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Floor Debate
February 07, 2013

[LB24 LB28 LB29 LB32 LB36 LB49 LB78 LB87 LB111 LB112 LB113 LB125 LB135
LB147 LB155 LB207 LB207A LB211 LB214 LB252 LB254 LB336 LB408 LB484 LR44
LR45]

SPEAKER ADAMS PRESIDING

SPEAKER ADAMS: Good morning, ladies and gentlemen, and welcome to the George W. Norris Legislative Chamber for the twenty-first day of the One Hundred Third Legislature, First Session. Our chaplain for the day is Senator Christensen. Please rise.

SENATOR CHRISTENSEN: (Prayer offered.)

SPEAKER ADAMS: Thank you. I call to order the twenty-first day of the One Hundred Third Legislature, First Session. Senators, please record your presence. Please record, Mr. Clerk.

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

SPEAKER ADAMS: Thank you, Mr. Clerk. Are there corrections for the Journal?

CLERK: I have no corrections, Mr. President.

SPEAKER ADAMS: Are there any messages, reports, or announcements?

CLERK: Mr. President, your committee on Enrollment and Review reports LB214, LB336, LB32, and LB207 to Select File. Enrollment and Review also reports the following bills as correctly engrossed: LB49, LB87, LB111, LB112, LB113, LB125, and LB155, all reported correctly engrossed. Health and Human Services Committee reports LB484 to General File; that's signed by Senator Campbell. And I have two confirmation reports from the Health Committee, those signed by Senator Campbell as well. That's all that I have, Mr. President. (Legislative Journal pages 383-384.) [LB214 LB336 LB32 LB207 LB49 LB87 LB111 LB112 LB113 LB125 LB155 LB484]

SPEAKER ADAMS: Thank you, Mr. Clerk. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LR44 and LR45. Mr. Clerk, we'll now proceed to the first item on the agenda. [LR44 LR45]

CLERK: Mr. President, first item this morning: confirmation report from the Government, Military and Veterans Affairs Committee to the...report involves the appointment of Sean Conway to the Accountability and Disclosure Commission. (Legislative Journal page 348.)

SPEAKER ADAMS: Thank you, Mr. Clerk. Senator Avery, as Chair of the committee,

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you are recognized to open.

SENATOR AVERY: Thank you, Mr. President. Good morning, colleagues. The Government, Military and Veterans Affairs Committee is pleased to recommend to this body the new appointment of Sean Conway to the Nebraska Accountability and Disclosure Commission. He is being nominated for an appointment that would run from June 16, 2012, to June 30, 2018. This young man is a graduate of the University of Nebraska at Kearney and a graduate of the University of Nebraska College of Law. He has been admitted to the bar of the state of Nebraska, of Iowa, and the U.S. District Court of Nebraska. He is currently a staff attorney with Dornan, Lustgarten&Troia in Omaha. The committee was impressed with him, and we agreed this was a very good appointment. We had the hearing on Wednesday, January 30, 2013, and the committee voted 8 to 0 to recommend his confirmation to this body. Thank you, Mr. President.

SPEAKER ADAMS: Thank you, Senator Avery. The floor is now open for discussion on the confirmation report. Seeing none, Senator Avery...Senator Avery closes. Senator Avery waives his closing. The question is the adoption of the report offered by the Government, Military and Veterans Affairs Committee. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: (Record vote, Legislative Journal page 385.) 32 ayes, 0 nays, Mr. President, on adoption of the report.

SPEAKER ADAMS: The report is adopted. Move to General File, Mr. Clerk.

CLERK: Mr. President, LB207A is a bill by Senator McCoy. (Read title.) [LB207A]

SPEAKER ADAMS: Senator McCoy recognized to open on LB207A. [LB207A]

SENATOR McCOY: Thank you, Mr. President. Members, LB207A is the, of course, the bill for the cash fund movement of funds on LB207. You recall this is the DMV bill that would centralize the electronic notices to be sent out to folks across the state. And this is the movement of funds within the cash fund to make that bill work. Thank you, Mr. President. [LB207A LB207]

SPEAKER ADAMS: Thank you, Senator McCoy. Floor is now open for discussion. Seeing no discussion on LB207A, Senator McCoy, you are recognized to close. Senator McCoy waives closing. Question before the body is the passage of LB207A. All those in favor vote aye; opposed, nay. Have all voted that wish to? Record, Mr. Clerk. [LB207A]

CLERK: 33 ayes, 0 nays, Mr. President, on the advancement of LB207A. [LB207A]

SPEAKER ADAMS: LB207A advances. Next item on General File, Mr. Clerk. [LB207A]

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CLERK: Mr. President, LB78, a bill originally offered by Senator Avery. (Read title.) The bill was discussed yesterday, Mr. President. Senator Avery opened on his bill, presented the Government Committee amendments. Senator Harms had moved to amend those committee amendments. That amendment was adopted, subsequently reconsidered. I understand that Senator Harms at this time wishes to withdraw AM123, which would be pending. Therefore, Mr. President, the motion pending before the body this morning is adoption of the committee amendments. (AM104, Legislative Journal page 344.) [LB78]

SPEAKER ADAMS: Thank you, Mr. Clerk. Senator Avery, as Chair of the committee, would you take the time to summarize the committee amendment again? [LB78]

SENATOR AVERY: Yes, thank you, Mr. President. The committee amendment took into account some requests that we thought were valid ones to remove a couple...at least remove one commission from the list of those to be eliminated. And that was a request from Senator Tom Carlson asking that the Riparian Vegetation Management Task Force be taken out of the bill because he has a bill this year to extend the sunset provision for another two years. We also approved a request by Catherine Lang of the Department of Economic Development in which she asked that the Economic Development Commission be added to this list of commissions to be eliminated. The...and I would just like to comment briefly, if I may, about that request, because Senator Crawford raised a question about whether this was a wise decision. And I...as I said yesterday, the commission had not been meeting; they hadn't been able to get enough members together to form a quorum; and many of the members of that commission requested that the commission be terminated. And the question was raised by Senator Crawford, appropriately I think, as to whether or not this was wise. And since we had that discussion yesterday I did a little bit of research, and I am told that the existence of Nebraska Diplomats does a lot of the work of that commission. We have more than 475 business executives and community leaders involved in the Diplomats program; it's the largest economic development organization in the state. They form alliances with other Nebraska economic development organizations; they try to promote the state's productive business climate and are involved in a variety of activities that duplicated what the commission did. And I failed to mention that yesterday, and I think that was an oversight that needs to be corrected. So the way the amendment stands now, with our action yesterday and Senator Harms's withdrawal today of his amendment, we will be eliminating the Affirmative Action Committee, the State Airline Authority, Athletic Advisory Committee, Livestock Auction Market Board, the Rural Development Commission, and the Economic Development Commission. With that, I would ask you to approve AM104 to allow us to advance LB78. Thank you, Mr. President. [LB78]

SPEAKER ADAMS: Thank you, Senator Avery. The floor is now open for debate on the

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committee amendment. There are no lights on. Senator Avery, you are recognized to close on the committee amendment. Senator Avery waives his opportunity to close. The question is, shall the committee amendments to LB78 be adopted? All those in favor say aye or indicate aye; all those opposed, nay. Have all voted that wish to? Record, Mr. Clerk. [LB78]

CLERK: 36 ayes, 0 nays, Mr. President, on the adoption of committee amendments. [LB78]

SPEAKER ADAMS: The amendment is adopted. We now move to discussion on the advancement of LB78 to E&R Initial. Senator Avery, you're recognized to close on LB78. [LB78]

SENATOR AVERY: Thank you, Mr. President. I would just say that LB78 is the product of work that the Government Committee staff undertook this summer in which we surveyed some 220 commissions and boards with a view toward finding out which boards were active, which boards were actually undertaking their assigned work, and whether or not they were achieving anything. And those that we just approved in that amendment are the ones that the committee determined did not have a reason to continue to exist, that were dormant and nonfunctioning, had not been meeting, and had no accomplishments. This is something we do every four years. And it's a good activity for us to trim government where we can and where we need to, and this is what we're doing with LB78. And I ask that you vote to approve this. Thank you. [LB78]

SPEAKER ADAMS: Thank you, Senator Avery. Question is the advancement of LB78 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Have all voted that wish to? Record, Mr. Clerk. [LB78]

CLERK: 37 ayes, 0 nays, Mr. President, on the advancement of LB78. [LB78]

SPEAKER ADAMS: The bill advances. [LB78]

SENATOR GLOOR PRESIDING

SENATOR GLOOR: (Doctor of the day introduced.) Mr. Clerk, continuing with General File.

CLERK: Mr. President, LB24 is a bill by Senator Hadley. (Read title.) Bill was introduced on January 10 of this year, referred to the Revenue Committee. The bill was advanced to General File. I have no amendments to the bill at this time, Mr. President. [LB24]

SENATOR GLOOR: Thank you, Mr. Clerk. Senator Hadley, you're recognized to open on your bill. [LB24]

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SENATOR HADLEY: Mr. President, members of the body, good morning, good afternoon, good night, I'm not sure which it is, but I'll wish you all that. LB24 is our annual bill that deals with income taxes. As you probably know, when we first instituted an income tax in Nebraska, we coupled it to the federal tax. In essence, you paid a percentage of your federal liability and that became your state liability. In the 1980s, we decoupled the state income tax from the federal income tax, but they are still worked together. In essence we start with the federal return and then we make adjustments for those things that we think are important to the state of Nebraska. So it is necessary every year to change the statutes to reflect the current federal law. And that is exactly what LB24 does. It updates the statutes so that we are now...our tax code references the current federal U.S. tax code. I urge your green vote on LB24. [LB24]

SENATOR GLOOR: Thank you, Senator Hadley. We now move to discussion. Are there senators who wish to be recognized? Seeing no lights on, Senator Hadley, you're recognized to close. Senator Hadley waives. Members, the question is the advancement of LB24 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have all voted who care to? Record, Mr. Clerk. [LB24]

CLERK: 38 ayes, 0 nays, Mr. President, on the advancement of LB24. [LB24]

SENATOR GLOOR: The bill advances. Mr. Clerk. [LB24]

CLERK: Mr. President, LB28, it's a bill by Senator Hadley. (Read title.) Introduced on January 10; referred to the Revenue Committee; advanced to General File; I have no amendments to the bill, Mr. President. [LB28]

SENATOR GLOOR: Thank you, Mr. Clerk. Senator Hadley, you're recognized to open on LB28. [LB28]

SENATOR HADLEY: Mr. President, members of the body, LB28 would change the filing date for late, late personal property filings. In Nebraska all tangible personal property used in businesses and agriculture is subject to taxation. That is business equipment, computers, desks, fixtures, agricultural equipment, pivots, etcetera. Assessment date is January 1. The filing deadline is May 1. Filings after May 1 through July 31 are subject to a 10 percent penalty. Filing on or after August 1 are subject to a 25 percent penalty. The assessors, the county assessors across Nebraska, requested that the August 1 date be changed to July 1 for the following reasons. On August 10, the Tax Equalization and Review Commission, TERC, sets the equalization rate for the real property of the centrally assessed railroads and public service companies. The Property Tax Administrator then certifies the distributed taxable value to the county assessors. That information has to be entered and balanced within the computer systems. By August 20, the assessor certifies taxable valuation and growth value to the political subdivisions.

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This report is used for their budgets in setting the tax rates. By August 25, the assessors certifies the school district taxable value report to the Property Tax Administrator which is used in the formula for state and local...state aid to school districts. Because these major reports all come due in a relatively short time, the assessors would like to see the personal property date changed from August 1 to July 1 so that their schedule in values can be finalized in advance of preparing for the above-mentioned reports. This still gives individuals and businesses six months to file their schedules. In relationship to time frames, individuals filing their homestead exemption applications have five months to file from February 1 to June 30. I would appreciate a green vote on LB28. It basically is moving up the date by a month. We're trying to get people to file their personal property filings on time so the assessors can do the work that they need to do to come up with the appropriate taxes. Thank you, Mr. President. [LB28]

SENATOR GLOOR: Thank you, Senator Hadley. Members, you have heard the opening on LB28. We now move to floor debate. Are there senators who wish to be recognized? Seeing none, Senator Hadley, you're recognized to close on the advancement of LB28. Senator Hadley waives. Members, the question before us is the advancement of LB28 to E&R Initial. Those in favor vote aye; those opposed vote nay. Record, Mr. Clerk. [LB28]

CLERK: 35 ayes, 0 nays, Mr. President, on the advancement of LB28. [LB28]

SENATOR GLOOR: Thank you, Mr. Clerk. The bill advances. Continuing with General File, Mr. Clerk. [LB28]

CLERK: Mr. President, LB29 is a bill by Senator Hadley. (Read title.) Bill was introduced on January 10; referred to the Revenue Committee. The bill was advanced to General File. I have no amendments to the bill, Mr. President. [LB29]

SENATOR GLOOR: Thank you, Mr. Clerk. Senator Hadley, you're recognized to open on LB29. [LB29]

SENATOR HADLEY: Mr. President, members of the body, LB29 is a little bit of a cleanup bill from last year. The county's tax list is completed annually by the county assessor on or before November 22. It is delivered to the county treasurer who collects the taxes and performs their own recordkeeping procedures. I think this is important because from an accounting standpoint, you want what is called a segregation of duties. You don't want the same person compiling the list and then also collecting the money. You want the assessor to compile the list; you want the treasurer to collect the money. So there is a checks and balances. LB29 would change a number of statutes. It repeals Statute 77-1615 which currently provides for the assessor instead of the treasurer to maintain a controlling account of the taxes assessed and collected. The language...it

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also changes language for the county assessor to complete the tax list will be added to 77-1616. Language will also be added to 77-1710 for the county treasurer to maintain a record of the total taxes assessed and monthly tax collections. I ask for your support for LB29 to revise these statutes to reflect current practices in a county assessors' and county treasurers' offices. [LB29]

SENATOR GLOOR: Thank you, Senator Hadley. Members, you've heard the opening on LB29. We now move to discussion. Are there senators wishing to be recognized? Seeing none, Senator Hadley...Senator Hadley waives closing. Senators, the question is the advancement of LB29 to E&R Initial. Those in favor vote aye; those opposed vote nay. Record, Mr. Clerk. [LB29]

CLERK: 35 ayes, 0 nays, Mr. President, on the advancement of LB29. [LB29]

SENATOR GLOOR: The bill advances. Mr. Clerk. [LB29]

CLERK: Mr. President, LB36 is a bill by Senator Wightman. (Read title.) Bill was introduced on January 10 of this year; referred to the Revenue Committee. The bill was advanced to General File. There are committee amendments, Mr. President. (AM42, Legislative Journal Page 354.) [LB36]

SENATOR GLOOR: Thank you, Mr. Clerk. Senator Wightman, you're recognized to open on LB36. [LB36]

SENATOR WIGHTMAN: Thank you, Mr. President. Members of the Legislature, LB36 was advanced unanimously from the Revenue Committee and I wish to thank the committee and the Chair for that action. LB36 provides that the documentary stamp tax is not imposed on any certified or authenticated death certificates filed with the Register of Deeds. A documentary stamp tax has never been imposed in connection with the filing of a death certificate. The law in the area has become confused. LB536 passed in 2012, required a death certificate to be filed with the register of deeds to document the transfer of title to the beneficiary of a transfer on death deed. LB536 also required a death certificate to be filed in cases of transfers to a surviving joint tenant or joint tenants or to a holder of an interest in real estate as a result of the death of the life tenant. The exemption from the documentary stamp tax in LB536 expressly only included the filing of death certificates relating to transfer on death deeds. The intent of LB36 is to correct an unintended interpretation of the law concerning the need to collect a documentary stamp tax in connection with the filing of death certificates for other purposes such as set forth in LB536. It was not intended as a result of that legislation that the documentary stamp tax would apply to the filing of death certificates in connection with changes to joint tenancies or termination of life estates. That has never been done previously, and it's my consideration that it should not have been done. But it was information passed by the committee, excuse me, I shouldn't say committee, but by

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the state Tax Commissioner that that would be the effect of that section. Importantly, the applicability of the documentary stamp tax has already been determined and paid if necessary when the deed creating the joint tenancy or life estate was filed with the register of deeds. The passage of this bill ensures the documentary stamp tax is not imposed a second time on the same transaction. Senator Hadley will explain the amendment that adds the emergency clause. And then I will be happy to answer any questions that anybody may have. Thank you. [LB36]

SENATOR GLOOR: Thank you, Senator Wightman. As the Clerk stated, there are amendments from the Revenue Committee. Senator Hadley, as Chairman of that committee, you're recognized to open on the committee amendments. [LB36]

SENATOR HADLEY: Mr. President, members of the body, simple amendment. It adds emergency clause because we have some confusion out in the way this should be handled, so we need to clear it up as soon as possible so I would urge a green vote on the amendment and a green vote on the bill so that we can send instructions to the counties as to how this is supposed to be handled. Thank you, Mr. President. [LB36]

SENATOR GLOOR: Thank you, Senator Hadley and Senator Wightman. Members, you have heard the opening on LB36 and the committee amendments. We now move to floor discussion. Senator Lautenbaugh, you are recognized. [LB36]

SENATOR LAUTENBAUGH: Thank you, Mr. President and members of the body. I'm sure this is a good bill and I urge you to vote in favor of the committee amendment and this. I did want to expand upon some comments I made yesterday when I joked about not getting west of York very often, of course that was a joke, and it had the desired effect. I got a nice invitation from Senator Sullivan to go tanking down some river at some point in the future. And she was good enough to say that she believes they have a tank that could accommodate me. (Laughter) So, she's a wonderful lady and she has told me many times that her fondest moments in the Legislature are when I talk of her or to her at the microphone, so I wanted to avail myself of this. But to be clear, I do go to western Nebraska. Obviously, I think I vote with the third district caucus more than my own and it could be a "non-Lexingtoner" and I look forward to tanking in the future. And so to bring it full circle, please vote for this amendment and this bill. [LB36]

SENATOR GLOOR: Thank you, Senator Lautenbaugh. Are there other members who wish to be recognized? Seeing none, Senator Hadley, you're recognized to close on the committee amendments. Senator Hadley waives. Members, the question is, shall the committee amendments to LB36 be adopted? Those in favor vote aye; those opposed vote nay. Have all voted who care to? Record, Mr. Clerk. [LB36]

CLERK: 36 ayes, 0 nays on adoption of committee amendments. [LB36]

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SENATOR GLOOR: The amendment is adopted. We continue with discussion on the advancement of LB36 to E&R Initial. Seeing no lights on, Senator Wightman, you're recognized to close on LB36. Senator Wightman waives. Members, the question is the advancement of LB36 to E&R Initial. Those in favor vote aye; those opposed vote nay. Record, Mr. Clerk. [LB36]

CLERK: 34 ayes, 0 nays, Mr. President, on the advancement of LB36. [LB36]

SENATOR GLOOR: The bill advances. We continue with General File. Mr. Clerk. [LB36]

CLERK: LB254 is the bill by Senator Adams. (Read title.) Introduced on January 16, referred to the Education Committee. The bill was advanced to General File. I have no amendments to the bill at this time, Mr. President. [LB254]

SENATOR GLOOR: Thank you, Mr. Clerk. Senator Adams, you're recognized to open on LB254. [LB254]

SPEAKER ADAMS: Thank you, Mr. President. Members, quite often we take to the microphone and we introduce our bills by saying this is a technical change, and for me antennas sometimes go up. But I'm telling you, this is truly a technical change. This is a bill from the Revisor's Office. And very simply what it does, with nothing hidden, is to change the word "television" to "telecommunications" in those references where it is most appropriate. That is my introduction, Mr. President. [LB254]

SENATOR GLOOR: Thank you, Senator Adams. Are there senators who wish to be recognized? Seeing none, Senator Adams waives closing. Members, the question is the advancement of LB254 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have all voted who care to? Record, Mr. Clerk. [LB254]

CLERK: 32 ayes, 0 nays, Mr. President, on the advancement of LB254. [LB254]

SENATOR GLOOR: The bill advances. Mr. Clerk. [LB254]

CLERK: Mr. President, the next bill is LB408, a bill by Senator Sullivan. (Read title.) The bill was introduced on January 22, referred to the Education Committee, advanced to General File. I have no amendments to the bill, Mr. President. [LB408]

SENATOR GLOOR: Thank you, Mr. Clerk. Senator Sullivan, you're recognized to open on LB408. [LB408]

SENATOR SULLIVAN: Thank you, Mr. President, and good morning colleagues. This bill is very simple. Now when I say that, perhaps that puts up a red flag to some by

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saying, nothing is ever that simple around here. But, really, this bill does nothing more than move the certification date for TEEOSA from March 1 to June 1. In essence, the deadline for the Department of Education to certify to our 249 school districts the state aid that they will be receiving for 2013-14 school year, the deadline will be not March 1, but June 1. I'm recommending this date change in order to allow the Education Committee an opportunity...and you folks as well, ultimately, an opportunity to discuss the state aid proposals. The hearings on those bills will be next week before our committee. You may have already heard that June 1 just does not work for school districts. Admittedly, school districts want to get that information as early as possible. Does it cause major problems for them by putting this date further out there? Well, that's a matter of opinion. But I will tell you that if we certify too early and then have to recertify, that can cause big problems. And also along with that, the Department of Education has assured me that they do not plan to wait until June 1 in the event that we are able to move a TEEOSA bill, and as soon as it is passed, they will work towards certifying aid as soon as possible following the passage of any legislation this session. I want to give you a little background, if you will, concerning the current situation with respect to state aid. All four years I've been down here and a member of this body, we have had to take steps to control the growth in state aid. And, of course, it wasn't something that we wanted to do. But we were dealing with a deep nationwide recession and also a huge state budget shortfall. So under current law, those provisions that we had put in place to curtail and limit the growth of state aid, all of those provisions under current law sunset. And as a result, if we do nothing under current law, state aid would grow over 11 percent for this coming year and another 6 percent the second year of the biennium. I think there's a vein of practicality and common sense, I hope, in all of us, and I would have to think that you would join me in thinking that that growth, as much as we would like it, I'd love to see 11 percent growth in state aid, is probably not practical. We are just now easing out of a recession and some will say, oh, we aren't even close to doing that; we may even be looking at a turnaround to the downside. And in addition to that, we have some pent up needs of districts and we have some anticipated additional requirements with respect to the retirement systems for school employees. All of this means that there are still a lot of moving parts in terms of the total aid that we will, hopefully, be providing to school districts. So that makes me reluctant to have this early certification date of March 1. The Education Committee, and all of us in this body, need time to look at the proposals, to deliberate on them and discuss them. And we don't need to have the additional pressure of making those decisions too early in the process. So again, this bill simply changes the certification date from March 1 to June 1. I would appreciate your support in advancing LB408. Thank you, Mr. President. [LB408]

SENATOR GLOOR: Thank you, Senator Sullivan. We now move to discussion. Senator Dubas, you're recognized. [LB408]

SENATOR DUBAS: Thank you, Mr. President; good morning, colleagues. It seems like as often as we talk about state aid we talk about changing the certification date. I know

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we have moved this date around multiple times. And I do appreciate the fact that it is a hardship for our school boards and our administration when this continues to be a moving target. We put additional requirements on the schools as far as the negotiating process and getting their budgets set, and school boards and administrators need to prepare if they have to send out RIF notices not knowing what is going on. And it just seems to me like June 1 is really pushing that date out there. And I would appreciate if Senator Sullivan would respond to some questions for me. [LB408]

SENATOR GLOOR: Would you yield, Senator? [LB408]

SENATOR SULLIVAN: Yes, I would. [LB408]

SENATOR DUBAS: Thank you, Senator Sullivan. As I said, it seems like June 1...you know, I get where we're at in the Legislature, as far as needing to make sure that we know what is going on with state aid and that the full body has the opportunity to engage in that debate and that discussion, but I do believe that this is a hardship for our school districts when we push it out to June 1. And even though the department may be saying, oh, we're just almost certain that it's not going to go that late, there is still that uncertainty for our school boards and as they're...as I said, when they're working on putting their budgets together, they're negotiating, you know, any possibly RIF notices, I think this really boxes them in where they...while I get, maybe, the need to move it out, it just seems that June 1 is too far. And I noticed...I believe it was the school boards association that testified in opposition to this bill, could you give me some insight as to some of the things they said. [LB408]

SENATOR SULLIVAN: Well, first of all, you have to understand that this certification date has, quite frankly, never been set in stone. It's literally been, sort of, a bouncing ball and it has been changed repeatedly. And oftentimes, over the past 10, 15 years, it's been later than June 1. And have districts been able to deal with it? I would venture to guess, yes. I mean, and it's only, I think, not necessarily right, but appropriate that a school board association would advocate for their boards because they want this information as soon as possible. I will also tell you, though, that during the hearing it was noted that there are only 14 school districts in the state that have not settled in negotiations at this point. So they can work around this. Is it a major hardship? I don't think so. Is it an inconvenience? Yes. [LB408]

SENATOR DUBAS: I do appreciate that insight. I guess I will listen as the discussion goes forward. It just...as you said, this date has been a bounding ball and it does make it difficult for planning for our school boards. And I think the changes that we made, especially in the areas of negotiations, I think, you know, there was some hesitancy there at the beginning with those changes, but appears that it is working well for our school districts as far as getting those discussions going earlier and allowing for settlements to be done and agreements to be done in a quicker fashion. But I just...June

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1 just...it's just causing me some consternation. So I'll continue to listen. Thank you, Senator Sullivan. [LB408]

SENATOR GLOOR: Thank you, Senator Dubas and Senator Sullivan. Senator Wallman, you are recognized. [LB408]

SENATOR WALLMAN: Thank you, Mr. President. Members of the body, here we go. Our priorities, where are we putting them? We say we're all for public education. Well, it costs money. And we always seem to balance our budget on healthcare or education. And we've got to find a better way. We got to have a better funding mechanism for public schools because it's transfer, shifting taxes from one area to the other and how do we pay for things. Ag land, small business, they're picking up a big share. And should they be? It ought to be everybody's responsibility. And a neighboring state has income and sales tax help fund public schools which the great Governor Tiemann did years ago here. And a certain percent goes from sales tax to public schools. And I appreciate what the Education Committee is trying to do here. And...but it ain't right. It's not right to withhold all this monies from our public schools so they don't know what they're going to do. And so they set their property tax rates and everything, and so we've got to find a better way. And thank you, Mr. President. [LB408]

SENATOR GLOOR: Thank you, Senator Wallman. Are there additional senators who wish to be recognized? Seeing none, Senator Sullivan, you're recognized to close on the advancement of your bill. [LB408]

SENATOR SULLIVAN: Thank you, Mr. President. And I appreciate the questions and comments that came forward. And just one note, I wanted to emphasize while we're setting under this Legislation the certification date at June 1, it's...the language is "on or before" so we will try our best to get a bill to this body to be deliberated on so we can do our work as swiftly as possible and get that information so school districts know what they have to deal with. Thank you. [LB408]

SENATOR GLOOR: Thank you, Senator Sullivan. Members, you've heard the closing on LB408. The question is the advancement of LB408 to E&R Initial. Those in favor vote aye; those opposed vote nay. Record, Mr. Clerk. [LB408]

CLERK: 35 ayes, 0 nays, Mr. President, on the advancement of LB408. [LB408]

SENATOR GLOOR: Thank you, Mr. Clerk. Members, it has been brought to my attention that a certain senator who wishes to remain anonymous is celebrating a birthday today; his initials are William Avery. (Laughter) Congratulations, Senator Avery. Continuing with General File, Mr. Clerk.

CLERK: Mr. President, LB135 is a bill by Senator Avery. (Read title.) The bill was

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introduced on January 11, referred to the Education Committee, advanced to General File. There are Education Committee amendments pending, Mr. President. (AM64, Legislative Journal page 361.) [LB135]

SENATOR GLOOR: Thank you, Mr. Clerk. Senator Avery, you're recognized to open on LB135. [LB135]

SENATOR AVERY: Thank you, Mr. President. And thank you, colleagues, for that recognition, I was trying to keep it secret. The bill that I'm bringing here is LB135. And it's very simple, it says that all...that "no member of a community college area board shall be engaged in a contract to teach with the community college area which he or she serves as a board member." This bill came to me from the Nebraska Community College Association. They were seeking to deal with a situation that has developed at Southeast Community College where a faculty member ran for and was elected to the Board of Governors of Southeast Community College. And, of course, this presents a number of conflicts of interests, certainly potential ones, where you have a member of a board of directors who is also an employee of the institution. And just by way of review, boards of directors, or boards of governors, have responsibility for negotiations, advancing technology, consolidation or growth of the institution, personnel evaluations, and contract reviews, programming, standards of research, financial and salary decisions. So if you can serve in the teaching capacity and also serve on the board, you are, in fact, the boss of your boss. And I'm sure that Senator Harms could speak directly to the difficulties that would raise. The lines of supervision are blurred. Potentially the educator is the boss of their own department heads creating possible situations of difficulty in maintaining proper discipline and certainly proper lines of communication and responsibility. The Education Committee has an amendment to this that applies this restriction to all employees, not just to faculty. I think that's a good amendment. But it seems to me that this is something we need to discuss and is something that we ought to restrict. I would point out that during the hearing no one opposed this. And the current president of the Board of Governors of Southeast Community College, a Mr. Robert Feit, spoke in favor of it. So I would ask that you advance this bill because we cannot afford to have institutions in which we have put public trust in situations where we have possible threats to that trust because of conflicts of interest. So with that I would yield to the Chair of the Education Committee for the amendment. Thank you, Mr. President. [LB135]

SENATOR GLOOR: Thank you, Senator Avery. As the Clerk stated, there are amendments from the Education Committee. Senator Sullivan, as Chair of that committee, you're recognized to open on the committee amendments. [LB135]

SENATOR SULLIVAN: Thank you, Mr. President. And as Senator Avery so eloquently outlined, you've got the parameters set in the proposed legislation, but what this amendment does, it just expands it that the proposed restriction to board members is

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restricted to anyone who is employed in any capacity, not only contracted teachers. So in other words, anyone that is employed in any capacity cannot serve on the board. They can run for it, but once, if they were elected, then they would have to resign that employment before they could serve on the board. That's simply what the amendment does, and I request your green vote to advance the amendment...to approve the amendment. Thank you. [LB135]

SENATOR GLOOR: Thank you, Senator Sullivan. Members, you've heard the opening on LB135 and the committee amendments. We now move to floor discussion. Senator Hadley, you're recognized. [LB135]

SENATOR HADLEY: Mr. President, would Senator Avery yield to a question? [LB135]

SENATOR GLOOR: Senator Avery, would you yield? [LB135]

SENATOR AVERY: Yes, I will. [LB135]

SENATOR HADLEY: Senator Avery, I just pulled up the Board of Directors for Southeast Community College and I noticed they have a faculty representative on the board. Is that a full-voting member on the board of what is the role of the faculty representative that is on the board? [LB135]

SENATOR AVERY: It is advisory, nonvoting. [LB135]

SENATOR HADLEY: Okay, that answers my question. Thank you, Mr. President. [LB135]

SENATOR GLOOR: Thank you, Senator Hadley and Senator Avery. Are there other senators who wish to be recognized? Seeing none, Senator Sullivan you're recognized to close. Senator Sullivan waives. Members, the question is, shall the committee amendments to LB135 be adopted? Those in favor vote aye; those opposed vote nay. Have all voted who care to? Record, Mr. Clerk. [LB135]

CLERK: 34 ayes, 0 nays, Mr. President, on adoption of committee amendments. [LB135]

SENATOR GLOOR: The amendment is adopted. Discussion now continues on the advancement of LB135 to E&R Initial. Seeing no senators wishing to speak, Senator Avery, you're recognized to close on the advancement of your bill. [LB135]

SENATOR AVERY: Thank you, Mr. President. I would just say that I find the committee amendment to be an improvement on the bill. It expands the authority. And this is merely a commonsense proposal that will, hopefully, eliminate even the potential

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conflict of interest that might occur in community colleges where employees may run for and be elected to the board of governors. We have to be careful about these conflicts of interest because public trust is at stake. With that I would ask you to advance LB135. Thank you, Mr. President. [LB135]

SENATOR GLOOR: Thank you, Senator Avery. The question is the advancement of LB135 to E&R Initial. Those in favor vote aye; those opposed vote nay. Record, Mr. Clerk. [LB135]

CLERK: 32 ayes, 0 nays, Mr. President, on the advancement of LB135. [LB135]

SENATOR GLOOR: The bill advances. (Visitors introduced.) Thank you. Mr. Clerk, continuing with General File. [LB135]

CLERK: Mr. President, LB252 is a bill by Senator Adams. (Read title.) The bill was introduced on January 16 of this year, referred to the Education Committee, advanced to General File. There are Education Committee amendments pending, Mr. President. (AM62, Legislative Journal page 361.) [LB252]

SENATOR GLOOR: Thank you, Mr. Clerk. And, Senator Adams, you're recognized to open on LB252. [LB252]

SPEAKER ADAMS: Thank you, Mr. President, and members. I'm back again with a second revisory bill to make technical corrections and, quite frankly, the Clerk's reading of title is probably sufficient introduction as well. All this bill simply does is to realign subdivision numbers and harmonize subdivision language, political subdivision language, throughout the bill. That is the essence of it. Thank you, Mr. President. [LB252]

SENATOR GLOOR: Thank you, Senator Adams. As the Clerk stated, there are amendments from the Education Committee. Senator Sullivan, as Chair of that committee, you're recognized to open on the committee amendments. [LB252]

SENATOR SULLIVAN: Thank you, Mr. President. And this amendment simply then provides a little more technical revisions. What it specifically does, it takes out specific references to agencies. They're already in statute required to collaborate and coordinate, but this does not reference specific ones in statute. We thought that would be a cleaner way to approach it. So I encourage adoption of this amendment. Thank you. [LB252]

SENATOR GLOOR: Thank you, Senator Sullivan and Senator Adams. Members, you've heard the opening on LB252 and the Education Committee amendments. We now move to floor discussion. Are there senators wishing to be recognized? Seeing no

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lights on, Senator Sullivan waives closing. Members, the question before us is, shall the committee amendments to LB252 be adopted? Those in favor vote aye; those opposed vote nay. Have all voted who care to? Record, Mr. Clerk. [LB252]

CLERK: 34 ayes, 0 nays, Mr. President, on the adoption of the Education Committee amendments. [LB252]

SENATOR GLOOR: The amendment is adopted. We move to further discussion on LB252. Seeing no lights on, Senator Adams waives closing. Members, the question is the advancement of LB252 to E&R Initial. Those in favor vote aye; those opposed vote nay. Record, Mr. Clerk. [LB252]

CLERK: 32 ayes, 0 nays, Mr. President, on the advancement of LB252. [LB252]

SENATOR GLOOR: The bill advances. Mr. Clerk. [LB252]

CLERK: Mr. President, items: Senator Haar would like to print an amendment to LB211; Senator Gloor to LB147. I have notice of hearing from the Agriculture Committee signed by Senator Schilz as Chair. (Legislative Journal pages 387-391.) [LB211 LB147]

And I do have a priority motion. Senator Seiler would move to adjourn the body until Friday morning, February 8, at 9:00 a.m.

SENATOR GLOOR: Members, you have heard the motion to adjourn until Friday morning at 9:00 a.m. Those in favor say aye. Those opposed say nay. We stand adjourned.