

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

Floor Debate
May 20, 2011

[LB39 LB40 LB142 LB152 LB283 LB390A LB390 LB397A LB397 LB400 LB430 LB490
LB528 LB667 LB667A LB675 LB699 LB700 LB701 LB702 LB704 LR333]

PRESIDENT SHEEHY PRESIDING

PRESIDENT SHEEHY: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the eighty-third day of the One Hundred Second Legislature, First Session. Our chaplain for today is Senator Sullivan. Would you all please rise.

SENATOR SULLIVAN: (Prayer offered.)

PRESIDENT SHEEHY: Thank you, Senator Sullivan. I now call to order the eighty-third day of the One Hundred Second Legislature, First Session. Senators, please record your presence. Please record, Mr. Clerk.

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

PRESIDENT SHEEHY: Are there corrections for the Journal?

CLERK: I have no corrections this morning.

PRESIDENT SHEEHY: Messages, reports, or announcements?

CLERK: Mr. President, the lobby report to be inserted in the Journal, as required by statute. And the Clerk's office has received a series of reports from various state agencies; those will be on file, acknowledged, and available for member review. That's all that I have, Mr. President. (Legislative Journal pages 1711-1712.)

PRESIDENT SHEEHY: Thank you, Mr. Clerk. (Doctor of the day and visitors introduced.) Mr. Clerk, we will now move to Final Reading. Members should return to their seats in preparation for Final Reading. Mr. Clerk, we will now proceed to LB699. [LB699]

ASSISTANT CLERK: (Read LB699 on Final Reading.) [LB699]

PRESIDENT SHEEHY: All provisions of law relative to procedure having been complied with, the question is, shall LB699 pass with the emergency clause attached? All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB699]

ASSISTANT CLERK: (Record vote read, Legislative Journal pages 1712-1713.) Vote is 45 ayes, 0 nays, 4 excused and not voting. [LB699]

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

Floor Debate
May 20, 2011

PRESIDENT SHEEHY: LB699 passes with the emergency clause attached. (Visitors introduced.) Mr. Clerk, we will now proceed to LB675. The first vote is to dispense with the at-large reading. All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB699 LB675]

ASSISTANT CLERK: 38 ayes, 0 nays, to dispense with the at-large reading, Mr. President. [LB675]

PRESIDENT SHEEHY: The at-large reading is dispensed with. Please read the title. [LB675]

ASSISTANT CLERK: (Read title of LB675.) [LB675]

PRESIDENT SHEEHY: All provisions of law relative to procedure having been complied with, the question is, shall LB675 pass? All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB675]

ASSISTANT CLERK: (Record vote read, Legislative Journal page 1713-1714.) Vote is 46 ayes, 0 nays, 3 excused and not voting. [LB675]

PRESIDENT SHEEHY: LB675 passes. We will now proceed to LB490. [LB675 LB490]

ASSISTANT CLERK: (Read LB490 on Final Reading.) [LB490]

PRESIDENT SHEEHY: All provisions of law relative to procedure having been complied with, the question is, shall LB490 pass? All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB490]

ASSISTANT CLERK: (Record vote read, Legislative Journal pages 1714-1715.) Vote is 44 ayes, 0 nays, 2 present and not voting, 3 excused and not voting, Mr. President. [LB490]

PRESIDENT SHEEHY: LB490 passes. We'll now proceed to LB142. [LB490 LB142]

ASSISTANT CLERK: (Read LB142 on Final Reading.) [LB142]

PRESIDENT SHEEHY: All provisions of law relative to procedure having been complied with, the question is, shall LB142 pass? All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB142]

ASSISTANT CLERK: (Record vote read, Legislative Journal page 1715.) Vote is 44 ayes, 0 nays, 2 present and not voting, 3 excused and not voting, Mr. President. [LB142]

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

Floor Debate
May 20, 2011

PRESIDENT SHEEHY: LB142 passes. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LB699, LB675, LB490, and LB142. Mr. Clerk, we'll now proceed to LB667. [LB142 LB699 LB675 LB490 LB667]

ASSISTANT CLERK: Mr. President, Senator Flood has moved to return LB667 to Select File for a specific amendment; that amendment is AM1514. (Legislative Journal page 1705.) [LB667]

PRESIDENT SHEEHY: Senator Flood, you're recognized to open on your motion to return LB667 to Select File for a specific amendment. [LB667]

SPEAKER FLOOD: Thank you, Mr. President. Good morning, members. This is the little bill that could. It needs another technical amendment. It is purely technical. Bill Drafters actually caught this with the help of Matt Boever in my office. AM1514 is a purely technical amendment that was suggested by Bill Drafters following the advancement of LB667 from Select on yesterday. The first change deals with the definitional section and inserts statutory references to harmonize the language and clear up any ambiguity. The second change inserts the phrase, quote, if such funds are available, end quote, and this deals with the administration of the DMV Ignition Interlock Fund. The phrase is already in the bill in another spot, but the idea here, again, is to clear up any of that ambiguity. As I have mentioned before, the DMV has looked at this and is confident that they will have adequate funding for the program that provides ignition interlock funding for folks that can't otherwise afford it. I think it's important that we really stress that point in this bill. One of the key concerns--and I think it was also of the Judiciary Committee--is that when the bill--or when this becomes a law, if you are stopped for DWI and you opt to go through the ignition interlock process and not face a hard suspension, if you don't have the resources, you still need to get to work or to school or whatever it may be, you should have the opportunity to get one of those ignition interlocks, keep your job. And the indigent should have the same ability under the law as somebody that has a lot of resources, and that's what this does. And we wanted to make sure it was uniform in all respects. I again thank everybody for your support on this bill and would ask you to adopt AM1514. Thank you, Mr. President. [LB667]

PRESIDENT SHEEHY: Thank you, Senator Flood. You've heard the opening on the motion to return LB667 to Select File for a specific amendment. Are there members requesting to speak? Seeing none, Senator Flood, you're recognized to close. [LB667]

SPEAKER FLOOD: I waive closing. Thank you, Mr. President. [LB667]

PRESIDENT SHEEHY: Senator Flood waives closing. The question before the body is on the motion to return LB667 to Select File for a specific amendment. All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB667]

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

Floor Debate
May 20, 2011

ASSISTANT CLERK: 44 ayes, 0 nays on the motion to return the bill, Mr. President. [LB667]

PRESIDENT SHEEHY: The motion is adopted. [LB667]

ASSISTANT CLERK: Mr. President, Senator Flood would offer AM1514. [LB667]

PRESIDENT SHEEHY: Senator Flood, you're recognized to open on AM1514. [LB667]

SPEAKER FLOOD: Thank you, Mr. President and members. This is exactly the amendment I talked about in my motion to return this bill to Select. I'd ask that you adopt this amendment and will advance the bill. Thank you, Mr. President. [LB667]

PRESIDENT SHEEHY: Thank you, Senator Flood. Members, you've heard the opening of AM1514 to LB667. Seeing no requests to speak, Senator Flood, you're recognized to close. Senator Flood waives closing. The question before the body is on the adoption of AM1514 to LB667. All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB667]

ASSISTANT CLERK: 43 ayes, 0 nays on the adoption of the amendment. [LB667]

PRESIDENT SHEEHY: AM1514 is adopted. Anything further, Mr. Clerk? [LB667]

ASSISTANT CLERK: Mr. President, nothing further. [LB667]

PRESIDENT SHEEHY: Senator Larson, you're recognized for a motion. [LB667]

SENATOR LARSON: Mr. President, I move that LB667 be advanced to E&R for engrossing. [LB667]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye. Opposed, nay. LB667 advances. Mr. Clerk, we will now proceed to LB700. [LB667 LB700]

CLERK: LB700, I have no amendments to the bill. [LB700]

PRESIDENT SHEEHY: Senator Larson, you're recognized for a motion. [LB700]

SENATOR LARSON: Mr. President, I move that LB700 be advanced to E&R for engrossing. [LB700]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye. Opposed, nay. LB700 advances. We'll now proceed to LB701. [LB700 LB701]

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

Floor Debate
May 20, 2011

CLERK: LB701, I have no amendments to the bill. [LB701]

PRESIDENT SHEEHY: Senator Larson, you're recognized for a motion. [LB701]

SENATOR LARSON: Mr. President, I move that LB701 be advanced to E&R for engrossing. [LB701]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye. Opposed, nay. LB701 advances. We'll now proceed to LB702. [LB701 LB702]

CLERK: LB702, I have no amendments to the bill, Senator. [LB702]

PRESIDENT SHEEHY: Senator Larson, you're recognized for a motion. [LB702]

SENATOR LARSON: Mr. President, I move that LB702 be advanced to E&R for engrossing. [LB702]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye. Opposed, nay. LB702 advances. We'll now proceed to LB400. [LB702 LB400]

CLERK: I have Enrollment and Review amendments, first of all, Senator (ER138, Legislative Journal page 1693). [LB400]

PRESIDENT SHEEHY: Senator Larson, you're recognized for a motion. [LB400]

SENATOR LARSON: Mr. President, I move that the E&R amendments to LB400 be adopted. [LB400]

PRESIDENT SHEEHY: You have heard the motion on the adoption of the E&R amendments. All those in favor say aye. Opposed, nay. They are adopted. [LB400]

CLERK: Senator Cornett would move to amend with AM1512. (Legislative Journal page 1716.) [LB400]

PRESIDENT SHEEHY: Senator Cornett, you're recognized to open on AM1512 to LB400. [LB400]

SENATOR CORNETT: Thank you very much, Lieutenant Governor and members of the body. This is the little bill that would never die. We have had this bill a number of years now in Revenue. It was passed out of Revenue 8-0. We requested a consent calendar for the bill. And because of the number of consent calendar items, it did not make consent calendar. About two weeks ago, we amended it onto Senator Haar's bill that

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

Floor Debate
May 20, 2011

was ultimately vetoed by the Governor. And we are back again. It is germane to LB400 in its current form. And I'll go into a little bit on what the bill does and would ask the body to support it. AM1512 would add the provisions of LB430 to the Revenue Committee AM1446 to LB400. The Revenue Committee advanced LB430 to General File by an 8-0 vote on March 4, 2011. AM1512 clarifies which types of bonded indebtedness of a sanitary improvement district, SID, are exempt from property tax limits, because the State Auditor has raised a question about the meaning of "bonded indebtedness" as used in the statute, Section 77-3442(10) as applied to SIDs. The way the statute is has been in law for a number of years. Three years ago the State Auditor brought me a request for this bill and said that he just had concerns about the way it was drafted and needed clarification. We have clarified that in this, and it has been passed out of Revenue, as I said, 8-0. Specifically, AM1512 would strike the phrase "bonded indebtedness" in statute, Section 77-3442(10), which governs property tax levy limits, and would replace it with the phrase "bonds as defined in Section 10-134." Section 10-134 defines the word "bond" to mean any bond, notes, interim certificates, evidence of bond ownership, anticipation notes, warrants, or other evidence of indebtedness. AM1512 should satisfy the State Auditor's question about the meaning of "bonded indebtedness." Furthermore, the Legislature has already passed this same provision as part of LB283, which I mentioned earlier was vetoed by the Governor for reasons unrelated to this issue. I urge you to support and adopt AM1512 so we can get clarification on what "bonded indebtedness" means. To further explain a little bit there, the State Auditor has been concerned enough, there has been questions that have arisen whether they will continue allowing SIDs to bond unless we clarify this language. It has become a rather important issue even though it started out as a small one. Again I ask for the support of AM1512 to LB400. And again I would like to thank Senator Janssen for allowing myself and Senator Carlson to use his bill as a vehicle for these bills. Thank you very much. [LB400 LB430 LB283]

PRESIDENT SHEEHY: Thank you, Senator Cornett. You've heard the opening of AM1512 to LB400. Members requesting to speak are Senator Carlson, followed by Senator Pankonin. Senator Carlson. [LB400]

SENATOR CARLSON: Mr. President and members of the Legislature, I simply rise again to show appreciation to Senator Janssen for allowing his original bill to be used in the way it was to incorporate LB528. And I appreciate Senator Cornett's cooperation as well as that of the Revenue Committee, and then certainly if the Speaker hadn't made it a priority bill, we wouldn't be able to do this. And certainly this request on AM1512 in no way affects the underlying bill, LB400. So I would ask for your support of AM1512. Thank you. [LB400 LB528]

PRESIDENT SHEEHY: Thank you, Senator Carlson. Senator Pankonin. [LB400]

SENATOR PANKONIN: Thank you Mr. President and members. I do recall this bill in

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

Floor Debate
May 20, 2011

Revenue Committee. I think it is important that we enact this amendment to clarify the situation on bonded indebtedness and how it relates to SIDs. I think Senator Cornett explained that this should have been on, or could have been on, consent calendar. But because of the number of slots available that we do on consent calendar, it didn't make it. So I, as Senator Carlson, am also thankful that we had a vehicle, with LB400, to add AM1512, and I ask for your support of both. Thank you. [LB400]

PRESIDENT SHEEHY: Thank you, Senator Pankonin. Seeing no additional requests to speak, Senator Cornett, you're recognized to close on AM1512. [LB400]

SENATOR CORNETT: Thank you, Lieutenant Governor and members of the body. Again I rise to urge the body to support AM1512, which has become the original LB430. It is a bill that we should pass this year to define "bonded indebtedness." And I wish to thank all the parties involved for all of their cooperation on this bill, including Senator--as I said earlier--Senator Janssen and Senator Carlson. Thank you very much. [LB400 LB430]

PRESIDENT SHEEHY: Thank you, Senator Cornett. You have heard the closing. The question before the body is on the adoption of AM1512 to LB400. All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB400]

CLERK: 33 ayes, 0 nays, Mr. President, on the adoption of Senator Cornett's amendment. [LB400]

PRESIDENT SHEEHY: AM1512 is adopted. [LB400]

CLERK: I have nothing further on the bill, Mr. President. [LB400]

PRESIDENT SHEEHY: Senator Larson, you're recognized for a motion. [LB400]

SENATOR LARSON: Mr. President, I move that LB400 be advanced to E&R for engrossing. [LB400]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye. Opposed, nay. LB400 advances. Mr. Clerk, do you have items for the record? [LB400]

CLERK: I do, Mr. President. Enrollment and Review reports LB152 as correctly engrossed. And I have a new A bill, LB397A by Senator Lathrop. (Read LB397A by title for the first time.) That's all that I have, Mr. President. (Legislative Journal page 1717.) [LB152 LB397A]

PRESIDENT SHEEHY: Thank you, Mr. Clerk. We will now proceed to LB397. [LB397]

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

Floor Debate
May 20, 2011

CLERK: Senator Larson, I have Enrollment and Review amendments, first of all, on LB397, Senator. (ER128, Legislative Journal page 1473.) [LB397]

PRESIDENT SHEEHY: Senator Larson, you're recognized for a motion. [LB397]

SENATOR LARSON: Mr. President, I move that the E&R amendments to LB397 be adopted. [LB397]

PRESIDENT SHEEHY: You have heard the motion on the adoption of the E&R amendments. All those in favor say aye. Opposed, nay. They are adopted. [LB397]

CLERK: Senator Lathrop would move to amend with AM1528. (Legislative Journal page 1709.) [LB397]

PRESIDENT SHEEHY: Senator Lathrop, you're recognized to open on AM1528 to LB397. [LB397]

SENATOR LATHROP: Thank you, Mr. President. And, colleagues, good morning. This is the amendment that you've been waiting for. You'll recall during General File when we moved LB397, I made an assurance to--that I would sit down with my colleagues that had an interest in this subject matter as well as members of the business community. And that's been done. And I won't go into the long division on how that all went and where we've been and how we've got it all done, but let me just tell you that we've entered into an agreement. And AM1528 represents that subject matter. Now, a little bit--in a little bit later on this morning, I'll have another amendment that is a technical, cleanup-styled amendment. And when I have that in my hands I'll discuss those technical kinds of cleanup things, but they are not substantive. The substance of our work today will be on AM1528, and I'll go through that with you. But let me begin by reminding you where we are and how we got here. Eight months ago, maybe it's closer to a year ago now, we assembled a working group to address public employee issues and, in particular, concerns that the cities had regarding CIR. That work, in what we came to call the working group, led to LB397. And you'll recall from our discussion on General File that that bill does many, many things that are responsive to the concerns of the state of Nebraska, the counties and the cities, and the school districts--a lot of things. It provides more certainty; it establishes more criteria; it makes the process of developing an array, which is the people you will compare to to determine what the prevalent or the hourly-rate value of total compensation is...many, many good things were done in LB397. But, as promised on General File, I agreed to sit down with the business community and talk about their concerns. And we've done that. And I want to go through the amendment, AM1528, and tell you what has changed since General File and what AM1528 does. And then I'd be happy to stand for questions you might have regarding the subject matter. And I will say that all of this has been--and it has been a good process for the bill itself, I believe, to have it essentially scrubbed by more eyes.

Floor Debate
May 20, 2011

More lawyers have looked at it that practice in the area of labor law. And I think, in many respects, some of the things that needed to be done were done with this amendment. And in any case, it is the consensus of those involved--the working group and the business community--to have these changes. First, the bill would make changes to process and require a vote on final offers. Let me tell you how that would go. And this is to create some accountability, primarily in our elected officials, who in some cases are unwilling to vote on a contract for political reasons and then kick a controversy down to the CIR because it's easier than making a tough vote. So what we will require is, if folks get to an impasse--the employer and the employees get to an impasse--that impasse will result in a CIR filing. Whoever files needs to put their final, best offer into their petition, the document they start these proceedings with. And the respondent--employer or employee or employee group--files their best offer. And before the CIR can enter a final order, each side must turn down the other's offer. So it is one more opportunity to force the parties to discuss and to vote on the other's final offer. And it is our hope that this will result in fewer cases being decided by the CIR and more cases being voted on and agreement reached even at this point. There was a concern expressed by others, primarily the business community, that the inconsistencies in decisions from the CIR would be remedied if we simply had three judges, or three commissioners working on it at a time. So the bill makes--the amendment changes that and requires that three commissioners preside over a hearing on wage cases. We have made changes to accommodate others besides the business community, and they include changes to the array. You'll recall the array is the group that you are compared to when determining what average pay is, right? And the working--prevalent working conditions. That, in the bill, was 7 to 13 array members. It will now go to 7 to 9; we've lowered the top end. And the bill will now reflect that the parties are free to stipulate to a different array size, bigger or smaller, and they're free to include someone in their array who would not otherwise clear the three filters necessary to be in an array. We also have taken any reference in LB397 to private employers out, the exception being utilities. They are...because we have public power in Omaha, and public water, they necessarily have to be compared to private folks who generate electricity. So any reference to private employers has been removed from the bill; private comparisons to the employer has been removed from the bill, with the exception of the electricity generators. We have...ability to pay has been removed; that was in the school piece. That was removed because frankly, we put it in there, and we can't seem to find anybody that thinks it's a good idea. And it does--or apparently has the opportunity for mischief. And to avoid any of those kinds of difficulties, ability to pay will be removed, as will the tenure provisions. And there is a clarification of the time line for negotiating a school contract. That was something that was agreed to by both the school folks and the teacher folks. And then, frankly, you get to probably the most significant changes that you will find in the bill relate to cost containment, and I want to go through those. I told you that when the working group met, the goal of the working group was to determine the true average or the true midpoint for a particular job without any distortions for things like a difference in cost of living for people who live out of state. What the business community brought to

Floor Debate
May 20, 2011

this bill is this: it's the cost-containment piece, or an additional cost-containment piece, and I'll describe it this way. We have what would be regarded as the mathematical, or the true midpoint, or the true average wage. What we will do now with this amendment is make the target not the true average but 98 percent of the average, or 102 percent of the average if you're coming down to the average, if you find yourself higher than the midpoint. What's the effect of that? This was an idea that we got from Senator Adams, because they do this in some--I think they do this in state aid. But what it will do is lower the trajectory on public employee wages. Over time and systemically it will require that the CIR not enter an order for 100 percent of the average but enter an order for 98 percent of the average. We have also put into this bill something that I think is common sense, which is a similar range or a similar concept but we broaden the range in the case of a recession. The bill identifies what a recession is. And it wouldn't surprise you; it's a lowering of revenue from the state. And when that happens for two consecutive quarters, immediately before a year in which is in dispute, then you are officially in a recession. And when you're in a recession, the target for the CIR then becomes not 98 percent but 95 percent. So if you think about that for a second, most recessions are about a year-and-a-half experience, right? [LB397]

PRESIDENT SHEEHY: One minute. [LB397]

SENATOR LATHROP: And so for that period of time the target is no longer average pay but 95 percent of average pay. And the effect of that will be, in all likelihood, that there will not be raises for anybody during that period of time. So it is relief for the public employer during a period of recession. And that is about as simple as I can explain it. That is maybe the most consequential piece to the amendment--that and removing references to private employers. In addition, we dealt with a number of issues, a number of issues that were discussed and negotiated. And I will just kind of run through the rest of the list. The staffing will remain the same as was found in LB397; that's a deliberate, negotiated matter. The incentive pay for the teachers will be removed; that was a deliberate and negotiated matter. [LB397]

PRESIDENT SHEEHY: Time, Senator. Thank you, Senator Lathrop. You've heard the opening of AM1528 to LB397. Members requesting to speak: We have Senator Flood, followed by Senator Fulton, Senator Ashford, Senator McCoy, Senator Utter, and others. Senator Flood. [LB397]

SPEAKER FLOOD: Thank you, Mr. President. Good morning, members. You know what makes Nebraska different? We didn't have drums beating in the Rotunda. We didn't have thousands of people camped out in tents. We didn't engage in hysteria. We sat across the table. We had heated discussions. We had differences of opinion. We had intelligent citizens of this state, whether from labor or management or the business community, make impassioned speeches based in fact and good-faith efforts to make the right policy happen in Nebraska. And at times it was uncomfortable. I want to say

Floor Debate
May 20, 2011

today what this resolution, what this amendment--and I know there's some technical efforts being made to make some changes--represents is the Nebraska approach to solving problems like this. I can't tell you how impressed I am enough with the efforts of not just the cities and the League of Nebraska Municipalities, the hours spent, the meetings that these folks have had, the efforts from labor and the hours spent, the restraint shown on both sides. But I also want to recognize and appreciate the business community for recognizing its role driving the state's economy together with the citizens, and earning a spot, deserving a spot, and receiving a spot at the table to find the right answer. And I think what you see in some other states is the hysteria over state budgets, because when the people of this country and the people of the state get poor, the government gets poor. That's the reality of tax receipts. We don't print money like Washington. So when Wisconsin is looking at their budget and they're frustrated, they see a system that unduly swings the pendulum to the labor side. The reaction there was to go completely to the other side. If you grab beyond what is fair, then you create an inequity on the other side and will be back at this. And so the real--the real challenge, I think, as legislators is to find to the best of our ability, within reason, what we can agree on. What I like about this bill, and I have to credit the business community for it, is the inclusion of a range. What I've heard time and time again from the business community is, predictability is fine. That's process. That's screwing down the variables in how you determine the array. But beyond that, what's attractive to the business community and to folks that pay those corporate taxes in Nebraska is the flexibility of local elected officials looking at a midpoint and saying, you know what? We can't go beyond 95 percent. Or you know what? This state's been in a recession; we remain in a recession; we can't go beyond 95 percent of the midpoint. That was a serious concession by folks identified in representing labor. I can't tell you how many times I saw them walk out of the room. I can't tell you how many times I saw heated discussions or pens flying at certain times. But the inclusion of that range is so critical, I think, to addressing the one point that groups in front of the hearing said time and time again, whether it was, you know, the Omaha Chamber or the State Chamber or the Lincoln Chamber or some of the other folks that said--they said: Give the local elected officials some flexibility. And that 98 to 100 percent range or the 100 to 102 percent is very important. And I don't think anybody here is suggesting that the business community... [LB397]

PRESIDENT SHEEHY: One minute. [LB397]

SPEAKER FLOOD: ...doesn't want to treat people fairly. But they want some of the same ability that they have. Let me tell you, 2009 was a bad year for people that owned small businesses. I can attest to that. I remember sitting down, running a couple radio stations, looking at the pluses and the minuses, thinking, how am I going to maintain my outstanding work force but at the same time manage my expenses and have some, not just predictability, but some flexibility to do what I need to do to make this work? And when the range got included, I got very excited, because that was a hurdle I didn't think we'd ever cross. And it isn't just the Business and Labor Committee. It's people like

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

Floor Debate
May 20, 2011

Tony Fulton and Senator McCoy and Senator Jim Smith and Burke Harr, and I could list 50 people. Certainly I want to recognize Senator Ashford, who has lost sleep over this for eight months, together with Senator Lathrop. I'm supportive of what Senator Lathrop is doing... [LB397]

PRESIDENT SHEEHY: Time, Senator. [LB397]

SPEAKER FLOOD: Thank you, Mr. President. [LB397]

PRESIDENT SHEEHY: Thank you, Senator Flood. Senator Fulton. [LB397]

SENATOR FULTON: Thank you, Mr. President and members of the body. I can assure you, though my voice is only half with me, the rest of me is here. I am going to--I'm not going to take all of my time; I will eventually yield the rest of my time to Senator Lathrop to continue going through this bill. But you know how these things go. This is a very, very big deal for Nebraska that there has been a compromise struck--an accord struck. There will be thank-yous, and there should be, and that's appropriate. But there's one guy who will be handing out thank-yous who will not thank himself, and that is the Speaker of this Legislature. You saw what happened on General File, colleagues. Senator Lathrop and myself took positions, and we just--we couldn't get 'er accomplished on General File. But Speaker Flood recognized the importance of this issue. And the way I tell people--he grabbed me and Senator Lathrop by the scruff of the neck and said: All right, you guys get in here and get this done. And it wasn't just us: Senator McCoy, Senator Ashford, a number of different groups, Senator Adams. So in the event that our Speaker, while thanking people, neglects to thank himself, the people of Nebraska need to know that we have a fine man in Mike Flood as the Speaker of our Legislature. Now, you recall, when we last visited this issue on General File, there were two competing philosophies. On the one hand, I held firmly that there should be some element of volition, some element of control on the part of local elected officials to manage those budgets which they were elected to manage. Had an amendment to that effect, and we had a pretty long and vigorous debate on it. On the other side is this conviction that there should be an objective and neutral arbitrator to settle disputes between two competing parties, a labor union and a local elected government. In other words, where does the buck stop? And we couldn't come to an agreement. What you see before you in AM1528 is a combination of the two. The CIR still retains authority to enter a judgment--binding authority, authority with the force of statute. Yet at the same time, that authority does not enter into this range that we're talking about, 98 percent to 102 percent. And in recessionary times, that is, in hard times, 95 percent to 102 percent. Within that range, the local elected body is able to exercise judgment and volition. So if the times are tough and we shouldn't be giving raises, then perhaps a raise shouldn't be given. As long as it's between 95 percent and 102 percent of the midpoint, so be it. On the flip side of that, perhaps there is a city who wants to recruit good workers, that may have a hard time, say it's rural Nebraska. I'm looking at Senator

Floor Debate
May 20, 2011

Sullivan; let's say it's Burwell, Nebraska, where my grandparents are. They have the ability now to go above the midpoint, if they so choose, to attract good workers. And that's something that should be exercised: judgment of local elected officials. Both of those principles are incorporated into this bill--both of them are incorporated into this bill. And I support it. This is a big deal. And I'm glad that we were able to come to the table, and I thank Senator Lathrop for being reasonable in coming to this conclusion and accord. There's something else I want to add, and that is transparency in this process. I've been contacted by people all across Nebraska concerned that we're going to put this thing forward without knowing what's in it. We have three rounds of debate, and so, yes, we are going to come to a vote on this, and I hope that you'll support this accord. I know what's in this amendment; I know what's in the bill. [LB397]

PRESIDENT SHEEHY: One minute. [LB397]

SENATOR FULTON: We should support it. There will be time between Select File and Final Reading for more people to understand this. It's posted on the Internet, citizens. You'll have an opportunity--you have an opportunity to weigh in on this. That's important because the second house of our Legislature needs to be assuaged. I'm going to yield the remainder of my time to Senator Lathrop. [LB397]

PRESIDENT SHEEHY: Senator Lathrop, 40 seconds. [LB397]

SENATOR LATHROP: Thank you. And that should be about what I need to finish. I was nearly done telling you what we specifically talked about and did not change. There will be no DB/DC comparisons. There will be no exclusions of supervisors from bargaining units. There will be no aggregate surveys used in the economic variable language in LB397, while the subject of some discussion with the business community will remain as written. That's the highlights of the bill. I would be happy to address any of the specifics in question or in a different opportunity to speak. Thank you. [LB397]

PRESIDENT SHEEHY: Thank you, Senator Lathrop. Thank you, Senator Fulton. Senator Ashford. [LB397]

SENATOR ASHFORD: Thank you, Mr. Lieutenant Governor. And I'm just going to make some general comments at this point. First of all, Senator Flood and Senator Fulton have mentioned many people who are part of this. And I, too, second those comments. But I would like to give a great deal of thanks to my two working group colleagues: our leader, Senator Lathrop, and Senator Dennis Utter from Hastings. It was--it certainly was an interesting group. And...but I can tell you that this day would not be here for our state had it not been for certainly the leader of this effort, Senator Lathrop, and my friend Senator Utter. We did sit many, many hours, but that really isn't the indicia of this. I mean, we all sit many hours. We sit many hours here. And all of us have major issues that we care about, and we work hard on them. But this was more than that, in some

Floor Debate
May 20, 2011

sense, because we were bringing together in this process groups who do not traditionally coalesce or collaborate necessarily as a natural part of their daily lives. Steve Lathrop sat in many tense times with us and with the leaders of these various groups and with patience that--well, I'm not sure I should be the standard--but patience that very few have. And it is correct when he said, as he did many times, that he was not an advocate but a mediator. And he was a mediator. And he did, as we watched him, listen; and he brought, each time we met--and I have no idea how many times that was--the culmination of the work that had gone before. And I am so thankful to these two gentlemen and my colleagues for their willingness to stick with this effort. The...for me, the goal was to retain the Commission of Industrial Relations from the very beginning, not only because I had served on that body years ago but because I did believe and do believe today that the CIR acted as a--has and will in the future--in a much more productive way, in my opinion, as a check on public sector costs. And we are the only state with a state labor court. There are 49 other states that don't have one. They have various other ways of adjudicating disputes between labor and public employers. But we're the only state with a state labor court. We're also the only state with a Unicameral Legislature. We are special and we are different. This work, LB397 and AM1528, is a culmination of that spirit of doing things the way we do them in Nebraska, and Speaker Flood mentioned that. So that basic idea of having a check on these labor relations has been maintained and enhanced, and I think that we are all better off for it. [LB397]

PRESIDENT SHEEHY: One minute. [LB397]

SENATOR ASHFORD: The range issue, I think, is very significant for another reason. And that is this. We've gone through a very, very difficult time in our country and in our state. And what I was impressed by is, as labor looked at this issue and they...it's a...it was a new concept. It was the chamber idea of bringing best business practices to the Commission of Industrial Relations and labor relations. And it was a good concept. But what labor did by accepting this range is they accepted the idea that public workers, like private workers, were all in this together. And when there is a recession in the future and a downturn in our economy, we as Nebraskans will all--we'll be in this together. And it was a recognition by our fellow--our neighbors who are public workers, teachers and firefighters, whoever it is, state workers, that when this happens to our country again, that we're all going to be part of the solution. And by accepting... [LB397]

PRESIDENT SHEEHY: Time, Senator. [LB397]

SENATOR ASHFORD: ...this range concept, they are...so, thank you, Mr. Lieutenant Governor. [LB397]

PRESIDENT SHEEHY: Thank you, Senator Ashford. Senator McCoy. [LB397]

Floor Debate
May 20, 2011

SENATOR McCOY: Thank you, Mr. President and members. I stand very happy and pleased this morning to be in support of AM1528 and the underlying bill. And there--as Senator Flood mentioned, there will be a cleanup amendment that will be in the offing. As it's been said already, and I'm sure it'll be said many times this morning, we do things unique here in Nebraska in many respects. And this piece of legislation certainly was no different. You know, probably the one thing that I've taken out of this the most is that you had all parties at the table who, I really believe, didn't want to give up on finding a solution, and it could have been very easy to do. And that, I think, is a tribute and a testimony to people who really care about the process. We might have had some different philosophies, some different ideas about what needed to be in this legislation, but, at the end of the day, I think we're here this morning because all parties agreed we shouldn't give up on it. And that's been done in some other states, and consequently there may be, depending on which side of the viewpoint you may have, there's been winners and losers. And, hopefully, that's not what we have here this morning; hopefully, what we have here today is something that's a win-win for all parties involved. And with that, I'd yield the remainder of my time to Senator Harms, if he'd so wish. [LB397]

PRESIDENT SHEEHY: Senator Harms, you're yielded 3 minutes 25 seconds. [LB397]

SENATOR HARMS: Thank you, Mr. President. I rise in support of AM1528 and the underlying bill, LB397. I introduced LB555, which dealt with the state employees; it dealt with the University of Nebraska and Nebraska state college employees. And as I watched this process go through and constantly was in conversation, when I could, with Senator Lathrop and Senator Utter, they took LB555 and just moved on into LB397 with some minor changes. So I had a chance to watch this from a long ways away; I didn't have to participate in a lot of the meetings. But I've really been impressed with what I've seen take place. And, you know, colleagues, when you look at this, this is landmark legislation. And there are going to be a lot of other states across the nation that are going to come and visit Nebraska to find out exactly how this was done. And I have always been--I've always admired Senator Lathrop, because he has the ability to bring people to the table, and his easy manner has a way to find a solution to that. And that's the key. If Senator Lathrop would have at all walked away or showed any strong views and had bristled and not going to be willing to communicate, this process would have gone. And the other thing that I've noticed, not only in this particular case but in others, we have--Senator Flood is absolutely outstanding in regard to his ability to bring people to the table and settle issues. Watch it on our own floor how he resolves the issues, many times standing behind the podium. And so we're very fortunate that we have this kind of representation in this great state to move something like this that's so vitally important. And I believe in the future we'll find that we'll have a much easier process in collective bargaining. Everybody has the opportunity to be involved in this in the appropriate manner. And I think in the long term it'll be more cost effective for our employees. So for those folks that--for our colleagues and the people outside of this

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

Floor Debate
May 20, 2011

house, I commend them. It's been a great process, and it's a great example. And I can guarantee that you'll have other people talking to you outside of the boundary of this great state wanting to know, how did you do this? What a great opportunity for us. So thank you, Mr. President. [LB397]

PRESIDENT SHEEHY: Thank you, Senator Harms. Thank you, Senator McCoy. Members requesting to speak on AM1528 to LB397: we have Senator Utter, followed by Senator Carlson, Senator Adams, Senator Campbell, Senator Wightman, Senator Gloor, and others. Senator Utter. [LB397]

SENATOR UTTER: Thank you very much, Mr. President. Good morning, colleagues. I want to explain to you just a little how I got into this process and where I came from. And I've...the CIR thing has been on my personal radar screen for some time. And those of you that know me well know that when I see something that isn't working, my first reaction is to get rid of it. And I must admit that was my first reaction when this showed up on my screen. If this isn't working and if it's a bone of contention for the people of Nebraska, why, maybe we can do without it. But as I began to study and to look into it and to talk to people, I changed my mind and said that we do, in fact, need an ultimate place for dispute resolution between employer...public employer, public employee in the state. And at that point, I guess, I began to look for an opportunity to find a resolution and an improvement in the process rather than to just throw it in the trash can. And so I stand up here today amazed, frankly, at how far we came from last summer when I became actively involved in it. And I must admit that I was somewhat of an inexperienced person in this--in the legalese of this whole process. I've learned an awful lot in the last few months, and I have also been privileged to participate in putting this together. And I will tell you that I think I am proud of this final product. It may not be exactly perfect. I'm not sure that anything gets exactly perfect. But for some months now, we have all heard several people use the words "meaningful," "comprehensive," and "significant." And I discovered right off the bat that those words have different meanings to different people, that one person's idea of what's meaningful, significant, and comprehensive is different from the next. But I will tell you today, I think that this bill that you are looking at today fits my definition, at least, of meaningful, comprehensive, and significant. I want to take just a minute to acknowledge the leadership and the hard work that Senator Lathrop has put into this. In addition to that, my good friend Senator Ashford has worked very hard in this process. And, finally, we couldn't have done this without the leadership of our leader, Senator Flood. He was the fellow that in the end of this process, that really put it all together. It's been an interesting process; it's been an important process for Nebraska. I think from the initial introduction of LB397 and the amendment that came with it to now, we have made--while I thought that was significant improvement, we have made additional significant improvement. I would also like to acknowledge the mentoring and the participation of Senator Adams in this whole process. He brought meaningful discussion to this process with regard to the education part of it. And so... [LB397]

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

Floor Debate
May 20, 2011

PRESIDENT SHEEHY: One minute. [LB397]

SENATOR UTTER: ...I think we have a real win for Nebraska. And I think we did it the Nebraska way. And I'm proud that I don't think we have to solve our problems in Nebraska the same way they do in Ohio and Indiana and Wisconsin. I think we did it the right way, and I'm proud to endorse this legislation. Thank you. [LB397]

PRESIDENT SHEEHY: Thank you, Senator Utter. Senator Carlson. [LB397]

SENATOR CARLSON: Thank you, Mr. Lieutenant Governor and members of the Legislature. Certainly I stand in support of the LB397 and AM1528. Having been on the Business and Labor Committee, I think back to when we first began to talk about this and I'm sitting here thinking: How do we ever get to where we need to get? And I think the process has been great, and those that have worked on it have really done yeoman's work. I think another thing, as I look at a letter of support from Coby Mach, CEO of the Lincoln Independent Business Association, that is a significant agreement. I think that's about as strong as a combined endorsement from Levin, Limbaugh, and Hannity, because it brought opposites together. This is really important. And certainly, we knew that the CIR reform had to be meaningful, comprehensive, and significant. I believe it is that and certainly deserves the chance to see how it plays out. We also all pretty well understood that if that wasn't accomplished, there would certainly be an attempt through the ballot to abolish the CIR. I do have a question of Senator Lathrop, if he would yield, to clarify something that came to mind as I read the amendment. [LB397]

PRESIDENT SHEEHY: Senator Lathrop, would you yield to Senator Carlson? [LB397]

SENATOR LATHROP: Yes, I would. [LB397]

SENATOR CARLSON: You know, initially, to even get to the point where there could be a downward adjustment in salary was a tremendous step. And now we have that in the bill. But if a group is significantly above the mean, and they pretty well know that the result of the CIR and the process is going to force an adjustment down. And so we have a contract year, and I'm being paid \$3,000 a month salary. And I kind of know that once this is all done there's going to be an adjustment down, and instead of \$3,000 a month, now I'm going to have--receive \$2,700 a month. But in the process, it's delayed; I've gotten a few checks, and I've spent the money. How is that accounted for when the agreement finally takes effect? [LB397]

SENATOR LATHROP: We...there's nothing about this that contemplates an employee is going to write a check back to the city or the school district. That's inconsistent with any principles of these types of negotiations. Generally, what would happen is if you can

Floor Debate
May 20, 2011

see that you are above--and we take into account things that you've already gotten, so you'll have, if you are more than 5 percent above 102 percent of the midpoint...that sounds confusing--think of it as more than 107 percent above the midpoint--then you have three years to bring your hourly-rate value or your total compensation back to 102 percent of the midpoint. If you are more than 5 percent below 98 percent of the midpoint, the city or the school district would have three years to bring you up to 98 percent of comparability. And I hope that answers your question. But we would not turn to a teacher and say: Guess what, we just solved your contract case, and now you need to write us a check. [LB397]

SENATOR CARLSON: And I understand that, and I believe that. I think there needs to be a comfort level, though, that there's not an incentive to stall, stall, stall. [LB397]

SENATOR LATHROP: No. In fact, I think what'll happen is now that the rules will be different, people operate in this, essentially, in this way: they look at the rules of the CIR. How--what would happen if I went to the CIR? And that becomes the touchstone for what the cities do and what the employees do when they negotiate. Can I get a deal that accommodates some of my concerns, that is at or as good as or... [LB397]

PRESIDENT SHEEHY: One minute. [LB397]

SENATOR LATHROP: ...maybe, in their mind, better than what the CIR would do if they went there. And that controls kind of the ebb and flow of negotiations, in my opinion. [LB397]

SENATOR CARLSON: Thank you, Senator Lathrop. And again, members of the Legislature, it's been said this is landmark legislation and it's a significant step. And, hopefully, you all support AM1528 to LB397. Thank you. [LB397]

PRESIDENT SHEEHY: Thank you, Senator Carlson. (Visitors introduced.) Senator Adams, you're recognized. [LB397]

SENATOR ADAMS: Thank you, Mr. President and members. I'd like to speak very briefly to the section of this amendment that has to do with schools, because if you will recall, on General File LB397 frankly had very little there. And school boards, administrators, NSEA were more actively involved this time around, and so we have something of more substance here. And in an effort to add to the explanation that Senator Lathrop has already provided and maybe help you answer some questions when you go home, when we move away from the midpoint and we go to a range, recognize first of all that this is a very narrow range--98 percent to 102 percent, except during a recession, where it broadens out. It creates the very flexibility for a school board that Senator Flood spoke to and Senator Lathrop has spoken to. When you use a midpoint, it's average. And that means somebody is always above, somebody is always

Floor Debate
May 20, 2011

below. So the average is always chasing upward; mathematically, that's how it works. What this does by going to a range, it doesn't knock that clear out of kilt. What it does, though, it slows the growth of that midpoint down. We know that because we use some of these similar calculations in TEEOSA by taking the high spender and the low spender out of a cost array. It slows the growth of the midpoint. It doesn't bring it backwards; it merely slows it down, so it doesn't grow as much. And adding this language about recession widens it. And every time you widen the range out, you build in a little more flexibility and a little less predictability. And I think if you ask most of your school boards, they want both: they want predictability and flexibility. I think this compromise has got that in it. In the General File amendment, ability to pay was there. It's gone now and, I think, should be. On the surface, you think ability to pay--all right, the final arbiter ought to look at a school district or a city or a county's ability to pay before they hand down a decision. But wait a minute, what does "ability to pay" mean? Well, we're at \$1.05. Okay, you've lost some ability. What about most of the school districts in the state that are not at \$1.05? Does that mean they still have some ability? And where does that tax rate potentially go? Does it mean that we've got ten schools in an array, and nine of them don't have two foreign languages, one of them does. So does that mean, possibly, that one ought to drop that second foreign language so that they have the ability to pay? The problem would be in the details there. So ability to pay has been taken out of there. On the surface it sounds like a good thing, but I think it's far more problematic for political subdivisions and everybody else than what they want. The incentive pay has also been taken out of there. And that's a significant step as well. In conclusion, I always used to teach my government students that if you want efficient and quick government, then let's vote for dictatorship. And you don't have to listen, you don't have to compromise, you don't have to build consensus--dictator just makes a decision. It's not how we operate. And as a result, this has been a process of representative democracy that requires listening, speaking... [LB397]

PRESIDENT SHEEHY: One minute. [LB397]

SENATOR ADAMS: ...consensus building, compromise, rough, tumble, sometimes the sausage-making analogy--all of those things. But here we are. Perfect? Senator Utter said it, it's not. But we haven't done anything since 1969. This is significant. This is significant. And Senator Lathrop, Senator Flood--the names have already been listed--they've done great work. Thank you, Mr. President. [LB397]

PRESIDENT SHEEHY: Thank you, Senator Adams. Senator Campbell. [LB397]

SENATOR CAMPBELL: Thank you, Mr. President, and good morning, colleagues. I, too, want to add my accolades to the Speaker and Senator Lathrop and Ashford and Utter and Fulton and McCoy, who seem to have been the most intricately involved, and Senator Adams for his part in the school. Three observations. For many of us in this body and our lives before we came to the Legislature, we worked with public unions.

Floor Debate
May 20, 2011

And it seemed so often, as a county commissioner, the CIR seemed to be a body with uncertainty. That you looked at it, you weren't certain about what was going to happen if you actually went there. I think the significance of LB397 and the amendment is that it gives the CIR parameters, known parameters to both sides. And that's critical. The second observation is, I think the significant by-product of this legislation in the months and years to come is the education and awareness that has been raised not only in the public sector but in the private sector about what it means to have a CIR and public employees and how you deal with those unions. I've found through the years that many people would say: I just hate the CIR; let's get rid of it. And yet when you ask them: Well, what does it do; how does it work? I'm not sure; I don't know; let me think about that. The dialogue that has transpired over the last months has been particularly helpful to all sides and all citizens in the state to have an education about what the CIR is and what it can be. And I think that that is a by-product that we will reap in all the months and years to come because now citizens have a better understanding of what this process is. I would like to add one word to Senator Adams' long list of adjectives, and that is, we need to continue the importance of patience. We are seeing some people rush to make a comment about what they think may be in this bill or how they think it may work. I would say we all need to have some patience. Read the amendment carefully and thoroughly, and help our constituents and our home elected officials understand what truly is in this bill and how it can serve them. The patience that has been exhibited by all who were at the table now needs to be a part of our watchword in helping our constituents and officials move forward. And so I hope that we would add that word to Senator Adams' list. And one point I'd like to make, and that is, today we are mentioning many names here in the body, colleagues who worked very hard. But I'd like to mention a person in the private sector who I know worked in this area, and that is an attorney in Lincoln, Bill Harding, and who has been just an able advisor and consultant to many of us in this area. And truly, his time that was spent in helping me understand this process was particularly helpful, and I'd like to add that. Thank you. Thank you, Mr. President. [LB397]

PRESIDENT SHEEHY: Thank you, Senator Campbell. Senator Wightman. [LB397]

SENATOR WIGHTMAN: Thank you, Mr. President. I was ready to say, "good morning, colleagues," but I see it's afternoon, so good afternoon, colleagues. I, too, want to add my thanks. And I applaud the efforts of Senator Lathrop for his many, many hours that he's put in; Senator Ashford; Senator Utter. And the Speaker, as he has so often done, created a condition of compromise, I think, that--he's done that on so many issues over the last several years. Those who took a position, perhaps one side or the other--Senator Fulton and McCoy, Senator Adams, for all of the work they've done. I'm sure if some of these could be based upon the normal compensation for corporate employees, they might be entitled to a quarter of a million dollars, but I think they're still laboring for the \$1,200 that we're all getting. So I suppose that they're going to have to accept our thanks as about the only reward that they receive. I do have a couple of

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

Floor Debate
May 20, 2011

questions that I would like to address to Senator Lathrop, if he would yield. [LB397]

PRESIDENT SHEEHY: Senator Lathrop, would you yield to Senator Wightman? [LB397]

SENATOR LATHROP: Yes. [LB397]

SENATOR WIGHTMAN: First of all, I am in strong support of AM1528, which I understand now becomes the bill. But a couple of things that come to mind. We're determining a recession, and I think it's rightfully so, by the revenues received by the state of Nebraska as opposed to any national standards, is that correct? [LB397]

SENATOR LATHROP: That is very correct. And it recognizes that usually Nebraska is lagging behind the national economy going in and out of a recession, so we've tied it to Nebraska numbers. [LB397]

SENATOR WIGHTMAN: And sometimes we may be way longer or way shorter in a recession. As I remember the 1980s, when the ag economy underwent such changes, we probably were in a recession much longer than the national length of time or duration of that recession. Do you agree that it could vary substantially from the national determination of a recession? [LB397]

SENATOR LATHROP: That's true. And it will be sensitive to what's going on in Nebraska and not the national economy. [LB397]

SENATOR WIGHTMAN: Right. And I think that's certainly justification for that and probably much better geared to Nebraska standards than what's happened nationally, because our issues, our problems, and everything are substantially different than that of the nation as a whole. I was interested in that when you explained the changes in AM1528, that you talked about taking out the reliance upon private employees' compensation, except for the utilities, is that correct? [LB397]

SENATOR LATHROP: That's true. And if you think about it, our utilities are all--in the state, our electricity is public. So we'd be talking about corporations that are outside the state and not in the state, so they're not subject to subpoena, which was, of course, a significant concern of the business community. [LB397]

SENATOR WIGHTMAN: Although utilities could include natural gas and such things as that, I assume, as well, is that correct or not? [LB397]

SENATOR LATHROP: It would be--it would be--those public utilities could be compared to corporations that do the same work, because we necessarily have to go to private corporations in some instances just to find comparators. [LB397]

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

Floor Debate
May 20, 2011

SENATOR WIGHTMAN: So as far as clerical work that might be done, say, by our court system, by city employees or county employees... [LB397]

PRESIDENT SHEEHY: One minute. [LB397]

SENATOR WIGHTMAN: ...you would not look at private employers for that purpose? [LB397]

SENATOR LATHROP: We have taken that language out of the bill. [LB397]

SENATOR WIGHTMAN: Thank you. As I say, I do stand in strong support. Would I have changed things had I been the sole person and not negotiating with anyone else? I probably would have. I probably would have a wider range than the 98-102, but I think it represents a very just compromise and a well reasoned compromise. And so I thank all of those who have been involved. And thank you, Mr. President. [LB397]

PRESIDENT SHEEHY: Thank you, Senator Wightman. Madam Clerk, you have a item for the record. [LB397]

ASSISTANT CLERK: Mr. President, the Judiciary Committee will meet in Exec Session in Room 2022 now, Judiciary in Room 2022 now. [LB397]

PRESIDENT SHEEHY: Thank you, Madam Clerk. Continuing with floor discussion on AM1528 to LB397. Members requesting to speak are Senator Gloor, followed by Senator Dubas, Senator Wallman, Senator Pirsch, Senator Avery, Senator Conrad, and others. Senator Gloor. [LB397]

SENATOR GLOOR: Thank you, Mr. President. Good afternoon, members. As I was sitting here...and, by the way, rise in support of LB397 and AM1528. I would like to add my voice to the chorus of those deserving thanks for their effort towards this. But with a smile on my face I say that what ran through my mind during the passing around of kudos appropriately, was, several years ago--because at about this time I believe former Senator Friend would be standing up serenading us with "Love Boat." I will resist that urge, although I want it known I have a much better voice than Senator Friend has. I also am older and wiser and therefore will resist that urge. I'm available for private parties, however. I do have questions for Senator Lathrop, if he would yield to a question or two. [LB397]

PRESIDENT SHEEHY: Senator Lathrop, would you yield to Senator Gloor? [LB397]

SENATOR LATHROP: Yes, I will. [LB397]

Floor Debate
May 20, 2011

SENATOR GLOOR: Thank you, Senator Lathrop. As you know, I have a community that hovers around that 50,000 population mark that is important as relates to this bit of legislation. So I have some questions I'd like to ask you for the record, if I could. [LB397]

SENATOR LATHROP: I'd be happy to answer them if I can. [LB397]

SENATOR GLOOR: On page 24, we include municipalities with 50,000 population in the definition of a "metropolitan statistical area." What determines the 50,000? The actual census that is taken once every ten years, or the annual population estimates that we deal with? [LB397]

SENATOR LATHROP: It would not be the census that happens every ten years. It is when they get to 50,000--which is a fact question. When they get to 50,000, they would be considered MSA in terms of our process. [LB397]

SENATOR GLOOR: On page 4, line 3, in the definitions, we have a definition of "metropolitan statistical area" as defined by the U.S. Office of Management and Budget, OMB. Is it likely that OMB definition of an MSA will change? Is that something that moves around? [LB397]

SENATOR LATHROP: I'm told that it's been the same definition for the last 20 years or so. [LB397]

SENATOR GLOOR: Okay. And for a city not considered part of an MSA and yet not at 50,000 population by census, would it be correct to assume they would only be compared to an array of cities who are not part of an MSA and are also less than 50,000 population? [LB397]

SENATOR LATHROP: We have in the bill a presumption against comparing someone who is not in an MSA to someone who is. It's important to recognize that those are presumptions. And when we talk about finding an array member, we spent a good deal of time in the working group, thoughtful people, talking about whether these should be black-and-white rules or whether they should be presumptions. And ultimately here's how it works. You have different criteria to put you in there, what we call filters: three filters of geographic proximity, job match, and job conditions. Typically these things of size relate to conditions of employment. So is there...you cannot compare--generally, you're not going to compare somebody who's not in an MSA to somebody who is. And I use this--you're not going to compare Alliance to Ralston, because Ralston is in the Omaha MSA. I hope that answers your question. But if you ask me if something will never happen, most of these are presumptions when it comes to filling an array. And so can you overcome the presumption with evidence that the job conditions are the same or similar? In many cases in establishing these arrays, that is true. [LB397]

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

Floor Debate
May 20, 2011

PRESIDENT SHEEHY: One minute. [LB397]

SENATOR GLOOR: Thank you, Mr. President. Let me ask in the short amount of time we have left, the flip side of that question: so that if a city is not yet certified by the OMB as part of an MSA but their population reaches 50,000, will that city then be compared to cities already certified as part of an MSA? [LB397]

SENATOR LATHROP: Yes. [LB397]

SENATOR GLOOR: Okay. [LB397]

SENATOR LATHROP: Well, they can be. They are now in--they now fall within the MSA criteria that we've established. In other words, we're not waiting every ten years and then we look at the list and see who finally went over the 50,000 mark. It is when you have 50,000, you're in. And when you're in, you're an MSA for our purposes, and the criteria that are set out for choosing an array, who you may or may not be compared to, would then apply. [LB397]

SENATOR GLOOR: Thank you, Senator Lathrop. Thank you, Mr. President. [LB397]

PRESIDENT SHEEHY: Thank you, Senator Gloor. Senator Dubas. [LB397]

SENATOR DUBAS: Thank you, Mr. Lieutenant Governor. I, too, will add my thanks to the committee members, especially those who have been at this from the very beginning: Senators Lathrop, Utter, and Ashford. I've had the ability to have many conversations with them as they've worked through this, and I don't think any of us can begin to understand the commitment that these--and then those who came in through the course of these negotiations--what they have invested in this. And I'm so grateful that they have come out with this compromise. I do appreciate Senator Adams' explanation. I think it was very helpful to understand how that range will help put that control in for budget growth. I know that was a real concern that I heard from people in my area about needing that flexibility to manage their budgets and having that ultimate control. So I'm hoping that this, by placing that range in there, that gives them that very needed flexibility. I also know that very often just the threat of the CIR, maybe, and the unpredictability and the not fully understanding how the CIR process works probably made some of those who are in those elected positions feel like they had to make decisions that they weren't necessarily wanting to make. And I think the fact that we're putting the final offer in the public record for a vote, again, I think is a very important component of this compromise. So I do hope that this is a very workable and livable solution for all sides. And with that, I would yield the remainder of my time to Senator Lathrop, should he choose. [LB397]

PRESIDENT SHEEHY: Senator Lathrop, you're yielded 3 minutes 20 seconds. [LB397]

Floor Debate
May 20, 2011

SENATOR LATHROP: Thank you. And I want to use that occasion to thank Senator Campbell for her comment. And, you know, we're talking about a lot of people who participated in this process, and I want to talk about somebody in particular for a second. And that's a lady out in back named Lynn Rex. You know, before any one mayor was on this topic, Lynn Rex was there for all of the mayors of this state. She was there before it became popular to talk about public employees, before it became in vogue. Before it became the national issue, Lynn Rex was there in the Business and Labor Committee trying to make change. And when we sat down and decided how we were going to approach this, we deliberately sat down with Lynn Rex and the League of Municipalities for a reason. And that was that this was not going to be Omaha's bill, and it was not going to be Grand Island's bill, and it was not going to be Lincoln's bill. And she has worked as hard as I've seen anybody work on a legislative issue to build consensus among the cities. And you hear people say, well, it's like herding cats. I can tell you that now that we have this, I would call it the state aid effect. We went through with her help and guidance and the people she brought to her team to work through this for months and months and months. And while the mayors and the city councilmen across the state were on other issues, she was on this. And now that we have a bill, we have what I call the state aid effect: everybody has taken what appeared to be good policy, what everybody thought was good policy, and they've gone back to their own little cities and villages, and they've looked at it, and they've run it past their lawyers, and they've run it past their HR departments, and now there's some carping going on. And I can tell you, colleagues, this is real, significant, and meaningful reform and change for the cities across this state. And I could say the same thing for the school districts and the counties, but I'm going to focus on the cities for a minute, because Lynn Rex has worked as hard as I've seen anybody work on an issue. And I will say this to the mayors and the city councilpeople, as Senator Campbell suggested... [LB397]

PRESIDENT SHEEHY: One minute. [LB397]

SENATOR LATHROP: ...patience. Patience. Take a breath. Take some time and read it, because there is real change in here. And I can tell you, you would have no change if Lynn Rex hadn't started this train down the tracks a year ago. I am privy to some of the things that are being said about this bill by some individual mayors. I think we've gotten most of them on board. Every time we do something to this, and that's particularly been true this week, we get somebody else that doesn't like the change that happens that was made to accommodate someone else, in this case the business community. It's going to happen. Let us not begin to characterize this from our own municipalities and our own villages by: Did I lose something in the negotiation process? Because, colleagues, this is real, this is significant... [LB397]

PRESIDENT SHEEHY: Time, Senator. [LB397]

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

Floor Debate
May 20, 2011

SENATOR LATHROP: ...reform. Thank you. [LB397]

PRESIDENT SHEEHY: Thank you, Senator Lathrop. Thank you, Senator Dubas. Senator Wallman. [LB397]

SENATOR WALLMAN: Good morning, Mr. President, members of the body. And I know how much work went into this thing by Senator Lathrop and this crew, and I appreciate that. But somebody did get the business here, I feel. It's the teachers and the labor people who made this country great. And when I was on the school board as treasurer, we passed million-dollar budgets, but did any businessperson ever show up? My banker did. But that...he said: I got to keep quiet. And...but I was very disappointed. And then they come apart when something--legislation comes upon us. And is this good? Is this good? Is this good? And the last-minute meetings until midnight or 1:00. This is tremendous sacrifice for certain individuals. So I think we have to really thank those people and Lynn Rex also, because...Senator Lathrop, would you answer a question? [LB397]

PRESIDENT SHEEHY: Senator Lathrop, would you yield to Senator Wallman? [LB397]

SENATOR LATHROP: Yes. [LB397]

SENATOR WALLMAN: Thank you, Senator. Now, was NACO happy with LB397 in its original form? [LB397]

SENATOR LATHROP: Yes, I believe NACO was satisfied with what we did, or what moved on General File. [LB397]

SENATOR WALLMAN: Thank you, Senator. And I do appreciate anybody who works in Business and Labor, because it is tough. You know, management has the upper hand. And all what I hear in my community is: Tie this thing to management expense. Because one of the school districts in my district laid off 11 people, and then they hired them back without benefits. So is that fair? Maybe they shouldn't have had the benefits in the first place, but that's a terrible way to treat your people. And so reluctantly I'll vote for this, because there was a compromise. Thank you, Mr. President. [LB397]

PRESIDENT SHEEHY: Thank you, Senator Wallman. Senator Pirsch. [LB397]

SENATOR PIRSCH: Thank you, Mr. President and members of the body. I would yield the balance of my time to Senator Lathrop, if he'd like to use it to further explain the amendment. Thank you. [LB397]

PRESIDENT SHEEHY: Senator Lathrop, 4 minutes 45 seconds. [LB397]

Floor Debate
May 20, 2011

SENATOR LATHROP: Thank you. And thank you, Senator Pirsch. I don't mean to be sounding harsh by my last statement, but I am...I have grown to appreciate the amount of time that Lynn spent on this subject, and that's the reason for my last remarks. I do want to talk about something else too. Because just like the League of Municipalities and Lynn Rex, now that we have a bill and some criticism--that my friends from labor who came to this process and who sat in the room and made compromise, they, too, are subject to criticism. And I think it's important for their membership to know--for their membership to know that the alternative to our bill today...and there is pain, there is sacrifice for labor and for the public employees across the state. I appreciate that. And it's the function of a compromise, and there were people in the room making those judgments. And I want you to know that--to those of you who are public employees, teachers and fire guys and police across the state--that it was difficult decisions by those folks that made these, that were there for the compromise, to make. They did what they thought was the best thing for labor in negotiating this. And I hope you will appreciate that they were in a very, very difficult spot. I can tell you because I sat there and watched them make these decisions. And I hope you will appreciate that while you can see what you're giving up with AM1528 and LB397, they were looking at what would happen if we didn't get a bill. The end of collective bargaining was one prospect, the end of...taking supervisors out of the collective bargaining process, having a wider range than 98-102. There are many things that might have been much worse for our public employees had these courageous men and women not been in the room and made an agreement as they did to bring us to AM1528. Thank you. [LB397]

PRESIDENT SHEEHY: Thank you, Senator Lathrop. Senator Pirsch. Senator Avery. [LB397]

SENATOR AVERY: Thank you, Mr. President. I want to return to a subject that Senator Wightman brought up. Because when I read this bill this morning, the issue of how you define "recession" kind of jumped out on page 29. I'm going to read lines 5 through 9: "Recession occurrence means the two quarters immediately preceding the effective date of the contract term in which net state sales and use tax, individual income tax, and corporate income tax receipts are less than the same quarters for the prior year." That seems to me to be a bit too loose and imprecise, because "less than" is not defined. We don't know exactly how much "less than" we would have to have in receipts before we would say a recession exists and therefore we need to invoke this provision. I do know that the generally accepted definition of "recession" is determined by the National Bureau of Economic Research. Virtually all economists, policy analysts, policymakers, and businesses defer to the National Bureau of Economic Research as the general authority for determining when the United States has entered a recession. I do recognize the value of and the argument for relying more on the economic conditions in the United States. So, having said that, I would like to ask Senator Lathrop a question, if he would be willing to yield. [LB397]

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

Floor Debate
May 20, 2011

PRESIDENT SHEEHY: Senator Lathrop, would you yield to Senator Avery? [LB397]

SENATOR LATHROP: Yes. [LB397]

SENATOR AVERY: Senator Lathrop, can you explain to me how we would determine what "less than" means or when...is there a threshold here that is not specified? [LB397]

SENATOR LATHROP: No. It's--"less than" is "less than." Now, what you're going to find... [LB397]

SENATOR AVERY: So it could be less than by...? [LB397]

SENATOR LATHROP: Well, what you're going to find is we have an amendment coming that changes it from "net" to "gross" and--yes. [LB397]

SENATOR AVERY: From "net" to "gross." [LB397]

SENATOR LATHROP: "Net" to "gross." [LB397]

SENATOR AVERY: But still the words "less than" will be retained? [LB397]

SENATOR LATHROP: Yes. And it will be--"less than" means "less than"--and it will be the sum of those three things. The amendment I'm going to sign here in just a second, with the technical cleanup, would be the sum of those three and not...you wouldn't have to have all three of them going in the same direction at once. [LB397]

SENATOR AVERY: Do you foresee difficulties down the road where this might introduce some ambiguity as to what a "recession" means, whether we're actually in one and whether we have sufficient "less than" to trigger this mechanism? I think that's very possible. [LB397]

SENATOR LATHROP: I--I'm comfortable with the definition of a recession as you will see it evolve in two amendments that will be filed, both of which I regard as technical. Yes, I think it's--I don't see an ambiguity, honestly. I don't think that there...you're going to have--it's going to be trending down two quarters in a row, where the receipts are down--indicates the presence of a recession. And when that's not the case any longer, then the 95 percent doesn't apply and you go back to the 98 percent. [LB397]

SENATOR AVERY: I like the idea. But I can envision a circumstance where one party might say, well, receipts might be down, and they might be down two consecutive quarters, but actually it's not very much, and therefore we really are not in a recession. And I wonder if that might be a problem that we'd have to come back and address at... [LB397]

Floor Debate
May 20, 2011

PRESIDENT SHEEHY: One minute. [LB397]

SENATOR AVERY: ...some later time. [LB397]

SENATOR LATHROP: Well, I think the answer is we had the help of fiscal people to do this, and the Governor's office, to try to come up with this definition. And we've involved some people on the other side who would have reason to be concerned about an imprecise definition of recession. And I think we can--with these two amendments that you'll see here shortly, I think you'll see that we've resolved it, or at least the people who have given it greater study have satisfied themselves that this is a fair definition. [LB397]

SENATOR AVERY: Well, I'm not going to make a big issue of this. I just want to raise the issue, because I do think that we might be readdressing this at some time in the future. But it would make me feel better if there was some reference to the National Bureau of Economic Research as another measure of recession, perhaps in conjunction with our own state indicators. Thank you, Mr. President. Thank you, Senator Lathrop. [LB397]

PRESIDENT SHEEHY: Thank you, Senator Avery. Members requesting to speak on AM1528 to LB397, we have Senator Conrad, followed by Senator Pankonin, Senator Flood, Senator Price, Senator McCoy, and others. Senator Conrad. [LB397]

SENATOR CONRAD: Thank you, Mr. President. Good morning, colleagues. I will add my sincere congratulations and gratitude to the leadership team on this landmark legislation and, of course, rise in support of AM1528 and LB397. I actually had some of the very same questions that Senator Avery developed just previously that I had a chance to visit with committee counsel about earlier this morning, and I appreciate that there will be a technical amendment to further define some of those issues. So I am--I'm thankful and grateful for that, because I think that those are important technical considerations that we need to be aware of before we move forward. There have been a lot of thanks given to the many divergent interests and parties who have been a critical part of these negotiations over many, many months. And, of course, those are well deserved and should be acknowledged, but I wanted to take a moment to add special thanks to the working men and women who once again have sacrificed to make this compromise possible. And I say "once again" because I don't want it to be forgotten that during difficult times public employees have indeed come to the table, taking wage freezes, taking furloughs, taking pay cuts, agreeing to not fill vacancies and take more work onto their individual workload. And again here they are making additional concession after additional concession to help this state move forward on a very difficult and emotional issue. And so indeed a great thanks to those working men and women in every community across our great state. And there has been a lot of heated rhetoric

Floor Debate
May 20, 2011

surrounding this issue, particularly from groups that maybe weren't at the table here. And I just want to also just step back for a moment and say, in what sometimes could be characterized as nasty rhetoric surrounding union members and union membership, let's just think about who we're talking about here. And these are our friends and neighbors. These are our teachers; these are our firefighters; these are police officers. These are our public employees, on the front lines of the Health and Human Services system, working in the Department of Roads, working in the Department of Revenue. And they're an important part of our community, and they're an important part of our economy. And we have to realize that there's mutual benefit to keeping wages fair, because these men and women spend those wages in our local economy. And that benefits all of us and benefits the business community and the state of Nebraska. And so the recognition of this cyclical and symbiotic relationship I think needs to be stated and hopefully is preserved in this legislation as it moves forward. The final issue that I'd be happy to...I know Senator Flood has a light on soon, and Senator Lathrop may have a chance to address--I see he's busy in conversation at this moment in time. But there's been, also, a lot of media attention surrounding potential threats amongst the business community, the Governor's office, and other interest groups about additional ballot strategies to attack or change collective bargaining in Nebraska. And I know it's not stated as part of the legislation, but if Senator Lathrop or others would like to respond about the additional agreements that were made in these negotiations to ensure that there won't be any of those things in the near future...I see Senator Fulton is available, so I'd be happy to ask him a question, if he would yield, Mr. President. [LB397]

PRESIDENT SHEEHY: Senator Fulton, would you yield to Senator Conrad? [LB397]

SENATOR FULTON: I would. [LB397]

SENATOR CONRAD: Thank you, Senator Fulton. And I know Senator Lathrop is very busy answering questions right now, but you were just as much a part of these negotiations. And is that your understanding as well, Senator Fulton, that the divergent groups that were at the table also said this is significant reform, no more ballot strategies, no more threats in that regard? [LB397]

PRESIDENT SHEEHY: One minute. [LB397]

SENATOR FULTON: Yes, Senator, and thank you for that question; I think it's important to get it into the record. The groups that were represented--that is my understanding, that there would be no attempt to put this on the ballot. And that goes for what I understand are the unions as well as the chambers. I don't know about other groups out there, but I can say, from my own vantage, I will not support any efforts to put this on the ballot. This was done in the Legislature. It should be done in the Legislature, and I think it has been done in the Legislature, and I'm going to support that. [LB397]

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

Floor Debate
May 20, 2011

SENATOR CONRAD: Senator Fulton, I really appreciate the response. Thank you, because I think that is an important part that does need to be part of the record. Of course, it's not in the legislation, but that's an additional agreement that was established that does need to be respected in this state as we move forward, so that we can see this change implemented and evaluated and appropriately conducted rather than seeing these additional threats of political activity, and allow this great state to move forward on what has been... [LB397]

PRESIDENT SHEEHY: Time, Senator. [LB397]

SENATOR CONRAD: ...such a difficult issue. Thank you, Mr. President. [LB397]

PRESIDENT SHEEHY: Thank you, Senator Conrad. Senator Pankonin. [LB397]

SENATOR PANKONIN: Thank you, Mr. President and members. During this process I wasn't directly involved in the negotiations, but I did want to offer one consistent view to those involved. And that was that a significant compromise--and a compromise is when not everyone is totally happy, and I think this bill is that sort of a compromise--would be so much better than a Wisconsin-type situation. I have friends in Wisconsin who I've talked to over these last several months, and what I have found from talking to them is that state will have long-term mistrust, hard feelings, and political upheaval for many years to come, maybe an entire generation. That is not what I want for Nebraska. Hopefully, we can complete this work on Select today and in the days to come and get it to Final Reading. Obviously there's technical questions, and I'm sure there will be some more small things to do to tweak this, but I think the work that's been done is so appreciated. Besides the stance on the policy, I tried to offer encouragement and appreciation to those involved. This was so intense, so time consuming, and I didn't see Senator Lathrop very often during the last few months, but I would try to catch him as he came down the aisle in the Chamber, to say: Thank you; keep working at it. To my two good friends and colleagues, Senator Fulton and Senator McCoy, I encouraged them to try to find a solution to this. And they worked so hard and worked particularly with the business community to find solutions for these vexing problems. And to honor these folks, all the ones that were so directly involved, I think the best thing we can do to honor them--seeing also on the floor Senator Lathrop and Flood and Ashford--is to get this bill finished, get it in the best final form that we can with the time we have left in this session and knowing that, I'm sure, in the years to come there will be some things that may need to be fixed or tweaked from a policy standpoint. But I know we can do this with this framework in place. And I'm so thankful that this body can, hopefully, get this done in the last two weeks that we have or the last seven days of session that we have. I would give the balance of my time to Senator Nelson. I know he's been waiting patiently to ask some questions, so. [LB397]

PRESIDENT SHEEHY: Senator Nelson, you're yielded 2 minutes 20 seconds. [LB397]

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

Floor Debate
May 20, 2011

SENATOR NELSON: Thank you, Senator Pankonin, and thank you, Mr. President. I, too, support this. I am gratified to see how all the parties have come together finally. I was not a part, a direct part in the negotiations, but I did help in a certain way, and I think it was instrumental because of the fact that I filed a bill and also an LR that would have done away with collective bargaining on the part of public employees. I hoped fervently that would not necessarily have to come to pass, but the fact remains it was there. And I think because of the fact it was there and if there was no agreement, no conclusion of this in a satisfactory manner, that might have been where we would have gone next. Now it appears that that's not going to be necessary, that's not going to be happening. I am pleased that we are at the point where we are. I do have a question for Senator Lathrop, if he would yield. [LB397]

PRESIDENT SHEEHY: Senator Lathrop, would you yield to Senator Nelson? [LB397]

SENATOR LATHROP: Yes, I will. [LB397]

SENATOR NELSON: Senator Lathrop, I want to add my thanks. A quick question here. I've gotten countless e-mails from educators saying: Don't reduce my wages by 15 percent. Is there anything close to that in this bill? [LB397]

SENATOR LATHROP: No. That was a chamber proposal that would have made the range 85 to 115. And that range is now 98 to 102. So I will tell you, at 85 percent, it would have permitted public employees to have their pay cut by up to 15 percent. [LB397]

SENATOR NELSON: All right. Thank you. [LB397]

SENATOR LATHROP: But... [LB397]

SENATOR NELSON: The array size has been reduced from seven to nine. Has everything else remained the same as it was before, as far as going out and selecting the array? Going across state lines and things of that nature? [LB397]

SENATOR LATHROP: Those pieces...that's a...I can't give you just a yes or a no. Much of what was there before remains the same. The MSAs, the filters--the filters for MSA, for city size, and having the economic variables applied... [LB397]

PRESIDENT SHEEHY: Time, Senator. [LB397]

SENATOR LATHROP: ...to the numbers that come back remain the same. [LB397]

SENATOR NELSON: Thank you, Senator. Thank you, Mr. President. [LB397]

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

Floor Debate
May 20, 2011

PRESIDENT SHEEHY: Thank you, Senator Nelson. Mr. Clerk, you have an amendment to an amendment. [LB397]

ASSISTANT CLERK: Mr. President, I do. Senator Lathrop would offer AM1534 to the pending Lathrop amendment, AM1528. (Legislative Journal pages 1717-1718.) [LB397]

PRESIDENT SHEEHY: Senator Lathrop, you're recognized to open on AM1534. [LB397]

SENATOR LATHROP: Thank you very much, Mr. President and colleagues. This is the technical amendment. Before I begin my explanation of that technical amendment, let me thank Bill Drafters. There's a lady up there that we're wearing out, and I want you to know. And I know she has her TV on; thank you very much for what you're doing and your commitment to seeing this bill through and done correctly. Let me also say that it has been beneficial...the one thing about bringing the chamber into this process is that we now have about four more lawyers reading this bill, and that has led us to a few technical changes and corrections, which I appreciate, honestly appreciate. So I want to walk you through those. They really are simple and fairly...drafting sorts of things. One of the things this amendment will do is to make sure that when we talk about having three judges involved in the process, those are in wage cases. The commissioners, or judges, of the CIR, as we used to call them--they're involved in more than just settling wage disputes. If you have certification of a bargaining unit, we don't need three judges there, and that really is to avoid having this turn into a big fiscal note. And so that accommodation is made. We also have in there a vote of the governing board. We...that's not really practical if you are the state of Nebraska. So we're exempting out of that voting requirement the State Employees Collective Bargaining Act, so that the Legislature does not have to vote on an offer made by a collective bargaining unit. We have clarified the definition of "prevalent" for fringe benefits; that is going to be consistent with state law. That, frankly, is an accommodation to the cities who requested that from the League of Municipalities. We have also put into the language--and this maybe goes to what Senator Avery was talking about, on page 2, line 5 and 6, that's to indicate that it's--there's three tax sources that we're going to look at. It's the sum of those three tax sources and not each of them individually. So we don't have to have all three categories going in the wrong direction or moving in the correct direction--or the better direction, upward. It's the sum of those. We have on number 9 on page 2, made a technical correction to the school time line. And at the bottom of page 2, we are indicating or allowing state employees' collective bargaining units to stipulate with the state of Nebraska as to the inclusion of certain array members. So as you can see, those really are, in a very real sense, drafting or technical errors. And I would encourage your support of AM1534 to AM1528. Thank you. [LB397]

PRESIDENT SHEEHY: Thank you, Senator Lathrop. You've heard the opening of

Floor Debate
May 20, 2011

AM1534 to AM1528. Members requesting to speak are Senator Flood, followed by Senator Price, Senator McCoy, Senator Smith, Senator Schumacher, and others. Senator Flood. [LB397]

SENATOR FLOOD: Thank you, Mr. President and members. I support AM1534 to AM1528. I was a participant in the meeting where these changes were brought forward and appreciate the effort of the business community to identify...these are essentially scrivener's notes and errors related to the underlying amendment but necessary to not only pinpoint the intent but to verify, at least on the recession piece of the range, how that's going to work, by adding the words "the sum of," which I believe are important. The only issue I want to hit before I sit back down again--and I think it's important to focus on it--is the range. You're going to be asked about cost containment. You're going to be asked about, is this significant, meaningful reform? And when we, through the process of negotiations, were looking at the freeze that existed for employees that were above the midpoint, the question was: If you celebrate the midpoint, why are you always bringing an employee up when you're below the midpoint but you're held harmless on the other end? A true respect for the midpoint means that wages will go toward the midpoint. And so if you're above the midpoint, the political subdivision is going to be bringing you back and has the option at that time, under an order from the CIR, to bring you back to 102 percent of the midpoint. So if you're at 120, 110, those wage reductions serve the same purpose as wage increases on the back side to respect the midpoint. What the range does, I think, is gives that flexibility to the management side for true cost containment. If anybody wants to talk about cost containment, talk to them about the range, talk to them about the range during a recession. I think that's very valuable; I think it's very important; and I'm very pleased with the inclusion of that language in this bill. Thank you, Mr. President. [LB397]

PRESIDENT SHEEHY: Thank you, Senator Flood. Senator Price. [LB397]

SENATOR PRICE: Thank you, Lieutenant Governor, fellow members. Wow, what a lot of work. I've been watching from the sidelines, and I have to say, almost echoing what Senator Wightman said, such a deal. What a deal that the state of Nebraska got when they elected the members who worked so hard and diligently on this bill to put in--you cannot even begin to imagine the number of hours that must have been put in and the level of effort to maintain a level head, to be open to the aspects of the art of compromise. Sure, there are going to be people who aren't totally happy, but you can't please all the people all the time. However, in reading the bill, and I would like to say I feel pretty good about the fact that I actually have read what was put before us, at least once. It's a very tough thing to read. There are a lot of strike-throughs and underlines and adds and moves, so it is somewhat complex just to read. So have to talk about it and have to have dealt with it for 11 months is even more surprising. But I did...I was hoping that Senator Lathrop was here, but he's not here. And I'm going to see who else I can ask in the body. Senator Utter, would you yield to a question? [LB397]

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

Floor Debate
May 20, 2011

PRESIDENT SHEEHY: Senator Utter, would you yield to Senator Price? [LB397]

SENATOR UTTER: Yes, I will. [LB397]

SENATOR PRICE: Well, thank you very much, Senator... [LB397]

SENATOR UTTER: There comes Senator Lathrop, Senator Price. [LB397]

SENATOR PRICE: I believe I'll give you the first one, because we've already talked about it. [LB397]

SENATOR UTTER: Okay. (Laugh) [LB397]

SENATOR PRICE: All right. I appreciate that. I was reading... [LB397]

SENATOR UTTER: I tried to get out of it, but it didn't happen. [LB397]

SENATOR PRICE: I was reading in the bill, on page 11, and I don't suspect you have it open right now, but the line 1 starts, "notice and may enter a voluntary appearance in any matter in the commission." And my question is, should it be "in" the commission or "before" the commission? [LB397]

SENATOR UTTER: Senator Price, I would suggest you ask Senator Lathrop that, as a legal mind, instead of me. [LB397]

SENATOR PRICE: Okay. [LB397]

SENATOR UTTER: So if you don't mind, ask Senator Lathrop that question. [LB397]

SENATOR PRICE: I'll do that. Thank you, Senator Utter. Would Senator Lathrop be able to yield to a question? [LB397]

PRESIDENT SHEEHY: Senator Lathrop, would you yield to Senator Price? [LB397]

SENATOR LATHROP: Yes. [LB397]

SENATOR PRICE: Thank you very much. Senator Lathrop, could I indulge you to turn to page 11 of the AM1528? [LB397]

SENATOR LATHROP: Okay. [LB397]

SENATOR PRICE: Thank you. Right there on line 1, where it starts with "notice and

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

Floor Debate
May 20, 2011

may enter a voluntary appearance in any matter in the commission," should that be "before" the commission or "in" the commission? [LB397]

SENATOR LATHROP: I think it's "in the commission." That--actually, that change in language was just the Bill Drafters as they go through, and sometimes they'll clean things up and make it use better language or better tense. That's all that is, that's not substance at all. [LB397]

SENATOR PRICE: Oh, I didn't think so, but I just want to make sure that, you know, that's the way we're reading it. [LB397]

SENATOR LATHROP: No, a...yeah, a voluntary appearance is just something you do in lieu of being served with service of process by a sheriff or by certified mail. [LB397]

SENATOR PRICE: Great. Thank you. Now we're going to go on to a little tougher question, at least for me to ask, not for you to respond. On page 49 it talks about--subparagraph (3), starting line 9--and it's, basically, talking about "a jurisdictional bar." So "the dates indicated in" the sections "are jurisdictional. Failure of either party to act in a timely manner shall result in a jurisdictional bar for either the commission or the Supreme Court." Is this just, basically, saying, if you guys don't play right together, you don't get to go before the commission? [LB397]

SENATOR LATHROP: No. What's it's saying is we...one of the primary components to Senator Harms's LB555, which got incorporated in here, is a time line for the state. The state--one of the reforms that they wanted was we need to know what we're going to spend, when we go to Appropriations Committee. So the time line basically says we mean it. And the penalty for not doing things according to the time line is: you're done; you're not going to get an order out of the CIR. [LB397]

SENATOR PRICE: Well, I really appreciate that. Thank you very much. [LB397]

PRESIDENT SHEEHY: One minute. [LB397]

SENATOR PRICE: Thank you. Just the idea is...there are more questions, but I believe at this point in time it's been well said that there was a tremendous effort, and I appreciate what Senator Lathrop did and how he spearheaded things and kept things moving forward even when at one point in time I was assured that it was dead in the water. And with that, I would yield back my time. Thank you. [LB397]

PRESIDENT SHEEHY: Thank you, Senator Price. Senator McCoy. [LB397]

SENATOR McCOY: Thank you, Mr. President and members. I stand in support of AM1534 to AM1528 this afternoon. And, really, what you see here before you may be a

Floor Debate
May 20, 2011

fairly technical, short, two-page amendment, compared to the underlying legislation. But I will tell you that this amendment came about through discussions that lasted well into the night last night and very early this morning. And it...those that had involvement in it, on all sides of this issue, and had...ought to be commended, because it came about very quickly. But it was very important that we address these tweaks to make sure that the final product of this legislation is what it was intended to be and reflects the agreements that were made by all parties involved. You know, I might conclude by mentioning, night before last when we arrived at some consensus on this issue, one of the members here in the body that I respect very much--he's been here longer than I--said: This is why I love Nebraska. And I remembered that the last few days. I think it's very true. You know, we've talked about what the alternatives may have been had we not come to consensus on this legislation. I'm not sure any of us, regardless of our philosophical views, would have been happy with what some of the alternatives would have been. Thankfully, and hopefully, we won't have to experience that here in Nebraska, what some other states have had to go through. You know, those of us that were part of these negotiations and discussions have signed on to and agreed to this, and I'm very happy about that. And that is, again, why I'm in support of AM1534. Thank you, Mr. President. [LB397]

PRESIDENT SHEEHY: Thank you, Senator McCoy. Senator Smith. [LB397]

SENATOR SMITH: Thank you, Mr. President. And, Senator Lathrop, I know you're here, so at the end of my remarks I have a question for you, so. But I just want to pass along some of the perceptions that have been expressed by constituents of mine from the 14th District as well as businesses and citizens that have contacted me over this piece of legislation over the last few weeks. And this is not to try to point criticism at anything, but I just want to make it clear that these are some of the things that we as legislators are hearing from our constituents--you know, that parties were not involved in initial discussions on this and that deals were made without public debate. And in my particular district, which is in Sarpy County, there's...this is still a little bit of a raw issue because of the Learning Community. And that came about well before I was here in the Legislature, but, once again, you know, there's--they look back at that, and they're thinking: Is this another situation where we're rushing into a solution that may not be the best for the state and the entire community? And then also senators being told that we have deals and that it's okay to vote green on this particular issue simply because a key party says it's okay. We as legislators, we have a key responsibility, as elected lawmakers, to know and to understand the details of such critical issues as this. This is extremely complicated, 60-some-odd pages that we have to absorb, and that we have a responsibility to be transparent and to be informed in our deliberations and our discussions. And I do want to give credit to Speaker Flood and to Senator Lathrop and to Senator Ashford, that I...although a lot of this started off very rocky, I believe in the last few days they have made great efforts to resolve the issues of transparency and to delay the introduction of this on the floor so that we could be informed today, that we

Floor Debate
May 20, 2011

have had some time to take a look at this piece of legislation. So I want to give Senator Lathrop and Speaker Flood credit for trying to resolve some of the imperfections of this system that--perceived imperfections by a lot of the people from the outside looking in. And for the benefit of those that have contacted me over the last few weeks, I just want to make a couple things clear. First, I am not and will not be in favor of abolishment of the CIR and collective bargaining. I think we have a system that works very well in this state, is very unique to Nebraska. And once again Nebraska shines because it has a unique solution to an issue. We, fortunately, are not in the situation of many other states. But I have indeed sought significant, meaningful, and comprehensive reform. And that's why I voted against the original amendment and the original bill, but that I am at this point prepared to support this amendment on Select File. And, Senator Lathrop, one of the biggest issues remaining in this debate--and it's not been addressed through this piece of legislation--that's comparison of defined contribution and defined benefit plans. And, of course, defined benefit plans is one of the threats of continued increasing cost in the public sector. And I know that I have a bill that I've asked to be held over, and we have an interim study that I've requested to look into this issue. I know Senator Nordquist from the Retirement Committee has done likewise. What do you see going forward that we're going to be able to do... [LB397]

PRESIDENT SHEEHY: One minute. [LB397]

SENATOR SMITH: ...to address that? [LB397]

PRESIDENT SHEEHY: Senator Lathrop, would you yield? [LB397]

SENATOR LATHROP: Yes, I will. I appreciate the question and the concern, and I did have it on my list, and I lost my list, so I'm glad you brought it up. Senator Smith, we do have a resolution that you've introduced to study defined benefit plans, and that will be a joint hearing--or your resolution calls for a joint hearing of the Business and Labor Committee and the Retirement Committee. Very important subject. In the mid-'80s the first-class cities got rid of their defined benefit plans in favor of a defined contribution plan. We struggled in the working group with what to do with defined benefit plans. And a study is going to be important for a lot of reasons, one dealing with affordability and the other dealing with, quite frankly, the affordability of making the transition, because not all of those DB plans are fully funded. And that means, if you're going to make the transition, somebody has got to make up the deficiency in that funding. And that is a big, big, big issue for some. [LB397]

PRESIDENT SHEEHY: Time, Senator. Thank you, Senator Smith. Senator Schumacher. [LB397]

SENATOR SCHUMACHER: Thank you, Mr. President and members of the body. I have a new appreciation for what the folks in Congress went through when confronted with

Floor Debate
May 20, 2011

2,000 pages of Obama care, with little notice. Fortunately, the Speaker gave us overnight to read just 63 pages, and we at least had some time to digest this, for those of us that were not involved in the core negotiating groups. I do have some things I'd like to--questions I'd like to put in the record; maybe they can be addressed before we have Select File. Normally, I know these things would be addressed in informal consultations, but we're running out of time, apparently, this session. Page 9, line 22, it's speaking in reference to the filings of a petition and a response, and then within 14 days "the parties shall vote" either to accept or reject each other's proposals. I'd suggest that we say they "shall accept or reject," because you can vote till the cows come home and not come to a conclusion if you don't have enough votes of a majority to pass either motion to accept or reject. And that's important because the commission does not have authority until there's an actual rejection by both parties. Page 21: "Arrays for public utilities shall include both public and privately owned utilities." And then again in line 8, it says, the array for public utilities "shall include members" who also perform these functions. It doesn't say "only members" that also perform these functions. That takes on some significance when read with the definition of "public utility," which includes not only heating and lighting and power companies but also telephone and telegraph services. And I think we want to make clear one way or the other whether we expect NPPD and OPPD and our power companies' employees to be--and linemen, for example--to be compared with those of Qwest and the phone companies, who are in quite a different situation. And if we would accept that, how are we going to get information out of them? Kind of, on page 54, in a little bit of harmony with what Senator Avery was raising, on when are we in a recession, it's entirely possible in the next few years we will see inflation at a rate of 5 percent, maybe 15 percent, as our currency undergoes significant adjustments. And if the rate of inflation causes prices to--or our sales tax and income tax revenue to go up but, really, real purchasing value decrease, there may never be a recession that meets these definitions. And whether we intend that or not, I don't know at this particular time. Leading to page 59--it says that basically nothing will happen; there is going to be no change "until the commission has ruled" and--on the particular controversy that's in front of it. But then you go back to--my final thing that I had me head-scratching here--to page 8, line 17. This language, which I hope I can get a little explanation of this morning or sometime: If a change in employment status or in wages or terms and conditions of employment is necessary, a motion by either party or the parties jointly may go to the commission, and if the commission finds, based on a showing of evidence at a hearing that the requested change is both reasonable and necessary to serve an important public interest and that the employer has not considered a change in the employment status, wages, or terms of employment as a policy alternative on an equal basis with other policy alternatives to achieve budgetary savings, the commission may order the requested change be allowed pending final resolution of the pending... [LB397]

PRESIDENT SHEEHY: One minute. [LB397]

Floor Debate
May 20, 2011

SENATOR SCHUMACHER: ...industrial dispute. I had questions of what we mean by "budgetary savings." Is that a slowing in the rate of increase? Does that change--can that change temporarily ordered include a postponement of other public projects? Or is it just an affirmative grant? That is a troublesome area of this particular bill for me. And I guess I'm too much out of time to ask Senator Lathrop to address those issues, but I'd certainly appreciate that being addressed at sometime this morning. Thank you, Mr. President. [LB397]

PRESIDENT SHEEHY: Thank you, Senator Schumacher. Senator Janssen. [LB397]

SENATOR JANSSEN: Thank you, Mr. President and members. And I guess they've always said--I heard on the radio once, if you do anything other than get on the radio and give the time, you'll have people disagree with you; and even then, it's a 50/50 shot at some times. So I can appreciate the work that's gone on--and especially to Senator McCoy and Fulton, who I went to several times to kind of get an inside look at what was going on, and all the others involved in this. One thing that, when I looked at the original LB397 and I looked at this amendment that we have before us, AM1528, that came to mind to me is there's--I believe there was an emergency clause prior and there's no emergency clause on this, and in particular the...even my city of Fremont, which I should say, I did say on General File, they were opposed to this. And I've talked to them this morning, and they are--they feel that this is better, and they are in favor of this now. So they're in favor of LB397 with the amendment. So I did want to note that. But they did have a concern and a question, which I'll direct at Senator Lathrop, if he would so yield. [LB397]

PRESIDENT SHEEHY: Senator Lathrop, would you yield to Senator Janssen? [LB397]

SENATOR LATHROP: I will. [LB397]

SENATOR JANSSEN: Thank you, Senator Lathrop. The question was, why no emergency clause? And let me, before you answer that--and I'll give you the reason, is, the way I understand it or read it, is October 1 is the date that cities would come under this, and they're in negotiations right now. And their question is, wouldn't that create a conflict if the new deal, per se, is better for the city, wouldn't they want to kind of balk and drag their feet? And just the opposite, if it wasn't better for the union they were bargaining against, wouldn't they want to drag their feet? So couldn't we, really, get rid of this little mini-storm that would happen in the short term if we put an emergency clause on this? [LB397]

SENATOR LATHROP: No, I think it would complicate it. First of all, it was a specific subject that was bargained as we came to this compromise. Second concern I have with it is we have time lines in here, and an emergency clause wouldn't appreciate the fact that we have time lines, that people need time to let...so that they can gear up for

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

Floor Debate
May 20, 2011

them, if that makes sense. In other words, we have a time line for teachers that starts a year before the next school year. And if we make an emergency clause, this would become what they have to do right away, and they'd be in the middle of a period of time when the rules would change immediately. The short answer is, we talked about this, and it was one of the things that we specifically agreed to was the implementation date. We have two of them in there: one is for counties, cities, public utilities; one is for the schools. And they are very important pieces to an agreement, and there was consideration exchanged for that date. [LB397]

SENATOR JANSSEN: Okay. I'd...and that, I guess, explains some of to the "why," and that...and was, if I recall, was it on--was there an emergency clause previously on this, or is that inaccurate, or...? [LB397]

SENATOR LATHROP: Honestly, I don't remember one, is going to be my answer. I don't know that anybody ever thought we'd be able to get the number of votes to move this with an emergency clause. So I'd be surprised if there was, but, at the same time, I'd be...I can't tell you that there was. [LB397]

SENATOR JANSSEN: Okay. Thank you, Senator Lathrop. That's just one of the concerns I have. It may be a short-term problem of one side dragging their feet, or another. And that's specific to my community, and that's the reason I ask that. I would yield any time I have to Senator Nelson, if he'd like to follow up in some of the questions he had. [LB397]

PRESIDENT SHEEHY: Senator Nelson, you're yielded 1 minute 20 seconds. [LB397]

SENATOR NELSON: Thank you very much, Mr. Janssen. If Senator Lathrop would yield, I have a question. [LB397]

PRESIDENT SHEEHY: Senator Lathrop, would you yield to Senator Nelson? [LB397]

SENATOR LATHROP: Yes, I will. [LB397]

SENATOR NELSON: Thank you, Senator. On page 8, if you'll look down there, I just want to pursue a little bit what Senator Schumacher was...didn't have an opportunity to ask you about. [LB397]

PRESIDENT SHEEHY: One minute. [LB397]

SENATOR NELSON: Looking at line 23, if "the employer has not considered a change in the employment status, wages, or terms and conditions of employment as a policy alternative on an equal basis with other policy alternatives to achieve budgetary savings", could you comment on that? Just what that... [LB397]

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

Floor Debate
May 20, 2011

SENATOR LATHROP: I'd be happy to, and it's responsive to Senator Schumacher's question, and thank you for the opportunity. Let me tell you where that came from. When you go down to the CIR and you have a dispute there, the CIR can enter an order and say: You, city of wherever, don't change one thing about your employees. And this came to us from Douglas County. And they said: Wait a minute, we may have legitimate reasons for making a change, and we need a mechanism for relief, so that we can go down somewhere and get away from, or relief from, what they call a status quo order. And this language was agreed to by the lawyers that do work on either side. They recognize--this came, as I understand, out of a reported case that set the standard for providing relief from a status quo order... [LB397]

PRESIDENT SHEEHY: Time, Senator. [LB397]

SENATOR LATHROP: ...and we've put it into statute. [LB397]

SENATOR NELSON: Thank you, Senator. [LB397]

PRESIDENT SHEEHY: Thank you, Senator Nelson. Thank you, Senator Janssen. (Visitors introduced.) Continuing with floor discussion on AM1534. Members requesting to speak are Senator Krist, followed by Senator Ashford, Senator Lautenbaugh, Senator Howard, and Senator Smith. Senator Krist. [LB397]

SENATOR KRIST: Thank you, Mr. President. And a big thank-you to all the folks who have been involved. There are too many to mention, but I appreciate the, quote, unquote, both sides of the aisle and both labor and management coming together. I did not want to escape to Kansas, so this is a good thing. But I do have an issue with the amendment, AM1534 to AM1528, and I would ask if Senator Lathrop would yield to a question. [LB397]

PRESIDENT SHEEHY: Senator Lathrop, would you yield to Senator Krist? [LB397]

SENATOR LATHROP: Yes. [LB397]

SENATOR KRIST: Sir, in this last amendment, on page 21, line 1, we want to strike the word "shall" and insert the word "may." That appears to be problematic for a couple of our large utilities, OPPD, NPPD, and I'm preparing an amendment that would return that, or would specify or give some definition to those two concerns, presently. Can you tell me what the intent of that was or how that was potentially put in? [LB397]

SENATOR LATHROP: What page and line again, please? [LB397]

SENATOR KRIST: I'm sorry, page 21, line 1, of the bill. This amendment, AM1534, on

Floor Debate
May 20, 2011

page 1 of the amendment, and that would be line 18, suggests that on page 21, line 1, we strike the word "shall" and insert the word "may." [LB397]

SENATOR LATHROP: The idea behind that was--by putting "may" in there, is that for some utilities they may not be able to find public and privately owned utilities to compare themselves to. And what we're trying to do is to say it's okay in the case of a utility, since they're doing a proprietary function, to use a private comparator. But by saying "shall" it appeared to require that you have some from each. And what we're trying to do is say: You can use all the other job-match indicators--the three filters: proximity, job match, and conditions of employment to determine who's the best qualified to be, or best suited to be in your array, but you don't have to have...if you go through the process and you find out that the only people that are...the best-suited people or the best-suited businesses or utilities to be in your array are all private, that's okay; if they're all public, that's okay. We're just...wanted...we took "shall" out so that it didn't look like you must have some of both. [LB397]

SENATOR KRIST: Okay. Would you be opposed if my amendment, which is being drafted now, would return at least for the threshold that has to do with OPPD and NPPD, that that would return an exemption for them and return the word "shall," in context, for their negotiation. [LB397]

SENATOR LATHROP: And we've had a little bit of a conversation about that off the mike, and I will tell you that I've gotten all the way to day whatever we're at on LB397 by trying to develop consensus. And my view would be, certainly, I wouldn't have an objection if we can do that by agreement. If we don't, then I need to learn more about what the controversy is. [LB397]

SENATOR KRIST: Thank you very much. Thank you for yielding to the question. Thank you, Mr. President. [LB397]

PRESIDENT SHEEHY: Thank you, Senator Krist. Senator Ashford. [LB397]

SENATOR ASHFORD: Thank you, Mr. Lieutenant Governor. And I don't know if Senator Lathrop would like some more time to discuss some of what Senator Schumacher has brought up or not. But I will give him--yield my time. And I don't have much more to add at all. But I did, in my initial remarks, did not have sufficient time to thank a couple of people who I relied on quite a bit in coming up with the changes in the bill reflecting some of the business practices that were espoused by the--and supported by the chambers. And I just, for the record, wanted to thank Wendy Boyer from the Omaha Chamber, because she was very helpful and helped in getting me to understand the idea of the range, which, as Speaker Flood has said, clearly, and as has Senator Lathrop, is a key element of this bill and really was the key, in some respects, that unlocked the door for compromise here. And also, again, Lauren Hill, who worked with

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

Floor Debate
May 20, 2011

us, from the Governor's office, I would be remiss in not thanking her for her willingness to talk to me a lot about some of the issues involving state employees and other issues that are important to the state. And then, finally, I do...someone earlier mentioned my good friend and colleague Senator Adams. And I mentioned to him--and I do want to put it on the record, because Senator Adams--this is not the first time he's done this, but certainly during the time of the Learning Community he also served this purpose. Sometimes I get ahead of myself on these issues and want to get going and get these things done, and "ban the torpedoes," as I unfortunately said in the paper the other day. But I'm...I always appreciate Senator Adams because of his impact on these kinds of discussions. I think when he walks into a room, we're struggling with the issue...and, quite frankly, the school issue we struggled with--I did, personally--for a long time, because it was our goal to have a comprehensive bill that treated workers and public employers across the state in an evenhanded manner. And many times I did discuss these issues with Senator Adams. And, as always, he is very--was very helpful in discussing those. And in the last few days of the negotiations, prior to Tuesday anyway and then through Tuesday, again, I think his presence has this effect of let's be prudent, let's be cautious, let's make sure that we're actually addressing--when we're dealing with the education issue, let's make sure we're addressing real problems and not problems that are specters and not real. So I, just for the record, wanted to commend those individuals. And I don't...Senator Lathrop apparently doesn't need any time. So thank you, Mr. Lieutenant Governor. [LB397]

PRESIDENT SHEEHY: Thank you, Senator Ashford. Senator Howard. [LB397]

SENATOR HOWARD: Thank you, Mr. Lieutenant Governor and members of the body. And if my friend Senator Ashford is available for a few questions... [LB397]

PRESIDENT SHEEHY: Senator Ashford, would you yield to Senator Howard? [LB397]

SENATOR ASHFORD: Sure. [LB397]

SENATOR HOWARD: Thank you. Let's kind of remember back a little bit; maybe we can get in Senator's Lautenbaugh's way-back machine that he likes to talk about. Years ago, before we had a union, public employees came to you and talked about organizing. We came to you for a couple of reasons. Number one, because we could afford you, because you were next to nothing in cost. (Laugh). Yeah, we all remember. But at that time--and you might remember this, too--Harding, etcetera, law firm did everything in their power to keep us from organizing. They literally and figuratively had their foot on the throat of the public employees. And now I hear their name brought out as being instrumental in reaching compromises and working on this. Can you assure me, somebody that was there with you from the very beginning of organizing, that this is good for the public employees, that this is going to be good for the workers in the state of Nebraska and this is going to be good for teachers? [LB397]

Floor Debate
May 20, 2011

SENATOR ASHFORD: Thank you for that question. Or, I'm sorry, Mr. Lieutenant Governor. [LB397]

PRESIDENT SHEEHY: Senator Ashford, yes. [LB397]

SENATOR ASHFORD: Thank you. And we were together, Senator Howard, at a time when there was no recognition of your labor organization or your group. And you're right, Bill Harding was on the other side. And I think we--I can't remember the number of cases that we had, but five, six, seven cases over four or five years with--many went--or several went to the Nebraska Supreme Court. And you did have car washes, and you did pay me something, and--but it was a great experience for me. You know, Bill Harding is the, really, the dean of labor lawyers on the management side in Nebraska. He fights very hard for his clients. I can tell you also that through the experience that we had, Senator Howard, that Bill and I became friends, and we are friends today, and I respect him. But I can--I will tell--I will make this assurance, that Bill Harding, when we were in these discussions and negotiations, was fair, he was succinct, he was clear. And I can tell you, one of the dynamics...and maybe I'll ask if Senator Lathrop wants to comment some future time today on this, but oftentimes Senator Lathrop and I, Senator Utter, would ask Bill Harding for advice on how these matters have been interpreted in the--over the years by the Commission of Industrial Relations, these various issues that we dealt with, primarily when it--with the array and some of those issues. [LB39]

SENATOR HOWARD: Senator Ashford, Senator Ashford... [LB397]

SENATOR ASHFORD: So I can--but I guess I can tell you that I am confident that we are acting in the best interest of public employees in this state. [LB397]

SENATOR HOWARD: Senator Ashford, I can appreciate that, and I can appreciate your friendship with Mr. Harding. Lawyers are like that, and it's kind of the way it is. But I want to know from you--I want to have assurance from you on the record that you're not accepting this deal because you worry that the alternatives would be worse. [LB397]

SENATOR ASHFORD: No, I am not. I think the...here's why I like the deal. [LB397]

PRESIDENT SHEEHY: One minute. [LB397]

SENATOR ASHFORD: The reason I like this deal, primarily, is, in my experience, in going back over the years and dealing with these matters, that it was not good for public employees, it was not good for us, when we were working together, to not have a clear idea of what the law was and what the CIR was going to do with it. And I think that was the real problem. And I believe that collective bargaining is the way to go if everybody knows the rules and it's a fair playing field and we can get agreements done. We spent

Floor Debate
May 20, 2011

so much money--you did--in trying to get your union recognized. I believe this addresses those issues, and it creates a fair playing field and an efficient way to get these matters resolved. And I...and that will promote collective bargaining and will save money, and they will be fair results, not because he's my friend, and I appreciate that point, Senator Howard. [LB397]

SENATOR HOWARD: Thank you. [LB397]

PRESIDENT SHEEHY: Thank you, Senator Howard. Senator Smith. [LB397]

SENATOR SMITH: Thank you, Mr. President. And I just wanted to continue on. I'm going to again yield to Senator Lathrop and--but before that, as we were going through the Academy Awards-style recognitions, I just wanted to note that I'm glad to hear Senator Ashford mention Lauren Kintner from the Governor's office, because Lauren has been a tremendous resource. And I also appreciate the Governor's engagement on this particular issue; I think it's been great. But also, Senator Ashford needs some accolades as well. We have a tremendous asset in our state in the person of Senator Brad Ashford. He has a wealth of knowledge, and I appreciate everything he has been able to provide me in terms of just understanding this issue. With that, I'd like to return to the discussion of defined benefit and defined contributions. I know that we can only go so far with this legislation to address the comparisons of defined contribution, defined benefit. And again, I think that is, looking forward, one of the greatest risks we have for unfunded spending in the municipalities and across the state. So with that, I'd like to understand what is in Senator Lathrop's head as to, going forward, how are we going to be able to address those issues in this interim study? [LB397]

PRESIDENT SHEEHY: Senator Lathrop, would you yield? [LB397]

SENATOR LATHROP: Yes, I will. And I'll try to answer that as best I can, which would be--after studying the issue of employee composition in the public sector, I would say that the defined benefit plan and...looking at defined benefits plans--and what we would look at in a joint interim study with Retirement would involve the cost, who has the risk of the market going up and down in pensions plans--DB plans, it's clearly on the government entity. On the other hand, if the market is going up and the stock market is sailing, that's good for people that have DB plans if you're the government. If it's going down, then you have an unfunded defined benefit plan. In the defined contribution plan, it's the employee that's riding the market. And as a consequence, generally speaking, the defined benefit plan is regarded as having more value than a defined contribution plan. Making the transition from one to the other is a very complex process. As I said, the first time the Class I cities did it in the mid-'80s, when they converted to defined contribution plans, I think they paid the price; the pain is behind them; and they're probably glad they did. But if you take a political subdivision like the city of Omaha, who has a significant unfunded defined benefit plan, and you said: City of Omaha, you need

Floor Debate
May 20, 2011

to be on a defined contribution plan in a year from now, they would literally have to float bonds or generate some revenue source to shore up the obligation of the defined benefit plans. That would fund everybody who's on one, and as a contractual right to that which we can never take away or legislate away, and then start every new person on a defined contribution plan where they essentially have their own account and they ride the...so it is an incredibly complex issue, incredibly complex issue. It will require--to make a transition, Senator Smith, would require a significant understanding by the people that they would be making an investment in the long term, things that they might not see in their generation or in their lifetime, to benefit their political subdivision, in a case of somebody like Omaha. So those would be... [LB397]

PRESIDENT SHEEHY: One minute. [LB397]

SENATOR LATHROP: ...the issues that we'd look at. And then the other piece is that there are--many of our employees that are in defined benefit plans don't get Social Security. So their counterparts in the defined contribution plan are getting Social Security at retirement, and they get their benefits from the defined contribution plan--so extremely complex issue. I appreciate your interest in the subject matter and your willingness to work on it. And bringing in the Retirement Committee with...and they've done a marvelous job over the last several years under the leadership of Senator Nordquist and Pankonin on the state's DB plans. I think it's a useful undertaking. And sometimes we do interim studies and you're not really sure if it's going to benefit anybody or we'll learn anything. I think it's incumbent upon us to learn from these studies. And, again, if the business community wants to come down and weigh in on DB plans, I think that's a worthwhile effort as well. [LB397]

PRESIDENT SHEEHY: Time, Senator. Senator Pirsch. [LB397]

SENATOR PIRSCH: I'm going to waive. [LB397]

PRESIDENT SHEEHY: Senator Pirsch waives. Seeing no additional requests to speak, Senator Lathrop, you're recognized to close on AM1534 to AM1528. [LB397]

SENATOR LATHROP: Thank you, Mr. President and colleagues. Again, AM1534 to AM1528 is a technical amendment, and I would ask for your support. Thank you. [LB397]

PRESIDENT SHEEHY: Thank you, Senator Lathrop. You have heard the closing of AM1534 to AM1528. The question before the body is on the adoption of AM1534. All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB397]

CLERK: 38 ayes, 0 nays on the adoption of the amendment to the amendment. [LB397]

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

Floor Debate
May 20, 2011

PRESIDENT SHEEHY: AM1534 is adopted. [LB397]

CLERK: Mr. President, Senator Heidemann would move to amend AM1528. Senator Heidemann's amendment is AM1538. (Legislative Journal page 1718.) [LB397]

PRESIDENT SHEEHY: Senator Heidemann, you're recognized to open on AM1538. [LB397]

SENATOR HEIDEMANN: Thank you, Mr. President and fellow members of the body. This is more technical in nature than anything else. On page 29, when it comes to defining a recession into quarters, it came to our attention that they talked about the two quarters immediately preceding the effective date of the contract term. It's our understanding or our thought--and I've talked to Senator Lathrop, Senator Flood, and people out in the Rotunda, and they agree with this, and they're okay with this amendment, that it needs to be backed up by one quarter. You would already be in negotiations before you would start taking into account the quarters that would be affecting you. By doing this amendment, it will back the two quarters that you would work off of by one quarter, thus giving you more time to know the data that you're going to have to deal with. So I would encourage you and urge you--if you have any questions, you can ask me, but I encourage you to adopt this amendment to the committee amendment. Thank you. [LB397]

PRESIDENT SHEEHY: Thank you, Senator Heidemann. You've heard the opening of AM1538 to AM1528. Are there members requesting to speak? Seeing none, Senator...Senator Nelson. [LB397]

SENATOR NELSON: Thank you, Mr. President. Would Senator Heidemann yield to a question? [LB397]

PRESIDENT SHEEHY: Senator Heidemann, would you yield to Senator Nelson? [LB397]

SENATOR HEIDEMANN: Yes. [LB397]

SENATOR NELSON: Thank you, Senator. It's not on my screen yet, your amendment. Could you just point out on page 29 what you're doing? You're increasing the number of quarters on what line? [LB397]

SENATOR HEIDEMANN: We're not actually increasing the number of quarters, but the two quarters that would determine whether the recession was in place or not will be backed up by one quarter, thus giving the people that are dealing with this more time to know what the data is that's going to affect them. [LB397]

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

Floor Debate
May 20, 2011

SENATOR NELSON: So you're saying you're starting three months earlier, then. Is that what you're saying, by backing up another quarter? [LB397]

SENATOR HEIDEMANN: We're going to...you could almost say we're going to use three quarters but not the very first quarter that's closest to the contract. [LB397]

SENATOR NELSON: All right. [LB397]

SENATOR HEIDEMANN: That might be the easiest way to understand it. [LB397]

SENATOR NELSON: Yeah. All right. Three...all right, thank you very much. Thank you, Mr. President. [LB397]

PRESIDENT SHEEHY: Thank you, Senator Nelson. Senator Burke Harr. [LB397]

SENATOR HARR: Thank you, Mr. Lieutenant Governor. I'm...and I'm not going to delay this much longer, but I do have a question for Senator Lathrop. Senator... [LB397]

PRESIDENT SHEEHY: Senator Lathrop, would you yield to Senator Harr? [LB397]

SENATOR LATHROP: Yes, I will. [LB397]

SENATOR HARR: Thank you, Senator Lathrop, and thank you for all the work you've done on this bill, along with everybody else; it is very commendable. But I do have a question about the--on page 24 there's language about "prevalent" as it applies to benefits. And my question is, if a benefit is determined not to be prevalent, what happens? [LB397]

SENATOR LATHROP: It's not counted. Yeah, in order to maintain it, it has to be prevalent. So if it's not prevalent in the array, it's not available any longer. [LB397]

SENATOR HARR: Okay. And that's consistent with how the CIR is currently done? [LB397]

SENATOR LATHROP: That's exactly right. What we're doing is--and it's our intent to memorialize the current process when it comes to fringe benefits and determining prevalence and the management or handling of those. [LB397]

SENATOR HARR: Okay. That was my only question. Thank you very much. I would yield the rest of my time back. [LB397]

PRESIDENT SHEEHY: Thank you, Senator Harr. Senator Sullivan. [LB397]

Floor Debate
May 20, 2011

SENATOR SULLIVAN: Thank you, Mr. President. I wonder if Senator Lathrop would yield for a question. [LB397]

PRESIDENT SHEEHY: Senator Lathrop, would you yield? [LB397]

SENATOR LATHROP: Yes. I'd be happy to. [LB397]

SENATOR SULLIVAN: Thank you, Senator Lathrop. This has to do with--I believe, if I read the amendment--and you may have mentioned it in all the conversation we've had thus far--about when there is a final offer, there has to be a vote taken in public. Can you explain that a little bit more? [LB397]

SENATOR LATHROP: Well, our intent is to have the councils, you know, the city council, those type folks, the county boards to vote on these things. And the problem we're trying to correct is we have some city councils, I'm told, that won't vote on a contract. They'll get an offer from a collective bargaining unit, for example, and then find some reason not to vote on it, because it's politically difficult to vote on a contract with a collective bargaining unit. And now what we're saying is, you're not going to avoid it. You are going to put your best offer up, and it will be voted on by the collective bargaining unit, or an individual if...we're not going to make an individual--and sometimes individuals go to the CIR; they don't have to vote on something, but a collective bargaining unit would. And if the collective bargaining unit or the employees put up an offer, then the city council is going to have to vote on it and say, no, we don't want it if that's what they're going to do. [LB397]

SENATOR SULLIVAN: And this would apply to school boards as well, I presume. [LB397]

SENATOR LATHROP: Yes. [LB397]

SENATOR SULLIVAN: Okay. All right. And then, again, I'm--my question is along the education lines, so maybe I should have asked Senator Adams about this, but I believe you mentioned also in the amendment that the ability to pay is removed as well as tenure issues? [LB397]

SENATOR LATHROP: Yes. We're not eliminating tenure; we're eliminating the part of LB397 that purported to change the law regarding tenure, as well as the language regarding ability to pay, both of which seemed to Senator Ashford and I to be great ideas... [LB397]

SENATOR SULLIVAN: Um-hum. [LB397]

SENATOR LATHROP: ...for effecting some education policy as we went through this

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

Floor Debate
May 20, 2011

process, neither of which appear to have been warmly received by that community, so they are being taken out. [LB397]

SENATOR SULLIVAN: Okay. Thank you. I appreciate those clarifications. Thank you. [LB397]

PRESIDENT SHEEHY: Thank you, Senator Sullivan. Seeing no additional requests to speak, Senator Heidemann, you're recognized to close on AM1538. Senator Heidemann waives closing. The question before the body is on the adoption of AM1538 to AM1528. All those in favor vote yea; opposed, nay. Please record, Mr. Clerk. [LB397]

CLERK: 39 ayes, 0 nays, Mr. President, on the adoption of Senator Heidemann's amendment to Senator Lathrop's amendment. [LB397]

PRESIDENT SHEEHY: AM1538 is adopted. Mr. Clerk, do you have items for the record? [LB397]

CLERK: I do, Mr. President, thank you. Your committee on Revenue, chaired by Senator Cornett, reports LB40 to General File, with amendments attached. Bills read on Final Reading this morning were presented to the Governor at 11:30 a.m. (Re: LB699, LB675, LB490, LB142) Enrollment and Review reports LB667 and LB667A as correctly engrossed. Enrollment and Review reports LB704 to Select File, with Enrollment and Review amendments attached. Senator Ashford offers LB390A. (Read by title for the first time.) I have a Judiciary Committee confirmation report. I have a new resolution: Senator Conrad and others offer LR333, and that will be laid over at this time. (Legislative Journal pages 1719-1723.) [LB40 LB699 LB675 LB490 LB142 LB667 LB667A LB704 LB390A LR333]

Mr. President, Senator Krist would move to amend AM1528. (Legislative Journal page 1724.) [LB397]

PRESIDENT SHEEHY: Senator Krist, you're recognized to open on your motion to amend AM1528. [LB397]

SENATOR KRIST: And thank you, Mr. President. Just for clarification, is the amendment on the gadget yet so that members can see it? [LB397]

PRESIDENT SHEEHY: Yes, it is, Senator. [LB397]

SENATOR KRIST: Okay, thank you very much. So I will be extremely brief and not waste any more of your time, and I apologize for the eleventh hour antics. In the Lathrop amendment, AM1534, we'd like to strike the attached...basically, it changes the definition and the applicability of the words "shall" and "may." It says "utilities," we insert

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

Floor Debate
May 20, 2011

"with annual revenue of \$500 million or more." So this takes an exception for OPPD and NPPD, so it goes back to the word "shall." It's simple; it was brought to me by OPPD and has been concurred with by NPPD and both management and labor. Thank you, Mr. President. [LB397]

PRESIDENT SHEEHY: Thank you, Senator Krist. You've heard the opening of the Krist amendment, AM1539 to AM1528. Members requesting to speak: Senator Lathrop. [LB397]

SENATOR LATHROP: Just briefly. Thank you, Mr. President. I just want you to know I'm okay with this, and this is the kind of thing that we've been doing for, like, nine months. We deal with one circumstance and we try to graft in a general principle or a process, and then we hear from the utilities and we hear from the counties and we hear from the school districts. And that's what we've been dealing with for nine months. So I certainly appreciate the unique circumstance of the utilities in this regard and ask for your support of Senator Krist's amendment. Thank you. [LB397]

PRESIDENT SHEEHY: Thank you, Senator Lathrop. Seeing no additional requests to speak, Senator Krist, you're recognized to close. [LB397]

SENATOR KRIST: Very quickly again, thank you. Vote green on this one. And thank you to the folks who have been involved. It's just a lesson: if you'll let me get involved before this, it wouldn't have been the last minute. (Laughter) [LB397]

PRESIDENT SHEEHY: Thank you, Senator Krist. You have heard the closing. The question before the body is on the adoption of AM1539 to AM1528. All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB397]

CLERK: 35 ayes, 1 nay, Mr. President, on the adoption of Senator Krist's amendment to Senator Lathrop's amendment. [LB397]

PRESIDENT SHEEHY: AM1539 is adopted. We'll now return to floor discussion on AM1528. Seeing no requests to speak, Senator Lathrop, you're recognized to close. [LB397]

SENATOR LATHROP: Thank you, Mr. President and colleagues. I hope you can appreciate that this will be my last opportunity to speak on this, presumably. And so I want to first of all thank you for--the body and my colleagues--for your patience. It would have been easy to ignore the fact that we had a group of thoughtful people working on this subject matter and get on board the train that stopped at Wisconsin and was sweeping across the country and buy into the hysteria, and you didn't. And for that I am grateful to my colleagues. I want to express my appreciation to the people who were there for nearly eight months working in the working group, and you know it includes

Floor Debate
May 20, 2011

Senator Utter and Senator Ashford among others and some really, really thoughtful lawyers who have brought their talent and their expertise to this subject matter as we tried to craft a reform. I also, of course, I thank Molly Burton, my legal counsel, and the folks up in Bill Drafting--the hours and hours and hours they put into this. You know, there wasn't a day where I didn't come in the office and Molly wasn't already there and a day when I left and I didn't leave her there working on amendments and rewrites--my sincerest appreciation. And I would suggest to you that that really is the model for...and what...the people that we're talking about aren't lazy workers, and they're not people that are trying to get something for nothing. They're the Molly Burtons that work at the fire department, and they work at the wastewater treatment plant, and they teach our children. And that's who we are talking about today when we talk about how are we going to figure out a way to get past an impasse with those employees when it comes to the wages and terms and conditions of their employment. I want to thank those folks as well. In LB397 and with AM1528 we have preserved, unlike a lot of other states that have treated this with hysteria and with people beating drums in the Rotunda, we have treated this fairly. And we have preserved in a meaningful way, not in word and name only, we've preserved in a meaningful way collective bargaining for public employees. And that was important to me, and it was important to the League of Municipalities when they began this process. That is important, and that is a significant accomplishment in LB397, given the political environment. The bill itself has, by anybody's measure, real, significant, and meaningful, and comprehensive change. And it's fair; it's thoughtful; and I appreciate your support for AM1528 and for LB397. Thanks. [LB397]

PRESIDENT SHEEHY: Thank you, Senator Lathrop. You have heard the closing of AM1528 to LB397. The question before the body is on the adoption of AM1528 to LB397. All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB397]

CLERK: 42 ayes, 0 nays, Mr. President, on the adoption of Senator Lathrop's amendment. [LB397]

PRESIDENT SHEEHY: AM1528 is adopted. [LB397]

CLERK: I have nothing further on the bill, Mr. President. [LB397]

PRESIDENT SHEEHY: Senator McGill, you're recognized for a motion. [LB397]

SENATOR MCGILL: Mr. President, I move LB397 to E&R for engrossing. [LB397]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye. Opposed, nay. LB397 advances. Speaker Flood, you're recognized for an announcement. [LB397]

SPEAKER FLOOD: Thank you, Mr. President. Thank you, members. This has been, I

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

Floor Debate
May 20, 2011

think all of us can agree, the longest week of this legislative session, with two late nights. We are now heading, obviously, into the weekend. We're going to come back Monday at 10:00, and we've got a lot of heavy lifting to do the first part of next week to get things in the final stages as we prepare for a sine die adjournment here at or before the ninetieth day. So we are going to stand at ease at this point; we're waiting for some paperwork to come back from the Judiciary Committee regarding a bill that was advanced by the committee this week--I think this morning, in fact. And that bill will--may very well likely show up on an agenda early next week, if not Monday probably Tuesday. So we'll go ahead and stand at ease. I want to thank everybody for their hard work. And I'll have a good outline for you the first part of next week as to how I see the rest of the session progressing. Thank you very much. We'll stand at ease.

EASE

PRESIDENT SHEEHY: Mr. Clerk, do you have items for the record?

CLERK: I do, Mr. President. And Judiciary Committee, chaired by Senator Ashford, reports LB390 to General File with committee amendments attached. Senator Carlson would like to add his name to LB400 as cointroducer. And Senator Ashford would move to adjourn the body until Monday morning, May 23, at 10:00 a.m. (Legislative Journal page 1724.) [LB390 LB400]

PRESIDENT SHEEHY: You have heard the motion to adjourn until Monday, May 23, at 10:00 a.m. All those in favor say aye. Opposed, nay. We stand adjourned.