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Floor Debate  
March 02, 2011

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[LB22 LB35 LB60 LB193 LB210A LB210 LB286 LB299 LB389 LB474 LB490 LB543  
LB573 LB663 LR5CA LR39 LR44CA LR93 LR94 LR95 LR96 LR97]

SENATOR PRICE PRESIDING

SENATOR PRICE: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the thirty-eighth day of the One Hundred Second Legislature, First Session. Our chaplain for today is Senator Wallman. Please rise.

SENATOR WALLMAN: (Prayer offered.)

SENATOR PRICE: Thank you. I call to order the thirty-eighth day of the One Hundred Second Legislature, First Session. Senators, please record your presence. Mr. Clerk, please record.

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

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

CLERK: I have no corrections, Mr. President.

SENATOR PRICE: Thank you. Are there any messages, reports, or announcements?

CLERK: Mr. President, Enrollment and Review reports LB474 as correctly engrossed. I also have resolutions: LR93 by Senator Flood, LR94 by Senator Wightman; both of those will be laid over at this time, Mr. President. That's all....(Legislative Journal pages 683-684.) [LB474 LR93 LR94]

SENATOR PRICE: Thank you, Mr. Clerk. We will now proceed to the first item on the agenda. Mr. Clerk.

CLERK: Mr. President, General File, LB210A, it's a bill by Senator Cornett. (Read title.) [LB210A]

SENATOR PRICE: Thank you, Mr. Clerk. We will now proceed to General File, LB210A. Senator Cornett, you are recognized to open on LB210A. [LB210A]

SENATOR CORNETT: Thank you, Mr. President, members of the body. Let me refresh the body on what LB210 does before we discuss the underlying A bill. I introduced LB210 on behalf of the Department of Revenue. LB210 is the department's annual omnibus bill, a tax administration enforcement bill. Many of the bill's provisions are technical in nature so I will just explain what the basic gist of the bill is and then move on to the A bill. LB210 changes the due date for sales and use tax returns from the 25th

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to the 20th of the month following the prior reporting period, and also provides the due date for paying the waste reduction and recycling fee for new tires will be the 25th day of the month following the prior reporting period. It eliminates unnecessary requirements for extraneous reporting requirements of the Property Tax Administrator, including exempting the Property Tax Administrator from having to meet certain educational requirements applicable to members of the Tax Equalization and Review Committee, which will be explained in the fiscal note. It requires county assessors to electronically report information to the Property Tax Administrator, including reporting data on assessed valuation and other features of the property tax assessment process, and it requires the Property Tax Administrator to collect and analyze data for intercounty comparisons for political subdivisions besides school districts. It grants additional time for the department to send notices of demand to collect or pay taxes owed by a corporation to a responsible corporate officer when the corporate tax liability is a subject of federal bankruptcy. It extends the length of time a common or contract carrier sales tax exemption certificate expires from five years to three years under the current law and it places the State Athletic Commissioner under the general supervision of the Charitable Gaming Division of the Department of Revenue. Finally, it eliminates the Greenbelt Advisory Committee. I want to thank you for your attention on that. I will move to the explanation of the fiscal note. The \$37,000 that you see in the fiscal note is a one-time programming cost. It is offset by a \$5,000 savings for eliminating the educational requirements for the Property Tax Administrator. We have further sources of revenue in the bill which do not...are shown on the explanation which will be interest income from moving the date. With that, I urge the body to support the A bill. It is a one-time cost for programming for the Department of Revenue and has offsets in revenue. Thank you very much. [LB210A LB210]

SENATOR PRICE: Thank you, Senator Cornett. Are there members wishing to speak on LB210A? Seeing none, Senator Cornett, you are clear to close. Senator Cornett waives closing. The question before the body is, shall LB210A proceed? Senators, please record your vote. Have all voted who wish to vote? Record, Mr. Clerk. [LB210A]

CLERK: 29 ayes, 0 nays, Mr. President, on the advancement of LB210A. [LB210A]

SENATOR PRICE: The bill is adopted. Mr. Clerk, next item. [LB210A]

CLERK: Mr. President, LB22, originally introduced by Senator McCoy. (Read title.) Senator McCoy presented his bill yesterday, Mr. President. At that time he had an amendment to the bill that was adopted. When the Legislature left the issue, Senator Conrad had an amendment pending. I do have other amendments, Mr. President. (FA6, Legislative Journal page 679.) [LB22]

SENATOR PRICE: Thank you, Mr. Clerk. Senator McCoy, you are given 2 minutes to refresh the body where we were yesterday. [LB22]

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SENATOR McCOY: Thank you, Mr. President, members. I appreciate the opportunity to briefly talk about LB22 again before, I'm sure, we'll start in with discussion. I appreciate the members' support of my amendment yesterday that I believe, as I worked with Senator Mello and Senator Nordquist on, helped to improve the legislation. We've talked about one amendment or voted on one amendment since then by Senator Haar and we're now looking at Senator Conrad's floor amendment and a number of other amendments behind it. I'll speak again in a few moments in my opposition to Senator Conrad's floor amendment, but again, for the benefit of the discussion, what we're seeking to do here is to employ what is Section 1303 of the federal healthcare legislation, or PPACA, here at the state level, and that is to say that to opt out of allowing health insurance plans inside the health insurance exchanges that would be set up from offering abortion coverage. In addition to that, what LB22 also does is to extend what has been in longstanding 30-year state statute for state employees to private insurance as well in not allowing abortion coverage in private insurance plans unless an optional rider or endorsement is purchased and that the premium is devoted to that. With that, I would end. Thank you, Mr. President. [LB22]

SENATOR PRICE: Thank you, Senator McCoy. Mr. Clerk for amendments. [LB22]

CLERK: Mr. President, the first amendment, Senator Conrad had pending from yesterday FA6, but I understand, Senator, you want to withdraw that at this time? [LB22]

SENATOR CONRAD: Yes, that's correct. [LB22]

CLERK: Senator Conrad, then I also had what you and I had discussed as AM591, and I understand you would like to withdraw that as well. [LB22]

SENATOR CONRAD: Yes, that's correct. [LB22]

CLERK: Mr. President, the next amendment I have to the bill, Senator Council, AM589. (Legislative Journal pages 685-686.) [LB22]

SENATOR PRICE: Thank you, Mr. Clerk. Senator Council, you are recognized to open on AM589 to LB22. [LB22]

SENATOR COUNCIL: Thank you, Mr. President. Members of the Legislature, I rise to offer AM589 as an amendment to LB22. I listened intently yesterday to the floor debate, particularly Senator McCoy's responses to a number of questions with regard to the intent behind LB22 and what purpose he was seeking to accomplish, and it was my understanding from the response to those questions was that LB22 first and foremost was to accomplish the purpose of ensuring that no state tax dollars were going to be used to provide for abortion coverage in the insurance exchange. And despite the fact

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that LB22 does not cover all abortion coverage that's potentially funded by state tax dollars, and I'm referencing in particular coverage provided to those who are on Medicaid, nevertheless that the intent was to prevent state tax dollars to be used to provide such coverage. The second purpose, as I understood sought to be achieved by LB22, is to prevent the use of premiums that are basically paid under group health insurance programs to prevent any portion of premiums paid by someone other than the person seeking abortion coverage, to prevent that from occurring. And accepting for the purposes of the debate on LB22 those purposes, I offer AM589 which is designed to achieve the same purposes. Under AM589, which replaces LB22 in its entirety, AM589 provides that it does not require any insurer or prohibit any insurer from issuing a policy that provides coverage for abortion services. Instead, what AM589 provides and sought to identify the ways in which under a health insurance exchange that state dollars could be utilized to cover the provision of such services, AM589 provides that if a health insurance company chooses to offer health insurance policies that include coverage for abortion services that no part of the payment for such services could come from any credit that that insurer would receive under Section 36B of the Internal Revenue Code or under Section 1412 of the federal Patient Protection and Affordable Care Act. It also provides that none of the costs of providing such service could come from any cost-sharing reduction under 1402 of the federal Patient Protection and Affordable Care Act or any advance payment of a reduction received under Section 1412 of that act. And that is the...that's based upon one of the questions I posed to Senator McCoy yesterday, is that under the exchange concept set forth in the federal law, how would state dollars be used in any way to subsidize the insurance coverage being provided. And it's my understanding, from a limited review of the act, that these are the methods by which any state funds could be used to underwrite the coverage being provided through an insurance exchange. With respect to insurance obtained outside of an exchange, AM589 sets forth a mechanism by which the premiums to be paid by someone who is seeking a policy with abortion service coverage would be paying, and that would be the sole person paying for the cost of such services, and AM589 in that regard goes on to require the insurer to collect from the insured separate payments: one, an amount equal to the portion of the premium to be paid directly by the insured for all coverages other than coverage for abortion services, and an amount equal to the actuarial value of the coverage for abortion services. AM589 goes on to say that to provide that those separate payments would go into separate accounts and payment for services under those policies, if it was for abortion services, could only be paid from the amount of money that the insured has actually paid and has been deposited for that express purpose. Again, under AM589, if the insurance company chooses to not offer abortion service coverage or if they do offer abortion service coverage and that abortion service coverage is limited in the way in which it's limited currently under LB22, these requirements to deposit premiums into separate accounts would not be applicable. Again, AM589 is offered as a means by which the state could accomplish the stated and expressed intent for LB22, which is to prevent state dollars to be used to provide abortion service coverage under health insurance policies and to prevent the use of any

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portion of any other person's premium payments to subsidize or underwrite the cost of abortion services that someone expressly seeks to obtain through their health insurance plan. I would urge the body to give serious consideration to AM589 as a common-sense compromise approach to achieving the stated objectives for LB22. Thank you. [LB22]

SENATOR PRICE: Thank you, Senator Council. Senator McCoy, you are recognized. [LB22]

SENATOR McCOY: Thank you, Mr. President. I stand in opposition to AM589 for a couple really simple reasons. First and foremost, that essentially, as I look through this amendment, it would return us to the way PPACA was prior to the opt-out provisions that were carved into it, led by Senator Nelson, Ben Nelson. I would imagine...well, I'll ask. Would Senator Council yield to a question? [LB22]

SENATOR PRICE: Senator Council, would you yield? [LB22]

SENATOR COUNCIL: Yes. [LB22]

SENATOR McCOY: Senator Council, do you have any idea what the fiscal note would be for this amendment or to the bill if this amendment were adopted? [LB22]

SENATOR COUNCIL: My expectation, Senator McCoy, is that there would be no fiscal note associated with AM589 because all of the duties and responsibilities under AM589 rest with the insurance carrier. [LB22]

SENATOR McCOY: Well, thank you, Senator Council. In talking to the Department of Insurance throughout the process as we put together LB22, and there...it was my understanding is there would be quite a high cost to implementing what is outlined in AM589. In addition, we don't know yet how the healthcare exchanges will be set up here in Nebraska. We are quite a ways out from that and we in the Banking, Commerce and Insurance Committee will, amongst others, obviously the Health Committee as well, will have the opportunity to be a part of that discussion in future legislative sessions and during the interims. But I stand in opposition to this amendment. It fundamentally gets away from the intent of LB22, creates issues and cost to the state and through the Department of Insurance, and gets away from what was outlined in Section 1303 of PPACA which is the ability for individual states to opt out of abortion coverage under the exchanges. For that, I do not support AM589. Thank you. [LB22]

SENATOR PRICE: Thank you, Senator McCoy. Senator Ken Haar, you are recognized. [LB22]

SENATOR HAAR: Mr. President, members of the council, I would...of the body, sorry. Senator Council, I'm going to give the rest of this time to you to go through again and

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put it in...I'm sorry, I'm not following some parts of it and need to understand that so...  
[LB22]

SENATOR COUNCIL: All right. [LB22]

SENATOR PRICE: Thank you, Senator Haar. Senator Council, you are yielded 4 minutes and 32 seconds. [LB22]

SENATOR COUNCIL: Thank you, Mr. President, and thank you, Senator Haar. In response to Senator McCoy, I did understand that one of the objectives of LB22 was for the state to make a decision at this point in time to opt out of the exchanges, notwithstanding, as Senator McCoy just stated and as he stated yesterday, we really don't have any idea of how the exchanges are going to be set up or how the exchanges are designed to operate other than what we do know under the existing law that if you set up an exchange, one of the benefits of the exchange is to receive a credit under the Internal Revenue Service Code or to receive an advance payment of the credit. That's all set forth in Section 1412 of the Patient Protection and Affordable Care Act. There's also a cost-sharing reduction that is one of the benefits expected from engaging in an exchange and that's precisely, Senator Haar, why I asked the question of Senator McCoy yesterday, if an exchange is set up, what would be the state's obligation in terms of any tax dollars going to provide the coverages that the insurance carriers would make available to Nebraskans under a health insurance exchange. The answer to that question was unknown, but that was also one of the reasons given for why we wanted to opt out or why the bill was introduced to give the state the opportunity to opt out, was because of this belief that by offering insurance through an exchange that allowed for abortion services coverage that we would be utilizing state tax dollars to provide abortion services, and that's something that LB22 did not want to have occur. Now what I'm submitting in AM589 is whether we decide now or later to opt out, there is nothing in AM589 that prevents the state at that point in time, when we can establish whether or not state tax dollars would be used in any way to hold down the costs of insurance provided through the exchanges, that this bill...this amendment does achieve what I heard to be the stated objectives of LB22, is not to use state tax dollars to fund insurance coverage that covers abortion services and to not place people who are obtaining health insurance who don't believe that any portion of their premium should go to subsidize or underwrite policies... [LB22]

SENATOR PRICE: One minute. [LB22]

SENATOR COUNCIL: ...that do provide abortion service coverage, and that's what AM589 does. It eliminates how the current healthcare reform act provides for any cost sharing or cost savings. It eliminates from any consideration or eligibility any insurance carrier in Nebraska who would participate in an exchange and wanted to provide abortion services coverage. They could not reap those benefits. And with regard to the

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private insurance market, if the carrier chose to provide policies that included abortion services coverage, they had to specifically set those premium dollars aside and those premiums dollars had to be based on that individual and actuarial value of providing those services. [LB22]

SENATOR PRICE: Senator Council, you are on your time. [LB22]

SENATOR COUNCIL: Thank you. And so that's what the intent of AM589 is, Senator Haar. And in response to Senator McCoy, no, AM589 doesn't say we opt out, but what AM589 does do is what I understood to be the underlying objective of LB22 and that is not to utilize state tax dollars for the provision of insurance coverage that included abortion-related services. And in fact if there was, you know, someone to suggest that perhaps this is a contradiction, if you look at Section 7 on the last page of AM589, as you'll recall yesterday I joined with you, Senator Haar, in believing that rape and incest should be included among the exceptions in terms of abortion coverage, yet Section 7 of AM589 specifically says that none of these provisions apply to any coverage for any abortion which in the professional judgment of the pregnant woman's physician is necessary to preserve the woman's life or health, which is precisely what the current state of the law in Nebraska is with regard to public employee health insurance coverage. So I believe that what is set forth in AM589 is consistent with the current state of Nebraska law with regard to health insurance coverage and the use of state dollars for the provision of those coverages and addresses the issue of not having these...any state dollars or any benefits that the state would derive from participating in an exchange be directed toward abortion service coverages. So I believe that AM589 addresses all of those issues and the one thing it doesn't do is take a definitive position now that we're opting out of an exchange that would allow for the provision of any abortion service coverage. Thank you. [LB22]

SENATOR PRICE: Thank you, Senator Council. Senator Conrad, you are recognized. [LB22]

SENATOR CONRAD: Thank you, Mr. President. I was hoping that Senator Council may yield to some questions. [LB22]

SENATOR PRICE: Senator Council, would you yield? [LB22]

SENATOR COUNCIL: Yes, Mr. President. [LB22]

SENATOR CONRAD: Thank you, Senator Council, and thank you for your amendment. I think that we may need to take a step back here before we jump into the substance of this amendment and talk about authorizing or plenary power available to the state, because I think it may be unclear based on Senator McCoy's comments that he seems to think that the only thing that we can do in relation to insurance must emanate from

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the Affordable Care Act on this topic, and I believe it's quite clear from the Tenth Amendment that these are indeed...insurance regulation is indeed a broad and expansive power afforded to states. And I don't know if you had a chance to visit about that or think about that, but I think it is helpful if we do clarify the record in that regard. The Affordable Care Act isn't what empowers an attempt to require all plans in the exchange or not to have this right or structure but rather enumerates that structure if you want to utilize that in the exchanges for abortion coverage. But overall, this legislation is not emanating or empowered specifically by the Affordable Care Act but rather by the Tenth Amendment. Would that be your understanding? [LB22]

SENATOR COUNCIL: That's definitely my understanding, Senator Conrad, and particularly in the context that as has been noted on a number of occasions by Senator McCoy is that we don't know exactly what direction the Affordable Healthcare (sic) Act is going to go in terms of the exchanges, and for that reason LB22 is simply exercising the state's current authority and, as Senator McCoy stated, to expand beyond public employee health insurance coverage, to put those same limitations and restrictions on private insurance, health insurance coverage. [LB22]

SENATOR CONRAD: Right. And for example, as Senator McCoy thoroughly noted during the course of this debate, Nebraska has in the past, far in advance of federal healthcare reform, delineated and put parameters on the type of coverage available for state employees and other groups. And so I just think it's important to clarify that for the record. And I think, Senator Council, you may remember and I hope others listening may remember last session we had a chance to debate a resolution about states' rights, and I think if memory served, it received overriding support in this body and I hope that people remember that indeed we have been on the record talking about the clear authority states have to regulate insurance in the private sector in this regard, beyond the Affordable Healthcare (sic) Act. [LB22]

SENATOR COUNCIL: Absolutely. [LB22]

SENATOR COUNCIL: Thank you. [LB22]

SENATOR COUNCIL: And I mean there are examples after examples of that very fact in legislation that has been introduced and heard by the Banking and Insurance Committee, as well as the legislation that's pending before that committee. [LB22]

SENATOR CONRAD: Senator Council, then on that very note it does provoke something that we did start to visit about a little bit yesterday is, do you find any inherent inconsistencies in terms of how this body has dealt with other types of insurance mandates and then what is proposed in LB22? [LB22]

SENATOR COUNCIL: Yes. I mean I do find it interesting in terms of mandates, for



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example, mandating that, for example, on the rider that's set forth in LB22 that if you elect that type of coverage, you know, we're going to mandate that if you elect that type of coverage you need to pay... [LB22]

SENATOR PRICE: One minute. [LB22]

SENATOR COUNCIL: ...this premium separate and apart from health insurance coverage. And I found it curious because I know the committee acted on a bill introduced by Senator Schumacher that was seeking to mandate that insurance carriers could not charge you an additional separate premium for coverage simply based upon a choice you had made. And so that's where I see some inconsistency. The state has the authority to regulate the insurance industry. [LB22]

SENATOR CONRAD: Thank you, Senator Council, and I couldn't agree more and I think that is important as we move forward here to remember that the pending amendment and the other pending amendments that will have an opportunity for consideration of.... [LB22]

SENATOR PRICE: Time. [LB22]

SENATOR CONRAD: Thank you, Mr. President. [LB22]

SENATOR PRICE: Thank you, Senator Conrad. Senator Haar, you are next in queue. [LB22]

SENATOR HAAR: This Haar? [LB22]

SENATOR PRICE: Correct. [LB22]

SENATOR HAAR: Okay. Thank you very much. I'd like to ask Senator Council some questions then. [LB22]

SENATOR PRICE: Senator Council, would you yield? [LB22]

SENATOR COUNCIL: Yes, Mr. President. [LB22]

SENATOR HAAR: Okay. So my understanding then is that until we know what the exchange is going to be that that decision wait. Is that correct? [LB22]

SENATOR COUNCIL: Pardon? I didn't hear the latter part of your... [LB22]

SENATOR HAAR: I'm sorry. That the decision whether to participate or whether this no abortion clause goes in that we would...under your amendment we would wait until we

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know more about the exchanges or that would be in place now? [LB22]

SENATOR COUNCIL: Well, no. Under AM589, regardless of whether the state...if the state decided to opt out then under AM589 the second part of the AM589 would kick in as to the private insurance portion. If someone were to acquire insurance outside of the exchange that they would not be constrained by what's in LB22 to have to obtain a separate rider in order to obtain those abortion-related services. If they decided not to go through the exchange that...because we had opted out of providing abortion service coverage, and if they wanted to obtain insurance outside of the exchange that AM589 would set out how they could obtain that type of coverage without the necessity of securing a separate rider, which in my firm opinion, as LB22 is written, benefits those who we want to give...discourage from utilizing or considering abortion as a birth control option. [LB22]

SENATOR HAAR: Okay. That helps some. I'd like to ask Senator McCoy a question, if I could. [LB22]

SENATOR PRICE: Senator McCoy, would you yield? [LB22]

SENATOR McCOY: Yes. [LB22]

SENATOR HAAR: Okay. Again clarification under LB22, if...I don't know, take insurance company X, under that LB22, that company could not sell insurance, health insurance, to a Nebraska resident that would include coverage of abortion. Is that correct? [LB22]

SENATOR McCOY: Are you speaking of a health insurance carrier inside the yet to be set up health care exchange or a private plan, Senator Haar? [LB22]

SENATOR HAAR: No, this would be a private carrier that is located outside of Nebraska. [LB22]

SENATOR McCOY: And would you mind repeating, vis-a-vis now I understand you're speaking of private insurance, do you mind repeating your question again, please? [LB22]

SENATOR HAAR: Okay. Yeah, I'm sorry. The health exchange I think we decide on that, but the...again, if a person from Nebraska wanted to buy a private health insurance company from a company outside of Nebraska and they wanted abortion coverage without a rider, could that company outside of Nebraska issue a policy to a Nebraska resident? [LB22]

SENATOR PRICE: One minute. [LB22]

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SENATOR McCOY: Well, no, in answer to your question simply, Senator Haar, no. I mean if they may be a company that writes insurance policies in other states but they are still...that private insurance carrier would still be subject inside the boundaries of our great state of Nebraska, subject to what we put in place statutorily, and if LB22 was in place, no, they would not be allowed to offer abortion coverage without the rider endorsement we're speaking of in place. [LB22]

SENATOR HAAR: Could they offer insurance in Iowa, for example, that same company, could they offer the insurance in Iowa that would cover? [LB22]

SENATOR McCOY: I can't speak to what is statute in Iowa, Senator Haar. [LB22]

SENATOR HAAR: Okay. In other words, we're restricting it to Nebraska. [LB22]

SENATOR McCOY: Correct. [LB22]

SENATOR PRICE: Time. [LB22]

SENATOR HAAR: Okay. Thank you. [LB22]

SENATOR PRICE: Senator Council, you are recognized and this is your third time. [LB22]

SENATOR COUNCIL: Thank you, Mr. President. I trust, Senator Haar, that I have been able to address some of the questions that you have raised regarding AM589. And again, there's nothing in AM589 that prevents this body, when the terms and provisions applicable to state insurance exchanges are finalized, if this body at that point in time decides to opt out under the terms that will be set forth with regard to opting out, it is certainly free to do so. But in the meantime, what LB22 does is to extend beyond opting out of the state exchanges and attempts to restrict individuals who want to seek health insurance coverage that may provide abortion services outside of obtaining or securing that insurance through a state exchange. And in addition to limiting the abortion service coverage, in those instances where we're talking about private individuals, private contracts of insurance and the type of coverage that those individuals are seeking, in LB22 the requirement is imposed that that type of coverage be obtained through a rider. And even then the rider appears to be limited by the same limitations that are currently placed on public employees who obtain their health insurance coverage through policies secured by the state. I believe that those are unreasonable restrictions being placed on private individuals who want to seek the type of insurance coverage that they believe is necessary to protect them and their families, and for that reason I would urge the body to give favorable consideration to AM589. And, Mr. President, if there are no other lights, this will serve as my closing on AM589. [LB22]

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SENATOR PRICE: Senator Council, there are others in the queue. Senator Ken Haar, you are recognized and this is your third time. [LB22]

SENATOR HAAR: I'd like to ask Senator McCoy a question or two, if I could. [LB22]

SENATOR PRICE: Senator McCoy, would you yield? [LB22]

SENATOR McCOY: Yes, I would. [LB22]

SENATOR HAAR: Okay. As I'm trying to get my head around all the details of this, do you know, if a life insurance company, let's say located in Des Moines, offers a certain health policy, do they do the actuarial work for Nebraska citizens on just Nebraska or are they on national statistics and national actuarial data? [LB22]

SENATOR McCOY: Senator Haar, I'm confused, I guess, by your question. You said a life insurance company that offers health coverage? [LB22]

SENATOR HAAR: I'm sorry. Again, I should say health insurance. In other words, if a company from...or the company from Des Moines offering a policy in Nebraska and throughout the rest of the United States, okay, are those premiums for a certain policy determined on Nebraska data, actuarial data, or on national actuarial data? [LB22]

SENATOR McCOY: I don't know the answer to that question, Senator Haar. [LB22]

SENATOR HAAR: I wonder if you could find that one out for me because if they use national actuarial data, then basically Nebraska, even if a policy is being issued in Nebraska and it's based on national kind of data, it would seem to me that Nebraska taxpayers would be paying for an insurance policy perhaps that in the rest of the country was being offered with abortion coverage. So I guess what I'm wondering about in this question is, is there some way to limit, to actually isolate policies... [LB22]

SENATOR McCOY: Yeah. Yeah. [LB22]

SENATOR HAAR: ...to just Nebraska, a policy that might be offered all over the rest of the United States, does not offer coverage for abortion...or it does coverage...offer coverage for abortion but in Nebraska it wouldn't? Because if national data, actuarial data, is used and in Nebraska we're paying premiums, it would seem to me that we are subsidizing that abortion coverage in other states. I would yield the rest of my time, and sorry but this is a confusing issue, to Senator Council if she would like that time. [LB22]

SENATOR PRICE: Senator Council, you are yielded 2 minutes and 10 seconds. [LB22]

SENATOR COUNCIL: Thank you, Mr. President. And, Senator Haar, it is a confusing

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issue, particularly in light of the fact that we really don't know what the final rules and regulations are going to be with regard to the establishment of state health insurance exchanges. And I appreciate the fact and the repeated references to the fact that our U.S. Senator Ben Nelson advocated for the opportunity for states to opt out with regard to abortion services coverage under the exchange. Again, LB22 is not limited to that issue. LB22 goes beyond addressing the issue of whether or not the state participates in the state insurance exchanges and, if so, whether the state opts out of allowing the carriers who participate in the exchange to offer... [LB22]

SENATOR PRICE: One minute. [LB22]

SENATOR COUNCIL: ...abortion services coverage. So if that's the concern at this point in time then, at a minimum, LB22 should be limited to addressing the issue of opting out of allowing carriers who would participate in a state insurance exchange to provide abortion services coverage. LB22 goes beyond that to restrict insurance carriers from providing abortion services coverage to individuals who are seeking to secure that coverage outside of the exchange, and I think that AM589 strikes the appropriate balance in terms of ensuring that state funds aren't used for abortion services coverage, because, as I understood Senator McCoy, that's one of the rationale for opting out. [LB22]

SENATOR PRICE: Time. [LB22]

SENATOR COUNCIL: Thank you. [LB22]

SENATOR PRICE: Senator Council, thank you. There are no other lights. Senator Council, you are recognized to close on your amendment. [LB22]

SENATOR COUNCIL: Thank you again, Mr. President, and I will be brief. Again, the rationale stated for seeking to, at this point in time, to place into Nebraska law the decision to opt out of allowing carriers in the insurance exchange, if and when those exchanges are set up, if the rationale is to prevent state funds from being utilized for the payment of that type of coverage, that AM589 addresses that concern. Second, AM589 also addresses the stated concern about premiums because many times health insurance premiums are based upon the group in and under a particular plan, that AM589 makes it clear that the carrier, if that carrier is providing coverage for abortion-related services, cannot use the group, that it has to be based upon the individual who is seeking that particular coverage and that those premiums have to be segregated and that payment for services can only come from the deposits that have been made on behalf of that insured. I believe that AM589 strikes that balance, accomplishes those results, avoids the unintended consequence, I believe, of LB22 with the allowance under LB22 of the purchase of a rider to cover abortion-related services. I believe that AM589 alleviates those unintended consequences and achieves the stated

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purposes underlying LB22 and I would urge this body's favorable consideration of AM589. [LB22]

SENATOR PRICE: Thank you, Senator Council. Members, the question is, shall the amendment to LB22 be adopted? All those in favor vote aye; all those opposed vote nay. [LB22]

SENATOR COUNCIL: Mr. President, I would request a call of the house. [LB22]

SENATOR PRICE: Thank you, Senator Council. There has been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record. [LB22]

CLERK: 32 ayes, 0 nays, Mr. President, to place the house under call. [LB22]

SENATOR PRICE: Thank you. The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber please return to the Chamber and record your presence. All unauthorized personnel please leave the floor. The house is under call. Senator Dubas and Pirsch and Coash, please record your presence and report to the floor. Senator Pirsch, please report to the Chamber. Senator Council, all members are present and/or accounted for. How would you wish to proceed? [LB22]

SENATOR COUNCIL: Roll call in regular order, please. [LB22]

SENATOR PRICE: Senator Council requested a roll call vote in regular order. Mr. Clerk. [LB22]

CLERK: (Roll call vote taken, Legislative Journal page 687.) 10 ayes, 32 nays, Mr. President, on the amendment. [LB22]

SENATOR PRICE: The amendment fails. The call is raised. Mr. Clerk for amendments. [LB22]

CLERK: Yes, Mr. President, if I may with your permission, some items for the record before I proceed. New resolutions: LR95 and LR96 by Senator Harms, and LR97 by Senator Loudon; all will be laid over. General Affairs Committee, chaired by Senator Karpisek, reports LB60, LB286, LB299 to General File, LB490 to General File with amendments, and LB193 indefinitely postponed. (Legislative Journal pages 687-693.) [LR95 LR96 LR97 LB60 LB286 LB299 LB490 LB193]

Mr. President, back to LB22, Senator Howard would move to amend with AM603. (Legislative Journal page 693.) [LB22]

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SENATOR PRICE: Thank you, Mr. Clerk. Senator Howard, you are recognized to open on your amendment. [LB22]

SENATOR HOWARD: Thank you, Mr. President, members of the body. This amendment was brought to me through concerns of parents who couldn't get child-only policies, who couldn't get coverage, insurance coverage for their child. These were not constituents with sick children, simply constituents who could only afford coverage for their children and they didn't qualify for the CHIP Program. These are not just new policyholders. One was a parent who failed to make a payment. She missed a payment deadline and so her policy was cancelled. She was then told she would have to apply for a new policy but they're not issuing new policies. Major insurers have dropped child-only policies this fall. Twenty states have no insurers offering child-only policies. Nebraska is among those 20 states. The Affordable Care Act prohibits many insurers from denying coverage based on preexisting conditions so many insurers have decided to drop coverage altogether. The reason I bring you this amendment is I think we have a responsibility not only to ensure that a baby is born healthy, as we all want to see happen, but also to make sure that a child remains healthy and that a family can meet that child's needs. And one of the critical needs, as we all know, in our society is healthcare coverage. What this means to our state is that parents that can't afford to buy coverage for themselves and yet are concerned enough to want to make sure their child has coverage don't have access to any policies to deal with this. To prevent people from getting only...from only getting insurance when their children get sick, federal Health and Human Services changed the rule on open enrollment program and this still hasn't brought insurers back. Eight states have taken regulatory or legislative action to encourage health insurance carriers to continue to offer health insurance for children. We are at an impasse here. We need to address this issue. I know I'm not the only one working on this and looking at this. I think this is just as important as the issue before us on the floor and I bring you this. I'm going to continue providing information for you. Since September, the health reform law has barred insurers from withholding policies to children under 19 who have preexisting conditions. Rather than take on the burdensome cost of writing policies for potentially pricey medical conditions, many carriers have decided to leave the market altogether. The federal Health and Human Services responded by changing the law to allow states to institute an open enrollment period for child-only health insurance plans. The move was meant to stop subscribers from jumping on plans only when they were diagnosed with a medical condition. Unfortunately, this regulation seems to have done little to stop carriers from leaving the market. One of the largest insurance markets in the country, Texas, has seen all their carriers drop child-only insurance, as have other large states, including Florida and Illinois. And I'm going to go into a little more depth about the states that no longer have carriers selling child-only plans. These include Alaska, Arizona, Connecticut, Delaware, Georgia, Minnesota, and, yes, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Rhode Island, South Carolina, Tennessee, Utah, West Virginia, and

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Wyoming. According to an investigation that was done by the Republican staff on the Senate Health, Labor, and Pensions Commission. It is absolutely devastating, said Mike Enzi. He's a Republican from Wyoming and I'm not sure I pronounced his name correctly. My apologies to Mike if I blundered it. The outcome is predictable as the result of drafting that would allow people to buy a policy on the way to the emergency room. While there was an initial flurry of announcements, insurance companies in many states are reconsidering, said Kathleen Sebelius, Health and Human Services Policy Secretary. I would suggest that it's a pretty cynical notion that you would insure children only without a health condition. At least eight states continue to offer health insurance coverage for children. These are California, Washington, Ohio, Indiana, New Hampshire, Kentucky, Maryland, and Colorado. They're all taking action to encourage carriers to continue to offer child-only health insurance. Washington State aggressively pushed back at insurers' plans to drop child-only health insurance, issuing a cease and desist order for insurers aiming to end their child-only health insurance policies. The state also issued an emergency order establishing an open enrollment period for child-only health plans in order to help prevent disruption in the individual health insurance marketplace by promoting a uniform approach to new regulatory regulations, according to the copy of the regulation. This is an important amendment. This amendment...and I'm going to read this to you just so you clearly understand: any insurer offering an individual or group policy of sickness and accident insurance providing coverage on an expense-incurred basis or a health maintenance organization offering a contract delivered, issuance (sic) for delivery, or renewed in this state for the individual market shall offer to the responsible party--and there's a definition in this amendment of the responsible party--for a child coverage for the child that does not exclude or limit coverage due to any preexisting condition of the child. I thank you for your consideration of this amendment and I hope that you will look upon this seriously. It's not enough to say we care about unborn children. We need to stand and say we care about all children. We care about children prior to birth. We care about children following their birth. Thank you. [LB22]

SENATOR PRICE: Thank you, Senator Howard. Members wishing to speak: Senator Nordquist. Excuse me, Senator Nordquist. (Visitors introduced.) Returning to discussion, Senator Nordquist, you are recognized. [LB22]

SENATOR NORDQUIST: Thank you, Mr. President and members. I'd like to thank Senator Howard for bringing this important issue to light. I know her office and my office have received numerous contacts by people who have tried to purchase a child-only policy in our state only to find out that Nebraska's insurers have pulled out of this market leaving children unable to access the insurance through this coverage option. Specifically, one case that jumped out at me, my office was contacted by a grandmother who adopted her six-year-old grandson. In June, she plans to retire and will be on Medicare, and obviously we know Medicare doesn't provide dependent benefits. The grandmother has the means and the willingness to purchase a private plan for her



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grandson because he will become uninsured when she leaves her job, retires, and loses her employer-sponsored insurance. Because at this point her only options are to buy a family plan above and beyond Medicare, and obviously, because she's nearing retirement age, that would be extremely expensive. Her grandson has no preexisting condition so he doesn't qualify for the CHIP pool. He's a healthy young kid and you would think it wouldn't be that difficult for them to find a plan except that there are no child-only plans available in our state. Now because insurers are prohibited from denying children with preexisting conditions, they've pulled out of the market. We know that one of the largest in the state is interested in getting back in but certainly they don't want to be left alone kind of leading the way without other insurers participating. We understand, you know, the issue, the concern that they have about people waiting until their child gets sick and them plopping them in the plan. There are certainly issues around that. But while we recognize that concern, there are a number of policy tools available and states have taken advantage of those. The contact we got from the Department of Insurance is we're 1 of 20 states that doesn't allow this, so there have been options taken in 30 other states to provide this important marketplace for child-only policies. Back in early February, Senators Campbell, Cook, Howard, Mello, and myself sent a letter to the department asking them to work with us to bring insurers to the table and to address this problem. We asked them to work towards an administrative solution, if not a legislative solution through the framework in the Affordable Care Act. At this point, we haven't received a formal response from Director Ramage on this issue but we're hopeful that the department will take action on this to ensure that no child was left out there, even healthy children, without a policy, an option for them to get the coverage that they need. As I said, a number of states have taken action on this. In Kentucky, the insurance commissioner ordered all individual health insurers selling individual plans in Kentucky to offer an open enrollment period starting in January, every January from now until the full Affordable Care Act takes effect in 2014. In Maryland, the Governor and the insurance commissioner worked with the two biggest insurance companies to establish a uniform open enrollment period for two 30-day periods each year. California passed a law barring insurers from offering coverage in the individual market for five years if they discontinue child-only policies. California allows insurers to charge a higher rate. They allow them to adjust for the health status of the children but just not deny coverage for those kids. Child-only policies make up a very small percentage of the individual market... [LB22]

SENATOR PRICE: One minute. [LB22]

SENATOR NORDQUIST: ...nationally and here in Nebraska; however, these families are those who have the ability and willingness to purchase but there just aren't any options available to them. I think it's important for us as policymakers to look at those alternatives. I appreciate that Senator Howard brought this amendment forward to shine some light on this issue of the families that are out there who are working hard, are playing by the rules, and just trying to get coverage for their children. I know this is an

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issue that we're going to need to look at, study hard, but I would appreciate your support in that effort. Thank you, Mr. President. [LB22]

SENATOR PRICE: Thank you, Senator Nordquist. Senator McCoy, you are recognized. [LB22]

SENATOR McCOY: Thank you, Mr. President. I stand in opposition to AM603. I respect Senator Howard greatly and her interest and concern in this issue, along with Senator Nordquist and others that are outlined on the letter that was, I believe, just handed out by the pages to us. However, this is not germane to LB22 in any way, in my view. It is not a bill or an issue that has had a public hearing and that is problematic in my mind and, again, doesn't have anything to do other than that I assume deals with the Affordable Care Act. Beyond that, it's not germane at all to LB22. And for those reasons, while it is an important issue, is not relevant to what we're discussing here this morning or germane and I do not support AM603. Thank you. [LB22]

SENATOR PRICE: Senator McCoy, are you rising to challenge the germaneness of this amendment? [LB22]

SENATOR McCOY: If Senator Howard...if her intent is to go to a vote on this, yes, I am. [LB22]

SENATOR PRICE: Is that a yes or a no, Senator McCoy? [LB22]

SENATOR McCOY: It is a yes. [LB22]

SENATOR PRICE: Thank you, Senator McCoy. Senator McCoy, please explain why you think the amendment is not germane. [LB22]

SENATOR McCOY: Well, as I just outlined, Mr. President, this has...it does not deal with the subject matter of LB22 and, furthermore, has not had a public hearing and is far afield from where we are with LB22. [LB22]

SENATOR PRICE: Thank you, Senator McCoy. Senator Howard, please explain why you think your amendment is germane. [LB22]

SENATOR HOWARD: Thank you, Mr. President. I feel this amendment is definitely germane. This is regarding insurance, this is regarding children. We consider unborn to be children, to be infants prior to birth. This would be addressing babies as well as children. This is definitely germane to this issue. We can't isolate the unborn from the child, the baby, if we're going to say we protect all children. There's no difference in the argument that has been presented here. If we are going to protect the unborn, that baby is going to reach birth, and following birth that baby is going to need medical coverage,

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and we can't leave that issue to the winds and say there's no issue here, we're not going to take any responsibility following the cutting of the umbilical cord. Thank you. [LB22]

SENATOR PRICE: Thank you, Senator Howard. By Rule 7, Section 3(d), and I read: Germane amendments relate only to details of the specific subject of the bill and must be in a natural and logical sequence to the subject matter of the original proposal." Therefore, I rule this amendment not germane. [LB22]

SPEAKER FLOOD PRESIDING

SPEAKER FLOOD: Senator Conrad. Senator Howard, for what purpose do you rise? [LB22]

SENATOR HOWARD: Thank you, Mr. President, Mr. Speaker. I challenge the ruling of germaneness, regarding germaneness on this amendment. [LB22]

SPEAKER FLOOD: The ruling of the Chair has been challenged. Each member is allowed to speak once to the issue. Members may not yield time to another. Senator Howard, you are recognized to speak on your motion to overrule the ruling of the Chair. [LB22]

SENATOR HOWARD: Thank you, Mr. President. The issue we're addressing on the floor this morning is a very sensitive issue, a very personal issue. This is an issue that, frankly, when you regard it, is dealt with primarily by women. I think, and I should say in my opinion, in my experience, in the years I've worked in Health and Human Services, children can be born in our society and left to the system that may or may not care for them. We have a responsibility as a policymaking body to do everything that we can to ensure that children born in this state receive the care that they deserve. I appreciate the ruling of the Chair; however, I feel that if we all hold the contention that life begins at conception, at that one magic moment when someone has the opportunity for birth that we also have the responsibility to care for that infant following its birth. And I've had experience. I've seen cases where this was anything but the case. I stand on this amendment. I think it's very important. The opportunity for birth is a rare gift and we need to carry through. If we're going to stand and say that this infant deserves to be born, we should be able to say this infant deserves the care that's due them. And insurance is a big part of that, we know that. We've seen this happen in our country. It's a contentious issue but it's an issue we all should be discussing. If a child is born and children will be born who have serious medical needs, who will pay for that? It will be the Medicaid Program. Who pays for that? That is all of us, every one of us will pay for that. If parents seek to get coverage for their children, more power to them. That's being a responsible parent. If an individual is responsible enough to follow through on a pregnancy, to give birth, to seek coverage for their child, I stand on the contention that

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this is definitely germane to this issue. Thank you. [LB22]

SPEAKER FLOOD: Thank you, Senator Howard. Members, you've heard the opening on Senator Howard's motion to overrule the ruling of the Chair as it relates to germaneness. We now move to discussion. A reminder that each senator may only speak once and you may not yield time. Senator Ken Haar, you are recognized. [LB22]

SENATOR HAAR: Mr. President, members of the body, I'm a grandparent on Medicaid...Medicare, I'm sorry, Medicare, and God forbid that something should happen to the parents of my grandchildren but I would certainly open my home to my grandchildren, and this is a whole new area to me that opens up. And, you know, I recall as well, when I walked door to door during my election, there are a lot of grandparents that have their grandkids, so this is definitely a hole in the legislation. And I believe it's germane because if we look back at LB22 and the coverage, it prevents the death of a woman or to coverage from medical complication arising from an abortion, and so if we're willing to share the cost, all of us, in our insurance premiums to prevent the death of a woman or, you know, if there's an abortion and there's complications, that we share that expense, then certainly I think we should be willing to share the expense of keeping our children healthy and happy. This is something I wasn't aware of before this issue brought up by Senator Howard. I appreciate her amendment and the other people who signed this letter. It doesn't, you know, if it doesn't fit right into this section of abortion, it certainly makes sense that it fits in the whole issue of what should insurance companies cover, and that's what LB22 is about. I understand that the desire of the introducer is to keep this narrowly focused, but LB22 is about insurance coverage, what insurance...not just insurance companies but the health exchange, when that goes into place. And, you know, I would argue along with Senator Howard that it is germane, that we're talking here about what insurance companies should and should not cover, and I believe it's absolutely appropriate that we should say that they should cover children with child-only plans. There's so many examples, so many examples in our society of where this is necessary. LB22, if you just restrict it to talking about abortion preventing the death of the woman or for medical complications arising from an abortion, that's going to be a relatively small number, not unimportant but a relatively small number, whereas the amendment that Senator Howard has introduced is going to affect a lot of children in this state. It's going to affect their health, their welfare and, very frankly, if we don't take care of our children up until the age of 19, they're going to cost our society a lot more money in the long run. So I believe that LB...I'm sorry, that AM603 is germane. LB22 is about what insurance companies may and may not provide and I find that this amendment is germane. Thank you very much. [LB22]

SPEAKER FLOOD: Thank you, Senator Haar. Senator Fulton, you are recognized. [LB22]

SENATOR FULTON: Thank you, Mr. President, members of the body. This is good.

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This is a good exercise in the rules for our Legislature, and I would just ask our members to look on the board and there's a logic that's spelled out on the board by which we are to frame our questions and make our decisions. The bill itself is LB22. The amendment is AM603. There's a question on germaneness, which is the third item you see up there. The Chair has ruled that it's not; AM603 indeed is not germane to LB22. And now the question is, shall we overrule the Chair? And so would Senator Howard yield to a question? [LB22]

SPEAKER FLOOD: Senator Fulton, I'm going to permit you to ask Senator Howard a question but you may not yield her any time. [LB22]

SENATOR FULTON: I understand, Mr. President. Senator Howard, has this AM603, does it have...does it appear in the form of a bill at any time or has it appeared in the form of a bill introduced this year? [LB22]

SENATOR HOWARD: This has not been...to my knowledge. I have not introduced this. [LB22]

SENATOR FULTON: Do you know if it has appeared as a bill at all this year? [LB22]

SENATOR HOWARD: I don't believe so. [LB22]

SENATOR FULTON: Would the subject matter of this amendment, in your opinion, be such that it ought to be afforded a public debate or a public hearing I mean? [LB22]

SENATOR HOWARD: I'm sorry, I didn't catch your entire question. [LB22]

SENATOR FULTON: Would the contents of AM603, if introduced as a bill, would it be appropriate to have a public...would it be appropriate that it have a public hearing? [LB22]

SENATOR HOWARD: Senator Fulton, I believe, and I don't mean to correct you, with all due respect, I believe that that line of questioning is not relevant to the germaneness issue on this bill. [LB22]

SENATOR FULTON: Okay. Thank you, Senator Howard. [LB22]

SENATOR HOWARD: Thank you. [LB22]

SENATOR FULTON: For what it's worth, AM603 encapsulates something that I probably would support by itself, but the question is, is this germane to LB22? Now if you are an insurance provider and you were to see AM603 come in the form of a bill, surely you would want to have some input. You'd want to have some input as to

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whether indeed one should be mandated to cover a preexisting condition. Now my own opinion is that for these particular...these types of cases involving children, newborn children, I would say yes, but that's not the subject of LB22. You may have your own opinion on this, but bear in mind that the logic by which we are proceeding spelled out on this board is shall we now overrule the Chair as to whether AM603 is germane. Now I will posit this to you. Let us say that one could make the argument...I had a really good conversation with Senator Smith on this. Senator Smith is thinking through this. If one, an expectant mother, knew that there was insurance, and maybe I'm not doing a very good job of this Senator Smith but I'm going to try to articulate the argument, if an expectant mother knew that there was insurance waiting for her child who has a preexisting condition, it might make it more likely she would choose life for the child. Very astute observation on the part of Senator Smith and, for what it's worth, I'd probably agree with that. But that is not what is in question with LB22. If indeed that consideration whether a mother would choose life for her unborn child, if that were the consideration of LB22, then I submit to you, we could put another amendment up here having to do with prenatal benefits for newly born children. Now would you... [LB22]

SPEAKER FLOOD: One minute. [LB22]

SENATOR FULTON: ...entertain that being germane to LB22? So if you were a member of the public reading along with the activity of the Legislature and you see that LB22 is brought forward and you read the subject matter of LB22 and you inform yourself and you come forward to make your voice heard on LB22, and then you were to see the subject matter of AM603, would you, as an average member of the public, say, ah, AM603, that's pretty much the subject matter of LB22? I submit to you that you probably wouldn't. And so while this is well-intentioned and I'll even take it a step further and say a useful amendment, which I see Senator Howard smiling, I would vote for this bill, but under the context that we are operating and in respect of the rules and the logic by which we progress forward, I do not believe we should overrule the Chair. And so the question before you is, shall we overrule the Chair? I submit that we should not overrule the Chair. Thank you, Mr. President. [LB22]

SPEAKER FLOOD: Thank you, Senator Fulton. Senator McCoy, you are recognized. [LB22]

SENATOR McCOY: Thank you, Mr. President, members. While I know I cannot yield any time to him, would Senator Pahls yield to a question? [LB22]

SPEAKER FLOOD: Senator Pahls, will you yield to a question from Senator McCoy? [LB22]

SENATOR PAHLS: Yes, I would. [LB22]

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SENATOR McCOY: Thank you, Senator Pahls. Can children be covered in the state of Nebraska? Senator Pahls, would you elaborate on that a little bit, please? [LB22]

SENATOR PAHLS: Yes. It is my understanding if you have a child, that child can have insurance. You must buy a family policy. You do not buy a child-only policy; you buy a family. So that child could be insured in the state of Nebraska. Thank you. [LB22]

SENATOR McCOY: Thank you, Senator Pahls. And as I stated earlier when I asked for a ruling on germaneness, I do support the decision of the Chair on the ruling that this AM603 is not germane to LB22. And I would agree with Senator Fulton and with, I believe, the intentions of Senator Howard that this is an important issue and, as such, one that should receive a full and fair public hearing, as any piece of legislation that any 1 of the 49 of us introduces each year receives. This issue did not receive such a full and fair public hearing and, as such, I support the ruling of the Chair. Thank you, Mr. President. [LB22]

SPEAKER FLOOD: Thank you, Senator McCoy. Senator Conrad, you are recognized. [LB22]

SENATOR CONRAD: Thank you, Mr. President. I rise in support of the motion to overrule the Chair. And let me be quite blunt about this. Senator Fulton and Senator McCoy are simply wrong, as is the Chair, in terms of their initial ruling on this. Questions related to whether or not this legislation or proposed amendment, excuse me, had a public hearing is not subject to the germaneness definition nor rule that govern this body. Read page 49, Section (sic) 7, 3(d): Germane amendments relate only to the details of the specific subject of the bill and must be in a natural and logical sequence to the subject matter of the original proposal. A nongermane amendment includes one that relates to a substantially different subject. Nowhere in that rule or section is there a consideration to be given to whether or not a proposed amendment or a ruling on germaneness had a public hearing or a separate introduction. If you want further clarification on what germaneness means, you can look no further than Black's Law Dictionary. I'm looking at the Seventh Edition. Germane, adjective meaning relevant, pertinent. That is the legal definition of germaneness. So then let's look to the task at hand. Senator Howard has introduced an amendment relating to clarifications and mandates in terms of implementing the Affordable Care Act, otherwise known as federal healthcare reform. LB22 does just that. It clarifies aspects for state consideration related to the implementation of federal healthcare reform and the proposed health insurance exchanges. Senator Howard's amendment, AM603, relates to the same section, to the same topic, and I believe is indeed a natural and logical sequence to the subject matter of the original proposal, particularly if you follow the philosophy that healthcare, life issues do indeed represent a continuation from cradle to grave, a seamless garment, as my friend Senator Nordquist talks about this so eloquently in many other instances. So this is germane. This is a natural and logical sequence to the subject matter of the

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original proposal. Look no further than the committee amendment to LB22: mandate opt-out, summary of the purpose and/or changes from the committee amendment. LB22 enacts four new sections to be known as the Mandate Opt-Out and Insurance Coverage Clarification Act for the purposes of affirmatively opting out, qualified health insurance plans that cover abortions to participate in the health insurance exchanges within Nebraska and limiting coverage of abortion in all health insurance plans, contracts, or policies delivered or issued for delivery in Nebraska. Next paragraph: This bill relates...was created pursuant to the federal Patient Protection and Affordable Care Act. There is a very natural, very logical progression set forward in Senator Howard's amendment relating to state implementation of the Affordable Care Act. We need to keep this discussion to the rule at hand. The rule at hand defines what germaneness is. We have additional definitions that explain and define what germaneness is. The issue as to whether or not this had a public hearing is for separate consideration and is not relevant for purposes of this question. Senator Howard has brought forward an important, serious, and substantive amendment related to the implementation and clarification provided in Nebraska when attempting to pursue implementation of state healthcare exchanges or provisions of the Affordable Care Act. [LB22]

SPEAKER FLOOD: One minute. [LB22]

SENATOR CONRAD: This is a germane amendment. It is important that we overrule the Chair. I ask for your serious consideration and support and I ask that you make your arguments based on the rule at hand, not other considerations which are separate factors and should be dealt with in separate motions. Thank you, Mr. President. [LB22]

SPEAKER FLOOD: Thank you, Senator Conrad. Senator Council, you are recognized. [LB22]

SENATOR COUNCIL: Thank you, Mr. President. And with all due respect to the Chair, I rise in support of Senator Howard's motion to overrule the Chair. I don't know if there's much that I can add to Senator Conrad's very eloquent explanation of our rules but the issue is not whether the subject of the amendment warrants a public hearing. The question is whether the subject of the amendment relates to the subject of the underlying bill. And it provides me with a little bit of an opportunity to go back and discuss again the reason for the amendment I introduced. I would agree with the Chair's decision if this bill, LB22, had been limited to a legislative decision to opt out of the insurance exchanges for policies covering abortion. I would agree with the Chair if that was the sole subject of LB22, but that is not the sole subject of LB22 and, while I know that the title of a provision doesn't necessarily govern, LB22 speaks to mandatory opting out but then goes on to say clarification of insurance coverage, and it's all in the context of the Affordable Patient Care and Protection Act (sic). And that's exactly what Senator Howard's amendment goes to, a further clarification of this state's intent with regard to insurance coverage in connection with the healthcare reform act. The question of a



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public hearing, it's really interesting. I'm reminded of last year when I introduced a bill to repeal the death penalty. I then filed an amendment that did not go to precisely repealing the death penalty but went to a determination of the costs of the death penalty. There was a germaneness motion filed in that context and the ruling on germaneness was that it was in fact germane but the issue was whether or not it had a public hearing. And to Senator Fulton's point, there is a process. If that is a concern, whether or not the subject of AM603 has had a public hearing, this body had no problem referring my amendment back for a public hearing because of the concern that that subject had not received a full and fair public hearing. It was not referred back because it was found not to be germane. It was in fact germane because it was a logical and natural following of the subject of that particular bill. LB22 speaks to opting out and that is a separate and distinct issue, but it goes on to speak to clarification of insurance coverage, and I don't know how anybody in this body can dispute that what Senator Howard's amendment does is further clarify insurance coverage in the context of the healthcare reform act. [LB22]

SPEAKER FLOOD: One minute. [LB22]

SENATOR COUNCIL: And for that reason, I will support Senator Howard in her motion to overrule the Chair. And if this body wants to conform and comply with its rules, the germaneness issue has absolutely nothing to do with whether or not this measure had a public hearing. If that is a concern, I suggest that can be easily remedied in the same fashion as it has been remedied in the past. And with that, I would urge an affirmative vote to overrule the Chair. Thank you. [LB22]

SPEAKER FLOOD: (Visitors introduced.) Continuing with discussion on the motion, Senator Nordquist, you are recognized. [LB22]

SENATOR NORDQUIST: Thank you, Mr. Speaker and members. First, I want to address the comments by Senator Pahls. He's right that they could get coverage under a family plan, but for some people that's extremely expensive, not affordable option. The example that I stated, someone who called my office was a grandmother who adopted her nine-year-old grandson, she's on the verge of retirement, will enter Medicare this June, and for her to buy a family plan with her being at Medicare age and for her grandson is just not an option. She's certainly willing to purchase a child-only policy for her grandson, but that would just not be an affordable option for her to purchase a family plan. The standard we're talking about here on germaneness in our rules is natural and logical. I think the first thing we should look at is the one-liner on this bill and the name of the bill: To adopt the Mandate Opt-Out and Insurance Coverage Clarification Act. All we're doing here in this amendment is clarifying insurance coverage. That's what we're doing. And on Senator Fulton's amendment...or suggestion about, well, we could run prenatal, I don't see that as natural and logical. The prenatal issue is about Medicaid coverage. This is about and this entire bill is about regulating

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the private insurance market inside and outside the exchange. That's what we're doing with this bill is we're saying insurance...what insurance can and cannot do inside and outside of any potential insurance exchange and that's all this amendment would do is say...is regulate private insurance from now into the future related to child-only policies. And for me this issue, I know I'm not going to talk about germaneness, but on this issue it's about the consistent ethic of life. It's about the life and health of children from moment of conception through adulthood and beyond, and that's what this amendment will do, will help strengthen that seamless garment of life to make sure that children, when they're born, can get the coverage they need. Thank you, Mr. President. [LB22]

SPEAKER FLOOD: Thank you, Senator Nordquist. Senator Campbell, you are recognized. [LB22]

SENATOR CAMPBELL: Thank you, Mr. President, and good morning, colleagues. In the coming months we will be spending a considerable amount of time looking at public policy with regard to insurance and exchanges should national health reform continue as it has been laid out by Congress. And in brief conversations with Senator Pahls, I know that is an important task for his committee and what he will be undertaking. I rise to support the overrule of the Chair because I believe that we do not yet have an exchange in place. We don't know all the details to it. We don't know exactly how it's going to operate. But I believe that what Senator McCoy was trying to do in LB22 was to set forth an important tenet and principle for the public policy on insurance and exchanges, and I believe that Senator Howard's amendment is trying to do the very same thing. I think that both of these people are laying out an important principle and tenet that should be a part of the exchanges and public policy on the insurance as we go forward. Thank you, Mr. President. [LB22]

SPEAKER FLOOD: Thank you, Senator Campbell. Senator Schumacher. [LB22]

SENATOR SCHUMACHER: Thank you, Mr. Speaker, members of the body. We start out with a bill, LB22, which its articulated purpose was to prevent the evil of having folks who don't want their insurance premiums going towards abortions from being put in the position where that would be the case. Now I'm not sure exactly that quite accomplishes it because the bill also says that you can buy riders. Well, the rider money goes to the same insurance company to pay for the same fancy office buildings and same high-priced executives and same Learjets. So I mean I don't know how you can maintain a distinction on where that money goes because it's all a pool of money in the insurance business. Senator Council put on or tried to put on an amendment that did struggle to segregate that money. We defeated that amendment. And now we're at this germaneness issue because of an amendment that says insurance companies have to offer parents coverage for a child regardless of preexisting conditions. Well, a natural and expected result of not having insurance coverage for an abortion situation would be to encourage life, which you should, and in doing so hopefully promote a mother to have

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a child. But sometimes in the turmoil of that decision is a question whether or not the child is going to have serious problems upon birth. And so to the extent we are successful in promoting life and have a child that is born with serious problems, somebody has got to take care of them. And the logical thing is, what is that somebody? Is it the taxpayers or these insurance exchanges or is it insurance companies that...who are in the business of conducting...providing of healthcare? And this one says, okay, the insurance company has got to step in and get into the act at this point. That's a natural progression on this bill. Now whether I'm for or against this particular amendment, it certainly is germane. It flows just like water down a stream from what we intend or at least a foreseeable consequence of this bill right on through to what are we going to do about the results of this bill and should insurance companies be required to offer coverage. It is a natural and logical progression of this bill and I think, regardless of feelings on the merits, it's germane. Thank you, Mr. Speaker. [LB22]

SPEAKER FLOOD: Thank you, Senator Schumacher. Senator Smith, you are recognized. [LB22]

SENATOR SMITH: Thank you, Mr. President. Senator Fulton for the most part expressed my interest in this issue a few minutes ago and so I'm not going to repeat some of the points that he made, but I would say that many of the abortions that may be affected, possibly reduced by LB22, would involve underage girls that could/would benefit from this amendment, AM603. Although I'm leaning towards that this amendment would be germane, at this particular point I'm not completely decided on my position on the germaneness ruling. So thank you, Mr. President. [LB22]

SPEAKER FLOOD: Thank you, Senator Smith. Senator Cook, you are recognized. (Visitors introduced.) Senator Cook, you are recognized. [LB22]

SENATOR COOK: Thank you, Mr. President. Good morning, colleagues and 4th graders from Eagle, Nebraska. I rise in support of the motion to overrule the Chair's verdict, shall we say, on the germaneness issue for Senator Howard's amendment, proposed amendment, AM603. Since I joined the body, as many of you know, now three years ago, and that was four sessions ago, we were of course all encouraged to read the rule book. But with finding an office, putting forth bill proposals, getting ourselves set up, it's one thing to read it but I think what we're getting an opportunity to do, especially for the newer folks, is to see a perfect illustration or an ideal illustration of what germaneness is. And I'm going to go ahead and read it: No motion, proposition, or...this is the rule on germaneness, no motion, proposition, or subject, different from that under consideration, shall be admitted under color of amendment. Any amendment that is not germane is out of order. Germane amendments relate only to details of the specific subject of the bill, which we determined to be insurance coverage, the specific subject of the bill and must be in natural and logical sequence to that subject matter, which is insurance, the natural and logical sequence to the subject matter of the original

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proposal. A nongermane amendment includes one that relates to a substantially different subject. Colleagues, I would remind each of us that wherever you are on the issue of abortion, the thing that we are voting on, as Senator Fulton has reminded us, is the motion to overrule the Chair as to whether or not this amendment, Senator Howard's amendment, AM603, is germane, and it says right here, everybody has one of these in their drawers, if not, I'm sure the pages will be very kind and bring one to you, the second sentence: "Any amendment that is not germane is out of order." The third sentence: Germane amendments relate only to the details of the specific subject of the bill. The subject of the bill is private insurance coverage, and we've also had some conversation this morning about, pardon me, Senator Nordquist, if I don't use the term as you did, but the seamless garment in terms of protection. Since I've been here, we've had numerous and lengthy debates on issues related to abortion. One of the things that has confused me and I've brought up in many private conversations with colleagues and friends is this body's interest, great interest, in the child when it's inside the mother's womb and how precipitously that interest drops once the baby emerges. With this amendment--first of all, we're going to vote to overrule the Chair and then I hope that you will push green to adopt AM603--Nebraska can begin to become consistent in terms of their interest, their purported interest, in protecting life. Thank you, Mr. President. [LB22]

SPEAKER FLOOD: Thank you, Senator Cook. Senator Dubas, you are recognized. [LB22]

SENATOR DUBAS: Thank you very much, Mr. Speaker, colleagues. I think it's been brought up this morning, there is a lot of gray area when it comes to talking about these insurance exchanges and what's going on with healthcare reform, and there certainly is. There's a lot we don't know. But by the same token, we can't wait until we do know what that expectation is to take action as a legislative body, and we are going to have to take action on this reform. There are things that are going to be required of states. And because we only meet during a limited time, if that action is required when we aren't in session it makes it difficult for us to take any action. And some of the meetings and people that I've talked to have said states need to at least put something in place so you have something to work from as we become better informed about what is going to happen in the future, and I see this amendment and the underlying bill doing that, putting something in place that will help us meet whatever requirements will be expected of us down the road. I rise in support of the overrule of the Chair. While it may appear that the amendment is not necessarily germane, I think there's been some points, very well-made points this morning that does indicate that it does. And so I will rise in support of this overrule and likely will support the amendment that we're discussing. The amendment does not change the underlying bill, and if I felt that it did I would not be supportive of it. It keeps the underlying bill and the intent of that bill in place. I have consistently said--I'll be a broken record on this--if we do not want women to make the choice of having an abortion then we need to make sure that they feel they

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are able to, either personally or through an adoption or whatever other choice they may make, that they feel they have the ability to support that child and that child's basic needs, and medical care is definitely a basic need when you're raising a child. And if for whatever reason that mother or that family cannot provide for that basic need, that could be just that tipping point to make a woman decide whether she will or whether she won't have an abortion. And so anything that we as a body can do to give that mother, that woman, the sense that she will be empowered to take care of her child, I think that's what we should do. And so for those stated reasons, I stand in support of overruling the Chair and the underlying amendment. Thank you. [LB22]

SPEAKER FLOOD: Thank you, Senator Dubas. There are no other senators wishing to speak. Senator Howard, you're recognized to close on your motion. [LB22]

SENATOR HOWARD: Thank you. Thank you, Mr. Speaker. I want to say that I appreciate everyone on this floor. I appreciate those that have spoke in support of the bill and I respect those that have had a difference of opinion. I think we all have a common goal here, and that's a commitment to human life, a commitment to children, a commitment to doing the very best that we know how to do. And I think it speaks well of all of us that when we believe in, for example, in this case, we feel that we're going to stand up and say we have a difference with the Chair, that it's not divided particularly along party lines. It's people standing up and saying this matters, this is important. And so I definitely thank you all for that. I will say to you there are two issues here. Number one is insurance. We're addressing insurance coverage. We're saying we're not going to provide insurance coverage for the issues in LB22. I am saying if this child is to be born then we have an obligation to provide insurance coverage. Life doesn't end at birth. Life doesn't end when the umbilical cord is cut. That's when all of our responsibilities to that little being begin and there's not a one of us on this floor that wouldn't stand up and do anything that we could for that helpless human. I appreciate the comments made on this floor. I appreciate the legal expertise that's been shown. I always have so much respect for people that have that experience and that background. I appreciate the Speaker for giving me this opportunity to address this. I ask for your support in addressing the germaneness and voting that this is germane so that we can continue on the argument on the merits of the amendment itself. Thank you. [LB22]

SPEAKER FLOOD: Thank you, Senator Howard. Members, you've heard the closing to Senator Howard's motion. Reminding the body that Senator Howard has made a motion to overrule the Chair as it relates to the germaneness amendment. The Chair has previously ruled that AM603 is not germane under the Rules of the Legislature. Under the Rules of the Legislature, a majority of those present are required to vote affirmatively to overrule the Chair. Our records indicate at this time there are 45 members of the Legislature present; therefore, 23 votes are required to overrule the Chair. A green vote or a yes vote overrules the Chair. A red vote or a no vote sustains

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the Chair and supports the Chair's ruling that AM603 is not germane. The question before the body is, shall the Chair be overruled? All those in favor vote yea; all those opposed vote nay. Record please, Mr. Clerk. [LB22]

CLERK: 16 ayes, 24 nays, Mr. President, on the motion to overrule the Chair. [LB22]

SPEAKER FLOOD: The Chair is not overruled. [LB22]

CLERK: Mr. President, the next amendment I have is Senator Haar, AM587. (Legislative Journal page 694.) [LB22]

SPEAKER FLOOD: Senator Haar. (Doctor of the day and visitors introduced.) We now continue on with discussion on LB22. Senator Haar, you're recognized to open on AM587. [LB22]

SENATOR HAAR: Mr. President, members of the body, I like simple amendments and my amendment is very simple. And I guess before I start with that, I would like to say though that with LB22 and actually quite a few other bills, we're dealing with difficult issues, polarizing issues. We're forcing tough votes and that's okay because we're dealing with really serious issues, things that involve the lives of the men and women of Nebraska, men, women and children of Nebraska. None of this is personal. Senator McCoy and I had a talk this morning. He understands my motivation and my passion on this issue and I understand his, and I just think that had to be said to begin with. On my amendment, simply says that if we're going to say that you have to have a separate rider and, to read my amendment, "Any health insurance plan, contract, or policy delivered or issued for delivery in this state shall be required to offer optional riders that provide coverage for elective abortions." So obviously in this body there's a difference as to whether women should have the choice to have an abortion and there's also differences in this body whether rape and incest makes a difference. Some of us believe that it does and some believe that no matter how the event occurred that that child has a right to live, the fetus has a right to live. So based on that and with LB22, we're saying if LB22 passes that private...not only the health exchanges it comes into place but also private health insurance in this state could not cover abortion unless there's a rider. All that my bill says that, okay, then insurance companies must provide a rider. Insurance companies in the state of Nebraska must provide a rider. I talked to one young woman this morning who looks at this rider as rape insurance. She has no idea that she would need an abortion, but in the case of rape she said she would seriously consider it. So the reason she would get this rider would be to protect herself in the case of rape. So my amendment simply says that any insurance company then in Nebraska, although they would not be allowed under LB22 to offer insurance...I'm sorry, abortion coverage, elective abortion coverage without a rider, that there be a rider that she could apply for. Again, I don't have the feelings that some people do when they walk the streets. Not being a woman, I have never been threatened with rape. But for people who might have

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that fear of a young woman or any age woman who would have that fear, I believe it's important that then if LB22 passes there be such a rider. Again, since we're talking about Insurance Coverage Clarification Act, I think that's an important clarification. Because otherwise we're saying if we say that private insurance companies can't provide elective abortion coverage without a rider and then there's no insurance company that provides a rider, and, by the way, we have tried to do some checking to see how many insurance companies currently provide riders for elective abortion and so far, and this is...you know, we haven't taken a lot of time to do this, but we have not been able to find companies that provide a rider for elective abortion specifically. So I'm saying that's a totally unfair situation for women in the choice that they make that they can't get an...that their private insurance company can't provide coverage and yet there are no riders available. Now without...the other point I want to make is that if only some companies provide a rider then we know that there are various organizations within this state that will point to that company and say don't get your insurance from that company because they provide riders for elective abortion. So I want to make this a level playing field to say that if women cannot...if their private insurance can't cover elective abortion then all insurance companies that provide insurance in Nebraska have to provide that rider. There has to be that level playing field for, as one person put it, rape insurance. So I would ask you to consider this amendment. It only makes sense. In lieu of LB22, private companies could not provide elective abortion coverage then we must say to insurance companies you must offer that rider. Thank you very much. [LB22]

SPEAKER FLOOD: Thank you, Senator Haar. Senator McCoy, turning to discussion on AM587, you are recognized. [LB22]

SENATOR McCOY: Thank you, Mr. President, members. I rise in opposition to AM587. You know, we have a little...not only a longstanding tradition in the state of Nebraska but across the country of valuing private industry and private business. And while part of LB22 includes a provision that would interact with private insurance plans, I believe that this amendment by Senator Haar flies directly in the face of what we're attempting to accomplish with LB22 by requiring all health insurance carriers in the state to offer riders for abortion. That just...well, frankly, I just find that mind-boggling for one. I don't know why we would go down that trail. I don't see the value in that. If someone desired to have such coverage, our bill, under LB22, they could find an insurance carrier that either has such coverage or would set up such coverage, but we don't require an insurance carrier to offer such coverage. [LB22]

SPEAKER FLOOD: (Gavel) [LB22]

SENATOR McCOY: So again, I stand in opposition to AM587. Thank you. [LB22]

SPEAKER FLOOD: Thank you, Senator McCoy. Members, there are no other lights on. Senator Haar, you're recognized to close on AM587. [LB22]

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SENATOR HAAR: I would ask Senator McCoy if he would rise to a question or two. Can I do that in closing? [LB22]

SPEAKER FLOOD: Senator McCoy, will you yield? Senator McCoy, will you yield to a question from Senator Haar? [LB22]

SENATOR McCOY: Yes. [LB22]

SENATOR HAAR: Senator McCoy, do you know of any insurance companies in Nebraska that provide coverage with a rider for abortion coverage? [LB22]

SENATOR McCOY: As I outlined yesterday in my opening and I think several other times, Senator Haar, as we researched with the insurance industry the core tenets of LB22 and with the Department of Insurance, the statistics and the knowledge just isn't there whether anyone is or not. It's not an area that we've delved into in statute. It's just not something that they keep track of and it's unknown whether any insurance carriers do or do not. [LB22]

SENATOR HAAR: Do you know if...now employees of Nebraska are given an option of several insurance companies for health insurance. Do you know if any of those companies provide this rider? [LB22]

SENATOR McCOY: Not that I'm aware of, Senator Haar. [LB22]

SENATOR HAAR: Okay. So we find ourselves in the situation that when it comes to state employees, effectively then we're saying you can't buy insurance...that you can't buy insurance that has elective abortion coverage but those insurance companies that we're offering to you don't provide the riders. To me, this is saying that women don't have a choice in this matter and I would certainly encourage people to vote for AM587. I think it levels the playing field and then it truly gives people the choice of buying a rider because none of the private insurance companies will be allowed to have one...will be allowed to provide the coverage for elective abortions. So that would be my closing. I'd ask for a call to the house and a roll call vote. [LB22]

SPEAKER FLOOD: Thank you, Senator Haar. Members, you've heard the closing on AM587. There has been a request to place the house under call. The first question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record please, Mr. Clerk. [LB22]

CLERK: 29 ayes, 0 nays, Mr. President, to place the house under call. [LB22]

SPEAKER FLOOD: The house is under call. Senators, please record your presence.



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Those unexcused senators outside the Chamber please return to the Chamber and record your presence. All unauthorized personnel please leave the floor. The house is under call. Senator Heidemann, Senator Wightman, Senator Council, Senator Fulton, Senator Pahls, please return to the Chamber and record your presence. Senator Council, Senator Pahls, Senator Heidemann, Senator Wightman, please return to the Chamber and record your presence. The house is under call. Senator Hadley, would you please check in? Senator Heidemann, please return to the Chamber and record your presence. Senator Haar, Ken Haar, all of the senators are present or otherwise accounted for. It's my understand you'd like a roll call vote in regular order. Mr. Clerk. First, to the Legislature, the question is, shall AM587 be adopted? Mr. Clerk, please read the roll in regular order. [LB22]

CLERK: (Roll call vote taken, Legislative Journal page 694.) 4 ayes, 35 nays, Mr. President, on the amendment. [LB22]

SPEAKER FLOOD: AM587 is not adopted. I do raise the call. (Visitors introduced.) Mr. Clerk, we now proceed on LB22. [LB22]

CLERK: I have no further amendments to the bill, Mr. President. [LB22]

SPEAKER FLOOD: There are no other lights on. Senator McCoy, you are recognized to close on LB22. [LB22]

SENATOR McCOY: Thank you, Mr. President and members. Well, we started the discussion on LB22, my priority bill, quite a number of hours ago yesterday morning when we first got going, and I appreciate the discussion and I appreciate those that have saw fit to advance LB22, the amendments, my amendment from yesterday up to this point. This isn't an easy issue and I appreciate the viewpoints on both sides of this issue and all the thoughts and concerns that have been discussed since yesterday. You know, I think it's somewhat rare that we get the opportunity to address something in federal law where we are given the ability to weigh in as a state, and we are given that opportunity on this issue and that is what LB22 does in addition to adding private insurance to the discussion. As I mentioned, this isn't an easy issue but it's one I believe in very strongly and I believe a great number of Nebraskans do as well. And with that, I would close and ask for your support in advancing LB22 to Select File. Thank you, Mr. President. [LB22]

SPEAKER FLOOD: Members, you've heard the closing on LB22. The question before the body is, shall LB22 advance to E&R Initial? All those in favor vote aye; all those opposed vote nay. Have all those voted who care to? Mr. Clerk, please record. [LB22]

CLERK: 36 ayes, 9 nays, Mr. President, on the advancement of LB22. [LB22]

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SPEAKER FLOOD: LB22 advances to E&R Initial. Mr. Clerk. [LB22]

CLERK: Mr. President, some items, if I might. LB210A is reported to Select File. An appointment letter to the Governor regarding the appointment of superintendent of Law Enforcement and Public Safety for the State Patrol; that will be referred to Reference for referral to standing committee for confirmation hearing. Two confirmation hearing reports, both by the Transportation Committee. And your Committee on Transportation, chaired by Senator Fischer, reports LB35 and LB573 to General File with committee amendments attached. Mr. President, that's all that I have. (Legislative Journal pages 694-697.) [LB210A LB35 LB573]

SPEAKER FLOOD: Thank you, Mr. Clerk. We now proceed to the next item on the agenda, LB543. Mr. Clerk. [LB543]

CLERK: LB543, Mr. President, is a bill by Senator Cook. (Read title.) Bill was introduced on January 18 of this year. At that time it was referred to the Health and Human Services Committee. The bill was advanced to General File. I have individual member amendments to the bill, Mr. President. [LB543]

SPEAKER FLOOD: Thank you, Mr. Clerk. Before we proceed further, Senator Cook, would you take two minutes and advise the Legislature of your bill? [LB543]

SENATOR COOK: Absolutely. Thank you, Mr. President. Good morning again to colleagues and guests. LB543 requires that the Department of Health and Human Services create a plan for Nebraska to better share information about the Supplemental Nutrition Assistance Program, or SNAP. Additionally, LB543 enables Nebraska to leverage existing funding with contributions from nonprofit agencies for the purpose of conducting outreach and application assistance activities for the Supplemental Nutrition Program. Initiatives are already in place that would qualify for the matching funds and the Department of Health and Human Services may utilize a portion of the matching funds to cover its administrative costs. Therefore, the resources needed to implement the plan are available. If such resources are unavailable, the bill in its current form does not require the implementation of the plan. Private donors are ready, willing and able to fight hunger hand in hand with the state. They wait anxiously for the advancement of this legislation so that they can fulfill this critical mission. Colleagues, I appreciate your consideration and support of LB543. Thank you, Mr. President. [LB543]

SPEAKER FLOOD: Thank you, Senator Cook. Mr. Clerk. [LB543]

CLERK: Mr. President, Senator Nordquist had pending, when the Legislature last left the issue, AM540 as an amendment to the bill. (Legislative Journal page 670.) [LB543]

SPEAKER FLOOD: Senator Nordquist, you have two minutes to advise the Legislature

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of AM540. [LB543]

SENATOR NORDQUIST: Thank you, Mr. Speaker and members, AM540 was originally LB663, which was advanced from the Health and Human Services Committee. It takes advantage of an option made available under federal law which allows state eligibility workers to eliminate the current asset calculation in the SNAP Program. This streamlines the administration. It's easier for our workers to determine eligibility. Thirty-six other states have already eliminated the asset test that the eligibility workers have to perform. Right now there's a very...and there would still continue to be an extensive screening process which would include income limits. A family of four would have to earn under \$30,000 a year to still qualify for the program. Currently, the asset limits are \$2,000 and for...if everyone in the house is under 60. We had a individual call our office who...husband left her, has a teenage son, 17 years old, saved I think it was \$4,000 or \$5,000 in an account for college and they had to spend down those assets to qualify for food stamps. I don't think that this is a position we want to put Nebraska families in. Thirty-six other states have already taken action on this so those thirty-six other states are allowing their low-income families to accumulate assets, work their way out of poverty, while we're not. I think it's important that we move forward on this, take advantage of it and allow our low-income families who are trying to transition out of these programs, allow them to maintain and build assets because that's the best way out of poverty. I'd appreciate your support of the amendment. [LB543 LB663]

SENATOR PRICE PRESIDING

SENATOR PRICE: Thank you, Senator Nordquist. Members wishing to speak: Senator Hadley. [LB543]

SENATOR HADLEY: Mr. President, members of the body, would Senator Nordquist yield to a question? [LB543]

SENATOR NORDQUIST: Yes. [LB543]

SENATOR HADLEY: What was the rationale originally behind having the asset test? Do you happen to know? [LB543]

SENATOR NORDQUIST: I don't know for sure. I can make an assumption that there was a thought that we shouldn't allow people to build large stockpiles of cash and still receive public benefits, but that just isn't happening even in the states that have removed their limits. [LB543]

SENATOR HADLEY: Another question, you know, I...this happened to catch my eye and I know that there are options besides just eliminating it completely, such as raising the limit, excluding specific types of assets, annuitizing funds in retirement accounts and

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considering liabilities. Have we looked at any of those other options? Because I know some states have basically just raised the...you know, they still have an asset test, but they've raised it so that it becomes more realistic in dealing with this problem. [LB543]

SENATOR NORDQUIST: I can't speak for prior Legislatures or senators or what's been studied. I guess my concern, as we're making deep cuts to the administration of HHS, I think we need to also look for ways to streamline the process and removing the asset test completely simplifies the administration of this program. It's one less hurdle that the administrative enrollment worker has to do. They don't have to go track down bank account information for people and verify that, which is a timely process...a time-consuming process according to the department. So I guess I can't speak to looking at those other options. We do...there is a lot of stuff exempted already, for instance, farm ground. You can have, you know, hundreds of millions of dollars worth of farm ground and still qualify for this program. That's a federal USDA regulation. [LB543]

SENATOR HADLEY: Okay. Thank you, Senator Nordquist. I just had just some concerns in looking at it because you always...we used to talk about the 10 percent rule, the fact that 10 percent of the people are going to try and figure their way around the rule, and I just am concerned that if you take the rule completely away that you might be opening the door for people to manipulate the system. And I just have that concern. With that, I will yield the balance of my time. Thank you, Mr. President. [LB543]

SENATOR PRICE: Thank you, Senator Hadley. Senator Carlson, you are next in the queue and recognized. [LB543]

SENATOR CARLSON: Mr. President and members of the Legislature, I'd also like to address a question to Senator Nordquist, if he would yield. [LB543]

SENATOR PRICE: Senator Nordquist, would you yield? [LB543]

SENATOR NORDQUIST: I'd be happy to. [LB543]

SENATOR CARLSON: I think, Senator Nordquist, one of the figures you used was \$2,000. Was that a cash amount that anything over that would disqualify a person? [LB543]

SENATOR NORDQUIST: Yeah, that's in countable assets, bank accounts. I can get the specific regulation out here but essentially I believe that's it. And in the case we cited I believe...I don't know if it was in a savings account or an IRA or...so that was in a savings account I believe, but I'm not sure. I'll look into like IRAs and those. I'll have to pull the regulation here. [LB543]

SENATOR CARLSON: All right. Now thank you. Now that limit, do you have any idea

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how long that's been in force? I'm asking that because I'm aware of some other requirements, Medicaid and so forth, that a person can only have so many dollars in an account and then they have to spend down. Sometimes those figures are in effect for so long they're totally outdated. I'd be interested in how long that regulation has been there, because one possibility would be to update that amount to where it's more reasonable. For example, if a person receiving Medicaid can only receive so many dollars of income per month, whether it's \$85 or whatever it is, they ought to be able to have an asset that would generate \$85 a month. Well, that's not \$2,000. It's something quite a bit in excess of that. But you also indicated that USDA requirements don't take into account, and you've used the term "thousands of acres of farmland." Is that correct? [LB543]

SENATOR NORDQUIST: There's no...any property used to generate for self-employment purposes, including farmland of any amount, would not count. So you could have, you know, whatever you could build up, you could...as long as your income was below the threshold of 130 percent of poverty, you could qualify. [LB543]

SENATOR CARLSON: And that's a federal guideline, federal policy. Do you think that's a good policy? [LB543]

SENATOR NORDQUIST: Well, I certainly, you know, grew up in a small town in rural South Dakota and know a lot of folks who are land rich and cash poor, and sometimes they struggle to get by. So I do think that there is a need to acknowledge that sometimes people can have assets accumulated but they still need some help to get by in tough times. [LB543]

SENATOR CARLSON: Okay. I would think that...and we're looking at an extreme there. That's not a good policy and I don't think that we want to have that policy in Nebraska, but I'm certainly open to looking at the cash limits that are there and seeing what we might do to update those and that, I think, would be helpful in this process. So whatever information your staff can give me, I'd appreciate that. [LB543]

SENATOR NORDQUIST: And I'll get that information for you, Senator. [LB543]

SENATOR CARLSON: Thank you, Senator Nordquist. [LB543]

SENATOR PRICE: Thank you, Senator Carlson and Nordquist. Senator Bloomfield, you are recognized. [LB543]

SENATOR BLOOMFIELD: Thank you, Mr. Chairman (sic). I've discussed this very, very briefly with Senator Nordquist. When it was introduced as a bill, I rather referred to it as a three Mercedes bill, that you could have three paid for Mercedes Benz sitting in your garage and that maybe you really ought to sell one of those before you get the stamp

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benefits. And I also go back to the agriculture thing. It's my understanding that not only can that farmer have the land, he may have quite a little machinery sitting there paid for, too, and would still qualify for the SNAP Program. I'm not comfortable in my mind that that's the way it ought to be. I supported the initial bill coming out of committee. I cannot support this amendment and I do rise to oppose it. Thank you. [LB543]

SENATOR PRICE: Thank you, Senator Bloomfield. Senator Council, you are next and recognized. [LB543]

SENATOR COUNCIL: Thank you, Mr. President. Would Senator Nordquist yield to a question? [LB543]

SENATOR NORDQUIST: Yes. [LB543]

SENATOR COUNCIL: Thank you, Senator Nordquist. In reading AM540, I noted that it says that the operative subsection doesn't take effect unless federal funds are provided to administer the program. Am I correct in my understanding that that means that if pursuant to the elimination of the asset test it results in more people being eligible for SNAP benefits, which would increase the cost of the program, that it's your intent in AM540 that that cannot occur unless federal participation in terms of funding covers that. [LB543]

SENATOR NORDQUIST: That's right, and I gave a very abbreviated opening to my amendment this morning and I went into further detail on the original opening, which was at the end of the day, maybe either was it Monday or last week, on this and the key point here is that all the benefits in this program are federally funded, and you're right that this would not go forward unless there's federal funding. The only part the state pays is 50 percent of the administrative costs and the Department of Health and Human Services, who did not testify on the bill, in their fiscal note said it wouldn't cost any more, even though we're going to have a few more people on the system, it's not going to cost more to administer it because we're simplifying the process of administering. So there's no cost to the state and we're going to bring in, we're going to leverage additional federal support for the individuals that would now qualify. [LB543]

SENATOR COUNCIL: Okay. And you also gave statistics as to the number of states who have eliminated the asset eligibility requirement. Could you repeat that number again? [LB543]

SENATOR NORDQUIST: Yeah. Yeah, 36 states just over the past few years, and this is the policy passed during the Bush era presidency, their USDA; 36 states have eliminated the asset test. So if we don't do this, essentially what we're saying to our low-income families is, residents of those 36 other states can accumulate assets, can try to build their way out of poverty as long as they still meet the income threshold, but

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in Nebraska you can't do that; we're not going to let you build assets and retain your benefits; you're going to have to spend down your assets. [LB543]

SENATOR COUNCIL: Okay. And I would suspect, and if you know, Senator Nordquist, if some of the rationale for the 36 states who have eliminated the asset requirement, that part of the rationale is they have weighed the cost of not making healthy foods available to low-income people, those costs, and those costs manifest themselves in higher healthcare costs, and if they meet the gross income eligibility requirement for SNAP, they're going to meet the income requirement for Medicaid. So if we don't provide a means for these low-income families to access healthy foods, that we would be bearing the costs of that failure in terms of the potential for increased Medicaid costs resulting from obesity, high blood pressure, and other heart-related diseases. Am I correct in my assumptions? [LB543]

SENATOR NORDQUIST: Absolutely. There certainly are a significant amount of costs that go along with people who don't have access to healthy foods and the benefits of that for their health. [LB543]

SENATOR COUNCIL: Okay. [LB543]

SENATOR PRICE: One minute. [LB543]

SENATOR COUNCIL: Thank you. And in response to Senator Bloomfield, I appreciate his concern, but looking at the underlying bill, I mean I guess I don't share the concern that there's going to be massive abuses of this program. Because if the data that has been shared is any indication, we currently have people who meet the asset requirement, meet the gross income eligibility requirement, yet are not accessing the benefits available under the SNAP Program. So I think that what we're going to be looking at here is an opportunity for us to leverage the SNAP dollars to help us better manage healthcare costs. Thank you. [LB543]

SENATOR PRICE: Thank you, Senators Council and Nordquist. Next in line is Senator Heidemann. You are recognized. [LB543]

SENATOR HEIDEMANN: Thank you, Mr. President and fellow members of the body. I was wondering if I could have a conversation with Senator Nordquist. [LB543]

SENATOR PRICE: Senator Nordquist, would you yield? [LB543]

SENATOR NORDQUIST: Yes. [LB543]

SENATOR HEIDEMANN: I'm trying to grasp what we're trying to accomplish here. Your amendment would pretty much, just so I get this clear, take away...all assets would not

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be counted. [LB543]

SENATOR NORDQUIST: That is correct. Currently, you can only have no more than \$2,000 in countable assets. There's a lot of exemptions right now as we talked about already, farm ground, that's already exempt, any property owned for self-employment, so all of that, any property owned business would be exempt. We're talking only a few thousand dollars right now is the strict limit on the amount of cash you can...countable assets you can have. [LB543]

SENATOR HEIDEMANN: So I could have a house down in Elk Creek, I could have a vacation house out, let's say, Lake McConaughy because I like to go visit Senator Schilz, and then one down in Harlan County because I like to visit that area, but I'm having trouble making money because I'm spending too much time at my vacation houses and I would be eligible for this even though I have three houses. [LB543]

SENATOR NORDQUIST: Yeah. And under...I'm trying to pull the regs here, but under current rules at least I know for sure your main property and all the ground surrounding, any attached property is already exempt. So that's already in current law policy. Farm ground, as I said... [LB543]

SENATOR HEIDEMANN: Okay. Okay, we'll establish that. [LB543]

SENATOR NORDQUIST: Yeah. [LB543]

SENATOR HEIDEMANN: I'm going to ask you a personal question to find out where you're at personally. Is that right? [LB543]

SENATOR NORDQUIST: You know, there are...you can point to the extreme certainly on all ends of the spectrum. I guess for me there are situations and, first of all, this program is very much targeted towards children or families with children, you know, lose employment for a period of time, and this would potentially help them get by. Now their income would have to be extremely low if they lost their job. There are situations certainly, but again those are federal regulations that we don't have any control over. [LB543]

SENATOR HEIDEMANN: And I understand that, but I was trying to get you to answer the question whether you thought that was right or not. I don't believe I was able to accomplish that. I will move on. You mentioned in a previous conversation you had, you said that there was no cost. [LB543]

SENATOR NORDQUIST: Yeah. Oh, I'm sorry. What was the question? [LB543]

SENATOR HEIDEMANN: You had said in a previous conversation with somebody, you



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said that there was no cost. [LB543]

SENATOR NORDQUIST: To the state I said, yep. [LB543]

SENATOR HEIDEMANN: And I understand that, but I take a little bit difference when people say that there is no cost, it's only...there's money coming in from the federal government. You know, sometimes I like to say, excuse me, I pay federal income tax. [LB543]

SENATOR NORDQUIST: I certainly understand that. I was just...as my statement was, it was just no cost to the state. The benefits are federally funded. [LB543]

SENATOR HEIDEMANN: And one other point, I might get back on the mike later on, you said 36 other states do this and that's a good reason that we should do that. I'm trying to set some kind of an intent in here where we go as a Legislature, so as future bills come down the path if, say, 48 other states do it, then we should do that. So is that a good argument? [LB543]

SENATOR NORDQUIST: I was just more or less stating fact that 36 other states have done this since the Bush presidency made this change and 10 in the last year. Just a year ago it was 24, 25. So more and more states are doing this and we're putting our citizens at a disadvantage, making them spend down their resources when 36 other states, and more growing, are not. [LB543]

SENATOR PRICE: One minute. [LB543]

SENATOR NORDQUIST: And I don't want to tie the hands of Nebraskans like that and make us spend resources when other states are getting a competitive advantage on us. [LB543]

SENATOR HEIDEMANN: But I go back to what I consider and I think most of the values that Nebraskans have is that as much as we can we should take care of ourselves. And if we have assets, you build assets at times, so when things go wrong you can pull back on those assets. Why do we have savings? [LB543]

SENATOR NORDQUIST: Is that a question? [LB543]

SENATOR HEIDEMANN: I will let you answer that. I just want to put it on the record that at this time I do not support AM540, and the rest of my time to Senator Nordquist. [LB543]

SENATOR PRICE: Senator Nordquist, you are yielded 16 seconds and you are next in the queue. [LB543]

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SENATOR NORDQUIST: All right. Very generous. I'll just wait for my time. Thank you. [LB543]

SENATOR PRICE: Thank you, Senator Heidemann and Nordquist. Senator Nordquist, you are recognized. [LB543]

SENATOR NORDQUIST: I think, you know, the point here is that again states are doing this more and more. It doesn't mean that we have to jump on the band wagon but it's about a competitiveness. We're making our low-income people who are trying to, many, you know, if they...they have to meet work requirements to qualify for this so they're trying to work their way out of poverty and we're making them spend down their resources and not accumulate wealth, so down the road when they have another blip they don't fall back into the system. That's what we're trying to do. Thirty-six other states have recognized that. They're...and again, this is a policy that the USDA is encouraging states to do. It was passed under the Bush era. We have many other programs. The Chairwoman of the Revenue Committee pointed out to me that on homestead exemption we don't have asset tests. That's a program where we offer support for individuals, for seniors. We don't have an asset test on that. And I think under this program, as people are trying to work their way to self-sufficiency, work their way out of poverty, that this is a way for them to help them build the assets they need. And as far as the Mercedes example that was thrown out, I don't own a Mercedes. Actually, one of my brothers does so I'll kind of...I'll kind of pinpoint him as the typical Mercedes driver. Maybe there's different ones. But I find it hard to believe, as he pulls out of his large west Omaha home in his Mercedes, that he's going to drive down to the Department of Health and Human Services, fill out the large application, sit there for hours, get that processed, then take his EBT card to the grocery store while he walks in--now I don't know that he has a Rolex but we'll just inflate this a little more--as he looks at his Rolex, pulls out his EBT card while people are in line behind him, sorts out what is covered and what isn't at the grocery store, uses that card to get his supplies and then walks out to his Mercedes and drives home. Now I just don't see that as a very realistic scenario. I think that there's a stigma attached in every community in the state with benefits and I just don't see that that would happen. That's all, Mr. President. Thank you. [LB543]

SENATOR PRICE: Thank you, Senator Nordquist. Senator Conrad, you are next and recognized. [LB543]

SENATOR CONRAD: Thank you, Mr. President. And thank you to Senator Nordquist for bringing this important legislation forward and this amendment, AM540, to LB543, which I rise in support of both. A couple of things at the outset: colleagues, I passed around an article from The Washington Post that appeared September 21, 2007, written by a fellow at the Heritage Foundation, which I think we can all agree is by no means a progressive or lefty liberal sort of oriented think tank but, rather, the opposite. And if you

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note the author's points, they are specifically related to changing our food stamp regulations on both the federal and state level to ensure that we continue some of the successes contained in welfare reform. He notes that since 1996, where bipartisan welfare reform was adopted at the federal level, literally thousands of families have moved into employment and on to a path of full participation in the economy. But these reforms remain incomplete as long as we discourage working families from engaging in the very behaviors that lift them out of poverty. Policies that penalize saving need to be changed. And that's what Senator Nordquist is doing with this amendment and I applaud him for that effort. We've already had an exemption in place in terms of how the asset test applies to 401(k) plans, but the author notes correctly in this instance, I agree wholeheartedly, that that exemption does not indeed go far enough. He then lays out the progression that this policy has taken as part of the Bush administration's budgetary work years ago and then impacts and decisions that were made in Congress related to the budget, farm bill and other things. So please note that this is indeed a really positive development because: (A) we have an opportunity to help our most vulnerable Nebraskans with no fiscal impact to the state, as Senator Nordquist mentioned; (B) when you look at the philosophical reasons behind why Nebraska should indeed remove this asset test, look no further than what has been laid out by President Bush and the Heritage Foundation. I think that we should indeed make every effort we can from a public policy perspective to encourage savings and help those who are struggling to lift themselves up and out of poverty. My good friend, good friend and honorable Chairman, Senator Lavon Heidemann, raised important questions in his dialogue and has some anxieties about moving this legislation forward. But let's not forget, colleagues, particularly here in Nebraska, where ag is our number one industry, the direct correlation, the direct relationship between food and farm and how each dollar spent in food stamp benefits, or SNAP benefits as they're now known, impacts the Nebraska economy and indeed impacts Nebraska's farmers and ranchers to a great degree, so let's not leave that out. Senator Heidemann mentioned, and very rightly so, issues or anxieties that he had surrounding the ownership of property and really why we should move forward in this direction without exempting more of that out. And without having a full opportunity to review the legislative history on where those exemptions originated from, I pose this to you, and it's not a hypothetical. It's something that many Nebraskans lived through. Think back no further to the eighties when we had a farm crisis on our hands and many Nebraska farm families were struggling. Food stamps and other public assistance benefits are meant to be a short-term bridge,... [LB543]

SENATOR PRICE: One minute. [LB543]

SENATOR CONRAD: ...a hand up out of poverty. Do we feel it would be good policy to require all farm families to sell off their real property benefits in order to achieve and access basic food stamp benefits to help then families get through that difficult period of time? No, that wouldn't be good policy. We want to maintain the legacy of family farms. We want to maintain the integrity of our agricultural industry. But we also recognize the

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fact that all families indeed have times where they may need to rely on public benefits like food stamps and we shouldn't bankrupt them or cripple them from ever crawling out of poverty but let them keep the tools they need to break through that time of poverty that is presented at the present time and to return to an ability to be fully and completely self-sufficient. Also, keep in mind there are other parameters that... [LB543]

SENATOR PRICE: Time, Senator. [LB543]

SENATOR CONRAD: Thank you, Mr. President. [LB543]

SENATOR PRICE: Thank you, Senator Conrad. Senator Campbell, you are next in the queue and recognized. [LB543]

SENATOR CAMPBELL: Thank you, Mr. President. Colleagues, we heard a great amount of testimony on this bill when Senator Nordquist put it forward and then felt that he wanted to put forth the amendment to Senator Cook's bill. And one of the interesting points of that testimony was the number of people that go on the SNAP Program for a while to tide themselves over, to kind of get...right the ship after things may have gone wrong, and then they don't use them anymore. I think some of us have this feeling that, you know, this goes on and on and all these people who are on this program lasts forever, which is really not in actuality what happens. The other part that struck me is there's always going to be people that want to cheat the system. There will probably be people cheating the system today. But does that mean that we don't look at the legitimate number of people in the state of Nebraska who could benefit from the amendment that Senator Nordquist is bringing forward? I was so struck when it was explained to us that this benefit is \$1 a meal per person a day. Now if you're going to go to a lot of effort to cheat the system because you have all these assets, then there's probably nothing that we could do or say in this body that would change that cheater for \$1 a meal per person a day. Thank you, Mr. President. [LB543]

SENATOR PRICE: Thank you, Senator Campbell. Senator Cook, you are next in the queue and recognized. [LB543]

SENATOR COOK: Thank you, Mr. President. Thank you, colleagues. I wanted to rise with a couple of points. I do rise in support of the philosophy of AM540. We did hear it in Health and Human Services Committee. At that point, as I'm recalling, Senator Bloomfield did indeed bring up some concerns about the Mercedes or three Mercedes or farm ground or something like that, but I wanted to, based on what we've talked about today, remind all of us of something that I think we agree on. And again, I didn't get a chance to offer this as a reminder this morning. LB543 and I believe AM540, amended, would enable Nebraska to leverage existing funding with contributions from nonprofit agencies for the purpose of conducting outreach and application assistance activities for SNAP. This policy sets up an innovative, cost-neutral means to assist

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Nebraska families struggling with hunger. Currently, only 64 percent of Nebraskans eligible for SNAP are taking advantage of the aid. I hear people in the press and on the floor and in side conversations refer to what they frame as the Nebraska way. And not knowing what goes on in other states in terms of fraud, which is what it would be, in terms of getting an EBT card for food, I have no idea what our statistics are in terms of minimizing that or mitigating it or eliminating it. I would echo what Senator Campbell had to say about it in any forum, whether it's Wall Street, main street, the grocery store, your taxes. In my opinion and statistically, people who are inclined to attempt to cheat the system, whether it's for \$1 per meal per person per day or for millions of dollars, those individuals and those organizations are so inclined and removing the asset test, which is what AM540 proposes to do, in my opinion, is not going to stop that. I don't think it's even going to minimize that. If you're criminally minded, if you're a cheater, you will find another way. You may not cheat the SNAP benefits; you'll cheat something else. So all of this fear that's been brought up today, perhaps they are sincere concerns that somebody will leave the state \$200 poorer for an EBT card. I guess I'm hoping that these same kinds of concerns emerge when we begin in the appropriations debates to talk about the millions and millions of dollars that go out among corporate tax credits. We don't ask if anybody...what are the asset tests for the companies that apply for those? Are we concerned about their jets and buildings and stocks and bonds? My guess is that no. It seems a little bit typical. And also to Senator Heidemann's point about the cost, and he asked Senator Nordquist, as I recall, whether or not this costs anything, the fiscal note says, no, no state dollars. We all pay federal taxes in this body, as individuals, as operators of companies and businesses and property owners. [LB543]

SENATOR PRICE: One minute. [LB543]

SENATOR COOK: We all pay federal taxes. Senator Heidemann, people who are against this amendment aren't the only ones paying federal taxes. I want my federal taxes to go in support of this measure. Thank you. [LB543]

SENATOR PRICE: Thank you, Senator Cook. Mr. Clerk, items for the record? [LB543]

CLERK: Mr. President, your Committee on Executive Board reports LR5CA and LR44CA as indefinitely postponed; those reports signed by Senator Wightman, as Chair. Senator Schilz has selected LB389 as his priority bill for this session. Senator Krist would like to remove his name from LR39 as cointroducer. (Legislative Journal page 697.) [LR5CA LR44CA LB389 LR39]

And a priority motion: Senator Krist, Mr. President, would move to adjourn the body until Thursday morning, March 3, at 9:00 a.m.

SENATOR PRICE: Members, you have heard the motion. All those in favor say aye. So moved.