In the ten years that I served the city government, I can't tell you how many times I sat down with different companies that we were hosting in York, Nebraska, and trying to get them to come to York. And York, like every other community in this state, I know went out of its way to position itself to attract jobs. And how do you position yourself? Well, you position it by having land available. You position it maybe by having buildings available. You position it with tax rates. You position yourself with utility rates. You do everything that you can. The other thing that you do is have a labor base, a trained and ready labor base. Now I'm going to tell you I cannot stand here right now and tell you that the businesses that we hosted that didn't show up, did not show up because of labor or they

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

didn't show up because of infrastructure. We had a very low tax rate. We had land that we were virtually ready to give away. We had a spec building we were willing to discount. We had everything in place. So why didn't they come? I don't know. But in follow up to some of those, it was, your unemployment rate was too low so we weren't sure we were going to get the labor. And then if we did get them, were they prepared to do what we needed them to do? And we sat there in those meetings with those prospective businesses and we told them that because of programs like this one right here we could find the labor and we could bring them up to speed. If you look at that list, one of those companies is in York. The plant that closed was in Denver and they brought it to York for a reason. And they do very, very sophisticated machining work and they needed the help. Southeast Community College stepped up to the plate. So I can't speak for all of these other programs, but there is value here in positioning ourselves in this state to attract business. Thank you, Mr. President. [LB321]

SENATOR AGUILAR: Thank you, Senator Adams. Senator Schimek, you are next. You are recognized. [LB321]

SENATOR SCHIMEK: Am I the last one? [LB321]

SENATOR AGUILAR: No. [LB321]

SENATOR SCHIMEK: Then I'll waive. [LB321]

SENATOR AGUILAR: Senator Schimek waives her opportunity. Senator Langemeier, you are recognized. Senator Langemeier waives his opportunity. There are no other speakers. Senator Schimek, you are recognized to close. [LB321]

SENATOR SCHIMEK: Okay, thank you, Mr. President and members. I did want to follow up a little bit because I did go out to the Rotunda to ask, as a follow-up to Senator Langemeier's question. And as stated by Senator Heidemann, you don't have to be a participant in LB775 or the Advantage Act. But what you do have to do is be a business which engages in activities which sell to a non-Nebraska market, such as you have to be a manufacturing, processing, warehousing, distribution, and headquarters operations. Business whose activity is mainly retail or the selling of services to a local market would not be eligible. It will also be used only for training full-time employees not involved in administrative, support, management, or facility maintenance. Those are some of the eligible businesses. It also has set amounts for this assistance, if you want to call it that, depending on where you're average wages are going to be. If they're going to be 100 percent of average, you can get \$500 to \$1,250 per job being created. There are some other assistance guidelines. I'm not going to go through all of this. But I think because it was called, in this memo, because it was called the Customized Job Training Advantage Program, that's why I thought it was all part of the Advantage Act. And so I appreciate Senator Langemeier's question and also Senator Heidemann's

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

information. I don't think that we heard much in the way from the other committee members about the discussions in the Appropriations Committee, but I would like to say I hope that the Appropriations keeps their eye on this issue. I think that we are caught in a bind that a lot of states are caught in, and that is we have to compete against what other states are offering for job development and job expansion in our state. And at some point in time I really think the states are going to have to band together and they're going to have to say no more. We can't doing this. We can't keep taking money off the table that could be used for programs to help our citizens. But my main point in doing this was to help some of the people in here who are going to be at the helm next year, let them know that this is an issue that maybe they need to keep their eye on. There are so many issues that you all are going to have to deal with, after two years of experience here, I feel sorry for you, not next year but the follow year. And I just wanted to provide one more example of the kind of issues that we constantly need to be monitoring. So with that, Mr. President, I would like to pull my amendment. Thank you all. [LB321]

SENATOR AGUILAR: Thank you, Senator Schimek. With no objections, so ordered. Mr. Clerk. [LB321]

CLERK: Senator Heidemann, AM1194. (Legislative Journal page 1427.) [LB321]

SENATOR AGUILAR Senator Heidemann, you are recognized to open on AM1194. [LB321]

SENATOR HEIDEMANN Thank you, Mr. President and fellow members. The following amendments have been reviewed and approved by the Appropriations Committee last week. The bulk of the changes have no fiscal impact. They correct errors in references within the bill. Some of the amendments are more substantive and has a fiscal impact. I will point out these items requested by agencies since the budget was placed on General File. The following amendments, by section, I will start with those items of a more substantive nature. In Section 1, for the Supreme Court, Program 67, Probation, reappropriations of up to \$375 General for the current year to complete contract work that was taking longer than planned. This was requested by the agency. It does not involve new money but authorized a carry-over for an ongoing project from this current year into the next year. In Section 2, for the Department of Education, Program 158, Education Aid, reduce TEEOSA aid by \$616,056--that's General Funds--for fiscal year 2007-2008 to reflect actual insurance premium tax receipts. This information was available to the Fiscal staff late last week. With increased availability of insurance premium tax flowing through the aid formula, the General Fund appropriations can be reduced. In Section 3, for Health and Human Services, Program 33, Administration, this amendment corrects a calculation error identified by Fiscal staff in both fiscal year General Fund amounts. An issue previously approved by the committee was incorrectly entered into the database; increases to the General Fund of \$107,000 General in each

Floor Debate
May 07, 2007

fiscal year. In Section 12, for the Department of Veterans' Affairs, Program 36, Administration, it corrects a calculation error identified by Fiscal staff for health insurance: \$4,347 General Funds, and \$10,991 General Funds for the respective fiscal years. In Section 13, for the Commission on the Status of Women, the agency has requested a cash fund appropriation for each year: \$5,000 cash, and \$5,000 cash. This will allow for expenditure of donation and other non-General Fund receipts. In Section 14, for the Commission for the Blind and Visually Impaired, Program 357, the agency has requested additional personal services limits, in other words, salary limit, in each year to hire additional counselors, PSL for \$81,826 and \$83,872 in respective fiscal years. There is no additional appropriation authority. In Section 15, for the Public Employees Retirement Board, Program 41, Administration, to increase the cash fund appropriation for the PIONEER System Replacement Project based on actual bids for their replacement. An additional \$2,833,395 cash and \$1,036,295 cash is required for the respective fiscal years. Total project costs is \$7.3 million over three years. Timely replacement of the system is critical. The following amendment sections are technical and corrective items; have no fiscal impact. All of the items related to Health and Human Services primarily correct title and references errors, in part stemming from earlier reorganization legislation. In Section 4, for the Health and Human Services, Program 33, Administration, to identify a program for reappropriation and to correct an earmark. In Section 5, for Health and Human Services, Program 33, Administration, to move earmark language to the appropriate section. In Section 6, for the Health and Human Services, Program 33, Administration, to move earmark language to the appropriate section and to add an earmark that was left out. In Section 7, for Health and Human Services, Program 33, Administration, to correct amounts in the allocation earmark. In Section 8, for Health and Human Services, Program 33, Administration, to move earmark language to the appropriate section. In Section 9, for Health and Human Services, Program 175, Rural Health Provider Incentive Program, correct an incorrect number in the...in an earmark. In Section 10, for Health and Human Services, Medicaid and Long-Term Care, insert the correct division title. In Section 11, Health and Human Services Behavioral Health, Program 38, Behavioral Health, corrects a division title that was referenced. In Section 16, for Health and Human Services, harmonizing amendment suggested by the Bill Drafting to properly place an appropriation made in LB283A. The net impact to the General Fund appropriations, because of this amendment, is a reduction in fiscal year 2007-2008 of \$504,709, and an increase in fiscal year 2008-2009 of \$117,991, for the two-year net reduction of \$386,718. The cash fund appropriation increase is \$2,838,395, and \$1,041,295 in the next year for the respective fiscal years. With that, I would be happy to answer any questions you might have and I move the adoption of the amendment, AM1194. [LB321 LB283A]

SENATOR AGUILAR: You've heard the opening on AM1194. Mr. Clerk, do you have items on your desk? [LB321]

CLERK: Mr. President, Senator Heidemann would move to amend AM1194 with

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

AM1259. (Legislative Journal page 1453.) [LB321]

SENATOR AGUILAR: Senator Heidemann, you are recognized to open AM1259. [LB321]

SENATOR HEIDEMANN: Yes, Senator, Mr. President, fellow members. This is a simple amendment, something we actually caught today. It's on page 2, line 15, it would strike "348" and insert "341." We simply had put the wrong program number in, and with this amendment it will correct it. And I ask for your support. [LB321]

SENATOR AGUILAR: You've heard the opening on AM1259. There are no lights on. Senator Heidemann, you are recognized to close. Senator Heidemann waives closing. The question is, shall the amendment be adopted? All those in favor vote aye, and those opposed vote nay. Have you all voted that care to? Record, Mr. Clerk. [LB321]

CLERK: 28 ayes, 0 nays on the adoption of the amendment to the amendment, Mr. President. [LB321]

SENATOR AGUILAR: The amendment is adopted. We are now back to AM1194. Anyone wishing to speak on AM1194? Senator Heidemann, there are no lights on. [LB321]

SENATOR HEIDEMANN: I will just ask you support AM1194. These are all just concerns that were brought up on General File or things that we found between General File and Select File. With the passage of AM1194, we will correct all those. Thank you. [LB321]

SENATOR AGUILAR: You've heard the closing on AM1194. The question is, shall the amendment be adopted? All those in favor vote aye; those opposed vote nay. Have you all voted that care to? Record, Mr. Clerk. [LB321]

CLERK: 27 ayes, 0 nays, Mr. President, on adoption of Senator Heidemann's amendment. [LB321]

SENATOR AGUILAR: The amendment is adopted. [LB321]

CLERK: Senator Christensen would move to amend, AM1255. (Legislative Journal page 1453.) [LB321]

SENATOR AGUILAR: Senator Christensen, you are recognized to open on your amendment. [LB321]

SENATOR CHRISTENSEN: Thank you, Mr. Speaker and fellow senators. The

Floor Debate
May 07, 2007

university is headed down a slippery road. Are we, as senators, we need to know what is going on and the potential pitfalls. When the university has doctors come in and testify, they are seen as experts. When they testify as individuals, they need to be upheld to a high degree of integrity. This year, as LB700 was heard, Dr. Turpen testified that embryos cannot be created by somatic stem cells. This is false information. When this happens, we asked him outside the conference room, and he said, well, this was a little misleading play on words. I have asked for a letter of explanation of comments from the doctor and chancellor. I received a letter from the accountant and lobbyist. If we can't get responses from the university when we ask, then I believe they are telling us senators that they don't care about us or their funding. If the university cares, then live up to the Regents' policies, testify with honesty, or be prepared for cuts and less funding than you want. Think about what is happens. When the state has a plan for total irrigation development, we have to pay for this now. Will we wait till a doctor has a liability suit before we get control of their tongues? Does the truth matter to any of us? I want to go to some of the transcript from LB700. This is Dr. Turpen: There are several important differences between normal development of a human embryo and somatic cell nuclear transfer. As scientists, we define a human embryo as genetically distinct individual that has been formed by the union of an egg and sperm at time of fertilization. In mammals, this process initiates a continuum that includes implantation, pregnancy, and birth. The process of somatic cell nuclear transfer, or human asexual reproduction as described in this bill, does not produce an embryo by the process of fertilization, nor does it produce a new genetically distinct individual. The result is the production of a small population of 30 to 40 cells that can be transferred to a long-term culture in a petri dish. Sponges reproduce asexually, some worms reproduce asexually, and many species of fungi do. But humans do not. Thus, somatic cell nuclear transfer is not creating new human life, it is not producing a new human embryo, and it is scientifically inaccurate to assert that it is. Now I go to some previous studies to prove this point. The commission, its discussions, fully recognize that any effort in humans to transfer a somatic cell nucleus into an enucleated egg involves the creation of an embryo with the apparent potential to be implanted into utero or developed to term. That comes from Cloning Human Beings, Report, Recommendation of National Bioethics Admission (sic) Council, June 1997, page 3. The second one: The first product of somatic cell nuclear transfer is, on good biological grounds, quite properly regarded as the equivalent of a zygote, and its subsequent stages as embryonic stage in development. Human Cloning and Human Dignity: An Ethical Inquiry, report to the President's Council on Bioethics, July 2002, page 50. Third proof: The method used to initiate the reproductive cloning procedure is called either nuclear transplant or somatic cell nuclear transfer; Scientific and Medical Aspects of Human Reproductive Cloning, report of National Academic (sic) of Sciences and Institute of Medicine, National Academy Press, Washington, D.C., January 2002. Fourth: Anything that you construct at this point in time that has the properties of those structures to me is an embryo, and we should not be changing vocabulary at this point in time. It does not change some of the ethical issues involved, by Dr. John Gearhart, Johns Hopkins University, April 2002, before the U.S. Presidential

Floor Debate
May 07, 2007

(sic) Council on Bioethics. Five: Moreover, because therapeutic cloning requires the creation and disaggregation utero blastocyst stage embryos, this technique raises complex ethical questions. Therapeutic cloning requires the deliberate creation and disaggregation of a human embryo. That's by Robert P. Lanza, Arthur L. Caplan--a number of guys there--from the interview again with Dr. Thomson, Ph.D., the leading embryonic stem cell researcher in the U.S. Okay. Number seven: The question quite often asked is people who use nuclear transfer generally say the technique is optimized by producing stem cells rather than making babies. They would want you to equate this with the process that produces embryos that were fit for implantation, and they'd argue that you were using the reproductive process differently. Answer: See, you're trying to define it away, and it doesn't work. If you create an embryo by nuclear transfer, and you give it to somebody who doesn't know where it came from, there would be no test you could do on the embryo to say where it come from. It is what it is. It's true that they have a much lower probability of giving rise to a child, but by any reasonable definition, at least some frequency, you're creating an embryo. If you've tried to define it away, you're being disingenuous; "Stem cell pioneer does a reality check, James Thomson reflects on science and morality," by Alan Boyle, Science editor, June 2005. Number eight: In February 1997, Dr. Ian Wilmut and his team startled the scientific world by showing that the nucleus from an adult sheep body cell could be used to produce a developing embryo that could grow into another genetically identical sheep. There was no doubt whatever that this process, somatic cell nuclear transfer, produces an embryo of relevant species. As Dr. Wilmut said in his groundbreaking article: The majority of the reconstructed embryos were cultured in ligated oviducts of sheep. Most embryos that developed to morula and blastocyst after six days of culture were transferred to recipients and allowed to develop to term. Eight comes from Jonathan Van Blerkom, human embryologist at the University of Colorado. "Expressingly" disbelief that some day the human cloning produces an embryo: If it's not an embryo, what is it? Dr. Jose Cibelli, vice president of research at Advanced Cell Technologies (ACT), said: This is the power of cloning. Cloning can take a body cell and turn it into an embryo. What we can do with this embryo depends upon society. We can make an individual, or we can make a stem cell. The issues are currently being debated. Once we decide what to do, we'll have to live with it; Ed Oliver, Cloning Research of ACT Lectures, Ethics on Holy Cross. [LB321 LB700]

SENATOR AGUILAR: One minute. [LB321]

SENATOR CHRISTENSEN: University of Nebraska policy Recommendation 3, Human Embryonic Stem Cell from Embryos Produced Using Somatic Cell Nuclear Transfer: The University of Nebraska shall not conduct research involving the deviation or use of human embryonic stem cells for embryos produced using somatic cell nuclear transfer. Here's...Senator Pedersen's, during the...off the transcript, says: Thank you, Senator Ashford. Doctor, Ron Withem from the university was just up here saying the university is not doing this. And then you come up and testify. Are you saying that you want to do

Floor Debate
May 07, 2007

it? Dr. James Turpen: What are you...what we are saying is we don't know where the scientific questions are going to lead us in the future. [LB321]

SENATOR AGUILAR: Time. You've heard the opening on AM1255. Those wishing to speak are Senators Christensen, Avery, Nantkes, and Chambers. Senator Christensen, you are recognized. [LB321]

SENATOR CHRISTENSEN: Again, Dr. Turpen: What are you saying, that we don't know where the scientific questions are going to lead us in the future and that's a point...may be a point for many years down the road--where would it be appropriate to use this technology to address particular questions? In coming years, therapeutic cloning and embryonic stem cell research will go forward. Hopefully, it will be in the hands of responsible scientists and clinicians and, hopefully, it can happen in the state of Nebraska. I believe we can develop those advances in biomedicine translated into clinical practices right here in Nebraska. I respectfully and sincerely hope that you can oppose LB437 and LB750; David Crouse, Ph.D., Vice Chancellor Academic Affairs, University of Nebraska Medical Center. It's obvious from these testimonies, they continue to mislead information on what they can do. Senator Lathrop: You suggest that this isn't a procedure that the university would use, even if the research takes them in that direction it's not something that we would use...see the university use, even if they repeal this policy first, for years to come. Doctor Turpen: I'm saying that this technology is just beginning to develop. It is a long ways from implementation. And so it will be a number of years before anything develops from this technology and would approach therapeutics. But one of the points of this bill, that we are not allowed to use materials that is produced elsewhere using this technology. So we are being placed in the position that says a scientist in Iowa produces a cell from technology that is potentially very promising therapy, as our scientists and researchers could not use the cell line here, even though we haven't produced it ourselves. But...excerpts from LB700: No person shall knowingly perform human cloning or deliver or receive any embryo or fetus produced from human cloning for research purposes. There's many examples here that I won't go on and go through, but I think it's very important to know the direction that...the university has set forth a policy but the doctors have decided to ignore it, run their own direction. I've ask for clarification from the university. They don't seem to care and that's why I brought this bill...or amendment forward, was to make a very illustrated point here. Is Senator Fulton around? No? All right. [LB321 LB700]

SENATOR AGUILAR: Senator Fulton, are you...? [LB321]

SENATOR CHRISTENSEN: I don't see him. That's fine. Anyway, he has visited with J.B. and others, and they just told him that, oh, we can't control them doctors. Well, if they can't control them doctors, then maybe we need rid of the chancellor or president or whoever is in charge. The Regents' policy can't be (inaudible), maybe we need rid of the Regents. You know, what is going on here? If this was a private company it'd be run

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

like a business. The policies would be followed. If the university can't follow it, they're telling you senators, they don't care, they don't care for your money, they don't care where it's going. We need to set a precedence soon. Either they can come talk to us, they can come to their own policies, and come honest with everybody, or maybe we do need to cut their funds. I think it's very important that we let the university know that they're on a dangerous, slippery slope,... [LB321]

SENATOR AGUILAR: One minute. [LB321]

SENATOR CHRISTENSEN: ...and that's why I brought this. I'm not sitting here to necessarily kill the university's budget because I'm going to share something with you. When the Appropriations had their appropriations hearing for the university, I testified for them to have more money. I am a graduate of the university. I've been very proud of the university and I want to remain that way. So for that reason I'm going to request again that the university come talk to me, call and make an appointment with me, and I want to visit with the chancellor of UNMC, I want to visit with the president of the college, and I want to get...visit with the Regents and get thing going forward so there's not mixed messages given to this body, so that we can all fully support the university... [LB321]

SENATOR AGUILAR: Time. [LB321]

SENATOR CHRISTENSEN: ...like it needs to be. And at this time I would like to lift that amendment. [LB321]

SENATOR AGUILAR: With no objections, so ordered. Mr. Clerk. [LB321]

CLERK: Next amendment, Mr. President: Senator Chambers, AM1252. (Legislative Journal page 1453.) [LB321]

SENATOR AGUILAR: Senator Chambers, you are recognized to open on AM1252. [LB321]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, let me get my bearings here. I've got it. Mr. President, members of the Legislature, I've had several amendments, some of which I really intended to offer, but I chose not to. This one I'm very serious about. It has to do with the elderly, but since I'm in that category now, I do away with the euphemisms and just say the old folks. I am one of them now. But I'm not bringing this for me. I'm bringing it because there are people who need the services that this Eastern Nebraska Office of Aging would offer. One of the matters relates to the Meals On Wheels--that's what it's popularly called. These are meals served to people in their homes. There is another component called Lifeline, although there's a technical term for it, and that's where people can seek help and call out for

Floor Debate
May 07, 2007

help when they need it. Then there is a home management or help care, h-e-l-p, where elderly people who want to stay in their homes are given certain services. The amount being sought is \$290,000. The ENOA, as it's called, has been experiencing budget deficits, they have laid off staff, they have cut programs and services, and they're on the verge now of having some of these things that I've mentioned, like the homemaker service, the Meals On Wheels, and the Lifeline, come to a halt. I have not offered amendments to raise issues relative to giving money to a program that I support. I was approached this afternoon in the hallway, to see if I would carry this amendment. I'm reluctant to bring amendments if I don't believe in them, unless it's one that I bring for the purpose of discussion, and I will make that clear. This is one that I would like the body to accept. The Appropriations Committee will try to hang together, and I understand that. But when the former committees were here, there were some programs and issues that they recognized as transcending this artificial notion that they all have to hang together, and just be together to the exclusion of everything, every appeal, and everything that would go counter to what that committee had decided on. But even if they do hang together, that doesn't mean the rest of us have to go along and be put in a straitjacket. These people being suffered by this program are elderly, and they want to remain in their homes. Some of the people who provide these services themselves are trying to receive additional compensation for the work that they do. For example, the...there's a meal catering contract for both home-delivered meals and congregate meal programs. That will increase 10.3 cents per meal; homemaker services will increase 25 cents per hour; bath aide, a-i-d-e, will increase 17 cents per hour. Then this comment: Factoring in flat funding from the federal Older Americans Act and a nominal increase from the state of Nebraska is forcing ENOA to again eliminate staff positions and services, and place other programs on hold for FY 2008. So this is not an agency trying to pad a budget, trying to end-run anybody. They are dealing with actual individuals; they are, so to speak, where the rubber meets the road. It's not a far-flung bureaucracy giving services here, there, and everywhere, so that nobody can get a hold on exactly what is being done. Their program can be reviewed. Their budget can be examined. They can tell how many people they're serving, how many they won't be able to serve. But when these programs come to a halt, that's going to make it very easy, because nobody is going to be served. I don't think we ought to wait till people are in extremely dire circumstances. Then we say we're going to try to bail them out. It would be better to feed somebody and give them adequate nutrition than to wait till they're on the verge of starvation and correct whatever other deficiencies and ailments may have developed, and then try to begin to feed them. Prevention is better than cure. All of us are going to be old someday. I'm old now. I just don't feel it. But someday, "Parson," old Father Time or Mother Nature or the two of them together may say, we're going to show this guy what we can do. We'll just turn off a gene here, we'll slow down one there, and the ends of these cells that are supposed to be able to reproduce themselves, we'll chop them off, and there won't be any more reproducing of cells, and all of these infirmities will hit him at the same time. Then, I don't know whether I will be able to take care of myself. Probably because of the kind of life that I've lived and the

Floor Debate
May 07, 2007

things I've done, and created so many enemies, there are people who would love to be a caregiver for me, and I mean, they would take care of me, brothers and sisters. (Laughter) So I have to try to keep myself in a situation where I won't need that help. But all of us know of older people who cannot make it without some assistance. This still is the richest country in the world. Old people are not respected in this society as they are in others. They're not viewed as mentors, they're not viewed as repositories of experience, knowledge, and wisdom. The youth would never dream of revering them, as happens with older people in other cultures. Somebody might as soon come up and knock your cane out from under you, tip you out of your wheelchair, or any other thing that might be done to somebody who is utterly helpless. So as a Legislature, all I'm asking that we do is to agree to this \$290,000 for this year, and the same amount for next year. This is not saying, if you don't do this, then this program might suffer. This program is suffering now. More than what I've said, I don't know what to say. If there are questions, I will do my best to answer them, but I'm hoping I can get enough support to restore this money. Thank you. [LB321]

SENATOR AGUILAR: Thank you, Senator Chambers. You've heard the opening on AM1252. Those wishing to speak are Senators Synowiecki, Heidemann, White, Howard, and Wallman. Senator Synowiecki, you are recognized. [LB321]

SENATOR SYNOWIECKI: Thank you, Senator Aguilar, members of the Legislature. First I...you know, kind of...I want to first of all affirm everything Senator Chambers said relative to what this program is experiencing right now, ENOA, Eastern Nebraska Office on Aging. I've been in rather consistent contact with the executive director, Bev Griffith, and they are having one heck of a time maintaining the status of their current programs, and they are looking at...and this is very legitimate, because I've been in contact with them, I've had several meetings with ENOA. They are at a crossroads now, where they're looking at some of these programs to be entirely rolled back and diminished. And as Senator Chambers indicated, it's vitally important, I think, for this population to be able to maintain autonomy and to be able to maintain independence. And while I can't support the amendment, and Senator Chambers knows why for the most part, I have been...I've attempted to be as responsive as I possibly could and was also involved in a meeting with Senator Nelson just last week with ENOA, and very, very interested in introducing an interim study to look at our funding for these aging programs across the state. And as everyone knows and realizes, we have an aging population, particularly here in the state of Nebraska, and this stuff needs to be...it needs to be addressed. These items need to be addressed; these issues need to be addressed. We need to maintain this population in their homes. They need to be maintained with a certain level of independence and autonomy, and in the long run, it's going to be very, very much in our best interest, in terms of long-range planning of our budgetary items in the state of Nebraska. I'm extremely sympathetic to Senator Chambers' motion here. He is 100 percent correct in his characterization of these current programs at ENOA and the condition that they're in financially. He's 100 percent correct. So it's just a decision

Floor Debate
May 07, 2007

for the Legislature that you'll have to make. I won't support the amendment, but I'm sympathetic to it. I think we need to do a more universal approach to this, look at all the aging programs throughout the state, and I wanted to engage the entire Appropriations Committee in an interim study, to study this issue more universally. I do, though, appreciate Senator Chambers bringing this amendment. It's a...there are legitimate needs here with this agency, folks, very legitimate, and I think it's just, again, very important that this population who has served us well throughout time and worked hard for living, and now in their retirement years, that they be treated with a certain level of dignity and a certain level of respect. And some of these programs are so vitally important, again, to their independence, their autonomy, and be able to live in the community and to maximize the time that they be able to live at their home and to have an existence that is marked with independence and autonomy and dignity. Thank you, Senator Aguilar. [LB321]

SENATOR AGUILAR: Thank you, Senator Synowiecki. The next speaker is Senator Heidemann, followed by Senator White. Senator Heidemann, you are recognized. [LB321]

SENATOR HEIDEMANN: Thank you, Mr. President and fellow members of the body. I come with heavy heart in opposition to AM1252, and I don't say that lightly. I do come with heavy heart in opposition of this. I would wonder if Senator Chambers would be available for a quick question. [LB321]

SENATOR AGUILAR: Senator Chambers, would you yield? Senator Chambers, would you yield? [LB321]

SENATOR CHAMBERS: What did you...to what? (Laughter) [LB321]

SENATOR AGUILAR: A question from Senator Heidemann. [LB321]

SENATOR CHAMBERS: Oh, sure I will. I didn't know who was...what was going on. I was in a conversation. Yes, I will. [LB321]

SENATOR HEIDEMANN: You made your pitch, and a very good one, I might add, for more money. Can you tell me why this agency is in trouble? [LB321]

SENATOR CHAMBERS: Well, because they don't have money. (Laughter) [LB321]

SENATOR HEIDEMANN: Can you tell me why they don't have money? [LB321]

SENATOR CHAMBERS: The services that they're providing cost more than the amount they have to spend for them, and they had mentioned specific programs that they're trying to provide, and the people that they contract with and hire to do these services

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

are themselves in a position of requiring more in the way of compensation. So whatever the underlying reasons might be, in addition to what I've said, the fact is that they've had to cut staff, cut services, and cut programs. So if there's something else that I'm unaware of, I'm prepared to be informed. [LB321]

SENATOR HEIDEMANN: When they talked to you about this, did they tell you that ENOA, in itself, had a loss of federal funds of \$155,000, and that's one of the reasons, probably one of the most reasons, why they're in trouble? Did they tell you that? [LB321]

SENATOR CHAMBERS: No. Well, I didn't talk to a lot of people. I told the body when I first began speaking, I was approached in the hallway and asked would I carry this amendment. I'm satisfied that whatever may be behind the problem--and I'm accepting at face value what you're telling me--when there are old people who need these services, I'm interested in trying to get them, so that's the role that I'm playing. You might can ask me 20 questions, the answer to which no one of them can I give. But it wouldn't alter what I'm trying to do here. [LB321]

SENATOR HEIDEMANN: Thank you, Senator Chambers. This agency does have needs, and the needs is because they lost federal funding, and if this body is going to be consistent on standing up and saying, we can't start down this road, and even though I could see why you would want to, we can't start down this road. It wouldn't be fair to the people before us that we've said no to. It wouldn't be fair to the people down the road that, when we can see our budget is in trouble because we keep picking up federal funding that has stopped, that we have to say no. And we have to stay with where we're at, we have to stay with the Appropriations Committee's commitment that we do not pick up loss of federal fundings. If we have a problem and the problem needs to be, we need to talk to the federal people, we need to talk to Senator Nelson and Senator Hagel, Senator (sic) Fortenberry and Senator (sic) Terry, and ask them the question why they eliminated \$155,000. We need to talk to our own Senator Smith who was here just last year. We need to find out why they would cut \$155,000 from this agency's budget. But the Legislature, the Appropriations Committee, if you look in the budget, we have increased this agency's funding by 3 percent, just like we did a lot of other agencies across the state of Nebraska. We have increased. We've stepped up to the plate and increased funding for them. We realize... [LB321]

SENATOR AGUILAR: One minute. [LB321]

SENATOR HEIDEMANN: We've talked in Appropriations Committee more than once about, the more that we can help these people, the longer that we can have them stay in their homes, the better they are and the better off we are as a state. And I understand exactly what they do, I understand how important it is, but we cannot start down this road of replacing lost federal funding. The one thing I want to bring up quickly is they do this in conjunction with I don't know how many different counties, but I do believe that

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

Douglas and Sarpy County is...they work in conjunction with the counties. I urge you, if you need more money, to go talk to Douglas County and to Sarpy County. I happen to know that Douglas County's levy is approximately 27 cents, one of the lowest levies in the state, and they have room to help with this agency. I think they should step up to the plate, as a county, and help... [LB321]

SENATOR AGUILAR: Time. [LB321]

SENATOR HEIDEMANN: Thank you. [LB321]

SENATOR AGUILAR: Thank you, Senator Heidemann, Senator Chambers. We are discussing AM1252. Those waiting to speak are Senators White, Howard, Wallman, Chambers, Hansen, Carlson, Fulton, Mines, and Nelson. Senator White, you are recognized. [LB321]

SENATOR WHITE: Thank you, Mr. President. I rise in support of Senator Chambers' amendment, and let me speak why, and why so clearly. First of all, it's the right thing to do. Not all federally funded programs are created equal, and while the feds may defund competitive tiddlywinks, that doesn't stand on the same footing as feeding the older and the hungry. This is a program that deserves our support, even if the federal government has lost its way. Why does it deserve our support? First of all, because they're human beings, and in this country we do not let human beings go hungry. If that does not move you, then look at the financial implications. Meals On Wheels, I'm assured, will close down--will close down--on July 1, absent this additional money. We will spend many times more in Medicare and Medicaid because of malnutrition, in putting people into long-term care, because we have not done the simple things to keep them in their homes. This is penny wise and pound foolish. It is also fundamentally inhumane. I support this amendment wholeheartedly. I will not sit quietly when older people go hungry. That is not what we're about, it's not what we should be about. With that, Mr. President, I'd yield the rest of my time to Senator Ashford. [LB321]

SENATOR AGUILAR: Senator Ashford, you have 3 minutes and 26 seconds. [LB321]

SENATOR ASHFORD: Thank you, Senator White, and thank you, Senator Chambers, for bringing this amendment today. I would like to talk about one aspect of the services that ENOA provides in the area of emergency response. And it's my understanding, from talking to the representatives from ENOA, that this program would also be in jeopardy of closing down on July 1. Two years ago I had the opportunity, really, to be involved in the evacuation of the New Orleans...those citizens of New Orleans that were evacuated to Omaha. We...at the housing authority we housed a number of these individuals, and I can tell you, in working with ENOA throughout that time, that it was very, very impressive and important service that was provided to the evacuees. This was obviously, as we all know, a very troubled population, people that had become

Floor Debate
May 07, 2007

homeless and, for the most part, those who were evacuated to Omaha, approximately 150 individuals who were evacuated to Omaha on two airplanes, two jets that came up to Omaha that week, were for the most part elderly. And they were in desperate need of services, and ENOA was responsible--Bev Griffith and the team there--was responsible for caring for these people throughout their transition time in Omaha. The point is that you had to see it to really believe it. You had to be there, you had to experience the caring that these people gave, the care that these people gave to these evacuees as they first arrived at the Civic Auditorium, as they transitioned in to motels, and then as they eventually transitioned into other housing. Omaha, Douglas County, is a large metropolitan area and these types of emergencies occur, and any chance that they would lose their ability to provide this emergency response to elderly individuals who find themselves in this sort of situation is well worth our consideration. And though this particular request applies solely... [LB321]

SENATOR AGUILAR: One minute. [LB321]

SENATOR ASHFORD: ...to Eastern Nebraska Office on Aging, the number of individuals who work for ENOA in these areas has decreased significantly. The funding, as we all know from hearing Senator Chambers, listening to Senator Chambers, the federal funds have been reduced significantly. Programs have been terminated. This really is the kind of investment that we should make, because as Senator White so correctly states, that if we don't invest this money with this population in this way, in this manner, the costs of other medical services will be significantly greater. I stand in support, Mr. President and members, of this amendment and urge its passage. Thank you. [LB321]

SENATOR AGUILAR: Thank you, Senator Ashford and Senator White. Next to speak is Senator Howard, followed by Senator Wallman. Senator Howard, you are recognized. [LB321]

SENATOR HOWARD: Thank you, Mr. President and members of the body. I stand in support of Senator Chambers, and I thank him for bringing in this amendment. I'm going to take a moment just to read to you a letter that I received, and I've received many, many letters on this issue, not as many e-mails, because many of our senior citizens still prefer the old-fashioned, write-it-out-in-longhand method. This letter said: Dear Gwen, We have a wonderful case manager who keeps this place alive and does so much for us. Meals On Wheels, bath aides, and homemaker--it's great to be able to have them. I couldn't live here without them. I would have to go to assisted living, and I cannot afford that. Many elderly here feel the same way I do. We must have funding from the state for us to continue these great services. This is signed by a lady who is still living independently in an apartment, and she noted here that she's 94.5 years old. And I say to you, I support Carey Mae in this. Carey Mae is making a very reasonable request. Allow her to continue the services that she has come to rely on, so that she can

Floor Debate
May 07, 2007

maintain her independence. We all know, we all know it's a much higher price tag to have someone in assisted living, a nursing home, or care facilities. The longer individuals can live independently, in their own apartment, their own home, the better off everyone is, and certainly the happier and the healthier they are. A couple of Saturdays ago I took some time to go and visit one of these individuals that had sent me a letter, a very poignant letter, and I stopped at the grocery store and picked up some flowers to take to her, to brighten her day. And she and I spent some time together in the afternoon, and it was a very poignant time for me. She explained how she had no family, she had no one else to rely on. But the people that brought her the Meals On Wheels brought her more than that--they brought her the food that she needed, but they also brought her contact, they brought her conversation. They brought her contact with the outside world, and she so appreciated that, and she begged me not to have this service curtailed and not to have the funding cut off. I find it absolutely incredible that, as a body, we can almost unanimously vote to support the roads or training or industry, tax breaks, anything--and those are certainly worthwhile considerations. But when it comes to children, to the elderly, to the hungry, we have to wage a war on this floor. I say to you, there's something wrong with this equation. We need to represent the people that need us the most, as well as those who can...who really are out there and can help themselves, frankly. I'm going to offer the remainder of my time to Senator White. Thank you. [LB321]

SENATOR AGUILAR: Thank you, Senator Howard. Senator White, you have a minute, 20. [LB321]

SENATOR WHITE: Thank you, Senator Howard. Senator Heidemann, I've been advised of a couple of facts I'd like to lay on the floor. First, I am told that the \$155,000 shortfall from the federal government has arisen because we have not found the matching funds necessary from the state. I was just told that. And the second thing is, I am told that Douglas County has asked for a 5 percent increase in their budget,... [LB321]

SENATOR AGUILAR: One minute. [LB321]

SENATOR WHITE: ...nevertheless is confronting these shortfalls. Can you please respond--and I will tell you, this came from the lobby--can you please respond? Is it accurate that we've lost our federal money because we haven't ponied up the state money, and do you know whether Douglas County has, in fact, asked for an increase of 5 percent in the funding? [LB321]

SENATOR AGUILAR: Senator Heidemann, will you respond? [LB321]

SENATOR HEIDEMANN: Who has Douglas County asked? [LB321]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

SENATOR WHITE: Well, Douglas County has asked the county commissioners to raise the money. You've made the point that they could raise more money. They've asked for 5 percent, but I'm also told we've lost the federal money because we're not matching it with state money. Is that accurate? [LB321]

SENATOR HEIDEMANN: We was never...we was not aware of that. We was never told that. We're not aware of that, if that has taken place. That has never...they come testified before our committee and they never...they never made us aware of that, they never told us that, so I don't know where that's coming from. [LB321]

SENATOR WHITE: So would you agree that if we come up with the money and we get that matching federal money, this would be a good investment? [LB321]

SENATOR AGUILAR: Time. Thank you, Senator White, Senator Heidemann, and Senator Howard. Next to speak is Senator Wallman, and you are recognized. [LB321]

SENATOR WALLMAN: Thank you, Mr. Speaker, members of the body. What's our number one job? I think I've said it before. It's to take care of the people. Government's job is to take care of the people they serve. If our federal government is letting us down, that's their fault. But Nebraska, we have to take care of our own residents here. And as campaigning, I followed a Meals On Wheels car around and visited some of these people, and they did a tremendous job. And they didn't get any reimbursement; they did it for free. But let's not cut this program. And then I would support this amendment by Senator Chambers and I yield the rest of my time to Senator White. [LB321]

SENATOR AGUILAR: Senator White, you have 4 minutes, 11 seconds. Senator Chambers, you have 4 minutes. [LB321]

SENATOR CHAMBERS: Thank you, Mr. President. Thank you, Senator Wightman (sic). Members of the Legislature, Senator Christensen and I were just talking, and he had mentioned that he is aware that people from rural areas might gravitate to Omaha and Lincoln because these services are more readily available there; and he and I, without trying to impress each other or anything else, were mentioning some of the things we do for older people. He...well, I won't go into his affairs, but he has done things to help people, doesn't charge them. I shovel snow, I cut grass, and older people always want to pay you. They always want to give you something. They don't want to feel like they're relying on anybody, and I let them know that I need the exercise, I enjoy being outside, there's no telephone ringing for me, and if I hear one ringing, it's not for me. So let me just do what it is that I want to do. Again, my time has many demands on it. My money is very short. But I go out of my way to find those people who are on the margins and they will be ignored. They have as much right to be given consideration as anybody, but they tend to be neglected. So--and this is not to boast--I've paid for funerals, I've purchased headstones, and the reason I do it...I don't believe in funerals. I

Floor Debate
May 07, 2007

don't believe in any of that, but people do, and it's a terrible time for them, so I help where I can. I'm aware of very frail, poor, elderly people. They should not be made to lose their dignity, they should not be made to feel that they're in the way, that they don't count, that they're a burden. Many of them don't want to be any of those things on their family, so they try to remain in their home as long as they can. If the federal government says, we're going to let somebody starve, then I don't think the state should say, well, they might starve before we can help them, but we're not going to give the crust of bread we can; we're going to ask the feds, why are you letting them starve. We have a responsibility and an obligation, and I was kind of putting the lumber to Senator Heidemann. He's been here two years. Now Senator Don Pederson, who was the Chair of that committee, and Senator Wehrbein, we would have talked about it, and this would have been supported by the Chair of that committee. Two years, and he is already straitjacketed, and he says, well, we can't go down that path and do this. We can do whatever we want to and think we ought to do as a Legislature, and we make decisions on an individual, case-by-case basis, as they tell us that they do in the Appropriations Committee. [LB321]

SENATOR AGUILAR: One minute. [LB321]

SENATOR CHAMBERS: Now I'm not going to get on the hobby horse that I usually do and really stick it to Senator Heidemann, but this is what happens when you get new people who don't know anything. They have no background, they have no experience in these programs, what the Legislature has done in the past, how it does reach out and try to help. But when you're brand new, you're doctrinaire, you're an ideologue. You don't know how to think and look outside the box and see what we're really dealing with, and that is a problem. And it's going to arise again and again. I haven't tried to derail what the Appropriations Committee has done, but I see a lot of deficiencies and flaws in the way they're operating, but they're new and they don't know anything. They're trying to learn. But when they become as hardhearted, insensitive, and lacking in compassion as I see here,... [LB321]

SENATOR AGUILAR: Time is up. [LB321]

SENATOR CHAMBERS: ...and the justification is...what did you say? [LB321]

SENATOR AGUILAR: Time is up. [LB321]

SENATOR CHAMBERS: I'm sorry, Mr. President. [LB321]

SENATOR AGUILAR: You may continue on your own time, Senator. [LB321]

SENATOR CHAMBERS: Thank you. You said I'm on my own time? [LB321]

Floor Debate
May 07, 2007

SENATOR AGUILAR: You may continue on your own time. [LB321]

SENATOR CHAMBERS: Thank you. Compassion takes a backseat to this rigid, simpleminded notion that I've got to stick with the committee. I've supported Senator Synowiecki on some proposals when he was a better man than he has become as a member of that committee. When Senator Crosby was here we disagreed on matters like pro-life and pro-choice, but when it came to helping people we were joined, not at the hip, but from the forehead down to the toes. We didn't let all of that artificial nonsense come in when we knew there were things that this state had an obligation and a responsibility to do. For children, we were there; poor women, we were there; pregnant women who wanted to carry a pregnancy to term, we were there. Doing away with these artificial caps on assistance to families with children, she and I were there. And if this was something that the Appropriations Committee opposed, Senator Synowiecki would oppose it also, because loyalty to that committee is more important to him than loyalty to those principles of rectitude, justice, and virtue that he has demonstrated in the past. No committee could put a claim on me that would make me turn my back on one of the most vulnerable, helpless groups in this society, a group which we all are going to join if we stay on this earth long enough. And while we can help, we ought to help these people. They're not coming here with a tin cup begging. If anybody is begging, I'm the one begging, and I'm begging for them. Do you all think if I had enough money to help all these old people I would ask you all for a penny? No! I'd do it. And to the extent that I can, I do. But I can't take everybody who needs something on my shoulders and carry them. So all I can do is use my voice, use my mind, try to touch something in you all that I guess your ministers, your priests, and these others tell you ought to guide your day-to-day life. I hear people up there in the mornings praying about how we should help people, help us to do our job, help us to look out for the citizens of this state. Two hundred and ninety thousand dollars to help some old people who need some food, who need literally a lifeline if they fall and need to contact somebody--we're saying we'll have a study. Somebody has no food--they can't get out of their house--it needs to be brought to them. Well, Meals On Wheels is gone. We'll have a study. Maybe if we're lucky, these old folks will die off. Maybe we ought to do what Jonathan Swift recommended ought to be done to Irish children in a modest proposal--use them for food. Cook them, let them be the food for the wealthy. And he suggested different ways they could be prepared. Is that what we're talking about with these old people, that they don't have many years anyway, so if we look the other way and we're lucky, they'll just die off and we can forget it? I can't, and I can't look away. And that's why it didn't take persuading to get me to carry this amendment. Anybody could have let me know that this problem exists, and I would have tried to do what I'm trying to do now. Senator Dierks told you all the things I did to help people in the rural areas. I've told you instances when I've tried to help them and they wouldn't let me. So this isn't why I'm doing it, because it's in Douglas County or Sarpy County. That's where I was told that the problem is. Even groups that came down and were trying to get help for their programs testified in behalf of this particular program. If Senator Synowiecki

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

can confirm the truth of what I've said and you've got somebody hungry, naked, and thirsty,... [LB321]

SENATOR ERDMAN PRESIDING

SENATOR ERDMAN: One minute. [LB321]

SENATOR CHAMBERS: ...why will you not give them food, clothing, shelter, and water? Isn't that supposed to be what constitutes being virtuous? Go thou, and do likewise. I don't believe those things and I'll outpace you all, and I don't have a heaven to look forward to, and I don't have a hell that I'm afraid of. It doesn't take all of that for me to see something is hurting, and try to relieve their pain, if I can. And that's all I'm saying. And we can buy a little piece of mind and help some people for a mere \$290,000. That is not money, when you're talking about the large sums we deal with in this budget. Mr. President, thank you. [LB321]

SENATOR ERDMAN: Thank you, Senator Chambers. Those senators wishing to speak on the Chambers amendment are as follows: Hansen, Carlson, Fulton, Nelson, White, Karpisek, Lathrop, and Gay. Senator Hansen, you're recognized to speak on AM1252. [LB321]

SENATOR HANSEN: Thank you, Mr. President. Senator Chambers, would you yield for a couple questions? [LB321]

SENATOR ERDMAN: Senator Chambers, would you yield to questions from Senator Hansen? [LB321]

SENATOR CHAMBERS: Yes, I will. [LB321]

SENATOR HANSEN: Senator Chambers, do you know where the term "baby boomers" came from? [LB321]

SENATOR CHAMBERS: They were born at a certain time some years ago, but I guess it was a boom when they came, or they came with a boom. (Laughter) I really... [LB321]

SENATOR HANSEN: Would it be true that it's...they were the baby boom after World War II, starting in 1946? [LB321]

SENATOR CHAMBERS: That's what I think is correct, yeah, around that period of time. [LB321]

SENATOR HANSEN: Probably about the time you might have been about ten years old? So are you a baby boomer? [LB321]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

SENATOR CHAMBERS: Oh, no. [LB321]

SENATOR HANSEN: No. [LB321]

SENATOR CHAMBERS: I preceded that. [LB321]

SENATOR HANSEN: (Laugh) I'm the first year of the baby...thank you, Senator Chambers. [LB321]

SENATOR CHAMBERS: Okay. [LB321]

SENATOR HANSEN: I'm the first year of the baby boomers. During my campaign, it was interesting one evening that my young opponent called the baby boomers--and we were talking to a group of baby boomers--he called that the ugly bubble. So I'm on the tip of the ugly bubble. And many of us in that room really didn't like that term. And since then I have talked to our local area on aging and found out what they do, and they do a great service. The Commission on the Blind has programs for the ugly bubble. They have the ugly bubble syndrome where we go out, and the more we can do for the people that are elderly, the baby boomers and the up and coming older people of this state to keep them in their homes, it's a great idea. We can't do anything better for the state than to keep our elderly in their home, whether it's Meals On Wheels or grocery shopping or doing anything that we can to help a neighbor or to help the elderly, to keep them out of long-term care that they can't afford, anyway. I think there's three things we need to do for our seniors, and keep this mind and we're going to be better off: Keep our seniors healthy, happy, and at home. Thank you, Mr. President. [LB321]

SENATOR ERDMAN: Thank you, Senator Hansen. Senator Carlson, you're recognized to speak on the Chambers amendment, followed by Senator Fulton. [LB321]

SENATOR CARLSON: Mr. President and members of the Legislature, I am going to make some comments, kind of going off of what Senator Hansen has said, and I know nothing about ENOA, and so it's easy for me to make some suggestions without feeling much responsibility, in a sense. Senator Chambers has made a really good case here, and so I may talk and ask some questions, and I'm not even sure who to ask, and I may be clear off. But it seems to me, from what I'm looking at, that ENOA is funded through local funds, federal funds, and state funds. I don't know to what extent charitable groups are involved. Maybe they are. If they are, then I'm kind of talking out of turn. If they aren't, then I think I've got a point. Because if charitable groups aren't as involved as they could be with a group that's taking care of the elderly, then it's an example to me of where the church should be involved. And many times, it takes a small nucleus of committed people to ask the church or other charitable groups for involvement, and then a lot gets done. There's great satisfaction, and if it's done in the proper attitude, I believe

Floor Debate
May 07, 2007

there's great eternal rewards for helping the elderly. But I think these things are better done by private help, because we're experiencing...you can't always depend on government, and I think that through the years we've let ourselves slide into a posture that we expect the government to do everything, and it's an easy cop-out for us. And so I'm listening to this debate and Senator Chambers has got a real point here. I would say one thing to Senator Chambers. You know, as you and I get older and we get to the point that we might hope that some other people would help us with our business, we just hope they don't give us the business. Thank you. [LB321]

SENATOR ERDMAN: Thank you, Senator Carlson. Senator Fulton, you're next to speak on the Chambers amendment, followed by Senator Nelson. [LB321]

SENATOR FULTON: Thank you, Mr. President, members of the body. Many of you know that I have an organization and we help the elderly, and so this type of thing, obviously, is dear to my heart. I'm willing to expend energy and time and resources to help the elderly. This request came in the eleventh hour, and I'm not faulting anyone for that being the case, but it remains, nevertheless, a fact. It came in the eleventh hour. Now I've asked the question, or actually posed the suggestion. This is agency...now it's Agency 26, Program 571. The appropriation we made would increase provider rates by 3 percent, okay? These providers...I asked the question, how is it that provider rates have anything to do with Meals On Wheels? Providers are individuals that go into the homes of the elderly to help them prepare a meal or to bring them to an appointment, or what have you. Well, I learned that within ENOA, as well as the LAAA here, the Lincoln Area Agency on Aging, the area within their budget that funds provider rates also funds Meals On Wheels, and so that's how Meals On Wheels is included in here. And so I had this suggestion: For those elderly who qualify for Medicaid, who aren't able within their means to feed themselves, could we not utilize the Medicaid waiver program for the providers? For those elderly who want to stay in their homes, could we not use the Medicaid waiver program? At present, I can tell you that, in Lincoln anyway, that's been very successful. The Medicaid waiver program provides the means for which these individuals can stay at home. The reason why that is important in this particular issue is because that's another pot of money, that's a different pot of money. And I don't know, I haven't had that response. I pose the question to the gentleman and to the folks that are from ENOA, and I don't know for sure whether they are looking at the Medicaid waiver program to provide for the increase in provider rates in such a way as to free up money within Program 571 for Meals On Wheels. The reason I say this is because I want you to imagine the scenario where every agency comes to us in the final moment with a scenario of gloom if we don't fund in the final moment, without having full data. I have some familiarity with this, so I ask the question, are we utilizing the Medicaid waiver program for those providers within Program 571 appropriately such that funds toward Meals On Wheels could be fully recognized? And I don't know. Now maybe we are, in which case Senator Chambers and the proponents for this amendment would have...they would have a good point. But we lack data. In the same way that we don't

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

have data about the Roads Department or about other agencies that we are uncomfortable funding, there's data lacking here within ENOA's budget. I asked a very straightforward question about where these funds had come from, and I didn't get an answer. And so what if every agency came to us in the eleventh hour, without full information, and asked for funds with a gloom scenario, a doom and gloom scenario if we don't provide those funds? [LB321]

SENATOR ERDMAN: One minute. [LB321]

SENATOR FULTON: We could be in trouble. So there's still some information. I have an idea out there. Why don't we utilize waiver funds to account for providers within Program 571? And that would free up money for meals. And maybe someone will have that answer, but if...that would be an answer that's worthy of providing. So I'm going to be opposed to this amendment. I do it with a little bit of knowledge into how this agency works and how this particular program within the agency works, and I'll be interested to hear if there is an answer as to whether or not waiver dollars could be utilized in lieu of some of these Program 571 dollars. Thank you, Mr. President. [LB321]

SENATOR ERDMAN: Thank you, Senator Fulton. Senator White, you're the next senator to speak on the Chambers amendment, followed by Senator Karpisek. [LB321]

SENATOR WHITE: Thank you, Mr. President. First, I'd like to correct something that was flat inaccurate. I was advised and understood that we had lost federal money for lack of state money. That is not true. The federal money disappeared, but it was not because of lack of money from the state, so I apologize for that. Nevertheless, people are hungry, older people are going to bed without enough food. That will cost us more in Medicare, Medicaid, housing. And just the sheer inhumanity that we will go to bed with full stomachs when our fellow citizens, who have lived in this country for their whole lives, go to bed hungry, that's not acceptable. I want you to know...my colleagues to know I support Senator Chambers' amendment in its entirety--\$290,000 for the simple decency of seeing your fellow citizens have a minimum amount to eat is nothing. And with that, Mr. President, I would yield the rest of my time to Senator Chambers, should he want it. [LB321]

SENATOR ERDMAN: Senator Chambers, you have 4 minutes. [LB321]

SENATOR CHAMBERS: Thank you, Mr. President. Thank you, Senator White. Senator Fulton gets on my nerves sometimes. We're not talking about mixing mortar or building a building or trying to impress people with data, data, data. And you know why he got on my nerves? Because he said we don't have information with the Roads Department, but he voted for all those Road Department propositions, and he voted against efforts to take money from the Roads Department. So their morality is flexible. Now he might be an engineer, but that doesn't impress me, and I've gone along and I've shot the breeze

Floor Debate
May 07, 2007

with him, and he was the one who emphasized to me that he's a minority group member. He brought it up; I didn't. He brought it up. He said there are three minority group members here. He brought it up. You know what my minority status has taught me? To be compassionate to other people because of what we've suffered. I don't want to see other people suffer, and I'm not going to join the side of the oppressor and be more oppressive than they are, and try to show that, well, really, I'm not a minority. I'm not like those people. I'm half white, and I don't care about these old people. Get your waiver! You're hungry? And then I think...I don't know if it was Senator Carlson, because I was talking...somebody said something about the churches doing it. You all pray every morning and you all go to church. God's telling you all, this is the time for you to come to the plate. This is the time for you to stand up and practice what you preach! We're talking about people who have needs right now. Young rich man came to Jesus, impressed with himself--maybe he was an engineer--and said, what must I do to enter the kingdom of heaven? And Jesus could see through these hypocrites and these phonies. He said simply to him, sell everything you got and follow me. But he told him, the birds of the air have a nest, the foxes have their holes, the Son of Man doesn't have a place to lay his head. Sell everything you got and follow me. And the young man went away very sad, for he had great possessions. So they can talk all of this stuff, and some of them even get up there and pray. For what? What is the purpose of all of that if, when in the presence of people who need help, and we're the stewards, we're not going to give that help and going to talk some nonsense about data, data, data? You know the data that I'm interested in? And I call it dAta. I'm interested in the fact that these are not numbers. These are people, and these are people who have needs and we're in a position to minister to the needs of those people. [LB321]

SENATOR ERDMAN: One minute. [LB321]

SENATOR CHAMBERS: And there comes a time when our humanity should shine forth. I think he's a Catholic. He always has that icon of a woman with a naked son on her lap, sitting up here like the hypocrites, showing everybody, I'm religious! I'm a Catholic. Well, he ain't a Catholic like what I was taught Catholics were when I was going to a Jesuit university. And you know why I talk like this? Because I'm fed up with it. We need to help those who need the help. You think I'm rough in what I say? Maybe Jesus wouldn't have been crucified if he hadn't called people sons of vipers, liars, of their father the Devil, who was a liar in the beginning. Maybe if Jesus was nice and talked about data, data, data, and didn't embarrass the priests, the rabbis, the doctors of law, and the lawyers, maybe he wouldn't have been crucified. [LB321]

SENATOR ERDMAN: Time. [LB321]

SENATOR CHAMBERS: There comes a time when nice words are not going to cut it. Thank you, Mr. President. [LB321]

Floor Debate
May 07, 2007

SENATOR ERDMAN: Thank you, Senator Chambers and Senator White. Senator Karpisek, you're recognized to speak, followed by Senator Lathrop. [LB321]

SENATOR KARPISEK: Thank you, Mr. President, members of the body. I would just like to stand in support of Senator Chambers' amendment. I've got three...lucky enough to still have three grandparents with us. One, I hope, is resting comfortably after knee surgery today. Hopefully, that will allow her to go home here in the next month or so. When she gets home, if we have some things like Meals On Wheels, other sorts of things that we can bring to help her stay at home in her home--yes, it will be in Wilbur, not in Omaha, but this is one state. I don't care where it is. If people can stay in their homes, stay happy and healthy, we deserve to do that for them. Maybe it is that this came late, I don't know, but I think if we can't do this for our elderly that came before us, we do have a very big problem, especially the rural people. I don't know if it even matters now, because people can't get to hospitals, they can't get to doctors. They need people to come to them, and I think that's what we're trying to do. So I would please ask the body to vote along with Senator Chambers. We need this. We need to do this because, as Senator White said, it is the right thing to do. Thank you, Mr. President. With that, I'd like to yield the remainder of my time to Senator Lathrop. [LB321]

SENATOR ERDMAN: Senator Lathrop, you have 3.5 minutes. [LB321]

SENATOR LATHROP: Thank you very much, Senator Karpisek and Mr. President. Colleagues, I have to tell you that many of you have identified me as someone who cares about the poor, and it probably started with this very program. When I was younger, my mother used to deliver Meals On Wheels to the homebound, and when she couldn't do it, I did. And I can tell you from having done that, that when you deliver a meal to these folks, they are very, very, very grateful. In many cases, you're the only contact they have with another human being all day long. You check on them, you spend a few minutes talking to them, and they are very appreciative. They also, in the course of having meals delivered to them, we make sure that they get at least one good meal a day. And for the old and the infirmed and people that can't get to the store, that's important. This is a very important program. It is, Senator Carlson, done mostly by volunteers, like my mother, and I think the thing that we haven't talked about, and which is an important point, is that many of these people can stay in their homes longer if they have somebody bringing by a decent meal once a day, have somebody to check on them to make sure that they're up and moving about and answering the door. And as a consequence, I think we'll probably save money, and this is in some sense an investment, because we have people that would otherwise go into nursing homes and then become Medicaid recipients, and we would be spending an awful lot more money on them in nursing homes than we would if we simply delivered a meal in a Styrofoam container to them once a day, mostly by volunteers. So again, I'm going to support Senator Chambers' amendment. I'm glad he brought it. I appreciate his efforts in this regard, and I would encourage you to support AM1252. Thank you. [LB321]

Floor Debate
May 07, 2007

SENATOR ERDMAN: Thank you, Senator Karpisek and Senator Lathrop. Senator Gay, you're recognized to speak on the Chambers amendment, followed by Senator Wallman. [LB321]

SENATOR GAY: Thank you, Mr. President. I rise in support of the amendment. After listening to the discussion, I had a...I want to be supportive of the committee. I'm very supportive of the committee and appreciate what they've done throughout this whole year--the late nights, the early mornings, everything else in between. Then we come to this point and it gets a little tense in what we're arguing about, and I don't think...if you don't want to vote for this, that's fine. I don't think you're cruel or not for elderly or aging. If we look at the facts on what's happening here, ENOA is Region VI. That's Sarpy, Cass, Douglas, Dodge, and Washington Counties. That's about 650,000, 700,000 Nebraskans, give or take. When we look at this, I've heard this: It's the eleventh hour proposal that was brought before us and, gosh, that's not good. Well, I understand. Sometimes those things happen. We've got to look at each one of these requests by their merits. We're voting down some things tonight; we're voting for some things tonight. But I think Senator Fulton is right looking for a Medicaid waiver, possibly. That might be a good idea. We're not going to decide that tonight. We're not going to vote for that tonight. But when we look at this request, Senator White had mentioned one thing, too, that was a little bit. He said, well,...or maybe it was Senator Heidemann, but...as Senator Heidemann said, well, the counties haven't ponied up to it. They haven't come to the table with any money. Well, you don't go to your county budget till July, so the request is in right now. It's going to be into the counties, and their region...their governing will go back to the counties and they will ask for this request. If they get 5 percent, that's about \$50,000. How many times have I heard in this room, I'm for property tax relief? Well, if they've got to go pony up another \$50,000, it's not coming from here. It's coming from property taxes. So you look at that. I think ENOA, on their handout they gave, they have done some things, and this is a unique situation due to Hurricane Katrina and the New Orleans people that came in. That was quite a burden. There were some things going on there that you couldn't imagine what was happening, and I'm not going to get into that. But they took care of hundreds and hundreds of people who are still with us today. So they rise up and don't ask questions and deliver these services. But they've looked into, even with the 3 percent increase...Senator Heidemann mentioned that this may be...we should look at this statewide. You probably should, because Senator Hansen and some others are right: If we can keep some of these people in their home a little longer...we're going to have a growing problem here. This isn't just, tonight we're going to talk about this. We're going to have a growing problem. How are we going to deal with it? So maybe we do look at the waivers. Maybe we look at other opportunities. But ENOA...I mean, this thing has said what they've done for their shortfall--they know it's coming--is they've cut six staff positions, the caregiver information program, the housing program, mental health services, long-term care programs, (inaudible) medical treatment, transportation programs. They shut down

Floor Debate
May 07, 2007

senior centers in Elkhorn, Scribner, and Gretna, health maintenance services at five locations. And to increase their revenue they added the...they raised prices on their advertising in a newspaper they have, they charge more for meal contributions to people. They asked anyone under 60 to pay more for their meals under Title XX, and they have a Medicaid case management cost for personal attendant services. They receive money from that from providers and people. So they're doing what they need to do. Now I would rather look at a comprehensive program here and say, how can we go and take care of a lot of these regions? The request tonight is for this region. It covers a lot of people. So, Senator Wallman, I would disagree with you. I don't think government's job is to support the people. I would say, if there's an opportunity to support those people who may need true and genuine services...I would rephrase that a little. I think we should stay out of people's way the most we can. But in this case, I don't think you're, whichever way you were going to vote tonight, I don't think we should start, well, I'm for people,... [LB321]

SENATOR ERDMAN: One minute. [LB321]

SENATOR GAY: ...I'm for old people, I'm not, I'm a giving person, I'm a caring person. Let's don't frame it in that. But I think this is still a good...it's money well spent, will keep people out of long-term, much, much pricier options, if they could stay at home a little longer. And I agree, this is one of those cases, again, we got to go back and say, is this the best delivery mechanism? And maybe we can come back and say, well, maybe there's more programs we can cut, because this just isn't Meals On Wheels, as we talk about. This is about eight or ten other programs that are being provided to seniors, if you look through this sheet that they handed out. So I would take a look at that and then just vote your conscience tonight. Thank you, Mr. President. [LB321]

SENATOR ERDMAN: Thank you, Senator Gay. Senator Wallman, you're recognized to speak on the Chambers amendment, followed by Senator Nelson. [LB321]

SENATOR WALLMAN: Thank you, Mr. President. In regard to Senator Gay, I think our most valuable resource is our people. And these senior citizens have paid taxes all their lives, most of them, and now we can't help them? That does bother me. And with that, I'd yield the rest of my time to Senator Nelson. [LB321]

SENATOR ERDMAN: Senator Nelson, you have 4 minutes and 40 seconds. [LB321]

SENATOR NELSON: Thank you, Mr. President, and thank you, Senator Wallman. I appreciate that. I stand in opposition to AM1252. I've listened very carefully. I'm from Omaha; I know the conditions there. From a lot of the rhetoric we're heard here tonight, you would think that we had thousands of elderly people starving in Omaha, that we had hundreds of thousands going to bed hungry of the elderly people. I have a hard time believing that. If you've looked at your fact sheet here, you will see that in our district

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

alone, up there in Omaha, 1,234,000 meals have been served. I have a hard time believing that all that is going to disappear. I simply don't think it's going to happen. I also see that, of the congregate...contribution request for those Meals On Wheels, they raised the request from \$2 to \$2.50, and they state here, if I can get the light here, the actual contribution was a \$1.60 per meal. I know we have a lot of elderly that don't have a lot of money, and we want to keep them in their homes, and I think that's very important. But I only harken to the time of my own mother, who lived in a small town. She lived until age 90, and the last three years of her life she depended on Meals On Wheels. She always made a contribution. She always gave a little more than they asked. They always served her a meal that was three times as much as she could possibly eat, and I always wondered about that, and she hated to throw things away. So I think I agree with Senator Synowiecki. I think there's a need here, but I think that we need to do a study on this. We're talking about \$290,000. This, ladies and gentlemen of the Legislature, is a budget in excess of \$9 million, \$9,443,000, and we're being told that they have to have \$290,000 or they're going to have to do away with Meals On Wheels. I don't want to sound hard or callous about this, but I find that very difficult to believe. They're serving a very important purpose. There are a lot of areas that they're extended into. This was a Johnny-come-lately request. They had a budget shortfall of \$500,000 the year before, and yet we didn't hear about the need of these additional funds. I think, frankly, that these are scare tactics. I ask you not to be influenced by them. Let's, if we need to, take another look at this in the next year. If there has to be a deficit appropriation, yes, we can do that. But I really believe that there is no need at this time to appropriate an additional \$290,000. Thank you, Mr. President. [LB321]

SENATOR ERDMAN: Thank you, Senator Nelson and Senator Wallman. Senator Nelson, you're recognized on your time. [LB321]

SENATOR NELSON: I will relinquish my time to Senator Wallman. Thank you very much, Mr. President. [LB321]

SENATOR ERDMAN: Senator Wallman, Senator Nelson has yielded you 4 minutes and 50 seconds. [LB321]

SENATOR WALLMAN: Question. [LB321]

SENATOR ERDMAN: Senator Wallman, that request is out of order. Senator Lathrop, your light is on. [LB321]

SENATOR LATHROP: I'd call a question. [LB321]

SENATOR ERDMAN: The question has been called. Do I see five hands? I do see five hands. Members, the motion before you is, shall debate cease? All those in favor vote aye; all those opposed vote nay. Have all members voted who wish to? Record please,

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 07, 2007

Mr. Clerk. [LB321]

CLERK: 27 ayes, 3 nays to cease debate. [LB321]

SENATOR ERDMAN: Debate shall cease. Senator Chambers, you're recognized to close on AM1252. [LB321]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, if anything I said gave you the impression I was saying thousands or hundreds of thousands of elderly people were in...going hungry in Omaha, I misspoke. But I don't think I used numbers like that. But it doesn't have to rise to numbers that large for me to feel that something needs to be done. As for going down this path that Senator Heidemann talked about, last year...and Senator Nelson wasn't here, either. Not Senator...is that Senator Nelson over there? Okay, because I mix him and Senator Hansen up. Senator Nelson, last year there were some drug task forces, and they lost more than 50 percent of their federal funding. They went to the budget committee, the State Patrol, League of Municipalities, all these agencies, to see if they could get the state to make it up, and the budget committee said no. The budget came out on the floor. Senator Flood, who was not the Speaker at that time, persuaded the Legislature to restore the amount that the federal government had stopped giving, so we have made up federal funds before. And you know what happened this year? The Crime Commission found some money. So if you can help these programs get their legs back under them, there's nothing to say we're going to always have to do the same thing. But this program is in dire straits. Senator Gay pointed out some of the facts. I touched on them, not in the detail that Senator Gay did. This is not a program where they're going along, doing nothing. I don't think Senator Nelson has ever confronted very difficult situations, and maybe the members of his family had him to look to and others, so they didn't have to rely on these programs, even if they were benefited by them. But there are elderly people--and I know some--who are in a very, very bad way, and we as a Legislature can come up with this \$290,000. And maybe I'm a dreamer, or maybe this is some of that idealism coming out that I mentioned earlier. But I think there might be enough of us this evening to vote for this money. I'd like to ask Senator Synowiecki a question, for my own sake. [LB321]

SENATOR ERDMAN: Senator Synowiecki, would you yield to a question from Senator Chambers? [LB321]

SENATOR SYNOWIECKI: Yes, I would. [LB321]

SENATOR CHAMBERS: Senator Synowiecki, if you were not a member of the Appropriations Committee, would you still vote against this amendment? [LB321]

SENATOR SYNOWIECKI: I would...(Laughter) [LB321]

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Transcriber's Office

Floor Debate
May 07, 2007

SENATOR CHAMBERS: You would not? [LB321]

SENATOR SYNOWIECKI: I'm sorry, Senator. If I was not a member of the Appropriations Committee, I probably would have carried the amendment. [LB321]

SENATOR CHAMBERS: Thank you. Members of the Legislature, he's still as good a man as I always knew him to be. (Laughter) And if he hadn't, then somebody other than Senator Fulton would be hobbling around here on crutches. (Laughter) But here's what we can look at. There are reasons that people have for not voting for the amendment, because they're members of the Appropriations Committee. There are enough of us left to carry this amendment, and I hope that I can get those votes. So rather than be repetitive or take more time than is necessary and not achieving anything, I will ask for a call of the house, Mr. President, and then I'll accept a machine vote. [LB321]

SENATOR ERDMAN: Thank you, Senator Chambers. Members, the question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record please, Mr. Clerk. [LB321]

CLERK: 38 ayes, 0 nays, Mr. President, to place the house under call. [LB321]

SENATOR ERDMAN: The house is under call. Would all unauthorized guests please leave the floor. Unexcused senators please report to the Chamber. The house is under call. Senator White, would you please check in? Senator Christensen, would you please check in? Senator Langemeier, the house is under call. All members are present or accounted for. Senator Chambers, you requested a machine vote. Members, the question before you is the adoption of AM1252. All those in favor vote aye; all those opposed vote nay. Have all members voted who wish to? Record please, Mr. Clerk. [LB321]

CLERK: 31 ayes, 7 nays, Mr. President, on the amendment. [LB321]

SENATOR ERDMAN: The amendment is adopted. The call is raised. Mr. Clerk, items for the record? [LB321]

CLERK: Your Committee on Enrollment and Review reports LB463 as correctly engrossed. (Legislative Journal page 1454.) [LB321 LB463]

And, Mr. President, I have a priority motion. Senator Ashford would move to adjourn until Tuesday morning, May 8, at 9:00 a.m. []

SENATOR ERDMAN: Members, you've heard the motion to adjourn until Tuesday, May 8, 2007, at 9:00 a.m. All those in favor say aye. All those opposed say nay. (Laughter)

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Floor Debate
May 07, 2007

The ayes have it. We are adjourned. []