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Floor Debate
April 23, 2013

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SENATOR KRIST PRESIDING

SENATOR KRIST: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the sixty-fifth day of the One Hundred Third Legislature, First Session. Our chaplain for today is Pastor Penny Schulz from Dunbar/Auburn Presbyterian Church in Dunbar, Nebraska, Senator Watermeier's district. Please rise.

PASTOR PENNY SCHULZ: (Prayer offered.)

SENATOR KRIST: Thank you, Pastor Schulz. I call to order the sixty-fifth day of the One Hundred Third Legislature, First Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

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

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

CLERK: I have no corrections this morning, Mr. President.

SENATOR KRIST: Are there any messages, reports, or announcements?

CLERK: Mr. President, at this time I have neither messages, reports, nor announcements.

SENATOR KRIST: Thank you, Mr. Clerk. We'll now proceed to the first item on the agenda.

CLERK: Mr. President, LB623 is a bill by Senator Price. (Read title.) The bill was introduced on January 23, referred to the Transportation and Telecommunications Committee, advanced to General File. There are committee amendments, Mr. President. (AM518, Legislative Journal page 678.) [LB623]

SENATOR KRIST: Thank you, Mr. Clerk. Senator Price, you are recognized to open. [LB623]

SENATOR PRICE: Thank you, Mr. President, members of the body. Good morning and

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welcome back. LB623 is a bill that...what we're basically doing is raising a threshold that was set in 1988 and the threshold is \$60,000 and we're raising it to \$100,000. Now in the original green copy we raised it...we proposed to raise it to \$150,000. But with the committee's help, we were able to bring that down to \$100,000 and this assuaged any of the concerns that were expressed during the hearing. And what we're doing here in LB623 is saying that when a county has a road construction, particularly with bridges, that exceeds \$60,000 they can now do that inhouse or they may still bid it out; but instead of having to go to a formal process, a formal bid process, they can utilize the County Purchasing Act for an informal bid process. And hopefully what we're going to see here is that a county can get the work done inhouse. That way we're having better stewardship of our manpower and our dollars. When we go to a formal bid process, there's a cost to allocation there that has to be met and therefore drives up the cost of actually getting the work done. By doing this inhouse, a county, such as the county that I live in and reside in, Sarpy County, they can go ahead and do something like a box culvert and get that done again with the organic capabilities they have instead of having to go out to a bid at all times. Again, this bill did come out of committee clean with the amendment added to it with no objections and no concerns. And with that I will yield time to the Chair so we can talk about the amendment. Thank you. [LB623]

SENATOR KRIST: Thank you, Senator Price. (Doctor of the day introduced.) As the clerk stated, there are amendments from the Transportation Committee. Senator Dubas, as the Chair of the Committee, you are recognized to open on the amendments. [LB623]

SENATOR DUBAS: Thank you very much, Mr. President. Good morning, colleagues. The amendment is one line and it strikes "50," so as Senator Price mentioned, the original amount in there was \$150,000, now it's down to \$100,000. Senator Price has worked very closely with all of the interested parties to come up with this. As he said, it's been a considerable amount of time since this has been visited and the amount that was in statute certainly doesn't fit the times that we're in now as far as costs. And I hope you, especially, paid attention when he talked about the "informal" versus the "formal" bidding process. That's very important. I want the body to understand that, you know, those are two separate processes, but they are still very much...there aren't deals being made behind closed doors, there is still scrutiny that goes on with these bidding processes. So things will still be very open and transparent. And as I said, the amendment simply, through the negotiation and the work that Senator Price did, lowers that maximum from \$150,000 to \$100,000. Thank you. [LB623]

SENATOR KRIST: Thank you, Senator Dubas. You've heard the opening on LB623 and AM518. Those wishing to speak: Senator Price, Senator Mello, Senator Chambers. And Senator Price, you are recognized. [LB623]

SENATOR PRICE: Thank you, Mr. President. And thank you, Senator Dubas, and the

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committee counsel, and the Transportation and Telecommunications Committee for working on the bill. I wanted to go back and just give a little bit of history so we can have a size and understanding of what we're dealing with here. In 1955, one of the first changes we had, we went from \$500 to \$2,000; so we had 100 percent increase. And as we go through...and we go in 1969 we went from \$2,000 to \$5,000, so that's a 150 percent increase. What's interesting, LB115 was adopted and it went from \$5,000 to \$40,000. So what you see here is as these rates and...as costs go up and the rates go up, that's when we see the changes and the thresholds for the dollar amount. We're also talking about changing the gravel, let's say they're buying the gravel for the approach to a bridge or on a road, the county...we're moving from \$10,000 to \$20,000. And we all understand the costs today of materials and inputs. We couldn't get away from that in some of our conversation before, and we can't escape that with our economy. So again, the important aspects here that we see is the thresholds have gone up by greater percentages in the past. But we believe it's prudent at this threshold because, again, we don't want to size the work so large that we would be harming industry in any way, shape, or form. But we do want to be able to say that we're utilizing organic resources prudently and getting work done within the community such that we're mindful of our limited dollars. I would tell the body that on average a formal bid process would cost upwards of \$5,000. That would be the overhead added to the actual costs of doing the work. So again, by doing this on the occasions that we do get to implement using this higher threshold, we would be saving money in the long run. Thank you, Mr. President. [LB623]

SENATOR KRIST: Thank you, Senator Price. Senator Mello, you're recognized. [LB623]

SENATOR MELLO: Thank you, Mr. President, members of the Legislature. I'm going to speak today, nothing in relationship to LB623. But looking at the agenda today, I thought it was advantageous for the Appropriations Committee, while we are still in the process of finalizing our budget, to give the floor an update in regards to where we may be fiscally as we finalize a budget. Assuming that the Education Committee is able to produce a TEEOSA bill that fits within the compromised, agreed amount between Senator Sullivan's committee and the Appropriations Committee, we are estimating with the final actions that the Appropriations Committee has taken at this moment in time, that we will be able to leave about \$41 million above the minimum reserve for other pieces of legislation for the floor. I tell you that in part because as some of the dialogue that has occurred over the last couple of days and as the Appropriations Committee has finalized 99 percent of our decisions, it's...I believe, and I think the committee also believes that it's worthwhile that members start to consider pieces of legislation when not just in regards to their policy impacts, but, ultimately, their fiscal impacts, because you will see on the agenda today we have a significant number of pieces of legislation with, I would say, sizeable fiscal notes, which as I have mentioned before, not all pieces of legislation will be able to pass under our current fiscal conditions. To give a better

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context, that \$41 million also includes the roughly \$2.3 million lapse from the Supreme Court to cover the costs of the judges salary bill that we debated early last week. That money also incorporates lapses that we took from other agencies, so to speak, to help create more of a bottom line with our post-revenue forecast back in February. While we're still finalizing the budget and still finalizing the budget book, and when the committee produces a budget on May 1, we'll be able to give a more clear projection and a more clearer, I think, picture in regards to what the forecasting board meeting will show later this week; what, ultimately, the actions of the committee shows. But, ultimately, the Legislature and the floor, in general, will have to make the determinations of what other priorities the Legislature wants to fund this legislative session. I believe that the amount that we're leaving for the floor is an amount that I feel comfortable with. It's an amount that is a little slightly higher than what was my initial goal after we finalized a preliminary budget. But in conversations, I think, with most senators, there's a significant number of policy issues that members want to try to address that have some kind of fiscal impact outside of the budget. I see today one of those big issues is Judiciary Committee's juvenile justice reform efforts that has a sizeable fiscal impact to the state depending upon what aspects of those bills we may or may not adopt. Senator Hadley I've spoken with in regards to Revenue changes that may or may not pass that have sizeable fiscal impacts to this state. I've spoken with Senator Campbell as well in regards to a variety of different Health and Human Services Committee-related issues that do have some sizeable fiscal impacts in regards to our child welfare, and to some extent, our early childhood education, child care subsidy issues. There's a significant number of policies that we're going to have to debate over the next month that, ultimately, will impact, I would say, the state's bottom line fiscally. My hope is that the tentative amount that we've kind of finalized at this moment in time for the floor is something that will meet a significant number of those, I think, demands from various committees. It's our hope that we can, ultimately, live within those means, so to speak, of that \$41 million number. [LB623]

SENATOR KRIST: One minute. [LB623]

SENATOR MELLO: But also realize, colleagues, that there's a caution to this. That the reality is is that even if these bills do pass and get to Final Reading, not all bills will become final...will be finalized and be voted on by the Legislature and be sent to the Governor. And no doubt, I firmly believe that the Governor probably will veto some bills and send them back to the Legislature for one reason or another and that could include their fiscal costs. So, please, as I give this information, take it with a bit of caution that if you do have a bill that has a sizeable fiscal note and it's something that you want to fit within this \$41 million framework, realize that that number...one, we don't anticipate to change, but two, just because it may fit within the framework doesn't mean that it will become law, that there are many hurdles, not just within our own Legislature, but, ultimately, a Governor who has the ability and the constitutional right to veto legislation and send it back to us may, ultimately, not pass those laws and may, ultimately, end

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those fiscal notes on his desk as well. [LB623]

SENATOR KRIST: Time, Senator. [LB623]

SENATOR MELLO: Thank you, Mr. President. [LB623]

SENATOR KRIST: And thank you, Senator. Senator Chambers, you are recognized. [LB623]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, I would like to ask Senator Price a question. [LB623]

SENATOR KRIST: Senator Price, will you yield? [LB623]

SENATOR PRICE: Absolutely. [LB623]

SENATOR CHAMBERS: Senator Price, I read the bill and by way of disclaimer, I again had thought that that LB407 that was before us yesterday would go for a couple of days, so, miscalculating, I didn't focus on following bills. This is one of those that I had not looked at. Senator Price, I've looked at this bill and I don't see where it makes any distinction among the counties based on their size, so any county would be able to have projects of \$100,000 that would fall under this bill, is that correct? [LB623]

SENATOR PRICE: That is correct. [LB623]

SENATOR CHAMBERS: Why do you think that amount...any amount was put in and required to be let to bid? [LB623]

SENATOR PRICE: Well, I believe that this threshold...this bill and the statute works closely with the County Purchasing Act. And what happened there is, we wanted to make sure the...I don't want to use profane or slang, but the good ol' boy network wasn't ruling the day; that we had a very formalized, or a very discreet process by which tax dollars would be spent. Therefore they have a formal bid process and an informal bid process, both which are highly prescriptive within the County Purchasing Act and that all begins at a threshold. [LB623]

SENATOR CHAMBERS: But this would allow a county to assign a contract to somebody without there being a bid on it. [LB623]

SENATOR PRICE: No, that would not. [LB623]

SENATOR CHAMBERS: Tell me how that would not happen based on the language here. [LB623]

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SENATOR PRICE: Okay. The language refers back towards the County Purchasing Act. And the County Purchasing Act clearly prescribes that there would have to be...anytime you spend more than \$5,000... [LB623]

SENATOR CHAMBERS: Um-hum. [LB623]

SENATOR PRICE: ...that you have to have a credible bidder, three credible bidders. So at the lowest threshold above that \$5,000 warrant, you have to have three credible bids that (inaudible). The difference between the informal and the formal bid is, in a formal bid process, over the \$60,000, there are very prescriptive, legal determinants made on requirement generation, how you do the award of the contract to ensure that there was a fair and open process to all bidders and so therein lies the slight difference. They're saying below that warrant level \$60,000, but above \$5,000 we believe that it is in the best interest of the county and the tax dollars to let the work go forward by having three responsible bids. But they must have three bids. [LB623]

SENATOR CHAMBERS: Senator Price, on possible peril to your immortal soul, will you assure me that this bill does not play into the good ol' boys type arrangement where a contract of \$100,000 could be given by the county to whomever the county pleased without any bid? [LB623]

SENATOR PRICE: Absolutely. [LB623]

SENATOR CHAMBERS: Absolutely what? (Laughter) [LB623]

SENATOR PRICE: You asked me would I guarantee you that and I said yes, absolutely. [LB623]

SENATOR CHAMBERS: Okay, thank you very much. I just wanted the record to be clear because formal and informal had been mentioned. And if somebody were to see this piece of legislation and come back to the legislative record, it would be there now and I think you made it crystal clear. Thank you. That's all the questioning that I have. [LB623]

SENATOR KRIST: Thank you, Senator Chambers and Senator Price. Senator Pirsch, you are recognized. [LB623]

SENATOR PIRSCH: Thank you, Mr. President, members of the body. You know after that grilling that Senator Chambers just gave Senator Price, I don't know if I can add anything to it. So I would yield Senator Price the balance of my time should he desire to use it. [LB623]

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SENATOR KRIST: Senator Price, you are yielded 4 minutes and 40 seconds, should you want to use it. [LB623]

SENATOR PRICE: Thank you, Mr. President. Thank you, Senator Pirsch. And I will use a brief part of that time and I will not take up too much. I appreciate the question that Senator Chambers had. And that idea we just now spoke of, suspending understanding to make sure the record is clear. As many of you know, it is a passion of mine to deal with acquisitions, contracts, and whatnot, if you would, and that understanding that there would be a process in place that protects the people and the tax dollars that are expended by counties. And also that we know that this would be available to all the counties so that everybody enjoys the same threshold and that there are no...there's no delineation between the availability of this tool for everybody. So with that, I will yield the balance of my time back to the Chair. Thank you. [LB623]

SENATOR KRIST: Thank you, Senator Price. Seeing no one else in the queue, Senator Dubas, you're recognized to close on the committee amendment. [LB623]

SENATOR DUBAS: Thank you very much, Mr. President. I'd also like the body to know that the same questions that Senator Chambers and others have raised were the exact same issues we talked about in committee; was a very strong concern about ensuring that there was still a bidding process in place and that there was protocol that would be followed. And it was after that discussion and those questions being answered very specifically that the committee was comfortable with the amendment and the bill. So I'd appreciate your support for AM518 and LB623. Thank you. [LB623]

SENATOR KRIST: Thank you, Senator Dubas. You've heard the closing. The question is, shall the committee amendments to LB623 be adopted? All those in favor vote aye; opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk. [LB623]

CLERK: 31 ayes, 0 nays on adoption of committee amendments. [LB623]

SENATOR KRIST: The amendment is adopted. Any further discussion on LB623? Seeing none, Senator Price, you're recognized to close. [LB623]

SENATOR PRICE: Thank you, Mr. President and members of the body. I'd like to express my gratitude to the committee, to the committee clerk, and to those who worked both through the AGC and others who worked to make sure that this bill was in the proper shape for debate on the floor and I do appreciate your support and would ask for a green light going forward. Thank you. [LB623]

SENATOR KRIST: Thank you, Senator Price. You've heard the closing on LB623, the question is the advancement of LB623 to E&R initial? All those in favor vote aye; those opposed vote nay. Please record. [LB623]

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CLERK: 34 ayes, 0 nays, Mr. President, on the advancement of LB623. [LB623]

SENATOR KRIST: The bill advances. Next item. [LB623]

CLERK: Mr. President, on LB522 is a bill by Senator Christensen. (Read title.) The bill was introduced in January; on January 23, referred to the Natural Resources Committee. The bill was advanced to General File. There are committee amendments, Mr. President. (AM709, Legislative Journal page 788.) [LB522]

SENATOR KRIST: Thank you, Mr. Clerk. Senator Christensen, you're recognized to open on LB522. [LB522]

SENATOR CHRISTENSEN: Thank you, Mr. President. LB522 addresses a change in policy that I hope that I can fully explain to you guys as we go through this bill, that there has been a change from DNR stance. LB522 addresses the concern of this new approach from the Department of Natural Resources, or DNR, that surface water could be taken from a landowner and irrigation districts without compensation. Compensation was negotiated between DNR in 2006 and in 2007 with the irrigation districts being affected. Now the state has decided the surface water irrigators should sacrifice their water for the state compliance because it is easier and faster to meet compact compliance than the regulation of groundwater. Groundwater has a lag effect, meaning effects to the stream for many years not just the first year as surface water. Surface water should not be a sacrificial lamb but an equal partner to groundwater in hitting compliance. Surface water recharges the groundwater aquifer as well as delivers water to farmers to irrigate crops and pastureland. In recognition of the importance of surface water for state compliance and to groundwater irrigators and for the irrigators of land for the farmers, I have introduced LB522. LB522 sets up a process for reimbursing farmers for water forfeited to the state for state compliance that was taken without the willingness or an option. In 2006-2007, the state negotiated the purchase of water from irrigation districts. The state, this year, decided the state could just take without compensation from irrigation districts or farmers. The resulting loss will be approximately \$600 per acre to the farmers, being the difference between an irrigated crop and a dryland crop in value. The formula in the bill uses the value of a lease for a willing conversion of irrigated land to dryland for a one-year cropping practice. LB522 places a cap at \$300 per acre, exactly about half of what the compensation should be. Although average dryland conversion leases this year that I'm using in my formula average \$432 in the Lower Republican, I have put the \$300 cap in for fiscal reasons. This bill also places a cap in the bill not to exceed \$10 million. The A bill on LB522 with the amendments that I have proposed will be down to \$1.7 million, not the \$10 million that you see for 2013, and \$1.7 million for 2014. The balance is the cash fund from the Water Resources Cash Fund created in 2007 for the same purpose. LB522 is important as it sets forth policy and continues the payment for the using of a water right given by

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the state to farmers for beneficial use, than taken without a choice from those with the right to use the water right. I would be glad to answer any questions and look forward to answering any questions. Thank you. [LB522]

SENATOR KRIST: Thank you, Senator Christensen. As the Clerk stated, there are amendments from the Natural Resources Committee. Senator Carlson, as the Chairman of the committee, you are recognized to open on the amendments. [LB522]

SENATOR CARLSON: Thank you, Mr. President and members of the Legislature. AM709 was voted on and advanced by the Natural Resources Committee. As soon as I'm done making remarks, then Senator Christensen will amend AM709 and it really replaces it. So AM709 as it's now printed doesn't serve a whole lot of purpose other than the fact that it's there. The discussion in the Natural Resources Committee was that when irrigators are not able to irrigate because of a decision by the department or by the NRDs that would not allow irrigation for a particular year, and there's no compensation planned for or allowed in that decision, that it makes sense to have a discussion on this topic. And so the committee felt that this bill should be advanced to the floor for discussion. In this bill we're talking about surface water; and surface water is water that comes down the streams, goes into reservoirs. And then there are senior and junior rights that irrigation districts or individual irrigators have to divert water out of the stream for irrigation. In the case that we're talking about this year, irrigation districts in the Republican Basin at this point are not allowed to divert water, and so they will not have water for irrigation and there isn't any form of compensation that they receive for not irrigating. This is...as I said earlier, this is surface water. We have a similar situation that can occur with groundwater irrigation where people have wells. And in the Republican Basin it's possible in water-short years that wells that are near the stream won't be able to pump any water and won't receive any compensation. So this bill is talking about surface water. A similar situation can occur with groundwater. And the issue is, when these decisions are made, should there be compensation for those that are affected? The difficulty is really magnified because if an individual that's used to using surface water for irrigation and has no well and doesn't get any water, the neighbor has a well and will be able to pump a full allocation; so there's water available. And that's pretty tough to take when you look across your fence and you can't irrigate and your neighbor can. In the case of groundwater irrigation, those wells that are near the stream in a water-short year that cannot pump water; then when you go across the fence and the neighbor is far enough away from the stream they can pump a full allocation. So it's a difficult situation. And what's fair and what should be done? And we're talking about a rather significant amount of money. So I think this is an important discussion to have and Senator Christensen has the bill. He will be coming forth with his amendments. And as this discussion moves forward, I would be happy to address questions and answer those that you may have. Thank you, Mr. President. [LB522]

SENATOR KRIST: Thank you, Senator Carlson. Mr. Clerk for an amendment. [LB522]

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CLERK: Mr. President, Senator Christensen, I have AM978 but I have a note that you wish to withdraw. That was one you had filed in early April, Senator. [LB522]

SENATOR CHRISTENSEN: Correct. [LB522]

CLERK: Mr. President, Senator Christensen would move to amend the committee amendments with AM1071. (Legislative Journal page 1073.) [LB522]

SENATOR KRIST: Senator Christensen, you're recognized to open on your amendments to the committee amendments. [LB522]

SENATOR CHRISTENSEN: Thank you, Mr. President. AM1071 does amend the committee amendments AM709 with a process that I talked about earlier that will put in the \$10 million cap so that we all understand that this is not going to be a runaway cost to the state, that it also utilizes the Water Resources Cash Fund that was created for this exact very purpose. In 2007 or '08, we created that fund to allow farmers to be compensated for the water that they were forfeiting for the benefit of the state's compliance in the three-state compact. What I'm hoping that you'll take into consideration here as we discuss this bill is the fact when we do Senator Carlson's water study, LB517, there will be a number of issues brought up and proposals looked at that will prevent this from being an ongoing expense to the state. We realize this has happened twice. One in my, this being my seventh year, that we've taken care of the year prior to that, and it has always been in very dry years. But unfortunately I know the state doesn't like this. There are some things that are occurring in the Republican right now for management tools to avoid this, from augmentation projects that are going forth that will keep water in the streams for compliance, as well as the dry year leases and the land retirements that have been occurring that the NRDs have implemented that will lead towards long-term compliance of the Republican River district so that the state isn't looking at the threats of lawsuits from Kansas or the inability to be in compliance. Unfortunately, any project that you step up and look towards implementing in the Republican has been challenged in court just about every step along the way, which has caused delays in implementation, which then has turned around into the need of the money to compensate the surface guys that will give up their money. And that's what this amendment is setting up: the ability so that we can compensate them farmers this year. Again, I put in some, as I just disclosed in my opening, the ability to limit it very narrowly. It's about half of what it should be. I've got a lot of very unhappy farmers that have been that aggressive on limiting the amount, but at the same time I'm working with them to say, you know, we've got to work with the state; we've got to keep the state in compliance; and we also have to meet our obligations. And so that is the reason that this bill was brought forth. That is the reason that we have this amendment clarifying that we are going to compensate them but at a very small level to make sure that we have compliance in that three-state compact. So as we go through this, as I've said, I'll

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be very willing to answer the questions that come up in this discussion, and even though I know it is difficult for us to even come up, as I've got this bill proposed, with \$1.7 million this year and \$1.7 next year with the amendment, I know that it is much better than the \$10 million that if we took it all out of General Funds, and that's why I've worked on using that Water Resources Cash Fund, which again I want to remind you was set up for this very purpose during my tenure here in the Legislature. So that's what the amendment does. It sets forth the way we determine the value of the leases, which I said in my opening, if you used the formula in here, it would be \$432 an acre. That's what the Lower used as their compensation this year as an average on a willing buyer/willing seller situation, and that's how that price was determined. And then we take and reduce that by the cap of \$300 an acre and again with a state cap of not to exceed that \$10 million. So I think I have worked very intently to create something that I hope that I can get your support on and that you'll give this consideration; and at the same time, hopefully you can trust Senator Carlson and his LB517 study to come up with additional solutions to go forth in this study. I'll be working with him intently on his study and I'll be glad to answer any questions at this time. Thank you. [LB522 LB517]

SENATOR KRIST: Thank you, Senator Christensen. You've heard the opening to LB522, AM709, and AM1071. The floor is now open for debate. In the queue: Senator Wallman, Mello, Hansen, and Lathrop. Senator Wallman, you are recognized. [LB522]

SENATOR WALLMAN: Good morning, Mr. President and members of the body. And here we go on the water issue. And we set up NRDs in the past to control the water; we gave them the authority somewhat. And the only way to solve a water issue is use less water. And we pay people to not irrigate. It doesn't sound right, it doesn't smell right, but I suppose maybe that's the only way to do it. But it just doesn't seem right to do it this way. And I'm not for well moratoriums because the water underneath the ground should be all ours. It should be everybody's water. So if my neighbor pumps out from underneath my aquifer for years and years, and I decide not to, and then all of sudden the aquifer drops too low for me, whose fault is that? So we have to conserve water as a state. The Ogallala aquifer is a national treasure and we have to learn to use less and we won't produce quite as much, but we can have alternative crops and all these things; and I think that would be an answer to some of these problems. We'll never solve all the problems, folks. And that's all, Mr. President. [LB522]

SENATOR KRIST: Thank you, Senator Wallman. Senator Mello, you are recognized. [LB522]

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. First off, I genuinely want to thank Senator Christensen in regards to the work that he's been doing on LB522 over the last few weeks. As an urban senator who deals with water issues that mostly involve a \$2 billion sewer project in regards to water runoff, Senator Christensen, I think, has done a very admirable job of educating me and a few other

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colleagues in regards to learning a little bit more of the intricacies of the Republican River Valley water issues. And his amendment, AM1071, I think is based on a lot of conversations that we've had over the last couple of weeks, and I appreciate where he's trying to go in regards to being conscious of, I think, the fiscal realities of what he wants to do with LB522, also understanding that Senator Carlson's water study has a significant role in regards to any kind of water funding, the policy that we would be creating over the next couple of years. So I'll try to keep my comments partially on the underlying amendment but also a little background in regards to what the fiscal impact may be of AM1071, which rewrites the bill. In speaking with the Fiscal Office, there's some technical issues that will need to be addressed with AM1071 regardless of whether the body chooses to utilize General Funds or cash funds to move the bill forward. That's the first thing. There's some issues that have been raised in regards to whether or not there's a method that's established to factor in the temporary closings, as well as the percentage of reimbursements. It doesn't prohibit some of the reimbursements from being carried over, year over year. There's no sunset on reimbursements in regards to the water users, as well as the technical issue that needs to be clarified, which is it doesn't actually require the Department of Natural Resources to actually utilize the funding for this specific purpose of providing reimbursement to surface water users. It lists it as an option that the department can use but doesn't mandate it, which is as I emphasized to Senator Christensen, is somewhat problematic with the purpose of what he's trying to do with AM1071. The Fiscal Office provided me a little feedback, and for the returning members are probably well aware of the debate we had two years ago in regards to Senator Fischer's bill, former Senator Fischer's bill that tried to take money away from the Environmental Trust for the Platte River recovery project. Ultimately, the Legislature passed a compromised version of that bill which designated the Department of Natural Resources a priority in regards to applying for Environmental Trust grants for the Platte River recovery project. And in that process they would utilize the Water Resources Cash Fund as essentially the matching funds for that Platte River recovery project. In discussing it with Senator Christensen, ultimately AM1071 seeks to utilize the Water Resources Cash Fund dollars for the Republican River Valley surface water users, which is a policy option we can consider. In talking with Senator Christensen, he knows that that's something that this body can choose to reverse that decision we made two years ago. But the Fiscal Office informed me that at this moment in time the Department of Natural Resources has acquired an Environmental Trust grant utilizing those dollars to kind of further the Platte River recovery project. So one way or another, either (1) we would hold off on the Platte River recovery project for a two-year period if we move forward utilizing the Water Resources Cash Fund. It's not saying that the dollars will go away; but the likelihood is this, is while the dollars may remain two years from now, the likelihood is that the variety of partners who are participating in that Platte River recovery project may choose to renege on their negotiated amounts that they've put in... [LB522]

SENATOR KRIST: One minute. [LB522]

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SENATOR MELLO: ...to the compromise and to the project itself, which we have to be cognizant of. And Senator Christensen, I think knows that that is a wrinkle I think that was brought forward that ultimately we're going to have to probably address if LB522 continues to move forward down the line towards Final Reading. So I want to hear more, I think from Senator Carlson, Senator Lathrop, have both been in these ongoing dialogues with Senator Christensen and myself and the Speaker in regards to how do we move forward with this issue in the Republican River Valley this year in the context of Senator Carlson's bigger-picture water sustainability study. But I think the body needs to know that there are some issues at hand that ultimately may change I think the direction where Senator Christensen may want us to have to go, utilizing those Water Resources Cash Funds. Thank you, Mr. President. [LB522]

SENATOR KRIST: Thank you, Senator Mello. Senator Hansen...I'm sorry, Mr. Speaker (sic--Clerk) for announcements. [LB522]

CLERK: Mr. President, the Judiciary Committee will have an Executive Session at 10:00 in Room 2022; Judiciary Committee at 10:00. Your Committee on Enrollment and Review reports the following bills to Select File: LB243, LB208, LB377, LB42, LB59, LB493, LB345, LB172, LB643, LB386, LB166, LB192, LB458, LB459, LB549, LB435, LB361, LB420, LB154, LB477, LB442, LB303, LB349, LB222, LB344, LB500, LB223, LB103, LB329, LB169, LB277, LB538, LB332, LB141, LB647, LB107. Some of those bills have Enrollment and Review amendments attached. Thank you, Mr. President. (Legislative Journal pages 1090-1106.) [LB243 LB208 LB377 LB42 LB59 LB493 LB345 LB172 LB643 LB386 LB166 LB192 LB458 LB459 LB549 LB435 LB361 LB420 LB154 LB477 LB442 LB303 LB349 LB222 LB344 LB500 LB223 LB103 LB329 LB169 LB277 LB538 LB332 LB141 LB647 LB107]

SENATOR KRIST: Thank you, Mr. Clerk. Senator Hansen, you are recognized. [LB522]

SENATOR HANSEN: Thank you, Mr. President and members of the Legislature. I hope that the lawyers in this body are taking note of this bill. This is probably the foundation. This is why we have lawyers in the state of Nebraska. When someone decided years and years ago, when the state was being founded, being settled, somebody decided to take water out of the river. Well, then I'm sure there were two people fighting, so there were probably two lawyers in that decision. They decided to set up a system of rights, of water rights: first in time, first in right. It's one of the oldest legal discussions we've had after we left...you know, left the East Coast. This is really important for the state of Nebraska. As I see it, the water right that these people have has been taken away from them by DNR without compensation. The last time it was negotiated, they negotiated a price and they decided that what that water right was worth, and they gave the water up and...I mean, that's the way it should be and that's the way it was done in the past. This time it's not done that way. This time it's different. I'd like to ask Senator Carlson a

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question if I could. [LB522]

SENATOR KRIST: Senator Carlson, will you yield? [LB522]

SENATOR CARLSON: Yes, I will. [LB522]

SENATOR HANSEN: Thank you, Senator Carlson. I mentioned to you a little earlier off the mike that I wanted to talk to you about price discovery, and that's a term we use when we decide what the price of that water right should be. Could you explain to the body right now in the Republican River Valley how those people pay for that right to use the water for irrigation, the water that they have now. [LB522]

SENATOR CARLSON: In the surface water districts, they pay operating and maintenance fees every year so that the district has money to manage the water that they have access to. [LB522]

SENATOR HANSEN: How do they...is it just a cost or do they pay above and beyond the cost of operation? [LB522]

SENATOR CARLSON: Well, my understanding, Senator Hansen, is that it's for the cost of operation. Now I'm not exactly sure what's in that cost of operation, but I think operating and maintenance fees take care of the expenses of the district. I don't believe that it's the price paid for water. [LB522]

SENATOR HANSEN: Okay, thank you, Senator Carlson. Would Senator Christensen yield? [LB522]

SENATOR KRIST: Senator Christensen, will you yield? [LB522]

SENATOR CHRISTENSEN: Yes. [LB522]

SENATOR HANSEN: Senator Christensen, would you answer that same question? Would you answer it the same way? Would you answer the question? [LB522]

SENATOR CHRISTENSEN: Would you repeat the question? I was talking to someone else here. [LB522]

SENATOR HANSEN: How is the price discovered on how much people in the Republican River Valley pay for their water right? [LB522]

SENATOR CHRISTENSEN: To pay for their water right? [LB522]

SENATOR HANSEN: Um-hum. They own... [LB522]

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SENATOR CHRISTENSEN: You're not talking to compensation. [LB522]

SENATOR HANSEN: They own the rights. They don't own the water but they do own the right to use that water. [LB522]

SENATOR CHRISTENSEN: Well, I don't know that there is a price put on that right because the state assigns the right to people to irrigate, whether it's through an irrigation district which is ultimately under the Bureau of Reclamation or under the state if it's a direct water permit out of the river. So they pay a fee and things this way, but there's not a direct cost for that right as I understand it. [LB522]

SENATOR HANSEN: So am I to understand then there's no annual cost that is a...? [LB522]

SENATOR CHRISTENSEN: Well, if you're under one of the Bureau of Reclamation projects, you have a contract repayment fee. Then you have the cost of the water for the maintenance and the... [LB522]

SENATOR HANSEN: Now wait a minute. How are we going to arrive at the cost of the water? That's my underlying question. [LB522]

SENATOR CHRISTENSEN: What they do is there's a board member...like, Frenchman-Cambridge I irrigate under. [LB522]

SENATOR KRIST: One minute. [LB522]

SENATOR CHRISTENSEN: I have water under one of the projects. And what they do is we have an annual meeting, we have an elected board, and we know what our obligations are over the next 40 years to finish paying off the cost of the dam and the canal system. [LB522]

SENATOR HANSEN: For 40 years. [LB522]

SENATOR CHRISTENSEN: There's...it goes through 2040 but it's been a 40- to 50-year...50- to 60-yearlong deal. It's been going on a long time. And so there's so much you pay per acre like that, which we pay generally around ten bucks an acre. And then we turn around and we pay for the cost of water, which includes maintenance and upkeep of the canals and pipelines and meters and things this way, which could run another \$20-30 an acre. [LB522]

SENATOR HANSEN: That's an irrigated acre not an acre-foot of water. [LB522]

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SENATOR CHRISTENSEN: Right. Per irrigated acre. [LB522]

SENATOR HANSEN: Okay. I think we need to be... [LB522]

SENATOR KRIST: Time, Senators. [LB522]

SENATOR HANSEN: Thank you. [LB522]

SENATOR KRIST: Thank you, Senator Carlson, Christensen, and Hansen. Senator Lathrop, you are recognized. [LB522]

SENATOR LATHROP: Thank you, Mr. President and colleagues. This is an important conversation. And I've been here seven years, this is my seventh year, and I have to tell you, almost every year some water bill comes up. And almost every year I try to wrap my brain around it and I can't really get it all the way around it because I feel like I've walked into the middle of a conversation and everybody in the room knows what's going on but me; and then we have a discussion, we move a bill, and we think we've solved the problem. And then the next year it comes back. And a week ago, Senator Christensen had a briefing on this bill and the water issues in the Republican River Valley, and I spent some time over the last week trying to wrap my brain around what's going on down in the Republican River Valley. And at the risk of telling you what you already know, let me tell you what I've learned so that you have a baseline of understanding and then you can evaluate what's going on. The Republican River Valley...the Republican River is a basin. It draws...or receives water from both Wyoming and Colorado. It comes into the state of Nebraska and then leaves by way of Kansas. We have a compact with Kansas that we've entered into. We've got to give them so much water every year. We have people who irrigate by putting their straw into the stream or a canal. They're called surface irrigators. And we have people who irrigate by putting their straw into the earth. They're called groundwater irrigators. When the groundwater irrigators irrigate, they draw the moisture out of the ground and Mother Nature replenishes it with water from the stream. The stream...water moves through the stream and it gets absorbed into the earth and that's how we replenish the aquifer--that, and rain. That's the way it works. That's the hydrology. So the problem the surface irrigators have right now is the groundwater guys are using a lot of water. They run water through the stream. It gets absorbed into the earth as it's recharging the aquifer. And now we have to comply with the compact. And so what's happened is we've said to the easiest place to get the water, the surface, you need to not put your straw in the water this year and let that all pass down to Kansas. I think more accurately they get about 2 inches of water this year, and that isn't enough. That's not...they need...out in that part of the world, if they're going to water cropland or water corn, I think they need...Senator Christensen, they need about, what, 10 inches of water, something like that? Maybe 8 inches of water. And there are allocations too. And so what you're hearing Senator Christensen say is there isn't enough water for the guys who have their

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straw in the stream, so we want to pay them something. If they had water, they'd make a lot more off their land than they will make as dryland farmers, and so we want to compensate them for the fact that there isn't enough water in the stream. Now how do we get more water in the stream? It's got to rain. Right? It has to rain or we have to be using less groundwater because it's depleting the rivers. There's a lot of different things that go into this. There's a lot of different things to go into this. Now I get the conversations that have been going on for seven years. Until we address the problem, we will have every year somebody coming back to the Legislature to say, I didn't get to use water;... [LB522]

SENATOR KRIST: One minute. [LB522]

SENATOR LATHROP: ...somebody needs to pay me because I didn't get to use water. My water, the water I would have irrigated with, has to go down to Kansas, so somebody needs to pay me. Now the solution could be solved with more rain. Right? If they'd just get more rain in western Nebraska and fill up the dams and the reservoirs, then we'd have enough water for these guys and they probably wouldn't need to irrigate. But that's not the case. So the question is, are we managing that properly? Are we managing it properly? Are we balancing all of the interests out in the Republican River Valley or are we ignoring the problem? Ignoring the problem because the political price is very high? Those groundwater guys don't want to be told not to irrigate or not to irrigate as much or to have their allocations reduced, because it is money. It's like putting fertilizer and sunshine on their corn. [LB522]

SENATOR KRIST: Time, Senator. Thank you, Senator Lathrop. Senator Christensen, you are recognized. [LB522]

SENATOR CHRISTENSEN: Thank you, Mr. President. As we go through this, you know, we've been just mentioned that Senator Mello I believe brought it first, saying that these funds have been already decided by the department to be used for matching the Environmental Trust Funds for the cooperative agreement. Someone came back here and said, you know, that's where they're supposed to be used. Well, that isn't...there isn't a direct designation where they have to be used. This fund originally was created for the exact purpose I am asking you to use it for now. It isn't a problem by me if we want to do like we did on Senator Bolz's bill last night and change it back to General Funds that originally wrote it for. That's not a problem by me. If that's the will of the Legislature, I am willing to work that way. But the fact is, we need to think about the policy that we're setting forth here. We've got a policy that the state has always given a right to people that have been given a permit to use water out of a stream, the same as we give a permit or a right to drill a well. And we have always had a policy in 2006-2007 if the state was going to take it, that we were going to compensate that. Now we're changing policy. The important part of this debate is are we going to allow the state to take that right away once it's been given? We're constantly complaining here on the

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floor about the feds taking something from us. Now it's a little different. We've got the state taking something. Are we going to allow that to happen? The issue I get nervous about if we allow this to go forward, the state owns surface water, the state owns groundwater by statute. If they can take surface water for nothing, can they take groundwater for nothing? What is the approach that we're going to take as a Legislature? Think about the long-term aspects of what we're doing here today. I think this is a very important issue to wrap your hands around how we're going to handle irrigation rights, permits, and how we're going to handle leaving them with the farmer or just allow the state to take them. That is probably the most important. When I opened in committee, I told them they had a very important policy discussion to have. I believe we've got that same discussion here. Unfortunately, we're in the last third of our session. We're worried about the budget. We're worried about how we're going to meet all of the obligations everybody would like to meet. And it is very difficult because we want to focus on the dollars instead of the policy. First of all, please, let's talk about the policy. We can figure out the financial issues after we've determined the policy. Because like I said, I threw out this matching funds. And as Senator Mello said it well, it can hold off. If you talk to the NRDs that we're putting in the... [LB522]

SENATOR KRIST: One minute. [LB522]

SENATOR CHRISTENSEN: Thank you...augmentation project that's on hold due to a lawsuit, they said they had to get the Platte...or the Republican this year, we had a couple years before we are under the gun on the Platte. And I'll use their same example here. I think we're under the gun on the policy here that we need to address, and that's why I'm hoping to be engaged on a lot of policy here. But I want to remind everybody, there is some tough decisions coming in LB517, this water study, and that the Natural Resources Committee is going to have to make next year. Because I agree with Senator Lathrop, we just can't keep coming back and coming back. Unfortunately, I thought in 2007 we wouldn't be back. But due to lawsuits, remember, it has put everything on hold. [LB522 LB517]

SENATOR KRIST: Time, Senator. [LB522]

SENATOR CHRISTENSEN: It has held things back. Thank you. [LB522]

SENATOR KRIST: Thank you, Senator Christensen. Those still wishing to speak: Senator Schilz, Dubas, Hansen, Lathrop, Carlson, Schumacher, Gloor, and Christensen. Senator Schilz, you're recognized. [LB522]

SENATOR SCHILZ: Thank you, Mr. President and members of the body. Good morning. Senator Christensen, Senator Lathrop, Senator Carlson are all correct. This is a huge discussion that needs to be had and not just for the issue that we see before us today. But we need to move forward with the understanding that we cannot operate our

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water systems the way we have in the past because if we do that we cannot create the opportunities that we're going to need going forward to be successful as a state, as communities, as individual farms and businesses that are out there. I think there's a legitimate question as to whether or not people should be compensated for the inability to use water that they have relied on for years and years. And not only have they relied on this, but they've also made sure that they protected that right to divert that water for a lot of years as well. Water is our most precious resource, and our opportunities with both surface water and groundwater can only be achieved if we are willing to work together to benefit all. And we've got issues in working together in the water world. Surface water many times is pitted against groundwater. And it would seem that that would be a logical fight. But unfortunately, the problem that is out there is that in order to solve many of the problems with groundwater shortages, with surface water shutoffs, it's going to require that we work together on those issues. You've got to have surface water to recharge the groundwater. You've got to have groundwater out there because we've built our economic system in Nebraska on the ability to extract the water, to use that water, to make livings, to make people's wealth come in so that we can get the money for the people and the state. Obviously, in the Republican Basin, we're under constraints that we have to deal with every day. And I hope that as people look at this, they start to see the issues that can come about when we do ignore the problem, when we try to make things look as though we're doing something when really we've done not much of anything. Back in the day of 20-inch allocations and those sorts of things like that, didn't help the system. It possibly made people feel like they were doing something. Maybe got the state off their back for a little while. But have we solved the problems? No, they're still there. Are we beginning to? Yes. And as I look at a question like this as to whether or not we should compensate these folks, I think it comes back to a couple things. First of all, what did the state promise people? Did the state at any certain time tell folks we will compensate you if you cannot use your water? We've heard of instances where people were compensated. Now whether that was by the state or not is questionable too. And I think some of them were and some of them were by the NRDs. [LB522]

SENATOR KRIST: One minute. [LB522]

SENATOR SCHILZ: Thank you. As Senator Christensen said, there's two projects that are out there, and one of them is what we're talking about here today; the other is the N-CORPE that we're talking about for the groundwater management thing. Those two should be working together and not against each other. and I'll get into that on my next time on the mike. But thank you very much, folks, and I continue to listen as well as you. I hope we can find a solution to this. Thank you very much, Mr. President. [LB522]

SENATOR KRIST: Thank you, Senator Schilz. (Visitors introduced.) Returning to debate, Senator Dubas, you are recognized. [LB522]

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SENATOR DUBAS: Thank you very much, Mr. President and colleagues. I'll repeat what's already been said. This is a very, very important discussion that we're having here this morning, and it only highlights and puts a great big exclamation point behind the need for what the task force will be assigned to do through Senator Carlson's bill this session, and illustrates how we have not taken the types of actions that we should have taken decades ago to keep us from getting into this position. But hindsight is always 20/20 and so here we are today and we don't have the luxury anymore of putting off these kinds of decisions or looking at this issue. We've got to find some solutions. They won't be easy solutions. They won't be solutions that will be able to implemented overnight, but we have got to get a good start on this. And I want to help the body understand the ripple effect of what happens when we take water away from farmers. When you farm, your business plan, your cash flow, everything that you do at the bank, with your insurance, with your property taxes, everything evolves around what type of a farming operation you have. So if you're irrigated, you have higher expenses. You do things different. You may have different equipment. Your insurance, your crop insurance is looked at differently. If you're dryland, they are just completely different circumstances. So if your business plan is based on the fact that you're an irrigated farmer and you're no longer able to access the kind of water that you need to be an irrigated farmer, you are put in a very difficult financial position. Your yields are likely...your yields will not be as high as they are when you're irrigated, but yet you are paying taxes based on irrigated valuations. You're going to pay for your crop insurance premiums based on the fact that you're irrigated even though you're going to be not receiving the type of water that you have. So how does this ripple out? How does this affect more than just you as the individual farmer? It impacts your schools. It impacts your local communities, your ability to pay those taxes. Irrigated taxes are much higher than dryland. But yet, if you don't have the revenues, you know, you're still going to be required to pay those. Are they going to be able to make adjustments in your valuations? Not likely. So this does...it does ripple out. It does have real serious impacts on everybody all across the board. Agriculture is the number one driver of our economy in this state, and it is that number one driver in large part because of our access to irrigation, our use of water and how we've used it in the past. Every farmer will acknowledge that we are going to have to do things differently going into the future, and many farmers are in the process of making those kinds of changes, whether it's in their cropping rotations or just...there are a lot of new and innovative ways of farming practices out there. But again, those types of changes don't just happen overnight. It takes a while to get your...the way you do business in place and make those changes in your financial structure and everything else that you do. So the decisions that we make today are going to be critical to the future of our entire state's economy. We have spent millions and millions of dollars in court dealing with water issues with what we are dealing with, with Kansas, with the Republican River Compact. If we could have been more proactive perhaps those millions of dollars could have been diverted into more productive uses. But again, hindsight is 20/20. [LB522]

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SENATOR KRIST: One minute. [LB522]

SENATOR DUBAS: Thank you. I would ask Senator Christensen a question if he would yield. [LB522]

SENATOR KRIST: Senator Christensen, will you yield? [LB522]

SENATOR CHRISTENSEN: Yes. [LB522]

SENATOR DUBAS: Senator Christensen, how does your bill and what you've introduced mesh in with the way our constitution ranks or creates a preference for water use? [LB522]

SENATOR CHRISTENSEN: Well, the preference for water use is human, and then it is irrigation, and then industry and others. [LB522]

SENATOR DUBAS: And so with what you're trying to do, are you trying to support that second portion of our constitutional rights with how water is used? [LB522]

SENATOR CHRISTENSEN: No. I don't believe it changes anything in how it is used because this isn't a debate of whether we're taking water away from human beings. This is debate on the policy if we're going to compensate, if we're going to take it. They could have negotiated this too. They chose not to. [LB522]

SENATOR KRIST: Time, Senators. [LB522]

SENATOR DUBAS: Thank you. [LB522]

SENATOR KRIST: Thank you, Senator Dubas and Senator Christensen. Senator Hansen, you are recognized. [LB522]

SENATOR HANSEN: Thank you, Mr. President and members of the Legislature. I want to get back to asking some questions, but prior to that I would like to say that we're setting a bad precedent here, a bad fiscal policy precedent and a bad legal precedent. The lawyers in the body should be a little more attuned to this, I think. This is a...when we have water problems, Senator Lathrop, we go out and hire lawyers. It costs us millions...millions every year. The Republican River seems to have an abundance and quite an infatuation with lawsuits. But it continues and that's how we fight on water. I do have to come clean in this debate and tell everybody on the body that I am concerned about the Republican River, but I'm really concerned about the Platte River and the Platte River Recovery Program that's going on now and how we're going to fund that. Senator Mello brought up the idea and it must have been a conversation between Senator Christensen and someone on the Natural Resources Committee saying, well,

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we can put that Platte River Recovery Program on hold for two years. We can't do that. We have to have water in that river too. We have to have water in that river that is driven by the Endangered Species Act. Nothing we really have...it's not changing the way we use water in the state other than we have to provide water for three endangered species. I just want to go over a list of senators who represent the Platte River system, and that includes the North Platte, the South Platte, and then after they come together in my district, the Platte River. And it's quite a list. It starts up in Henry with Senator Harms's area. Senator Schilz and myself, John Wightman, Tom Carlson, Galen Hadley, Les Seiler, Mike Gloor, Senator Dubas, Senator Adams. Senator Adams even has a cabin on the river, but his district certainly has some of it. Senator Schumacher too, it goes through his before it gets down there, so in the Columbus area. And Janssen, Johnson, and every Omaha senator in the body is going to be affected by the Platte River Recovery Implementation Program. Is Senator Schumacher in the Chamber? I had a question for him on the...maybe what the effect is in his district because they had problems last year with wells going dry. And it's a problem. It's going to be an ongoing problem. And the biggest problem though is what we're doing in the Republican River this year where we're taking a water right and putting that water into the system to comply with a compact with Kansas. And if it was negotiated, we would be fine. Those people need to be paid back. If you have a water right anywhere and you go several years with that water being taken out and no compensation, would you continue paying for the cost of that project? I doubt it. I wouldn't. If you don't get any return on the money that you pay for that right, it just doesn't make sense that you would do that. I hope that that is not the underlying policy that DNR is starting now where they take water with no... [LB522]

SENATOR KRIST: One minute. [LB522]

SENATOR HANSEN: ...no sense of a negotiated price. The problem with the structure, financial structure that we're doing today, is taking money from the Environmental Trust Funds and some other funds, and commingling them and taking those to the Republican River Valley, and that takes money away from the Platte River Valley. So it's...we've got winners and we've got losers on that thing too, but we can't put the Platte River Recovery Program on hold. There's projects that have to get started there too. This would be much better if it was funded through General Funds. I'm not going to be the one that makes that call but it certainly would be cleaner that way. Thank you, Mr. President. [LB522]

SENATOR KRIST: Thank you, Senator. Senator Lathrop, you are recognized. [LB522]

SENATOR LATHROP: Thank you, Mr. President and colleagues. I appreciate your interest in the subject matter, and it is, as you have heard from Senators Schilz, Carlson, Dubas, Christensen, and Hansen, a big deal. So what's the issue with Christensen's bill? Why are we talking about it right now and what's the real problem?

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I'm going to give you my two cents' worth, okay--my thought--and then maybe get to where I'm at on Christensen's bill. Some time ago we developed a statutory process for determining whether a river basin was fully appropriated or overappropriated, okay? Once it got to fully appropriated, we had certain things we had to do to make sure it remains sustainable. Right? If it was fully appropriated...or pardon me, overappropriated, like the Middle Platte was some time ago, ten years ago or so, if it's overappropriated then you have to do things to restore it. Right? But when we passed the statute that said this is the criteria for determining overappropriated--all right, overappropriated means people are using more water than is sustainable. That's a shorthand way of getting to it. If they're using more water than is sustainable, it's overappropriated. Well, some people that were here before us put this statute together, and they put a barrier into the statute that prevents any river basin from being determined to be overappropriated. Why? I have no idea. But as long as it's there, you will never have, other than the Middle Platte, back in 2004...you will never have another river valley determined...or a river basin determined to be overappropriated. Now it can be overappropriated in fact. Every hydrologist, everybody at the University of Nebraska, everybody that looks at it could tell you it's overappropriated, but you can't make that determination in the statute because we have a statutory barrier to that. I think it's a simple fix. I'm going to offer the fix when Senator Carlson's task force bill comes up. And then those river basins that are overappropriated, if there are any in the state--and I'm not a hydrologist, I'm not the expert, I don't know--but if there is, every year DNR is supposed to do an evaluation to make sure that their status of a river hasn't changed. Or they can do it on their own motion or they can do it because somebody petitioned them to. But here's the problem: If we don't...if there is an overappropriated river basin and we don't get to management, coordinated management where there are three different NRDs and an irrigation district out in the Republican--probably more than one irrigation district--out in the Republican River Basin, if it's overappropriated, DNR steps in and coordinates the uses to which the water is put and it becomes sustainable. Or they bring it back to a course. And they don't do it overnight. They don't shut people off tomorrow. They say, we develop a plan, they have hearings. These things happen in a thoughtful way. But if we leave that barrier in place and no one ever gets around to saying the word "overappropriated" about the Republican River Basin, nothing ever happens. And then what we do is we have people who feel gypped. They feel gypped. They say, well, we're not properly managing it; the groundwater guys are doing what they want and now us surface guys don't have any water because all of our water has to go down to Kansas; so give us some money. [LB522]

SENATOR KRIST: One minute. [LB522]

SENATOR LATHROP: That's what the bill is, it's give us some money. Because the failure to properly manage in a basinwide basis has left the groundwater guys with not enough water, because remember, some of their water is going into the earth to recharge the wells that the groundwater guys are using. And this is going to continue

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and we will have people back here all the time asking us for money for water they didn't get to use. And I'm going to tell you, look in your constitution. This is everybody's water. Nobody has a right to this water. It is the people's water. So are we going to continue to pay people for water they didn't get to use when it's the people's water and probably they should be using it? [LB522]

SENATOR KRIST: Time, Senator. [LB522]

SENATOR LATHROP: They should have a right to but it has to be through management. Thank you. [LB522]

SENATOR KRIST: Thank you, Senator Lathrop. Senator Carlson, you're recognized. [LB522]

SENATOR CARLSON: Thank you, Mr. President and members of the Legislature. As many of you that are listening, you're understanding and finding out that water issues are extremely important in the state of Nebraska. And my priority bill, LB517, which has gone through the first round and will be ready for the second round, hopefully soon, that's what we're addressing is the kind of thing that we're talking about today. We can't solve a problem. We can't solve a difficult problem in two hours of debate. And I think we're at a time when most people in the state have a little better understanding of the importance of water to the citizens of the state of Nebraska. And water is vitally important to everybody in Nebraska, not just those in agriculture. And so, LB517, I would say, is carefully thought-out in terms of how we're going to proceed to get people that have various views on water in Nebraska together and iron out what a potential plan is for the future of Nebraska's water resources. And this needs to be done. Senator Hansen, I appreciate his thoughts. People pay operating and maintenance fees for an irrigation district and then all of sudden can't have any water, it's not a good thing. I would say, Senator Hansen, that Central Nebraska Public Power and Irrigation District that delivers water into Gosper, Phelps, and Kearney County from Lake McConaughy, and has done so for 70 years, went through several years recently where instead of delivering the full 18 inches, which is what their normal delivery is, they had to cut back and they delivered 6 and that was because of the drought. And the farmers adjusted to the fact. But 6 inches is different than 2 inches, and so it's not only in the Republican Basin. I think for this bill, the source of dollars, if you as a body decide that we should do something now, needs to be General Fund dollars, because those in the Water Resources Cash Fund are there with an agreement from the Environmental Trust and they're addressing the issues...most of that money is addressing issues in the Platte. But we definitely have a need in the entire state of Nebraska for a strategic plan that we come to grips with, including all those that have a real interest and concern in water issues in Nebraska, that we come together, have the tough conversation, become educated and make decisions going forward that will put us on a better position than what we are right now. And I still appreciate the concerns that each one of you have

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and the questions that you have, but again I think that if you choose that these people should be compensated this year, and I don't argue with that decision, it needs to be from General Fund dollars. Thank you. [LB522 LB517]

SENATOR KRIST: Thank you, Senator Carlson. Senator Schumacher, you are recognized. [LB522]

SENATOR SCHUMACHER: Thank you, Mr. President and members of the body. Senator Lathrop was doing such a good job explaining a complicated and involved issue that I'm beginning to think he should give us an explanation on TEEOSA. I was really interested in what Senator Lathrop was trying to develop as an idea and maybe a possible direction we can wander into to try to find a solution rather than just create an ongoing problem. So I would yield my time, the rest of it to Senator Lathrop. [LB522]

SENATOR KRIST: Senator Lathrop, you're yielded 4:20. [LB522]

SENATOR LATHROP: Thank you, Senator Schumacher. And colleagues, let me acknowledge when we talk about this being a big problem, a huge issue, understand it's huge because water is everything when you're in that part of the country. They don't get the rain we get on the eastern side of the state. They get maybe 17 inches over in the area where Senator Christensen's from. It's sandy soil. They need a lot of water to make corn grow out there, and it is the difference between a dryland farmer and a guy irrigating in that part of the state is significant. It is an economic driver. I stand here only because it is important, not because I'm not trying to make somebody's life miserable. But in the end, the question is whether or not we're going to be able to irrigate in the Republican River Valley or any other valley for that matter. Today we're talking about the Republican. It could be the Loup in five years from now. Is the next generation going to have that opportunity or will we have exhausted the resource like they did in Texas and Oklahoma? They went through it. It wasn't sustainable and now they don't have the water. That's the question and that's what makes it a big issue. And Senator Carlson is exactly right, agriculture is what drives our economy. It's what got us through the Great Recession. And water on the corn is what makes it all work. But it has to be sustainable. And we...my thoughts on Senator Christensen's bill is this: If we can set a course this year, set a course for sustainability, then I might be persuaded to support paying some of the people that are losing between now and then. But in the end, the solution has to come from the people who are benefiting. It's about \$700 an acre benefit to be able to irrigate--\$700 an acre. That's the difference between what you're going to make if you're a dryland guy or if you're irrigating. They're making some money with that water, which is fine. I don't...that's fine. Except that they've got to come up with a solution. And the Legislature cannot continue to pay the people that get the short end of the stick under a system that isn't coordinated, it isn't properly managing the basin, and we're not doing it because in my opinion because we're stuck at fully appropriated, because the statute won't let the DNR make a different designation and require a more comprehensive

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management practice. That's the issue. [LB522]

SENATOR KRIST: One minute. [LB522]

SENATOR LATHROP: And so how do I feel about Senator Christensen's bill? We'll never get to the tipping point if we continue to pay the people who get the short end of the stick. We will quiet them down. We will give them the money and they will be satisfied. They'd rather have the water, I can tell you that, but they'll be satisfied. They'll go away until next year when the surface irrigators can't irrigate again because the water has to go down to Kansas and a bunch of it in the stream is recharging the wells that are used for ground irrigation. This is a big issue. It is a very big issue. I think we can start on a course to sustainability and a basinwide management of the water and the competing interests if this basin is, in fact, overappropriated and we get out of the way and let the DNR do their scientific studies and come to that conclusion. If they do their studies and it's fully appropriated and everything is fine, no harm, no foul. But in the end, the Legislature cannot continue to pay producers for not having water that was never theirs in the first place. [LB522]

SENATOR KRIST: Time, Senator. [LB522]

SENATOR LATHROP: Thank you. [LB522]

SENATOR KRIST: Thank you, Senator. (Visitors introduced.) Returning to debate, Senator Gloor, you are recognized. [LB522]

SENATOR GLOOR: Thank you, Mr. President. I wonder if Senator Carlson would yield to some questions? [LB522]

SENATOR KRIST: Senator Carlson, will you yield? [LB522]

SENATOR CARLSON: Yes, I will. [LB522]

SENATOR GLOOR: Thank you, Senator Carlson. My questions really are pretty broad and I'm just trying to extend my knowledge base on some of the very general issues. Do we have a number, Senator Carlson, on the percentage of when we use water, surface, groundwater; what percentage comes...of water used in irrigation, comes from surface water irrigation versus groundwater irrigation? [LB522]

SENATOR CARLSON: I don't know the answer to that statewide, and we're talking specifically about the Republican Basin today, and it's about 10 percent that's surface water irrigated, a little bit more. [LB522]

SENATOR GLOOR: So 90 percent of the water that's used in the Republican Valley

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watershed area for agricultural purposes...or does that also include city wells that might also draw down that water? [LB522]

SENATOR CARLSON: No, that would be for agricultural purposes. [LB522]

SENATOR GLOOR: Just for agricultural purposes. Has there been discussion about the impact on city wells, or is it minimal compared to the amount of water that's used for ag? [LB522]

SENATOR CARLSON: Do you mean how much water is used by municipal wells? [LB522]

SENATOR GLOOR: Correct. [LB522]

SENATOR CARLSON: It's a very, very small percentage as compared to what's used for agriculture. [LB522]

SENATOR GLOOR: And how broad is the drawdown area? I mean, are we talking within 5 miles of the river? Are we talking about 10, 15, 20? I'm sure from a geological standpoint it varies, but it is very broad or is it narrow, in general? [LB522]

SENATOR CARLSON: Well, it's broad, although the wells that are far away from the stream 20 miles and farther away from the stream, it takes longer for the impact of that well to show up in the stream. It takes years. The well that's right next to the river, of course, that impact is felt almost immediately. [LB522]

SENATOR GLOOR: So realistically we're talking about a large drinking glass that whether the straw is...wherever it's placed, sooner or later it's going to draw down the water, correct? [LB522]

SENATOR CARLSON: Correct. [LB522]

SENATOR GLOOR: Okay. [LB522]

SENATOR CARLSON: It has an eventual impact. [LB522]

SENATOR GLOOR: If that's the case then, we've got Colorado groundwater irrigators who are also affecting this glass, to use a very generic term. So had there been discussions about what's happening in Colorado with those groundwater irrigators and that impact on surface irrigators in Nebraska specifically? And I'm thinking of people who might be within, you know, 10-20 miles of the Colorado-Nebraska border where the Republican River enters. [LB522]

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SENATOR CARLSON: Very definitely, and Colorado is struggling with how to deal with their problem on the Republican River. They are supposed to be able to keep 11 percent of the flow and Nebraska is getting 49 percent and Kansas, 40. Well, Colorado is at the head end; and if they overuse, it certainly affects both Nebraska and Kansas. So yes, they're struggling with that. Do their wells that are pumped affect us? Yes, they do. [LB522]

SENATOR GLOOR: Is Colorado fully designated? [LB522]

SENATOR CARLSON: Fully appropriated? [LB522]

SENATOR GLOOR: Or excuse me, appropriated. [LB522]

SENATOR CARLSON: I'm sure they are because they've made some definite commitments about cutting back on how they pump water and they've got plans to put water in the stream at the state line. So scientifically I don't know if the correct terminology is fully appropriated, but they're dealing with the same things that we are. [LB522]

SENATOR GLOOR: Okay. [LB522]

SENATOR KRIST: One minute. [LB522]

SENATOR GLOOR: Thank you, Senator Carlson, and thank you, Mr. President. [LB522]

SENATOR KRIST: Thank you, Senator Gloor and Senator Carlson. Senator Christensen, you are recognized. [LB522]

SENATOR CHRISTENSEN: Thank you, Mr. President. Colleagues, I'd like to go through just some of the expenses that some of the farmers have and they are obligated to what Senator Hansen really was alluding to and discussing with you also what they have. So if they lose their water right, it's not just as simple as having to go grow a dryland crop. They had their original development costs, whether that's leveling to gravity irrigate, whether that's putting in the newest style drip tape or that's putting in a pivot, there was costs to doing all of those. They have the cost of their machinery. Then you've got the increased property taxes. You've got your occupation taxes. You've got irrigated equipment costs. And so there is a lot of costs that are ongoing with the surface water being taken. They have the repayment contract costs that Senator Hansen and I were talking about. And so it's a very complicated issue. But would Senator Schilz yield to a question, please? [LB522]

SENATOR KRIST: Senator Schilz, will you yield? [LB522]

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SENATOR SCHILZ: I will try, yes. [LB522]

SENATOR CHRISTENSEN: Senator Schilz, in the...we're talking about the matching funds on the cooperative agreement that they wanted to use these Water Resources Cash Funds for, matching with ET funds. Is there any other way that these funds can be matched? [LB522]

SENATOR SCHILZ: Oh, I would suppose there is. I think that when that was set up it was envisioned that there could be a number of different avenues to get funding into that as a match, whether it comes from NRDs, other entities, grants, things like that. So I believe there is. [LB522]

SENATOR CHRISTENSEN: Senator, would there be the opportunity, you know, all three of the Republican NRDs put on an occupation tax of \$10 an acre, the max, and they utilize. The Twin Platte that you represent is now just starting an occupation tax for this year and will be collecting. Could them funds be used for a two-year period to match the ET funds to keep the cooperative agreement going forward that is important to the Platte River people and still be able to use the Water Resources Cash Fund, \$3.3 million, on the Republican for the next biennium? [LB522]

SENATOR SCHILZ: I suppose if that was the will of the Legislature, yeah, that could be fit in there. But that's just coming from here standing on the floor. There might be opinions of different priorities outside the glass. But no, you could put it up that way and make that work. Yes. [LB522]

SENATOR CHRISTENSEN: Senator, do you know what they're planning on charging in the Twin Platte for occupation taxes this next year? [LB522]

SENATOR SCHILZ: You know, I don't. I could find that out for you. But I don't know what that number would be or if they've even come up with one yet, but I could find out. [LB522]

SENATOR CHRISTENSEN: Well, I appreciate that, Senator. I can tell you on the Republican that we do have \$10 an acre. We have maxed out our authority trying to come up with ways to make sure that we're in compliance in the Republican River district with the three-state compact that we have with Kansas, Colorado, and Nebraska. And that is something that we continually have been working very hard and I commend the NRDs for working hard on that. And I want to remind you that also the surface water people pay the occupation tax and that's one of their expenses that goes on... [LB522]

SENATOR KRIST: One minute. [LB522]

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SENATOR CHRISTENSEN: Thank you, Mr. President. That's one of them expenses that you have to, if you're not going to get water, request not to be charged by March 1. And you see the date we are: April 23. It was April 1 when DNR started dropping the water. So it's impossible for any of them guys, even if they're not getting water, to avoid the occupation tax. And so the dilemma that we fight in the Republican again comes down to, how do we get into compliance? We have augmentation systems. We have had land retirements, dry year leases, as well as the challenges we fought around the court cases that have prohibited the building of the pipeline to deliver the water to the basin that would keep us into compliance; and that's why I'm back here again like I was in 2008, asking for water to meet compliance. Thank you, Mr. President. [LB522]

SENATOR KRIST: Thank you, Senator Christensen. Senator Harms, you are recognized. [LB522]

SENATOR HARMS: Thank you, Mr. President and colleagues. This brings home pretty clearly why it's so important for us to have a long-range plan that deals with water and that we have the capabilities to put the research together to begin to answer some of the questions that we're now trying to discuss in regard to the Republican River. I have a couple of questions that I need to ask and I just want to pose to you as a body, and that is that let's move from the Republican River now to the North Platte River and let's go west to the Wyoming border. The North Platte River gets its water from the Wyoming mountains. I think there are three or four dams there that supply us the amount of water. When that water hits the Nebraska border, the question I have is, who owns the water now? Does the state of Nebraska own that water? Then let's go one step further. If they own that water once it hits the state, during a drought period of time which we are now presently going through, we have senior water rights and junior water rights, the senior water rights may be a farm that's had water for over 100 years, have the right for that amount of water and then it's prorated out, as I understand it. And if you're on the junior level and you're in a short water span, you're not going to get much water. So if that's true, and finally we have then the Endangered Species Act coming down through the North Platte River, we are confronted with a drought and they say you no longer can irrigate from the North Platte River, we cannot continue to provide this until we can replenish the water in the mountains; do we owe those farmers compensation? Do we owe those farmers the same rights that we're talking here? This is more complicated than what we think, and I'm not against what we're doing here and I'm not against what the discussion is, but I think we better think through very carefully what the total ramifications will be in this decision. Drought is going to drive a lot of things, colleagues. And I know that farmers from last year borrowed for this year's water from the mountain which they were able to do, and now they're going to be confronted with an issue that they may not be able to complete...or irrigate or complete their crops. My question then is, where does compensation start and where does it stop, and who owns the water and who has the responsibility? I wish Senator Lathrop was here because I'd like to ask him

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that question. I don't know who has that. I don't know who has the responsibility. Because we know that the North Platte River plays a great role in recharging, I think, and regenerating to a certain degree parts of the Ogallala aquifer. And we say we own the water, underground water here in this great state, so we can't, even as an individual farmer, can't sell your water. The state owns it. So does that mean the same thing as when the water comes down the river when it hits the state? Do we own it? I don't know. Do we have a responsibility to pay those other farmers compensation because they don't have enough water? [LB522]

SENATOR KRIST: One minute. [LB522]

SENATOR HARMS: I don't know. Do we need a long-range plan that helps start to answer these questions? Yes, that I do know. Do we need to have greater research in regard to water? Yes, we do. Do we need to have a better understanding about this Ogallala aquifer; how long does it take to recharge and to regenerate? Yes, we do. So when you think about this whole issue that we're talking about with the Republican River, and I'm not against it, I'm just telling you we need to think much broader. And there are some other questions that we need to ask and we need to be talking about and that we need to understand, because there's other people who have similar issues. The Endangered Species Act, folks, has a lot of power and they require a certain percentage of that water coming down this North Platte. Why do you think we had in Lincoln, Nebraska, our grass was so dry and they put limitations on what you could have? Because that's where you get your water. It's recharged, it's regenerated by the North Platte River. [LB522]

SENATOR KRIST: Time, Senator. [LB522]

SENATOR HARMS: Thank you, Mr. President. [LB522]

SENATOR KRIST: Thank you, Senator Harms. Senator Bloomfield, you are recognized. [LB522]

SENATOR BLOOMFIELD: Thank you, Mr. President. Would Senator Christensen yield to a question? [LB522]

SENATOR KRIST: Senator Christensen, will you yield? [LB522]

SENATOR CHRISTENSEN: Yes. [LB522]

SENATOR BLOOMFIELD: Senator Christensen, up in my part of the country most of us are dryland. If it doesn't rain, we don't get any payment from the state. We are, however, helped greatly by federal crop insurance. Does that have any bearing at all on these folks not being able to get water? Can they be compensated by federal crop?

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[LB522]

SENATOR CHRISTENSEN: Preventive planting is...it depends which company you talk to. Some say they think they're going to pay this year. Some say they don't think they're going to pay. I'm more than willing to have this bill not pay anybody if we get preventive planting. The determination date, I'm told, is May 26. May 26 they're going to determine if they're going to pay preventive planting. There would be nothing left to plant. You can plant late soybeans or plant milo at that point in time. Do you understand the problem that I've got? [LB522]

SENATOR BLOOMFIELD: Yes, I do. Thank you. And to the other colleagues in here that may not be as familiar with some of these things that say, let them go back to planting wheat or whatever, let them grow a short season crop. Well, that's all well and good. Nebraska depends on agriculture and a great deal on corn. We're looking at the difference here between if they get no water, maybe they can raise a 20-bushel wheat crop, if they get water they can raise a 300-bushel corn crop. It doesn't take long to do the math on that. And I would yield the rest of my time to Senator Christensen if he'd like to have it. [LB522]

SENATOR KRIST: Senator Christensen, you are yielded 3 minutes. [LB522]

SENATOR CHRISTENSEN: Thank you, Senator Bloomfield. Again I guess I probably wasn't real clear when I told people I have surface water. I have a conflict of interest here. I did file the paperwork clear back before the bill was ever heard. I want everyone to know that I do have that conflict, and it's not a very big portion of my operation. I irrigate about 44 acres under the ditch. I only irrigate 300-and-some acres groundwater. I'm a very, very small farmer. I used to be a large one at one point in time, and I quit farming and started other business interests. Now I've come back. So just in a measure of full disclosure, it's less than 10 percent. It's just 10 percent of my acres when you put them all together that is on surface water that I have that conflict of interest on. So again I want to talk about the policy here and, you know, if it shows the body good faith on my part that I believe this is an important policy discussion but that I'm serious about Senator Carlson's bill going forward, LB517, and the water study and finding long-term solutions, I'll even allow a sunset on this if you want. I want to make sure this year is taken care of because the farmers got blindsided. And if that makes the people out here more comfortable that this isn't going to be an ongoing thing, I think it's a policy that should be in place. That's the reason I hated to mention this, because any time you've got a policy of the state taking something that's been given, I think it is a horrible precedent. [LB522 LB517]

SENATOR KRIST: One minute. [LB522]

SENATOR CHRISTENSEN: Thank you. But at the same time I want you to know how

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serious I am that I'm going to work with Senator Carlson, I'm going to work on that sustainable task force or water study group, LB517, to make sure that we have long-term solutions coming. Because I agree, it's not something that I like to bring to the floor every year and talking about. We've had a number of water legislation bills which have been good. This is just the second one that is taking state dollars in my seven years. And I don't like it. No one does. But the policy I think is very important and that's why I didn't offer a sunset or put one in there. But if you guys want to know how serious I am at finding a solution, I'll vote for a sunset if you want to put one on there, because I want this bill to pass. I don't care if it's General Funds or if you use the Water Resources Cash Fund. [LB522 LB517]

SENATOR KRIST: Time, Senator. [LB522]

SENATOR CHRISTENSEN: Thank you. [LB522]

SENATOR KRIST: (Visitors introduced.) Senator Johnson, you are recognized. [LB522]

SENATOR JOHNSON: Thank you, Mr. President and colleagues. Water, it's one of our most valuable resources. About 20 years ago I was involved in a community that was close to a study area, and that study area started in Lincoln and it was to go 50 miles north, straight north of Lincoln, then go about 50 miles east to Harlan, Iowa, and then come back toward Omaha, to Council Bluffs, come back to Lincoln. It was a study on water and the study dealt with is there enough water to sustain the growth that they anticipated in the next period of time; and we're probably 20 years into that, so probably another 50 years from the standpoint of industry and the standpoint of residential water for human consumption. So water is an issue that we all need to be involved in. I lived in the Republican district for most of my life. I grew up south of Holdrege. Our farm was dryland. And now it's been sold and it is now irrigated. It is groundwater irrigated. But you take 20 miles north of there it's surface water. And when I was living in that area I know there were concerns with the canal because there was seepage. It was not efficient to run all that water down the canal because it was seeping and it became part of groundwater. And so they did some things to try and preserve that from being seepage, and so that did affect the recharge of the groundwater that was used throughout the rest of the county or the area south of there. I've lived in Gothenburg where it's kind of the start of the canal, what we call the Tri-County Canal, and Lake McConaughy, of course, feeds that. And it goes through the power plant south of Lexington at Kingsley...or at the Canaday Plant. So it provides services there. I live in the Lower Platte North NRD. We're concerned about the balance between irrigated water for crops, growing crops, growing food for the world, but also water for human consumption plus we have the environmental issues as it deals with the Platte as already has been discussed a little bit this morning. So we have those, all of those issues. Now to get back to LB522, we have allowed water...irrigation to be developed. We have some that are overappropriated. We've allowed that. As Senator Dubas very

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eloquently described, the cost of getting involved in irrigation, and now we're taking that away from them. And I say we, we the system, we've allowed both of these to happen. And so now I believe it's time for we the system to help them out because of what we...the expenses that they have created by developing their business plan and now we're taking away their source of revenue. It's an expense to them. It's a cost to them. It's also going to be a cost to us to solve it. We've got a lot of studies that we've talked about. I think we've talked... [LB522]

SENATOR KRIST: One minute. [LB522]

SENATOR JOHNSON: Thank you. We've talked a little bit about the study for state aid funding. I think we're probably going to be talking about a study on taxes, LB613. We're going to have a water study. We've got a lot of things to be looking at. But I believe for this year, if it's another Band-Aid that we're going to put on, I guess that's what it's going to be until we go to the water study. I do support financial support, probably out of the General Fund, for the people that are affected with LB522. Thank you. [LB522 LB613]

SENATOR KRIST: Thank you, Senator Johnson. (Visitors introduced.) Senator Schilz, you are recognized. [LB522]

SENATOR SCHILZ: Thank you, Mr. President and members of the body. I have sat and read the bill and worked on the committee and then all this, and I have to be honest with you, I'm still trying to figure out whether or not this is a good idea. So let me just go through some of my thoughts because they've been somewhat helpful to me. First of all, when we talk about water in the state of Nebraska there's two different systems. We have the groundwater system which operates under the correlative rights system, which says everyone will share in the shortage. So if one well gets short or another well gets short, well, that's just the way it is. You deal with that. The surface water system is a prior appropriation system which says, first in time, first in right, which is different. That system has a set of rights that go along with being able to divert that water. Now within that system, there are people that have senior water rights and junior water rights. Now the question that I run into and when we talk about compensating folks is, who should be compensated in a prior appropriation system? Should it be everybody? Or as with everything else that runs within that system, once you make basically a call on the river that says you can't divert water, whoever it is, who is the one that is truly affected by that? And my question becomes, if you have this most senior water right holders on that system being told to shut off, it is possible that they may...that they would be the ones that should be compensated possibly--and let me get to that point a little later. Everything after that could possibly--and I don't know the answer to this so I'm trying to think through it myself--could actually fall under the prior appropriation system as it is. And because that senior water right holder is not allowed to have his water, every junior water right holder below him just falls within the system and they do not get to divert. That's the way it works today. So then the question is, can you only compensate the

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most senior water right holder and then do you compensate that water right holder or do you give that amount to the irrigation district to spread that out over everybody? That's a question that I have and I think it's one that needs to be answered and I was looking around for some folks that would be able to help me on that. I think it's different than when you look at groundwater. Because everybody understands that we share in the shortage, then when there's a shortage it was already understood that we're sharing it; and so should there be compensation for that? So I think there's two different issues here and two different questions. I'm not saying you can't compensate. I'm just saying there's two different ways of looking at it. And then the next question becomes, how do you go forward to make sure that when we talk about management of our water and management of our issues, how do we make sure that when the state says we need to manage this, that the most simple and effective way that they come up with, because it doesn't require much work on their part is, hey, let's shut them off. I don't think that's necessarily...I mean, it may be what we need to do in certain areas but I don't want that to be the first thing we jump to. [LB522]

SENATOR KRIST: One minute. [LB522]

SENATOR SCHILZ: Thank you. So I kind of like the idea of putting a price tag on shutting people off for the state to make sure that there's a disincentive to do that and to make sure that people are working on solutions that shut the fewest people off rather than the other way around. And that is one utility of something like this that I can see and that's where I'm at right now, trying to make my decision trying to move forward. So I'll keep listening, but I'm generally in favor of the concept of compensation if you do not get water. But we need to define who should get that and who has a right to it. Thank you very much, Mr. President. [LB522]

SENATOR KRIST: Thank you, Senator Schilz. (Visitors introduced.) Senator Crawford, you are recognized. [LB522]

SENATOR CRAWFORD: Thank you, Mr. President. I was just intrigued by the discussion that started between Senator Bloomfield and Senator Christensen about crop insurance, and so I would appreciate for the rest of the body, for on the record and for our understanding, to understand a bit more about the implications of crop insurance for our choice in terms of what compensation farmers might get from crop insurance if their water is shut off and what the implications might be in terms of a choice we would make on the choice that might be made in terms of crop insurance. So I just want to better understand the implications for our choice in terms of how crop insurance works and how crop insurance would work in this situation. [LB522]

SENATOR KRIST: Is that a question for Senator Christensen? [LB522]

SENATOR CRAWFORD: Yes, that's a question. So I wonder if Senator Christensen

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would yield? [LB522]

SENATOR KRIST: Senator Christensen, will you yield? [LB522]

SENATOR CRAWFORD: I'd yield the rest of my time to Senator Christensen to...I wonder if Senator Christensen would yield to a question to try to address that issue. [LB522]

SENATOR CHRISTENSEN: Would you hit that again? I got... [LB522]

SENATOR CRAWFORD: Sure. You started to answer Senator Bloomfield's question about crop insurance and I just wanted to have you explain that a bit more. You said: You know the situation that I'm in. And the rest of us don't know exactly what you were talking about when you said, well, you know the situation we're in. So I wanted you to explain a bit more about the implications for the crop insurance payments and this type of situation. What could a farmer expect in terms of crop insurance payments and what are the implications of the choice we might make on what might happen to that choice about whether to offer the payments or what are the implications that we need to know about in terms of crop insurance and this decision we face? [LB522]

SENATOR CHRISTENSEN: Okay. The biggest problem we have is, they're not going to make a ruling whether they're going to compensate farmers until May 26. And so the problem is even if they rule that they're not going to give preventive planting, it means because the water was taken away from you, we're going to pay you the difference between irrigated and dryland. Preventive planting is in a formula that pays them to not plant. Okay? And that happens, let's say, you've got a history of getting water out of a lake for ten years, and all of sudden, due to Mother Nature, it dries up and no water is available; they would pay. What they're saying is they don't think they're going to pay because the state took it, because the water was there. Up until April 1, the water was in the dam for me to get 8 inches of water. Now I get 2 because that's what we had stored prior to when DNR said they was going to take it. And so the problem is, May 26 is too late to plant corn. It is...you can plant corn. If it's a late fall, it may work very well. There's sometimes we get hailed out and we replant after that and we expect a short crop, but the difficult part is, you can't plant the corn. You'll be better off planting a different crop. Soybeans, it's getting too late. If you planted May 26, planted corn, it would be uninsurable unless you had previously planted and due to a disaster. So it's too late to plant and have insurance, so you've got a lot of money at risk. Soybeans, I'm trying to think when the last plant date is. It's right at that time. And I'm not sure if it's right before or right after; I didn't think to look at that. I could Google and find it out. And so we maybe can't even plant soybeans by the time they make their determination. So then that moves us back to milo, I think you've got till the 5th of June or 10th of June to plant it. [LB522]

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SENATOR KRIST: One minute. [LB522]

SENATOR CHRISTENSEN: Thank you. So it makes it very difficult; farmers can't plan. So if we knew the state was going to pay, farmers could go ahead and plant a dryland crop. It would qualify for insurance. They'd have it done on time and we'd go forth. The difficult part is we can't get that ruling out of RMA, which is just the acronym for the insurance companies. And so we don't know how to handle it as producers. And so the difficult part is not only the policy but the how does the individual farmer handle it. I'm out of time or I would hit my light and explain more. [LB522]

SENATOR CRAWFORD: Okay. Do you know is there precedent? You said they would pay it if it was a disaster...or if it was, you know, naturally occurring. But have they made some statement saying that they are not...they're thinking they won't pay it because the state has taken the right instead of Mother Nature? [LB522]

SENATOR KRIST: Time, Senators. [LB522]

SENATOR CRAWFORD: That's fine. [LB522]

SENATOR KRIST: There is no one else in the queue. Senator Christensen, if you'd like to hit your button you can answer the question, if I could suggest that? [LB522]

SENATOR CHRISTENSEN: I thought I had talked three times. Sorry about that. To further address, they have paid for them types of preventive plantings in the past, and I remember several of the irrigation districts that come out of the western dams that I don't have land on, have been paid. Now they'll pay for one, two, or three years until it becomes a precedent that you no longer have a water right, and...or an inconsistent water right. And then that disappears, that payment, and which I think everybody would agree is if times have changed and rivers have dried up for whatever the reason, be it conservation, be it trees, be it pumping, whatever it is, and we fight an issue of water being taken from us in other states but yet we use our full amount so we can't sue and get it back. I mean, this is such a complicated issue I can dive into. But the problem we have is just the fact that RMA has not chosen to make a decision until too late to plant corn. And so we're here in front of the Legislature hoping that I'm selling a policy decision to the Legislature that it's important enough for us to take care of and important enough that LB517 go forth and find a permanent solution to the on-occurring problems. Because I know I stood up here in 2008 and said with the occupation tax and with the projects that we've got going forth, we're not going to be in this position again. Unfortunately, as we all know, we can't control somebody filing a lawsuit. And unfortunately, on my water issues, everything I've done has ended up in lawsuits and it's been very difficult to implement policies to help us to go forward. We've tied the hands of the NRDs because of lawsuits and we've tied our hands to the surface guys of getting solutions because we can't go forth. And I've had citizens file the lawsuits; I've

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had the irrigation districts file the lawsuits; we've had Kansas file the lawsuits. I mean, it's just been one after another that has just tied this up and made it so difficult and made it so that I couldn't live up to what I stated on the floor in 2008 that I wouldn't be back asking for money again, because I believed we brought forth a solution. I still believe LB701, from 2007, has the nuts and bolts in it, the tools in it, to hit compliance with Kansas and Colorado in this Republican River Compact every year. But our problem is we've been tied up in courts. So I hope...did I answer the insurance good enough, or if not, if Senator Crawford wants to yield on my time I'd ask her a question. [LB522 LB517]

SENATOR CRAWFORD: I think so. From what I understand, we still don't know whether crop insurance will pay but there is a chance that crop insurance will pay, compensate for this loss. That's what I understand that you have been telling us. There is a chance they will pay but you're concerned that the date we find out is late for farmers to plan for. Is that correct? [LB522]

SENATOR CHRISTENSEN: That is correct, because if they're going to...if they're not going to pay and the state does, or state doesn't, they're probably going to plant a dryland crop. A lot of them, because of the rotation, will want to plant corn. [LB522]

SENATOR KRIST: One minute. [LB522]

SENATOR CHRISTENSEN: Thank you. But they can't find out until May 26 if we wait on the insurance for preventive planting. [LB522]

SENATOR CRAWFORD: If there any way we can appeal that date or anything the state Legislature could do to press or push on the crop insurance side? [LB522]

SENATOR CHRISTENSEN: We could maybe ask them. I know they've been asked. It's a federal program, so us being able to move the feds I'd say is slim and none. So I don't think that we can. And like I said, if we knew they were going to pay, I'd lift the bill and think nothing of it, because I'm not trying to double-dip. I'm trying to take care of those that got blindsided by the policy of this state of taking it, and that's the importance to me to go this direction, so. Do I have more time I can speak? [LB522]

SENATOR KRIST: To be clear, Senator, you're on Senator Crawford's second time. You've already had three, so. [LB522]

SENATOR CHRISTENSEN: Okay. [LB522]

SENATOR KRIST: You have 18 seconds left. [LB522]

SENATOR CHRISTENSEN: Well, in hearing that, I guess we'll wait for the next

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question. [LB522]

SENATOR KRIST: Thank you, Senator Crawford and Senator Christensen. Senator Schilz and Senator Bloomfield are still in the queue. Senator Schilz, you're recognized. [LB522]

SENATOR SCHILZ: Thank you, Mr. President and members of the body. You know, as I said before, when we talk about this and we talk about management of our water and how best to do that, I think we've seen in the past where the easier thing to do at times is just to say, people, look, let's...we're going to shut you down and you're not going to be able to use it, and that will get us to where we need on our water use, on our consumptive use. Unfortunately, if we do that, we may run into the issue and the problem of never being able to get those folks back up and going again. Water management isn't like flipping a switch. You have to understand that it takes time, it takes effort, and it takes trial and error. You know, as we heard before, we have some very complex systems out here that we have to manage and deal with. So understanding the hydrology is important as well--understanding the interactions of the water with our surface diversions and the groundwater and how that moves forward and where the effects of the pumping is felt on the streams and where we have gaining streams and losing streams. All of that needs to be figured in as to how best to manage our water. If we look around the western United States, you'll see many states that are already many, many years down the road on this. Look at Idaho, for example, and what they've been able to do there with their augmentation processes and recharge and being able to understand the implications of what a use over here may do to a use over here. California is actively injecting water into underground reservoirs with big, large pumps, to make sure that they maintain their water here. Situations like that are what we are starting to work on in Nebraska, and we need to continue that. According to our laws right now, in statute, we have no way to use some of these injection pumps to put large amounts of water underground if, like we would see two years ago when we had so much water that the Kingsley Dam was releasing water, I think for the whole year, for 365 days. Unfortunately, usually when we have that much water, the ground is also saturated, so it won't really take up anything as far as natural recharge. So you need to look at artificial means of doing that. And we have the capacity within our aquifer to be able to do that in places. I know that there are NRDs working on this. I know there are irrigation districts that are working on this, and a lot of places, at least a few of them, the NRDs and the irrigation districts, the groundwater guys and the surface water guys--groundwater guys being the NRDs, surface water guys being the irrigation districts--are working together to best use and manage our resources so that we can shut as few of people off in the future as possible. That's the goal. The goal is to maintain our economies, to maintain the money that's coming in both on the private side as well as the revenues to the state, and that's what this question is just a small part of. And I do like the idea of keeping the state honest... [LB522]

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SENATOR KRIST: One minute. [LB522]

SENATOR SCHILZ: ...when it comes to the management. Thank you very much, Mr. President. [LB522]

SENATOR KRIST: Thank you, Senator Schilz. Senator Bloomfield, you are recognized. [LB522]

SENATOR BLOOMFIELD: Thank you, Mr. President. Colleagues, you may not like walking outside and seeing the clouds and the dreariness, but bear in mind, every quarter-inch of rain the good Lord allows to fall out of the sky on our land helps alleviate some of this problem. So don't be upset when you go out and it's raining. That's a good thing. And I'd like to yield the rest of my time to Senator Christensen. [LB522]

SENATOR KRIST: Senator Christensen, you are yielded 4 minutes and 30 seconds. [LB522]

SENATOR CHRISTENSEN: Thank you, Mr. President. Thank you, Senator Bloomfield. To talk a little further on this, I want to make sure that the people understand that on this we have two ways to go. I haven't heard from anybody and I don't know that it's been talked about a lot, that if you guys would prefer to take this out of General Funds I don't have a problem with it. And I want to make sure that you realize that we should not be jeopardizing the Platte cooperative agreement if we delay them two years. I don't like delaying it. If you guys agree to move this to \$5 million a year out of the General Fund instead of touching the Water Resources Cash Fund, I don't have a problem with that. And, you know, with the extra money that Senator Mello said that's coming to the floor, it gives us a little more flexibility. If that is something that is the desire of the body, I want to make sure that I go with the desire of the body. And I know Senator Carlson is going to talk about the matching funds of the Environmental Trust, and there isn't any of us that want to jeopardize them matching funds and I don't want to either. And so I just want to make it clear here that I'm willing to work on this with however the body would like to go. Whether you come up to me between General and Select or whether you come up to me now and we adjust it now, I don't have a problem going either direction. I think that we can work around the priorities and needs of the state and do it in a fiscally responsible method, because I think it's very important that we look at this policy and get it set up; and I don't think I can state enough times how I don't think the policy that we have in front of us of taking it uncompensated, which has never been done before, is the right policy to stay with. That's why I brought this bill. And at the same time, Senator Lathrop and others' discussion that we've got to have long-term solutions, I'm 100 percent behind, because I don't want to come back asking for money again. And I know you guys don't like dealing with this because there are other priorities and the other important issues in front of this state, and, you know, I voted last night to take it out of the General Fund, because I believed...I went down and talked to Senator Chambers

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and talked to him about how I supported it out of committee with General Funds or I'd supported it with the Cash Funds. And he shared with me why he wanted it to go. It was important to him, on Senator Bolz's bill, that it's an ongoing policy that we're taking care of this need; and I agreed and voted. So that is the same type of situation we're at here today. You know, if I need to drop that amendment, I really haven't had anybody say. I'm more than willing to. I'm just trying to get a feel for where the body is at, and I'd love to hear from people... [LB522]

SENATOR KRIST: One minute. [LB522]

SENATOR CHRISTENSEN: Thank you...and be able to go forth with this, because I don't want a new policy set by lack of action, beings that we can take a right. Because I really believe it will affect people on the Platte, it will affect groundwater irrigators, I think it's very important we think about the direction we're going, and I think it's very important that we hold LB517 to the fire to make sure there's long-term solutions coming forth. Thank you. [LB522 LB517]

SENATOR KRIST: Thank you, Senator Christensen. Senator Chambers, you are recognized. [LB522]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, following the Jimmy John tradition, I had no idea that Senator Christensen would mention my name favorably when I turned my light on. But the only reason I turned it on was because I know what it means when there's an issue that is very important to you and you run out of time. So I'm going to give my time that I have left to Senator Christensen. [LB522]

SENATOR KRIST: Senator Christensen, Senator Chambers has just given you 4 minutes and 30 seconds. [LB522]

SENATOR CHRISTENSEN: Thank you, Mr. President. Thank you, Senator Chambers. Again I've been told that maybe nobody fully understands the insurance issue, so I'm going to step back to that one again. And the insurance policy that farmers can purchase, they don't have to but typically they do, is a plan that if you have a disaster like the drought come in last year--I collected a lot of dollars off of the insurance program--you end up paying it just like you do your house insurance. And if a hailstorm goes through, you collect on it. You don't want to. Nobody wants to redo that roof, have the expense and the deductibles and things that way. That's the same type of program that's on crops. You have a guaranteed level that you can purchase. You can purchase different levels. Just our problem is RMA, the insurance company, revenue assurance program, is saying that you guys had the water. It was taken by the state so they don't believe they need to pay for it, instead of being a policy where it's like the stream unusually dried up because of severe drought or some other unforeseen thing. If we get

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hailed out, we collect on the same policy. So whether it be due to hail, any type of natural disaster leads us to this. And sometimes you collect on the policy if your well goes bad and you can't get it redrilled in time. That was something beyond your control. I've seen that happen to people. They get so far behind in that week, ten days, two weeks in a severe drought, that your crop burns up because that disappeared. The evaluation we're yet to get, which we won't get till May 26...normal planting time is right now, folks. I believe nationally I read this morning we're about five...or not nationally. In the state of Nebraska maybe it was 5 percent. I can look that up. But we're just way behind on where we're at this year, but that's due to the cold weather and due to the moisture that's come right now. But we can still plant corn through the 10th, 15th of May. I think it's the 20th is the end of the insurance date. But they're not making their determination till the 26th of May, and which means soybeans or milo is the only option that you're going to have; and that makes it very difficult because we are not able to make them decisions. And that's why it's so difficult on this bill. If I knew people were going to get preventive planting and they just have to summer fallow it and put a cover crop on it this fall, and they would be paid a fee from the insurance company... [LB522]

SENATOR KRIST: One minute. [LB522]

SENATOR CHRISTENSEN: ...or paid a...given money back for not being able to have the opportunity to grow a crop. But with their late decision has made it difficult on my bill, because if I knew RMA was paying, I would have lifted the bill. I would have just said, well, I'm going to lift it because the need has been taken care of. But that isn't happening. That's why this policy discussion is in front of us and it is something that I think is very important that we do. And I think Senator Carlson will be following me here; he's going to discuss some of the money side of things. So if I've got any time left, I want to make sure he has enough time to discuss this. I'll yield the balance of my time to him. [LB522]

SENATOR KRIST: Senator Carlson, you get 20 seconds. [LB522]

SENATOR CARLSON: Thank you, and then I'm up next. [LB522]

SENATOR KRIST: Yes, sir. So just continue. [LB522]

SENATOR CARLSON: Okay, thank you, Mr. President. I think it's really important and I hope that we all understand what we're possibly doing here. As a result of LB229, there was an agreement from the Environmental Trust that they would provide \$3.3 million a year to water projects to be matched by the state of \$3.3 million. So for a three-year period we have \$3.3 million from each entity. That's a total of \$6.6 million going into the Water Resources Cash Fund for water projects...water issues. And it's important that that money be there for that purpose, because it's now being used to address the issues in the Platte River Recovery Program. And I'm saying we can't dip into that \$6.6 million

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and use it for Senator Christensen's bill. If we vote for this bill, we're really asking for a \$5 million General Fund appropriation this year and next year to pay those farmers that don't get water this year. And that ends up providing about \$243 an acre for those that don't get water. Now I'm also going to say something else that may be dangerous, but I'm just speaking the truth. Here we have a situation where the people that are surface water irrigators, they're in trouble in 2013, and none of you would like to be in their position. On the other hand, it's not really easy to bend over backward for them because those two irrigation districts sued the state. We are a part of the state. So the truth of the matter is, they've sued us but they want money. We're called upon to think this thing through, and I bring it up because it's just the way it is. Now I believe if they drop that lawsuit, the state would negotiate with them for what they're asking for. I can't prove it but I believe that's the case. But we're running out of time here and we're going to make a decision on Senator Christensen's bill, and I think the concept of his bill and the desire to help people that find themselves in a position they didn't choose to be in and it's the fact they can't use that water is helping keep the state in compliance in our compact with Kansas. So I think it's fair that they be compensated and I wish they would trust us enough to drop that lawsuit so that we could negotiate with them. The other thing that I think most of you are mulling in your minds and believing, all this discussion that we've had this morning about this issue makes it ever more important that LB517 go through and we have a task force and we have a group of experts get together, along with I'm going to say a delegation from the Legislature to listen,... [LB522 LB517]

SENATOR KRIST: One minute. [LB522]

SENATOR CARLSON: ...to study, to come up with a plan, a strategic plan for how we manage water in the state of Nebraska. And I know that this discussion and others that we've had, it's helpful because it brings about the importance of doing it the right way. We want to do this the right way. We want to plan forward the right way. And our plan forward hopefully puts us in a position we don't have to talk about these things anymore because they're not going to happen. But it's happened this year and we as a Legislature have to make a decision. Thank you for listening. [LB522]

SENATOR KRIST: Thank you, Senator Carlson. Seeing no other lights on, Senator Christensen, you are recognized to close on your amendment to the committee amendment. [LB522]

SENATOR CHRISTENSEN: Thank you, Mr. President. Colleagues, I know we've had a long discussion and I know this is a difficult issue and I know that many of you probably don't understand it as good as Senator Carlson and I and the committee, and it is very difficult. I appreciate Senator Lathrop standing up and visiting as he has, and the effort that he has put forth in this; and others of you have come up and talked to me and I appreciate it very much. Senator Mello has worked with me intently on working on this. And I just hope that we can move this bill forward and I'll be very open with to listening

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to anybody between General and when we debate on Select, because I know I have an amendment for some technical cleanups that have to be done that the Department of Natural Resources brought over...or has mentioned as late as just before the bills started. So I know there's some technical cleanups that have to be done on the bill. We will bring them on Select if you decide to move this forward. I'm asking you for a green vote and we'll move this forward and then we'll have further discussion as we get on to the bill or move on to Select. Thank you. [LB522]

SENATOR KRIST: Thank you, Senator Christensen. The question is, shall the amendment to the committee amendment to LB522 be adopted? All those in favor vote aye; opposed, nay. Have all those voted that wish to vote? Record, Mr. Clerk. [LB522]

CLERK: 27 ayes, 0 nays, Mr. President, on the adoption of Senator Christensen's amendment. [LB522]

SENATOR KRIST: The amendment is adopted. Seeing no other lights on, Senator Carlson, you are recognized to...just a second. Senator Mello, would you like to say something? [LB522]

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. I've been in and out of this debate in regards to learning obviously a little bit more from a variety of people who are interested in this issue, primarily from the groundwater user perspective. As I spoke with Senator Christensen, what we just adopted ultimately needs to be completely redrafted and I'm trying to be very nice and frank at the same time and Senator Christensen knows that. The amendment that we just voted on has major gaping holes in it in regards to statutory obligations, in regards to what we're asking the Department of Natural Resources to do. It was my hope that maybe we could have gotten something drafted. We were having enough debate on that, that ultimately Senator Christensen could redraft it, remove that amendment, and bring another one forward because now it is my understanding that the floor debate now has shifted to understanding that LB522 will utilize all General Funds, since the Water Resources Cash Funds are currently being obligated for the Platte River recovery project. That being said, the reality is, is that for those individuals who have been involved in water issues over the last few years and for those on the Appropriations Committee who have been educated over the last couple of years in regards to the state lawsuit in regards to the Republican River Valley water compact, we need to be careful as we tread moving forward, realizing that the decisions that we may be making in regards to compensating surface water users may have an impact in regards to us moving forward in regards to dealing with legal liability of the Republican River water compact. It's something that once again there's a lot of...I think there's a lot of misinformation that's been presented on both sides of this issue, to some extent, from my perspective. But the reality is, as we move forward we need to be very cautious--very cautious--in regards to what we put in statute, what ultimate determination we make in regards to determining any kind of

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water rights for surface water users in comparison to groundwater users, and ultimately, at the end of the day, we also have the fiscal issue that we'll have to deal with, which I think Senator Christensen understands is something that will be a moving target. It's simply a cautionary tale in the sense of whatever the body chooses to do with LB522, there are other bigger water issues out there besides Senator Carlson's water study that we need to be cognizant of, we need to be prepared in regards to what may happen in regards to our current lawsuit and our current judgment in regards to dealing with the state of Kansas, and that ultimately, whatever decision we may make, we may have to come back and revisit that decision, depending upon what happens. It's simply a word of caution as we continue to debate on LB522. Thank you, Mr. President. [LB522]

SENATOR KRIST: Thank you, Senator Mello. Senator Chambers, you are recognized. [LB522]

SENATOR CHAMBERS: Mr. President and members of the Legislature, I'm going to do what Senator Mello does on occasion. I have something to say that has absolutely nothing to do with the bill. There are some gentlemen here with whom you probably, some of you, will lunch this afternoon. They're from North Carolina. They heard about me and wanted to meet me. Being the gracious individual that I am and hungry for affirmation, I did talk to them and I really enjoyed it. And I quoted for them the little rhyme that I give for my colleagues who do that eating. They got a kick out of it. As the senators to the trough are lunching, are they mooching or are they sponging? Then I point out that some, being multitaskers, both mooch and sponge. So I think you will enjoy the meal. And one other thing: To give acknowledgment to one of our staff members, Chuck Hubka, I had described what I smelled and observed as I passed the Senator's Lounge, the aromas of good food and so forth. But I viewed it somewhat as a crime scene. So when I saw Chuck this morning, I told him he is better than these CSI, these crime scene investigators. All they do is investigate the crime scene. I said he had removed every bit of evidence that it had even been a crime scene. There was not even any DNA left. So I want Chuck to get his credit. And I'm sure, after the crime scene is left from that meal for the moochers and the spongers, it will be cleaned up also. That's all that I have. Thank you, Mr. President. [LB522]

SENATOR KRIST: Thank you, Senator Chambers. Seeing no other lights on, Senator Carlson, you are recognized to close on the committee amendment. [LB522]

SENATOR CARLSON: Thank you, Mr. President and members of the Legislature. I know that the amendment that we voted on needs work, and now it's time to vote on AM709. I'm going to say this and hope that I don't regret it. [LB522]

SENATOR CHAMBERS: (Inaudible) say it. [LB522]

SENATOR CARLSON: Too late. (Laughter) We have a lawsuit pending against the

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state of Nebraska from the very people that want our help, and I think there will be an amendment that will make it clear that what is being asked is \$5 million General Fund dollars this year and \$5 million next year to pay those farmers that aren't getting their water. And if I've figured right, it amounts to about \$243 an acre. I'm tempted to vote for this to Select File and give them an opportunity to drop the lawsuit. And if there's not progress made along that line, I will most probably change my vote on Select File. You vote the way your brain tells you to vote right now. Thank you, Mr. President. [LB522]

SENATOR KRIST: Thank you, Senator Carlson. You've heard the closing. The question is, shall the committee amendment to LB522 be adopted? All those in favor vote aye; opposed, nay. Senator Christensen, for what purpose do you rise? I think he sat down. Please record, Mr. Clerk. [LB522]

CLERK: 26 ayes, 0 nays, Mr. President, on the adoption of committee amendments. [LB522]

SENATOR KRIST: The amendment is adopted. Seeing no other lights on, Senator Christensen, you're recognized to close on the advancement of LB522. [LB522]

SENATOR CHRISTENSEN: Thank you, Mr. President and colleagues. I appreciate your vote. I know Senator Mello said there's some gaping holes. I do not think there...it's just technical issues of a little bit of flexibility in here to take care of some situations they brought forth this morning that must be dealt with. We can do that. I did have a different amendment here that moved it to General Fund, but I'd be glad to put that on, on Select File. If you can move this forward, I'll get the...whether they're small technical as I'm saying these are or gaping as Senator Mello said they were. We can take care of them issues if we had known about them prior to 9:00 this morning, which it was after that when we found out, we could have worked on that earlier. But I appreciate your votes on the last two amendments, and I'm asking you to give me the ability to fix the bill between General and Select and move this forward so that we can address the last issues that need to be done. Thank you. [LB522]

SENATOR KRIST: Thank you, Senator Christensen. You have heard the closing. The question is the advancement of LB522 to E&R Initial. All those in favor vote aye; opposed nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB522]

CLERK: 27 ayes, 0 nays, Mr. President, on the advancement of LB522. [LB522]

SENATOR KRIST: LB522 advances. Announcements, Mr. Clerk. [LB522]

CLERK: Mr. President, thank you. I have a communication from the Speaker regarding the referral of LR155 to Reference Committee. Senator Crawford offers...introduces LR156. That's a resolution that will be laid over at this time. Senator Mello, an

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amendment to be printed to LB99. (Legislative Journal, pages 1106-1111.) [LR155 LR156 LB99]

Mr. President, Senator Crawford would move to recess the body until 1:30 p.m.

SENATOR KRIST: You have heard the motion. All those in favor, aye. Opposed, nay. We are in recess until 1:30.

RECESS

PRESIDENT HEIDEMANN PRESIDING

PRESIDENT HEIDEMANN: Good afternoon, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber. The afternoon session is about to reconvene. Senators, please record your presence. Roll call. Mr. Clerk, please record.

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

PRESIDENT HEIDEMANN: Thank you, Mr. Clerk. Do you have any items for the record?

CLERK: I have nothing at this time, Mr. President.

PRESIDENT HEIDEMANN: Thank you, Mr. Clerk. We proceed to the first item on this afternoon's agenda. Mr. Clerk.

CLERK: LB583 by Senator Haar relates to agriculture. (Read title.) Bill was introduced on January 23, referred to the Agriculture Committee, advanced to General File. There are committee amendments pending, Mr. President. (AM664, Legislative Journal page 757.) [LB583]

PRESIDENT HEIDEMANN: Thank you. Senator Haar, you are recognized to open on LB583. [LB583]

SENATOR HAAR: Mr. President, members of the body, I want to start by thanking Senator Adams for putting me right after LB522, a bill on water. I think this is a perfect segue into the topic of my bill. My bill deals with climate change. It's here, it's happening, and we will have to adapt. What LB583 comes down to is what does science tell us long term so we can plan and so we can adapt. I've done a handout for everyone and I'll go through that in a minute, but I would like to start by saying LB583 is a relatively simple bill. It updates the composition and expands the responsibilities of the existing Climate Assessment and Response Committee, which was first authorized by the Legislature in 1991. Nebraska is in the western Corn Belt. Our state weather and

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rainfall patterns vary a great deal from one end of the state to the other. In the eastern part of our state, our weather and rainfall patterns are similar to Iowa. In the western part of our state, our weather and rainfall patterns are similar to semiarid Wyoming. Our state rainfall amounts decrease as we travel west across the state. Based on USDA data, Nebraska is the fourth largest agricultural producing state in the nation based on cash receipts from the sale of all farm commodities, with sales of almost \$22 billion. Sales of crops amount to \$12 billion. Whether our farmers are producing crops or livestock, small increases in temperature and a few inches less rainfall has large impacts on the crops they grow and the livestock they raise. Small changes in rainfall patterns over time can put our water uses in crisis and in conflict. LB583 updates the use of the data the Climate Assessment and Response Committee already gathers and puts it into a more usable form so that our Governor and Legislature has the information they need to manage the changing weather and patterns over our...that our state will face. Nebraska had the foresight to pass the Climate Assessment and Response Committee in 1991. It served our state well. LB583 provides a timely update of the roster of the committee and the gathering and appropriate use of much of the data it already collects so that our state leaders have the information they need in order to put both...to both plan for the future and respond to the physical world around us. So I want to go through real briefly and quickly with you, there's a handout on your desks. There's four pages. The first handout simply states that we will add a member to the Climate Assessment and Response Committee. And then it requires a report, a new report. If you look at page 2, you can see the committee membership right now: Department of Agriculture, Policy Research, and so on, and others as the Governor deems necessary. That's the list at the bottom. What my bill does, what LB583 adds, the highlighted High Plains Climate Center to that committee. Right now they have a representative appointed by the Governor. The third page is a page of questions and answers compiled by climatologists at the University of Nebraska in Lincoln. I hope you'll have a chance to look those over. And then finally, the final page is some of the testimony that we received at the committee hearing when this went before the Ag Committee. So with that brief introduction, I urge the body to support LB583. You're going to see an amendment that narrows the scope a little bit. And I would be more than glad to answer any questions the body has about LB583. Thank you very much. [LB583 LB522]

PRESIDENT HEIDEMANN: Thank you, Senator Haar. As the Clerk stated, there are committee amendments from the Ag Committee. Senator Schilz, as Chair of the committee, you are recognized to open on the amendments. [LB583]

SENATOR SCHILZ: Thank you, Mr. President and members of the body. The committee amendments to LB583 are arrived at in collaboration with the introducer and, in part, serve to reduce the anticipated fiscal note for the bill. The committee amendment would provide for the Climate Assessment and Response Committee to undertake a climate impact assessment in two parts. First, on or before September 1, 2014, the committee would prepare an initial report that would be a synthesis of the

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state of knowledge on the following elements: historical climate; projections of how key climate norms may change; and the possible impacts to agriculture, water management, wildlife, and recreation. We anticipate that this work will be primarily compiled by the climate experts within the university community. Note that the bill would add a member representing the High Plains Climate Center, where faculty and staff develop and compile this type of information on this initiative, and participate in regional and national collaborative projects studying the magnitude and implications of climate change. While the committee already utilizes information provided by the High Plains Climate Center in carrying out its existing duties, we believe that its membership on the committee will enhance the flow of information between the scientific community and the policy community. The committee amendment would stop short of the original bill essentially farming out the implications and recommendations portion of the project. Instead, the amendment would charge the committee with preparing a final report on or before December 1, 2014, that identifies policy implications of the data compiled in the initial report. The Climate Assessment and Response Committee is perhaps a more apt body for translating pure climate data and projections into practical recommendations. The committee is designed and endowed as a planning entity, although its focus to date has been primarily on current and near-term adverse weather responses and with drought management. I anticipate that the amendment will greatly reduce the fiscal note but will also more proactively involve the committee in factoring in scenarios of change in norms in temperature, precipitation, and extreme weather events into its planning role and source of information to the public. Thank you, Mr. President. [LB583]

PRESIDENT HEIDEMANN: Thank you, Senator Schilz. Mr. Clerk, there is an amendment to the committee amendment. [LB583]

CLERK: Senator McCoy would move to amend with AM1082. (Legislative Journal page 1112.) [LB583]

PRESIDENT HEIDEMANN: Senator McCoy, you're recognized to open on your amendment, AM1082. [LB583]

SENATOR McCOY: Thank you, Mr. President. Good afternoon, members. My amendment would seek to strike lines 1...or, pardon me, on page 1, lines 4 through 9, that paragraph, and insert "on current water availability and drought conditions in Nebraska," which would essentially, members, put us back to where this...what this committee was originally intended to do, going back to 1991 and 1992, when its intent was to talk about drought and water in our state, not climate change or global warming. I think that we are straying from the purpose of this committee with this overall bill. I agree that the committee amendment makes some good changes to the bill, but I believe it needs to be returned to the original intent of it. I have several articles in my hand that I think are important to this discussion because I, for one--and this is a philosophical position--don't subscribe to global warming, to that theory. I think there are

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normal cyclical, and rhythmic climate changes that are not caused by man-made attempts. My great-granddad used to talk about and he homesteaded our ranch, and he used to talk about at one point in the mid-1920s that there was over an inch of snow at our ranch on the 4th of July. That would have been almost 100 years ago. We have pretty crazy weather, as we all know in this neck of the woods, the upper Midwest, the Plains. We've talked about it before: We're a hardy bunch, those who settled this state and surrounding states. Weather comes and weather goes. I think though, members, it is we are walking out on a ledge I'm not comfortable with, with the intent and the purposes of this bill. I think the original committee has done great work for our state. We talked all morning on the importance of water and what it means to our economy and what it means to agriculture, our largest industry. But we are empowering this committee to author reports and go off in an area, on a tangent, that I really don't think we want to go. We all remember about seven years ago when a report was issued--you'll probably hear some talk about it from other speakers--on livestock's long shadow and its involvement in climate change. I think that's false. And we are opening ourselves up wide to have reports like that issued by a committee that would then seek to designate policy choices for our state that don't have anything to do with the original intent of the committee. I think that AM1082 tightens back to where it should be for this committee and gets back to the heart where it should be--drought and weather conditions. May I ask, Mr. President, how much time I have left? [LB583]

PRESIDENT HEIDEMANN: Six minutes. [LB583]

SENATOR McCOY: I would yield the remainder of my time to Senator Price. [LB583]

PRESIDENT HEIDEMANN: Senator Price, 5 minutes and 50 seconds. [LB583]

SENATOR PRICE: Thank you, Mr. Lieutenant Governor, members of the body. I rise to speak on this matter. Many of you may already know that this is something that would be irresistible to me. In knowing that I have already talked with Senator Haar about this, I've talked to him about what we see on the surface is legislation to increase a panel to include another entity. And I spoke to him to say that I think that it would be important that under the gubernatorial authorities where they're allowed to ask federal partners to participate, it would be prudent to invite the Air Force Weather Agency headquartered at Offutt Air Force Base in Bellevue, Nebraska, to the table, because it's their job to collect all terrestrial weather data and solar data. And subordinate to them is the...what we used to refer to as the Combat Climatology Center, but as you might imagine in the government, people get renamed and rebranded. But it's still the repository for all climatic data within the federal government DOD sector. And they do fall...they do participate with NOAA and the Storm Prediction Center. So there's a crossing of all these data sets. That notwithstanding, one of the things in this conversation, so we're sure that we don't get, I don't know, for lack of a better word, discombobulated on all the information available, is to look to, first of all, to see what has been said and look at

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what Senator Haar provided to us. If you'll flip back to the last page of his handout, you'll notice under there by the climatologist, Mark Svoboda...and I'm going to take a brief moment here to digress. Why am I capable of talking about this? Well, how can I stand before you? Twenty years I worked in the weather business in the Air Force Weather Agency and at that subordinate command. I did it from the unit level on up through higher headquarters. And it was on my action that your sons and daughters, wives and husbands were sent off into harm's way. It was my climatological capability to research that database that was used to build the war plans and the operation plans to go into Bosnia. I feel capable to speak to these issues. And I do not call out anybody else who has talked about these as incapable. These are just model data, like we had discussion before. These are opinions and thoughts, hopefully scientifically backed up. But to go forward, what you'll see offered by the climatologist in the first bulleted statement says, "It was also the warmest year on record." I think it's important that we keep the concept of "on record," and to do so, I've done a little research. And that research talks, and I went to NOAA, the National Oceanic Atmospheric folks, and I looked back, and the first North American systematic observations began in 1644, 370 years ago. Satellite data started being collected 50 years ago. In 1848, the Surgeon General asked for some more weather data to be collected on observations to figure out the different things going on affecting the United States. And in 1870, President Grant asked for more, even more to be done within the Department of War. When you're measuring weather, as you all know as you try to figure out when you're going to go home on the weekend, weather models have a heavy dependency on climatological data sets. Those data sets only go back 370 years, and not all that data that was collected is actually valid data. First time we went to Desert Storm, they encountered a lot of fog. The models hadn't accounted for fog because it had never been observed. Didn't mean it hadn't...it had never been reported. Didn't mean it didn't occur. It just didn't get reported. So you all know the old term "garbage in, garbage out," GIGO, you know, you're only as good as the quality of your data. But to move forward, when we're looking at weather data and climatic data and as we look to, you know, government sources to be our credible sources, I would direct you to a page, I want to say, out of the state of...let's go with the state of Utah where they talk about Ice Age. This is from the Utah Geological Survey. [LB583]

PRESIDENT HEIDEMANN: One minute. [LB583]

SENATOR PRICE: Thank you. We are currently in an Ice Age, ladies and gentlemen. We're currently there now. If you're talking to people who talk about geologic things, if you think about it through plate tectonics and those time frames. If you looked, and you were looking at the same graph I was looking at, which is a simplified chart of the global climate change made in 2002, you could see that we actually had much, much warmer times. And I would tell you this because where do we find oil? I believe we find oil under water, we find oil under snow, we find oil under sand. If anybody has been to Arizona, we see the Petrified Forest. At one time there were trees, and through a very complex process they became stone. But to have trees, they had water. I don't think you find

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much of it there. So we have had climate change. Climate change is real. The question, the debate today will be around, is climate change impacted as much as some would say by mankind? [LB583]

PRESIDENT HEIDEMANN: Time. [LB583]

SENATOR PRICE: Thank you. [LB583]

PRESIDENT HEIDEMANN: You are next in the queue. (Visitors introduced.) Senator Price, you may continue. [LB583]

SENATOR PRICE: Thank you very much. So we're going to go back and we're talking about how do we validate and verify these data sets that we're going to be asked to make policy on. If we want to get down into the wonky numbers, we can. I have plenty of information here and we can get as wonky as we would like, but I don't think that really serves the purpose. The question before us is, in this policy debate on how and when we're going to talk about global climate change and how it's going to impact, because I want to make sure that what we do has a direct bearing on Nebraska and Nebraska's future. Inasmuch, I'm looking at the fiscal note, and if you all would go on your computers to the fiscal note, and as you scroll through that you'll notice that the fiscal note calls for \$114,000 for a full-time equivalent person to sit there and go through the data. Now I don't deny that going through the data sets would take a person a whole year. If we were looking at 370 years of climatic data at every point on the globe, obviously it can take a long time. If we just want to look at the upstream, or that weather that's upstream from us and which could be anywhere from Colorado, Wyoming, and you know the map as well as I do, all the way up through Canada, if we want to look at all those data points, it could take quite a bit of time. But my question is, why would we be reinventing the wheel? Climate change, a euphemism for global warming, has been around for quite a while. I believe someone got an academy award...an Oscar for a film there. This data set is already there. It's already been generated. I don't know that we have to go and reinvent it to look at that. Twenty-two thousand dollars for meetings. Well if we use our gadget we can pull a lot up. We can get permission. Matter of fact, that's why it would be a good idea to bring on the Air Force Weather Agency and the Combat Climatology Center, probably now known as another weather squadron, I think the 16th (sic--14th) Weather Squadron. You can put a request in and they already generate these things. That's an important thing to know, that within the federal government we have a lot of things going on that we duplicate. I don't believe it's prudent for the state to spend a lot of time duplicating that. What I do believe is prudent, though, and I agree with Senator Haar on, we have a lot of weather data points and sensors. Every time you're driving down the interstate, you go by a bridge, you'll see weather data collection points. You'll see a little wind vane on that and some temperature and humidity and pressure sensors; all the different airports. We also have a citizens group that have weather sensing stations at their houses and at their farms,

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and we have AGRI-net. I believe that collecting this data is important. I believe that we should make sure we understand the basic physics, which is cold air holds less moisture than warm air. Just go down to Houston, you can experience that all for yourself. And if you look at the poles where we have the glaciers and everything going on there, there's not a lot of actual water fall there, all right? There's not a lot of rainfall. It's too dry to have it. But it's important because I believe if we have climate change that's cooling in nature, we end up with more drought. I believe that's a rather logical procession. And we have been having a global cooling period for approximately the last ten years. So when I talk about all this and as I go through, I would have you know I have here a petition signed by 31,000-plus scientists of which, of those 31,000, 133 of them were Nebraskans, 45 of them have Ph.D.s and in one way, shape, form, or another they're all related to sciences that are impacted and go into the concept of climate change. So it's not just myself. It's important, as we move forward in this debate, that we focus it though on how will it help Nebraska. [LB583]

PRESIDENT HEIDEMANN: One minute. [LB583]

SENATOR PRICE: Thank you, Mr. President. And the other part about it is to make sure that we're not setting ourselves up for people to come back and say later on, because it's expedient, we want you to change policy based on this snapshot in time. Again, when you think of it in the long periods of glacial periods, 300 years is nothing but a blip. If you look at all time, that we would say, on the clock, we'd be in the last second or the last minute or the last hour on the 24-hour clock. It really wouldn't be right to make a lot of policy implications and changes on that little blip. Thank you, Mr. President. [LB583]

PRESIDENT HEIDEMANN: Thank you. (Visitors introduced.) Senator Campbell, you are recognized. [LB583]

SENATOR CAMPBELL: Thank you, Mr. President and members of the Legislature. After Senator Price, my questions are going to seem pretty elementary. I was wondering whether Senator Haar would yield to a couple questions. [LB583]

SENATOR HAAR: Yes. [LB583]

PRESIDENT HEIDEMANN: Senator Haar. [LB583]

SENATOR HAAR: Yes, thank you. [LB583]

SENATOR CAMPBELL: Thank you, Mr. President. Senator Haar, a couple of things. I want to kind of roll all the way back and you talked about the fact that the committee has been in operation since 1991. Do they have staff and money allocated to them now? [LB583]

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SENATOR HAAR: Yes, although my understanding is that they primarily operate through the Department of Agriculture. Now just to extend my answer a wee bit, actually Senator Schilz is on that committee now, as Chair of the Ag Committee, so the specifics of who does what in that committee might be more appropriate to him, I believe. [LB583]

SENATOR CAMPBELL: Okay. So my second question is, since 1991, I'm assuming that the committee has had to publish or provide reports or documents over that course of time. Are they required to report annually? And what general topics have they covered? [LB583]

SENATOR HAAR: Yes. In fact, they're required by law to meet twice a year. They met last in March. There was a report in the Journal Star on March 26 about a meeting of that committee that had just occurred. And if you go out and look at their Web site, which is CARC.com(sic), you can see that some of the things on the Web site, it talks about "Drought Planning," "Nebraska Climate Watch," "State Drought Plan," and so on. So, yes, they publish reports and you can go right out to the Web site and see them. [LB583]

SENATOR CAMPBELL: My last question is, I'm assuming that you brought this forward as a bill because you had to change the composition of the committee, which was in statute, and to include new language as a charge to that committee. [LB583]

SENATOR HAAR: That's correct. [LB583]

SENATOR CAMPBELL: Thank you, Mr. President. Those are my questions. [LB583]

PRESIDENT HEIDEMANN: Thank you, Senator Campbell and Senator Haar. Those wishing to speak and in the queue are Senator Ken Haar, Bloomfield, Johnson, Krist, Christensen, Larson, McCoy, Price, and Hansen. Senator Ken Haar, you're recognized. [LB583]

SENATOR HAAR: Mr. President, members of the body, I'd urge you to vote against AM1082. I'm sorry, I probably need different glasses. First of all, I'd like to make it clear that we've negotiated down the fiscal note, working with people at the university, and the A bill that we finally bring forward will be no more than \$40,000. And, of course, because we're asking more resources to be used, this seems to be a very reasonable figure. I didn't really bring this bill to argue whether or not climate change is man-made or not. We know there have been some cyclical changes throughout history of this planet. And Senator Price and I have talked about this off mike and I appreciate his comments. And it's true, climate change is something that's happened throughout the history of this planet and my lifetime or the lifetime of seven generations after me will be only a blip on that small...on that huge time line. But it's a blip that may affect the kids

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that are sitting in the balcony; be comparable to my grandchildren and their children and so on. And what this bill says is there is a lot of evidence of a changing climate right now. The Web site that Senator Price mentioned, signed by 30,000 people or something, but I want to tell you what climatologists say. And this is from an article that appeared in the Lincoln Journal Star December 30. It's a reprint from the St. Louis Post-Dispatch: James Lawrence Powell is a former member of the National Science Board under Presidents Ronald Reagan and George Bush. He did a broad search in the scientific journals for every peer-reviewed study of climate change and/or global warming since 1991. He found 13,950 peer-reviewed articles, the combined work of 33,690 climate scientists from around the world, and of those 13,950, 24, 24 of those studies rejected climate change and global warming. So the Web site that he's talking about, and I'm familiar with that, it includes names like Daffy Duck and things like that as well because anybody can go out there and put their name on that, on that Web site. So what I'm asking, we have climatologists at the University of Nebraska-Lincoln. I'm asking us to look at what science from scientists in Nebraska say about Nebraska's climate future over just a blip of time, but it's a blip of time that will affect maybe not me, since I'm 70 years old, but it will affect my children and those children sitting in the balcony, and it will affect agriculture. And it simply makes common sense to plan for the future. To say nothing is happening, let's not look at it is really putting our head in the sand and I believe it's irresponsible to those children... [LB583]

PRESIDENT HEIDEMANN: One minute. [LB583]

SENATOR HAAR: ...sitting in the north balcony. Thank you very much. [LB583]

PRESIDENT HEIDEMANN: Thank you, Senator Haar. Senator Bloomfield, you are recognized. [LB583]

SENATOR BLOOMFIELD: Thank you, Mr. President. Colleagues, you'll note that I did not vote for this bill coming out of committee. I did, however, in committee vote for the committee amendment, AM664. I believe this makes this bill considerably better. I haven't decided yet where I'm going on AM1082, but I doubt I'll be able to support LB583 going forward, as I see it now. That is, I think this is primarily the Governor's committee. He gets to appoint who he wants to it. If he wanted these extra people on there, he could put them on. I don't know why we're sticking more people on there that he has to talk to and have reported to him. That's something he can decide. If Senator Price could use a little more time, he could have the rest of mine. [LB583]

PRESIDENT HEIDEMANN: Senator Price, 4 minutes. [LB583]

SENATOR PRICE: Thank you, Mr. President. Thank you, Senator Bloomfield. And I appreciate the comments of Senator Haar. Again, that was a book not a Web site, but...and we can go on and on but I don't want to waste anybody's time on that. It is a

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reviewed document. I don't believe Daffy Duck is in there. And I would say he's at...and I can understand it because I do know of those sites also. And numbers, well, they don't get anything done here for the debate, okay? I do want to talk more about the handout that Senator Haar handed out. It says over the next 25 years, the climate change on ag production and economic outcomes for both producers and consumers in the United States are expected to be mixed. Well, what do we say about weather forecasts? You can be right half the time, you're considered good--mixed. I don't want to make light of it. It's an important topic. I believe that global cooling is more of a problem for our ag production than anything. We don't need any...we can't do much about it. It's not like we can stand outside of our borders and hold our hands up and say no. But the addition of CO2 gas has actually helped during the interglacial periods and the warming trends. So anyhow, I think it's important to do that. One of the things I'd also like to talk about to the bill and what we've done is I believe in the prior form of the legislation there was a requirement to be a minority report. See, if there's this much potential for there to be dissension amongst professionals, just like with the Supreme Court, there is a determination but then there is also a minority type of report or finding. I'm sure they have another name for it. I don't mean to butcher the lexicon there. But the idea is we don't want to get tied to one thing. Everybody remembers how science told us, I believe, saccharine was bad; then they found out, ah, well, maybe that was not properly done and conducted, and maybe saccharine wasn't as bad as they said it was. I'm mindful, I believe it was Dwight Eisenhower said that the military complex and things going on with that were probably one of our biggest things to be concerned with going forward. Peer review, we can talk about peer review and how that works. Sometimes when you're paid and you're allowed to get more of the federal grant money by the number of peer reviews you do, maybe peer reviews aren't quite as stringent as they once were, not all but some. But going back farther into this and talking about climate change, and again I am at the University of Utah...I'm at the Utah government, thank you, they talk about climate change and changes by 8 centigrade or 15 degrees more have actually fluctuated within a few years and decades in between these Ice Ages, the five of them we've had in the 2.4 billion years that they've measured. [LB583]

PRESIDENT HEIDEMANN: One minute. [LB583]

SENATOR PRICE: So I say that while the discussion shouldn't get too wonky, and it probably already has for some by the looks I'm getting, I think it's important that when we look at this legislation we put back into the bill the minority report to make sure that we don't get too one-sided. We have to understand that that blip that we talk about, how are we impacting, how are we affecting that blip as we talk about the impacts. I believe that the impact of heat islands are one thing, from cities, but then again so, too, is the CO2 and the various gases emitted by one volcano, which can cool the entire globe for years from one volcanic eruption. And we have entire new land masses being formed in the Icelandic areas. Thank you, Mr. President. [LB583]

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PRESIDENT HEIDEMANN: Thank you, Senator Price and Senator Bloomfield. Senator Johnson, you are recognized. [LB583]

SENATOR JOHNSON: Thank you, Mr. President and colleagues. I'd like to ask if Senator Haar will yield to a question. [LB583]

PRESIDENT HEIDEMANN: Senator Haar, will you yield? [LB583]

SENATOR HAAR: Yes, certainly. [LB583]

SENATOR JOHNSON: I see the list of the committee here, which has been determined as the Governor's committee, and I'll have to admit I'm not familiar enough with the High Plains Climate Center that you're recommending be part of this. Can you give a brief outline of what expertise and how they...that group might...or that center might be able to provide value to the study? [LB583]

SENATOR HAAR: Uh-huh. Well, actually, right now by invitation of the Governor, it's my understanding that there is a representative of the High Plains Climate Center. And I'm not a climatologist so I can't describe all the work that goes on there, but the people that work at the High Plains Climate Center at UNL are climatologists. And again, since really the purpose of this bill is to talk about what may happen long term, not just next summer, not just, you know, next fall in terms of agriculture and stuff but a long-term view, and so it seems appropriate, since we have this resource at the university, that that be a part of the membership. [LB583]

SENATOR JOHNSON: Well, if the Governor has the power and they're kind of on the committee anyway, whether...maybe the most important part of your bill is not that they're added, because they could be added by the Governor or could maybe just be asked by the Department of Agriculture to help out. So maybe the fiscal note isn't as much of an issue. Now that it's down to \$40,000, it definitely helps. But maybe we can incorporate their expertise into this bill without actually officially appointing them to that. And I would hope that whether AM1082 passes or not, that the Agriculture Committee, because it's pretty much the makeup of the committee, would be able to reach out to climate change. If High Plains Climate Center is part of that, I would sure think they would be encouraging them to be studying that. So I guess I'm not sure where I'm at on the bill yet, but definitely AM664 helps with the lessening of the fiscal note, and AM1082 maybe just helps bring it back into the focus. If the focus needs to be expanded to climate change, then High Plains, which are part of the committee now, can sure hopefully interject that. Thank you. [LB583]

PRESIDENT HEIDEMANN: Thank you, Senator Johnson and Senator Haar. Senator Krist, you are recognized. [LB583]

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SENATOR KRIST: Good afternoon, Mr. President and colleagues. Good afternoon, Nebraska. Two very quick points to Senator Price's diatribe on the mike: I am one of those people who forecast weather. Not to be dramatic, but one thing I learned a long time ago--never cancel on a weather forecast because they get paid big bucks to be wrong if they're in the private sector. And in the military, in the DOD, they're still wrong a certain percentage of the time. So you take their forecasts with a good grain of salt, as an educated decision, as an educated projection, and then you go out and do the job. Senator Price, thank you for your service and for your prognostication. But I would bet that there have been a few times, given all the data that we have, there have been one or two questionable forecasts in your history because there's been one or a few questionable flights in mine. This is way too much about nothing. This is not about global warming. This is not about Al Gore inventing the Internet. What this is about is if the opponents to this bill want to kill the representation proposed by Senator Haar's bill, then we need to think long and hard about the High Plains Assessment Response Committee--is that what it's called--High Plains...Climate. This committee exists at the university. So let's pull the funding from the university. If we know all about global warming and we know all about what's happening, we don't need any kind of input from the University of Nebraska membership, then what are they doing funding the same program? Several years ago I stood on this floor and told this body that the flooding that was about to happen would be historic. It would be epic in terms of the Missouri River doing what it did. You know how I knew that? Because the climatological folks at the Corps of Engineers, in their modeling, looked at the weather patterns coming forth and they said, beware, because the snowpack, the snowfall, and the projected rainfall are going to come over the banks of the Missouri River and they are going to do damage all the way up and down the river. Two years before, they were projecting that that would happen. They don't do that with smoke and mirrors. There's climatological change committee that sits down and looks at these things. This is not about global warming. Again, it is not about Al Gore. It's about the best data available to...if you look at the list of the members that are on that...the existing committee, Al Berndt is on there. This is NEMA. This is Nebraska Emergency Management folks. He needs the best information he can get and some of that information is at the University of Nebraska and that one-person membership on that committee is going to do nothing more than add a little bit of information to what they need to make good decisions. One person we're talking about here from a group of people that come from a study group at the University of Nebraska. The Corps of Engineers use that same forecasting capability to tell Central Nebraska Public Power and Irrigation, who control the outflow from the reservoir at McConaughy, that they needed to open up... [LB583]

PRESIDENT HEIDEMANN: One minute. [LB583]

SENATOR KRIST: ...the spigot to get rid of a little water. And that group of people said, you know what, we disagree because we've been doing this for 70 years and we don't think we should. Ask Tom Hansen or anybody else who experienced the conditions

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around North Platte. They had to go through monumental efforts to save their airport because somebody didn't listen to the right chart or the right information. I would argue this is not about global warming. This is about putting the best information that currently exists at the university, that we fund, in the hands of these people. And if it's not good enough for what we want to do here, then let's turn off the money that's going to the university for this project. Thank you, Mr. President. [LB583]

PRESIDENT HEIDEMANN: Thank you, Senator Krist. Those wishing to speak: Senator Christensen, Larson, McCoy, Price, Hansen, Ken Haar, Janssen, and Scheer. Senator Christensen, you are recognized. [LB583]

SENATOR CHRISTENSEN: Thank you, Mr. President. Would Senator Haar yield to a question, please? [LB583]

PRESIDENT HEIDEMANN: Senator Haar, would you yield? [LB583]

SENATOR HAAR: Thank you, yes. [LB583]

SENATOR CHRISTENSEN: When you done your opening, I didn't get it wrote down but you said something about we have climate change and we have to learn to deal with it or something. Can you again tell me what you said there? [LB583]

SENATOR HAAR: Yes. My opening...I'm sorry, I put it...here it is. I said climate change, it's here, it's happening, and we will have to adapt. [LB583]

SENATOR CHRISTENSEN: Okay. What type of climate change do you think is here and happening? [LB583]

SENATOR HAAR: Well, first of all, I should tell you right now that climatologists, the scientists who work on this data, the scientists at our own university say that there is warming going on. That's the consensus of the vast majority of climatologists. [LB583]

SENATOR CHRISTENSEN: Is there scientific facts to back this up? I guess I hear some say it is; some say it isn't. I can go back and look over my years of farming and tell you of wet, dry, cool, warm. Is there really a consensus of what's going on? [LB583]

SENATOR HAAR: Well, let me answer that by referring to some of the testimony that happened in another committee bill. We were hearing from Dr. Robert Oglesby, professor of Climate Modeling with a dual appointment to the Department of Earth and Atmospheric Sciences and the School of Natural Resources at UNL. And the question was asked: Do all scientists agree that there's climate change happening? And he said, no, not all scientists agree on anything. He said, just about 98 percent of them and, he said, the ones who disagree are not climatologists. So...and I am not a climatologist, so

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I would...much of the data and much of the answers I'll be giving is what I have heard from climatologists such as Robert Oglesby. [LB583]

SENATOR CHRISTENSEN: Okay. Thank you. You know, as I listen to different people talk at different times on news programs, things this way, they talk about the North Pole is melting and how we're seeing drastic climate change. And yet what I don't ever hear them say is, when they talk about melting at the North Pole, what's happening at the South Pole? Have any of you ever went and looked? It's typically freezing. It is increasing the ice mass there when we're decreasing on the North Pole. That's all due to the tip of the Earth and where we're at there. It is interesting how you can build a case for we've got climate changing on the cold side of things by watching the South Pole now, and we can talk about climate change to the warm side by watching the North Pole. But I think you got to look at the whole picture. It's just like I can look at 2012 and tell you it is much warmer now because it was a hot, dry year and it was a miserable year. But I can go back to 2011, I believe, it was pretty much wet all year where I was at. And you can go back and we had three years of below-normal water usage in the Republican. And then we hit 2012; we had considerable above use of water in the Republican. [LB583]

PRESIDENT HEIDEMANN: One minute. [LB583]

SENATOR CHRISTENSEN: Thank you. And you know, I go back, 1995, I remember how wet and miserable it was. May 20, I wasn't half done planting corn. I bought another planter; we were just trying to mud it in. That's how bad '95 was. Yet then we started out several years of drought after that. I just don't know. You look at 2002, 2006, extremely hot, dry, and water usage was high in the Republican; 2007, 2009 was cooler and less water usage. I can build cases for being climate change both directions. That's why I say can we take this into balance? I guess I'm trying to observe things in my district to see is there climate change or not. If this was just recording some information about what's happening, be easier for me to support than having the statement made we have climate change. [LB583]

PRESIDENT HEIDEMANN: Time. [LB583]

SENATOR CHRISTENSEN: Thank you. [LB583]

PRESIDENT HEIDEMANN: Thank you, Senator Christensen. Senator Larson, you are recognized. [LB583]

SENATOR LARSON: Thank you, Mr. President. I have a few questions and I'll start on the fiscal note. I know what we see on the computer, the fiscal note was about \$140,000, and Senator Haar said he's made drastic efforts and it will be no more than \$40,000 in the final product. If Senator Haar would yield, I'd like to ask him how he has

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managed to cut this \$100,000. [LB583]

PRESIDENT HEIDEMANN: Senator Haar, would you yield? [LB583]

SENATOR HAAR: Yes. [LB583]

SENATOR LARSON: So, Senator Haar, is it...how...through AM664, how have you managed to cut \$100,000 from the fiscal note? [LB583]

SENATOR HAAR: Well, part of what you'll see in AM664 is a narrowing of the scope. And so we talked to the people at the university, where the additional cost was going to come from, and we said \$140,000 is too much; how can we narrow the scope and what would that cost? And so the lower cost is reflected in the fact again that we have narrowed the scope of what we're asking. [LB583]

SENATOR LARSON: And I see that you have narrowed the scope and it's just an initial report, and after that essentially that \$40,000 is providing for that initial report? [LB583]

SENATOR HAAR: That's correct. This... [LB583]

SENATOR LARSON: And so... [LB583]

SENATOR HAAR: Yes. [LB583]

SENATOR LARSON: ...you're saying the \$40,000 is just one-time spending. [LB583]

SENATOR HAAR: It's...yes, and this is... [LB583]

SENATOR LARSON: It's not requiring a report every year. So this...I mean we're just passing this just for... [LB583]

SENATOR HAAR: That's correct. That's important, yes. [LB583]

SENATOR LARSON: And I can appreciate that, but we...looking through the original statute, obviously, that helps a little bit but we still have to ask our question in terms of priorities. You know, Senator Mello did stand up and speak that the Appropriations Committee has left a little more money than we thought that was going to be available, but we still have to pick and choose our priorities. And I'd like to make that very clear to the members of the body. If Senator Haar would yield again, I'd appreciate it. [LB583]

SENATOR HAAR: Yes. [LB583]

PRESIDENT HEIDEMANN: Senator Haar. [LB583]

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SENATOR HAAR: Yes. [LB583]

SENATOR LARSON: Senator Haar, do you know how many people...I see in LB583 you want to appoint somebody from the High Plains Regional Climate Center. Do you know how many people work in the High Plains Regional Climate Center? [LB583]

SENATOR HAAR: No, but I have...I have on... [LB583]

SENATOR LARSON: Twelve. [LB583]

SENATOR HAAR: ...their Web site. [LB583]

SENATOR LARSON: Twelve, including the interns. [LB583]

SENATOR HAAR: Okay. Good. Good. [LB583]

SENATOR LARSON: (Laugh) So essentially, we...you're trying to have the Governor appoint 1 of these 12, assuming that the interns are available for appointment from the Governor. Just why these 12? Why don't we say a climatologist? Why does it have to come from the High Plains Regional Center? Because I think it really actually limits our scope of who we can hire because, judging by their Web site, of the 12, there's only 3 that are actual climatologists. We have one that's an applications systems programmer, and another research professional, and a systems manager, a data quality technician. Are all those people...would they be available for appointment? [LB583]

SENATOR HAAR: Well, certainly you're not going to appoint an intern to this. I do have the information about, for example, the director, Martha Shulski, and she appeared at the Agriculture hearing. She's a Ph.D. that directs that center. She's also an assistant professor of Applied Climate Science at UNL's School of Natural Resources since August 2009. [LB583]

SENATOR LARSON: So you're assuming that probably 1 of the 3 would be...1 of the 3...3 of the 12 climatologists on staff. [LB583]

SENATOR HAAR: Yes, I am. [LB583]

PRESIDENT HEIDEMANN: One minute. [LB583]

SENATOR LARSON: Again, I guess why are we putting it at this center? Why don't we just put a climatologist? I feel like we're starting...you limit your scope into such a...one of three people. Why don't...I mean we could just name one of these three people. Or why don't we put "a climatologist from the High Plains Regional Climate Center,"

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because under this statute, yes, the interns could be appointed. There's only 12 people in the entire staff and it is the Governor's prerogative. So it may be that the Governor didn't want, depending on who the Governor is, if he doesn't want a report, he would appoint the data systems technologist or whoever that might be. So I mean, I guess I have first an issue with that. And then as I was reading through the original bill, LB583, when the Climate Assessment Response Committee was set up, there's a number...there's a few voting members and then there's a number... [LB583]

PRESIDENT HEIDEMANN: Time. [LB583]

SENATOR LARSON: Thank you. [LB583]

PRESIDENT HEIDEMANN: Thank you, Senator. Senator McCoy, you are recognized. [LB583]

SENATOR McCOY: Thank you, Mr. President and members. And I'll yield Senator Larson some time here in a moment so he can finish his thought. If you go to the Nebraska Climate Assessment and Response Committee's Web site, which is an official Nebraska government Web site, obviously, it's all about drought and climate-related emergencies, in which you'll find that one of the individuals in question, that Senator Larson was just speaking about from the High Plains Climate Center, is already a committee advisor. I think our University of Nebraska system is second to none. I think we signal our belief in that by how we fund the university. So with all due respect to Senator Krist, I'm not sure that he understood what AM1082 does. AM1082 is not meant to disrespect the very intelligent and hardworking faculty members and experts at the university. Those experts are already advising this committee. However, an individual from the High Plains Climate Center is not a voting member of this committee, so understand that distinction. They are already an advisor to this committee. They already provide technical background and have since 1991. We are seeking to make them a voting member of this committee. I don't really see the purpose of LB583 at all. I think that if reports are desired on perceived climate change or global warming or any other issue, they can already be done. I don't know why we would even spend \$40,000. This individual that's being sought to be made a voting member of the committee already is an advisor to the committee. I think what Senator Haar is trying to accomplish here with his bill can already be done under what's been in statute for over 20 years. That's why I bring to you AM1082, to get this back to what's already in statute with drought and severe weather issues. If these reports are desired, which I personally don't believe in but I respect those who may, they can already be done without spending \$40,000 of taxpayer funds. I'll yield the balance of my time to Senator Larson. [LB583]

PRESIDENT HEIDEMANN: Senator Larson, 2 minutes and 15 seconds. [LB583]

SENATOR LARSON: Thank you, Senator McCoy, Mr. President. And Senator McCoy

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stole my thunder on where I was going with that in the essence that you read through this and you have a few voting members but then I see that Senator Carlson is a nonvoting member. I read that Senator Schilz, as the head of the Agriculture Committee, is a nonvoting member. If Senator Haar would yield to a question, I'd appreciate it. [LB583]

SENATOR HAAR: Yes. [LB583]

PRESIDENT HEIDEMANN: Senator Haar. [LB583]

SENATOR HAAR: Yes. [LB583]

SENATOR LARSON: Senator Haar, why does the person that...from the High Plains that doesn't necessarily have to be a climatologist. They just have to be from the High Plains Regional Climate Center. Why, in your estimation, do they need to be a voting member? [LB583]

SENATOR HAAR: Because voting members get to vote on what the committee turns out. [LB583]

SENATOR LARSON: So should Senator Carlson or the Chair of the Natural Resources Committee, or Senator Schilz, as the Chair of the Agriculture Committee, since obviously Natural Resources and Agriculture, this report that you're asking them to deal with, has direct influence on the key sectors of the state, such as agriculture, water, wildlife,... [LB583]

PRESIDENT HEIDEMANN: One minute. [LB583]

SENATOR LARSON: ...should we make our Chairmen in the Legislature voting members to make sure that they have adequate say in the things that so directly affect legislation? [LB583]

SENATOR HAAR: Okay, I'm getting some coaching from a senator on the sideline saying it can't...they can't be because it's in the Nebraska Constitution. [LB583]

SENATOR LARSON: Can...what about the... [LB583]

SENATOR HAAR: It's a division of power. [LB583]

SENATOR LARSON: Division of power? [LB583]

SENATOR HAAR: Yeah. Yeah. [LB583]

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SENATOR LARSON: Oh, okay. Then what about somebody...can the director of Agriculture, can they be a voting member or...? [LB583]

SENATOR HAAR: I suppose so. I can't answer that for sure. [LB583]

SENATOR LARSON: Okay. Well, I think we have to consider that. And as Senator McCoy said, they already have the ability to advise and we have this question... [LB583]

PRESIDENT HEIDEMANN: Time. [LB583]

SENATOR LARSON: Thank you. [LB583]

PRESIDENT HEIDEMANN: Thank you, Senator Larson and Senator McCoy. Senator Price, you are recognized. [LB583]

SENATOR PRICE: Thank you, Mr. President and members of the body. Okay, so we've heard a lot of conversation, so let me clarify or go back to what I said before. I've already spoke with Senator Haar on this. We're in agreement. I really don't have a heartache with the concept of climate change and I don't have a problem with us getting a report. What I want us to look at and examine...and it has nothing to do with whether climate change is happening, what we want to call it. What I wanted to get to are the aspects and elements of that. And I believe Senator McCoy has scratched the surface of something that bears for more discussion. To what Senator Krist said, yes, I know it's hard to believe, but I have had a forecast go errant. Matter of fact, I had a 30-degree temperature forecast go awry and I paid the price for that. And I never had it happen again, I will assure you that. But that notwithstanding, as we talk about this and we look at it, I would like to know and have the body consider about the concept of having a voting member who is also an advisor particularly in this area. If I want advice from someone, I go, I get advice from them. But if they can vote on it too, I don't know that someone would vote against their advice. I don't know. Maybe we should explore that concept a little bit more. But I'll go on record, I'm not a part of anything to filibuster or otherwise. I just want us to have a full and complete debate over the topic because we're going to make them advisory. I do appreciate the change for the fiscal note that is significant, but would like to get back to what...and I'm not going to read anything into it. I don't want the label "diatribe" thrown at me again. But projections, it says here projections are that, due to increases in greenhouse gases and gas as a result of human emissions, so now we're talking about man-made global warming and climate change, so I have a problem with that aspect there. But it goes on: Nebraska will warm by 4 to 10 degrees Fahrenheit between now and the end of the century, i.e., by 7 degrees, plus or minus 3 degrees. The exact amount of warming is uncertain. Okay. Someone walk through the numbers with me. I think we just said anything can happen within a 10-degree range. If I say you have a 50 percent chance of rain, that means you have a 50 percent chance it won't rain. One of the things we are told in the weather

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business early on, it's very easy as a weather forecaster to get, you know, emotionally involved in the product, because you spend a lot of time and get really involved in it. And as Senator Krist articulated and was correct, of course, we'd never tell a pilot they can't fly. That's not our job. That's his job. Our job was to present the weather, and therein lies the saying that we had drilled in our heads: We were in sales, not production. It's very important. That's not just a glib term or a glib statement. Weather is a very, very difficult science. You're talking about fluid dynamics. You're talking about a lot of different things. In this case, we're talking plate tectonics. You're talking the orbit. You're talking about wobbles. You're talking about solar activity, coronal mass ejections. You're talking about the salinity of water. When Senator Christensen was talking about the polar icecaps, if I look at one grid point we have some melting, at another one we have accretion. In the Southern Hemisphere, we have melting and we have accretion. That's the growing of ice. There's a lot of it going on. I would venture to say, though, if there were no federal dollars involved in the study, you'd have... [LB583]

PRESIDENT HEIDEMANN: One minute. [LB583]

SENATOR PRICE: ...a lot less...pardon me? [LB583]

PRESIDENT HEIDEMANN: One minute. [LB583]

SENATOR PRICE: Thank you...you'd have a lot less dissension. There's a lot of money in study. And just like that one paragraph said, we could have anywhere between a 10-degree change, somewhere in that 10 degrees, but we don't know what it's going to be because it's not certain; thank you; I'll take my check and go. That's not to say that's what's happening here, but for this discussion we need to talk about do we want a person who's an advisor voting who could impact our policy? Thank you, Mr. President. [LB583]

PRESIDENT HEIDEMANN: Thank you, Senator Price. Those wishing to speak, we have Senator Hansen, Ken Haar, Janssen, Scheer, Wallman, McCoy. Senator Hansen, you are recognized. [LB583]

SENATOR HANSEN: Thank you, Mr. President, members of the Legislature. I sit on the Ag Committee and heard this bill in committee and I did take several notes and I'd like to refer to those right off the bat. Our first testifier as a proponent of this was a UNL employee. He said the use of fossil fuels and the creation of greenhouse gases cause sea levels to rise in a warming world. So that testifier came out swinging and I thought the whole bill was about global warming. And now I want to address, if I could, the amendment to LB583, AM664, the committee amendment. If you have a copy of it in front of you, the part I'd like to talk about is...starts on line 3. I guess it's the main part of the amendment. But it says: in 2014, prepare initial reports on climate change in Nebraska, which would include a synthesis and an assessment of the state of

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knowledge on historical climate variability and change; climate projection; possible impacts to key factors of the state, such as agriculture, water, wildlife, ecosystems, forests, and outdoor recreation. Not sure why outdoor recreation would be listed there but it went through the committee so I'm sure it needed to be there. But the part that I'm not sure about is "the state of knowledge." If we're creating a document to talk about "the state of knowledge," that's going to be a pretty big document. And I think someone that was expected to get \$140,000 from the university may have been able to write a paper on "the state of knowledge," but for \$40,000 I'm not sure they can. It's not to say that I'm in favor of spending the \$140,000. I think that I'm not quite as old as Senator Haar but I've spent a lot of time outside. I've seen climate change almost every year. Just going back a couple years, 2011, I saw one of the coldest, wettest years on record; 2012 was certainly the driest and hottest year that we've had on record, back to back. I think this is April 23 so by the time this month is over we're probably going to find out that this April was the coldest April, one of the coldest Aprils anyway, on record. These things do change. Climate does change. Climate changes all the time. Climate changes from morning till the middle of the afternoon. If we're looking at historical amount of climate change, that's a long time. I've cut down cedar trees on our ranch that are probably a foot across or a little more and tried to count the rings. And some of those rings are so small that you can't count them. Those were dry years, if that holds true that a cedar tree grows a ring a year. I think that we need to be watchful of what the climate does, but I don't think we need to do the knee-jerk reaction on what's happened in the past 2 years or the past 20 years. It's going to change. We can certainly put it down in the history books. But I don't think it...and I certainly don't want it to affect the outdoor recreation. Thank you, Mr. President. [LB583]

PRESIDENT HEIDEMANN: Thank you, Senator Hansen. Senator Ken Haar, you're recognized. [LB583]

SENATOR HAAR: Mr. President, members of the body, just a comment on the talk about interns serving on the committee. If you look at the rest of the committee membership, I would imagine, for example, that the Cooperative Extension has some interns working. It doesn't say in the 1991 bill. I mean that's silly stuff. That's silly stuff and I hope you'll dismiss it as such. It's really important to bring up the point that Senator Hansen, my cellmate here, is talking about in when you talk about climate change and so on, it's important to distinguish weather versus climate. Weather is what happens from day to day. And I was reading an article that said, you know, weather is...you can forecast, at best, weather a couple of weeks in advance accurately. But climate talks about decades. Usually when scientists, climatologists talk about climate, they're talking about 30-year timespan. The situation that is rather similar between looking at the short couple days, which is weather, and the long term, like 30 years, is climate, if you roll a pair of dice 900 times, I can tell you I'll bet you how many twos you'll get, how many threes, how many fours, because we're talking about 900 rolls of the die. If you roll a pair of dice three times, I'm not going to bet on that. That's the difference

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between weather and climate. Climate is talked about by climate scientists in terms...that's even a short time, 30-year periods, whereas weather is something that happens in the next week or two. And, you know, people have brought up some good points here. Is there global warming? Is there global cooling? Either one of those has an impact on Nebraska agriculture. Again, maybe not for me in the next year or two, even though I'm growing prairie grass, but it will certainly have an effect on those kids in the balcony. So is the climate in Nebraska, in particular, warming or cooling? Wow, maybe we should ask a physician or maybe we should ask...you pick it, a hairdresser. No, we go to climatologists, and that's what we're talking about. We're going to ask, what is the best science? And do all scientists agree? No, never, never. But only about 98 percent of scientists and very few climatologists would disagree that there's climate change going on. So who do we ask and why is it important? Because if the climate is changing, if it's warming or cooling, that's going to affect Nebraska agriculture in some way and we ought to be aware of that. Or I guess we can just think it's best to be ignorant and ignore what's down the road, what is science telling us and hope it turns out okay. But I can tell you, those kids that are in the balcony, if we just walk away and we say, you know what, we're just going to see what happens, they'll remember that. They'll remember that. So again, we can't look at what happened this summer or next summer or last summer and call that climate change. That's weather change. And it's certainly affected if there is climate change, but that's... [LB583]

PRESIDENT HEIDEMANN: One minute. [LB583]

SENATOR HAAR: ...not climate change. It was brought up earlier that this is a Governor's committee established by the Legislature. Well, gee, we've changed other committees. And legislators have to be ex officio because of the separation of powers. It's in the constitution, and that's what I've been educated on today. So with that, I would say many of the things being brought up...the thing of are we going to have interns on the committee and stuff, that's silliness. Eventually we'll vote on this and then you have to make up your mind. Thank you very much. [LB583]

PRESIDENT HEIDEMANN: Thank you, Senator Haar. Senator Janssen, you are recognized. [LB583]

SENATOR JANSSEN: Thank you, Mr. President and members. In fact, I didn't plan on getting up to speak on this today. I imagine I just planned on voting red on it and moving on with the day. I can imagine climate change, or I could say I don't subscribe to that in the...all the regulations we have put in place to study it and the cost before it. I'm certain there is some change somewhere. I could imagine, in Speaker Adams' office right now, he's getting hotter and hotter by the fact that we're spending so much time on this bill. There's probably quite a bit of climate change going on in there right now. Like I said, I just planned on listening patiently and then voting red on this particular bill. I will support the amendment before you that Senator McCoy has. You know, and I looked at different

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reasons behind it. I looked at...I do take issue with it being so narrowly defined to just one agency. A lot of times...and I'm not saying that Senator Ken Haar is doing this. But a lot of times, when you see something so narrowly defined, in government it almost seems like you're trying to help a friend out. And maybe...and certainly I'm not implying that you are, but it could happen when you so narrowly define who can be involved in an organization like this. And the money attached to it, obviously, is something I'm not comfortable with as well, especially considering that the amount of money, one, that goes to the university. But there should be an advisory role there already. I think we're already paying for that. The advisory role is there. And Senator Price brought up a great point. You know, if a person is advising, they're advising...we get advised on the committees we're on, but we don't own that advice. If you own that advice, it's kind of like a bill of yours that you take to that committee. Now you can see a bill go down, 1 to 7, in committee, and you're the one because you're the one that came up with it. So there is a difference between advising and actually voting on that. So those are the reasons. I'm not going to get up here and speak hostile to my neighbor right behind me here, and I'm certainly not going to hold this up. Maybe somebody should throw a bracket motion up and see if the votes are there to carry the day, and then we can move along with our day and get on to Senator Hadley's bill. Thank you, Mr. President. [LB583]

PRESIDENT HEIDEMANN: Thank you, Senator Janssen. Senator Scheer, you're recognized. [LB583]

SENATOR SCHEER: Thank you, Mr. President. I'd sort of like to get back to the bill just for a second. And I'll plead my ignorance because I've never heard of the committee that we're trying to change the appointment process to. Would Senator Haar please yield? [LB583]

PRESIDENT HEIDEMANN: Senator Haar, would you please yield? [LB583]

SENATOR HAAR: Yes. [LB583]

SENATOR SCHEER: Thank you, Senator Haar. Could you briefly, or however long it takes, explain exactly what the committee is that we're talking about the appointment to and, perhaps, what it is that they're structured...their purpose is and...for the rest of this? Thank you. [LB583]

SENATOR HAAR: Sure. Thank you very much. Thanks for the question. The committee is CARC. The committee was established in 1991. It's the Climate Assessment and Response Committee. It was established in 1991. And my understanding of the history of the committee is that it was established particularly to address the questions of drought. To look towards next year, towards next summer, is the idea. And they're required to meet twice a year. And as you can see from the handout, you can see the

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membership. And they do meet. They met last in March of this year, and they...the report that came out said, you know, we're probably in for more drought. So again, that seemed to me as I thought about this, that we shouldn't just be looking at next summer and what's that going to be like but that we should be looking...let science tell us about more than just next summer. Let's see what science has to say. Again, it's in the form of reports. Nobody can exactly predict the future, that's for sure. If we could, you know, we wouldn't need that committee. But that was the genesis of the committee, really was to look at drought and weather conditions for Nebraska agriculture. [LB583]

SENATOR SCHEER: Thank you, Senator Haar. Thank you, Mr. President. [LB583]

PRESIDENT HEIDEMANN: Thank you. Senator Wallman, you are recognized. [LB583]

SENATOR WALLMAN: Thank you, Mr. President and members of the body. Climate change, it will happen. I always...my brothers and I, we go by fog days. Ninety days from now, it could be chance of more rain. Maybe not, but that's what the Germans go by in my area. And so I voted this out of committee and because I thought maybe it's a good idea to put something in the law that we actually pay attention. Private enterprise has stuff like this. Seed corn companies and all this, they pay attention to climate change. I'm not saying global warming; I'm saying change. It could be cooler. So I'd yield the rest of my time to Senator Mello if he'd so like. [LB583]

_____: Senator who? Mello? (Inaudible). [LB583]

SENATOR WALLMAN: Mello. [LB583]

PRESIDENT HEIDEMANN: Did you say Senator Mello, Senator Wallman? [LB583]

SENATOR WALLMAN: Yes, I did. [LB583]

PRESIDENT HEIDEMANN: Senator Mello, you have four minutes. [LB583]

SENATOR MELLO: Thank you, Mr. President. Members of the Legislature, I was off the floor in some conversations with colleagues, and I think I...I thought I heard Senator Price allude to the fiscal note that ultimately was not the Legislative Fiscal Office's note, specifically. But they were quoting what the Department of Agriculture thought that their cost would be in regards to implementing LB583, which is a polite reminder to the body. If you look at the fiscal note associated with LB583, there is a range associated with that, a zero to \$140,000, in the sense that the Fiscal Office could not verify what the Department of Agriculture had come up with when they determined what they thought the fiscal note may be. At times when that occurs, usually, there is a point of contention in the sense of whether or not an agency is actually either, one, providing enough information of how they came up with these costs or these projections and, ultimately,

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what the Fiscal Office thinks may not be...may be inaccurate in regards to the information they used and/or the assumptions that are used when they derive that agency fiscal note. In discussing with the Fiscal Office, my understanding is that the committee amendment, AM664, narrows the scope in regards to the study that's being asked to be done. That narrowing of the scope, in conversations ultimately not with the Department of Agriculture but with the University of Nebraska, would bring that projected fiscal note down to roughly about \$40,000 for LB583 because the fiscal note essentially would simply be associated with the University of Nebraska doing the research report on the bill not the Department of Ag or anyone else doing anything else associated with it. So more for a point of clarification--Senator Price mentioned the Department of Ag's fiscal note a couple of times--the committee amendment changes that and narrows the scope to roughly an estimated number of \$40,000 for LB583 if the committee amendment is adopted. If the committee amendment is not adopted, that's a point of contention that, ultimately, we will have to discuss at a later point in time. But since it was brought forward by the committee and it was worked out, my understanding, between Senator Haar and the University of Nebraska, and the Fiscal Office informed me that's the number that they would be utilizing at this point in time, I see no disagreement or no reason to question how all of those parties came to that agreement, in regards to the language used, that would create the new fiscal note. With that, thank you, Mr. President. [LB583]

PRESIDENT HEIDEMANN: Thank you, Senator Wallman and Senator Mello. Senator McCoy, you are recognized. [LB583]

SENATOR McCOY: Thank you, Mr. President and members. I believe we are arriving at what I hope is a solution to the concerns that have been raised, at least some of them. And with that in mind, I would ask to withdraw AM1082 at this time. [LB583]

PRESIDENT HEIDEMANN: AM1082 is withdrawn. Mr. Clerk. [LB583]

CLERK: Mr. President, Senator McCoy would move to amend the committee amendments with FA62. (Legislative Journal page 1112.) [LB583]

PRESIDENT HEIDEMANN: Senator McCoy, you are recognized to open on FA62. [LB583]

SENATOR McCOY: Thank you, Mr. President and members. I just spoke with Senator Haar, and I believe...and I also spoke with Senator Schilz a moment ago, as the Chair of the Agriculture Committee. Perhaps we may have some consensus on this, I hope. This floor amendment would be very simple, and it adds one word, the word "cyclical," on line 4 of the committee amendment, which is AM664. Just to take any potential politics out of it, we just simply recognize that weather is cyclical. We all know that; we've talked about that this afternoon. I think that answers, potentially, this portion of the

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discussion and some of the concern. So it would just very simply say, "By September 1, 2014, prepare an initial report on cyclical climate change in Nebraska, which includes," and then it goes on to read that. And I believe this is a good addition to the committee amendment and puts the committee amendment, AM664, into a position that I can support. Thank you, Mr. President. [LB583]

PRESIDENT HEIDEMANN: Thank you, Senator McCoy. Senator Kintner, you are recognized. [LB583]

SENATOR KINTNER: Well, thank you, Mr. President. You know, when I look at legislation, I ask questions to myself. The first is, does this...is this help limited government? Does it help promote free markets? Does this piece of legislation protect individual liberty? Well, on the back side of that, I ask, well, then does it grow government? And this bill, it could probably be a little bit. Does it violate free markets? Probably not. Does it violate individual liberty? Probably not. So, you know, I'm not sure what we've got here. My gut says maybe we've got a little bit of a stinker, but it's not going to sink the state here or anything. So, Senator Haar, would you yield to a question? [LB583]

PRESIDENT HEIDEMANN: Senator Haar, will you yield? [LB583]

SENATOR HAAR: I will, as long as I'm not called a stinker. (Laugh) [LB583]

SENATOR KINTNER: Absolutely not. No, you're not a stinker. I'm just not sure about the bill. Now I missed a little bit. I had a meeting. I was off the floor. So if I ask something that's already been answered, will you just kind of bear with me here? And maybe the people at home, that maybe just tuned in, we can educate them. But this...Senator Chambers isn't here. Let me ask what he likes to ask. How did you come up with this bill? How did you...what was the genesis? How did you think of this bill? [LB583]

SENATOR HAAR: Wow. I have been concerned about the talk of changes happening in our climate for a long time. And, frankly, a year ago, I didn't even know this committee existed. And when it came to my awareness, I thought, you know what, they're already looking ahead for...they try to look ahead to the next growing season and so on. Why not see what science tells us about more than just the next summer, about more than just the next year? What does the best science tell us? [LB583]

SENATOR KINTNER: You know, a lot of the climate change is national and international. I mean, it's bigger than our state. What can our state accomplish on these big, you know, multicountry trends and stuff that's worldwide and global? You know, there's not a lot of weather that's just Nebraska. How does that fit together? [LB583]

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SENATOR HAAR: Let me give you a good example. That's a great question. Thank you for that. The question was asked in committee or one of the climate scientists talked about the fact that, in his opinion, weather was going to become more violent in nature. And so the question was asked, well, should we then just build more dams in Nebraska to collect that additional water when it happens? And he said, no, it's not so much the rainfall. And I'm going to say "in my opinion," kind of trying to say what he said. He said, in my opinion, it's not so much about sporadic rainfall and so on. He said, what most climatologists for this region predict is less snowpack in the Rocky Mountains. Now if there's less snowpack, we all know that we get a great deal of our instream flow from the Rocky Mountains, from snow...from melting snow. And he said, you know, if that's the case, that will have a major impact on Nebraska. That's the kind of thing that I think we want...that we will see from this committee. And of course, again, we don't have a crystal ball exactly, but that's important. If, over time, it looks like the snowpack in the Rocky Mountains will decrease, that will have an effect on our agriculture and the way we ration water. We're going to have to... [LB583]

PRESIDENT HEIDEMANN: One minute. [LB583]

SENATOR HAAR: In other words, we're going to have to adapt to less snowfall in the Rocky Mountains. [LB583]

SENATOR KINTNER: Thank you, Senator Haar. Great answer. I'd like to yield the balance of my time to Senator Price. [LB583]

PRESIDENT HEIDEMANN: Senator Price, 45 seconds. [LB583]

SENATOR PRICE: Thank you. And I can actually use 45 seconds. When we talk about climatic weather and forecasting what's going to happen next year, and we heard Senator Wallman talk, basically of Farmer's Almanac, I would have you all reflect back on hurricane forecasts. It's amazing how many forecasts are put out. Like, I believe, for the Weather Channel, they're going for 16 storms, 9 of them becoming hurricanes, and 5 of them being major ones, Category 3 or above. We will see how that plays out. And I'm looking back on the historical or climatological records to see what the forecasts were for prior years. With that, I will yield the time to the Chair. Thank you. [LB583]

PRESIDENT HEIDEMANN: Thank you, Senator Price. Senator Ken Haar, you're next. [LB583]

SENATOR HAAR: Mr. President, members of the body, I would simply like to say that I can agree and will vote for FA62 from Senator McCoy. I also agree that climate change is cyclical. And so I think that word is just fine in that place, and I would encourage the body to vote for FA62. Thank you. [LB583]

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PRESIDENT HEIDEMANN: Thank you, Senator Haar. Senator Kintner, you are recognized. [LB583]

SENATOR KINTNER: Thank you, Mr. President. I'd like to yield my time to Senator Price. [LB583]

PRESIDENT HEIDEMANN: Senator Price, you have 4 minutes and 50 seconds. [LB583]

SENATOR PRICE: Thank you very much. Thank you, Senator Kintner. I agree with what we're doing here on the floor amendment and that the cyclical nature of climate change is a prudent addition to the bill. Again, as you heard me speak about earlier in the conversation we had of the 2.4 billion years of geological records and there being five major ice ages, I mean, one would only have to look at Council Bluffs and know that the lowest hills are a unique geological formation of which there are only two that are above ground in the world that are known and that they were formed by the, I guess I would say, the retreating glaciers that carved out much of what we have today. When we talk about climate change and the scale and the period of it, at one point in time there was an inland...a shallow inland sea that covers this area, and the Rockies were pushed up through plate tectonics. And one finds that in the geological records, along with a great number of things. So putting "cyclical" into this is prudent and, again, will speak to the nature of weather that we've heard a lot out here. But I want to make sure we clarify, before we go too much further, there are two distinct sciences, one that is within the construct of forecasting weather--observable, current weather that could happen now and in the near future, and then you have the climatological science, which is basically a compilation. If I oversimplify it for those out there in "Climoland," I apologize. But it's basically looking at what has already happened, capturing that data, and then building models off of that. And as we all know, models, they all presuppose. For instance, if you're using a North American model, generally speaking, and you're wondering why the forecasted weather seems to show up later than you thought...a weather forecast will say the weather is going to hit, let's say, at 12:00 noon, and the weather doesn't hit until 6:00 in the evening or maybe even later. Well, one of the problems you have in the model and introduced in the model is the friction that's introduced by the Rocky Mountains. Upper-level storm obviously doesn't get caught up in the Rockies, the lower part does, and we're waiting for that to get done. We often remark in the military weather field, we have a pretty good grasp of the weather in Oklahoma, and if we ever had to go against Oklahoma and/or, let's say, Colorado or parts of Colorado and Kansas, maybe even Nebraska, we'd be okay, as far as the weather went, because we've really studied that a lot. But when you start talking about a global realm, there are a lot of points of information. I would tell you, there are lot of supercomputers that work very hard crunching billions and billions of pieces of information to come out and tell you a forecast that is actually incorrect. And so therein lies the challenge that we have before us. What Senator Haar has done here in asking

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that we continue on something we already have in statute...we already have this committee formed. It is a gubernatorial committee that we helped to form. And there has been work done on the floor to address concerns and that, by adding "cyclic," we are actually capturing the true nature of what is going on, and I can definitely support that. And I appreciate Senator Kintner offering me time. And with that, I would yield the balance of my time back to the Chair. Thank you. [LB583]

PRESIDENT HEIDEMANN: Thank you, Senator Price and Senator Kintner. Is anyone else wishing to discuss FA62? Seeing none, Senator McCoy, you are recognized to close on FA62 to the committee amendment. [LB583]

SENATOR McCOY: Well, thank you, Mr. President. Members, again, FA62 is very simple, adds one word, the word "cyclical," to line 4 of the committee amendment, which is AM664. I think it strikes an appropriate balance that I'm happy to hear Senator Haar support. It strikes an appropriate balance of recognizing that weather is cyclical. That might be a short-term cycle, might be a long-term cycle. One year we're dry; one year we're wet, as a state. One year it's hot; another year it's April 23...and I talked to an uncle that I have, an operator that farms outside of Mankato, Minnesota, and they had about nine inches of snow last night. So it's...weather is cyclical, and I think this floor amendment recognizes that. Thank you, Mr. President. [LB583]

PRESIDENT HEIDEMANN: Thank you, Senator McCoy. The question is, shall the amendment to the committee amendment to LB583 be adopted? All those in favor vote aye; all those opposed vote nay. Senator McCoy. [LB583]

SENATOR McCOY: Well, Mr. President, I guess I would request a call of the house. [LB583]

PRESIDENT HEIDEMANN: There has been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB583]

CLERK: 20 ayes, 0 nays to place the house under call, Mr. President. [LB583]

PRESIDENT HEIDEMANN: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel please leave the floor. The house is under call. Senator McCoy, how would you like to proceed? [LB583]

SENATOR McCOY: I would accept call-ins, Mr. President. [LB583]

PRESIDENT HEIDEMANN: Mr. Clerk. [LB583]

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CLERK: Senator Mello voting yes. Senator Adams voting yes. Senator Coash voting yes. Senator Davis voting yes. Senator Gloor voting yes. Senator Dubas voting yes. Senator Pirsch voting yes. Senator Lautenbaugh voting yes. Senator Murante voting yes. Senator Wallman voting yes. Senator Hadley voting yes. [LB583]

PRESIDENT HEIDEMANN: Please record, Mr. Clerk. [LB583]

CLERK: 26 ayes, 0 nays on adoption of Senator McCoy's amendment to the committee amendments, Mr. President. [LB583]

PRESIDENT HEIDEMANN: The amendment is adopted. We are back in discussion on the committee amendment, AM664, to LB583. The call is raised. [LB583]

PRESIDENT HEIDEMANN: Is anyone wishing to speak on committee amendment, AM664? Seeing none, Senator Schilz, you are recognized to close on the committee amendment, AM664. [LB583]

SENATOR SCHILZ: Thank you, Mr. President and members of the body. I guess the best and most simple way I can move forward here is to say that the committee amendment, as written, even with the changes, reduces the fiscal note from what we saw there, and that was the main goal of the amendment. And so with that, I would put that out there for your vote, and we'll see how this comes out. Thank you very much. [LB583]

PRESIDENT HEIDEMANN: Thank you, Senator Schilz. The question is, shall the committee amendment to LB583 be adopted? All those in favor vote aye; all those opposed vote nay. Please record, Mr. Clerk. [LB583]

CLERK: 44 ayes, 0 nays, Mr. President, on adoption of committee amendment. [LB583]

PRESIDENT HEIDEMANN: The amendment passes. [LB583]

CLERK: Mr. President, Senator Larson would move to amend the bill, AM1089. (Legislative Journal page 1112.) [LB583]

PRESIDENT HEIDEMANN: Senator Larson, to open on your amendment. [LB583]

SENATOR LARSON: Thank you, Mr. President. AM1089 is a very simple amendment in the sense that it strikes the High Plains Regional Climate Center in the School of Natural Resources of the University of Nebraska having a vote on this board. As we talked about earlier, they're already an advisor and we'd have no guarantee that it will be a climatologist. And then, second of all, on page 4, it strikes lines 15 through 21, just the language that says that this committee provides the Governor and other interested

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persons with information related to climate change. As I said, very simple amendment. With this, as Senator McCoy referenced earlier, I'd encourage your adoption of AM1089. And we, hopefully, with this...when this goes, it will alleviate most of the concerns with LB583 and it can move ahead to Select File. Thank you, Mr. President. [LB583]

PRESIDENT HEIDEMANN: Thank you, Senator Larson. For discussion on the amendment: Senator McCoy and Senator Ken Haar. Senator McCoy, you are recognized. [LB583]

SENATOR MCCOY: Thank you, Mr. President. And I rise in support of AM1089 by Senator Larson. As has been discussed and as Senator Larson just outlined in his opening, this very simply goes back to the process, as it stands now, involving the High Plains Regional Climate Center as a very important, I believe, technical advisor to the committee, the Climate Assessment Committee. And then the language that's stricken in lines 15 through 21 on page 4, I believe, is language that's basically been duplicated and maybe worded a little bit differently in the committee amendment, AM664, that we just adopted, and I believe that that's appropriate. And with this amendment, I would be happy to vote for this bill to advance to Select File. Thank you, Mr. President. [LB583]

PRESIDENT HEIDEMANN: Thank you, Senator McCoy. Senator Ken Haar, you are recognized. [LB583]

SENATOR HAAR: Mr. President and members of the body, okay, point us to exactly...in LB583, now we're back to the green copy, is that correct? I'd like to ask Senator Larson a question. [LB583]

PRESIDENT HEIDEMANN: Senator Larson, will you yield? [LB583]

SENATOR LARSON: (Recorder malfunction.) [LB583]

SENATOR HAAR: Okay, are we amending now the green copy, Section 10? [LB583]

SENATOR LARSON: Yes, the green copy, it would be on page 2. Essentially, it...what the amendment is intended to do would be to strike, as I said, the High Plains Regional Climate Center in the School of Natural Resources in the University of Nebraska-Lincoln as a voting member from the committee. [LB583]

SENATOR HAAR: Okay. And then where is the second one? [LB583]

SENATOR LARSON: The second part would be on page 4, lines 15 through 21. The language, as Senator McCoy said, kind of duplication language, just strikes that 15 through 21. [LB583]

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SENATOR HAAR: Okay. [LB583]

SENATOR LARSON: On page 4. [LB583]

SENATOR HAAR: On page 4, 15 through 19. [LB583]

SENATOR LARSON: Fifteen through 21. [LB583]

SENATOR HAAR: Fifteen through 21, and tell me what section you believe that duplicates. [LB583]

SENATOR LARSON: Well, as you go through the committee amendment, obviously, when it talks about the initial report on climate change, that \$40,000 that we're spending on historical variability of change and climate projections, obviously, with that committee amendment, I feel that lines 15 through 21 are very similar to that in what it says: Provide the Governor and other interested persons with information and research on the impacts of climate change in Nebraska, including the physical, ecological, and economic areas. Again, the committee amendment just adopted talks about the report, includes a (inaudible)--sorry, my...I'm having a hard time with that--assessment of the state knowledge on climate change and the possible impacts on key sectors of the state such as agriculture, water, wildlife, ecosystems, forests, and outdoor recreation. So I feel that it's just a duplication from what we did in the committee amendment, and it cleans the bill up, as well as, obviously, the first part taking out the voting member and leaving the High Plains Climate Center as more of an advisor member instead of a voting member. [LB583]

SENATOR HAAR: Okay, so referring to the committee amendment now, the lines in the committee amendment you're referring to are lines 3 through 9, is that correct? The white copy, amendment to LB583. [LB583]

SENATOR LARSON: Yes. [LB583]

SENATOR HAAR: And you're saying that that's a duplication? In the green copy...okay, it's getting a little confusing. So you're saying that that's a duplication to the green copy of which lines? [LB583]

SENATOR LARSON: I'm saying it's substantially similar, in the terms that the committee amendment that we just passed is substantially similar to lines 15 through 21 in the green copy, on page 4, and that AM1089 would just strike that out. [LB583]

SENATOR HAAR: Okay, well, I can certainly...I can live with the fact that they won't be a member of the committee, and that takes care of the possible intern problem that

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concerns you. But I'm going to vote against this amendment because I believe there is a difference. [LB583]

PRESIDENT HEIDEMANN: One minute. [LB583]

SENATOR HAAR: In the green copy, lines 15 through 19, and in the amendment, lines 3 through 9, lines 3 through 9 is a one-time thing; lines 15 through 19 would ask that they keep looking at this on a regular basis. And so, on that, I am going to...you know, if you're willing to withdraw this and just withdraw the committee member, I can support it, but I can't support the second part. Thank you. [LB583]

SENATOR KRIST PRESIDING

SENATOR KRIST: Thank you, Senator Haar and Senator Larson. Senator Kintner, you're recognized. Senator Kintner, you are recognized. [LB583]

SENATOR KINTNER: Well, thank you, Mr. President. Senator Tyson (Larson), will you yield to a question? [LB583]

SENATOR KRIST: Senator Larson, would you yield to a question? [LB583]

SENATOR KINTNER: Senator Larson, Tyson Larson, sorry. [LB583]

SENATOR LARSON: Yes. [LB583]

SENATOR KINTNER: (Laugh) It's their socks. It's the socks that got me. My question when...where did you come up with this bill? I mean, how did you come up with doing this? [LB583]

SENATOR LARSON: The amendment? [LB583]

SENATOR KINTNER: Yes. [LB583]

SENATOR LARSON: Well, obviously, I expressed my concerns about the advisor role being a voting member and whatnot, and I didn't feel...or the...I felt that, since they are currently advisor, they don't need to be a voting member on the board. And then, on the second genesis, as I said that this is a substantial duplication, Senator Haar says that this protects it as going, ongoing, whereas the committee amendment was just a one-time deal, and I'd say that we already had that conversation that this is going to be one-time General Fund appropriations as well for this initial report. And if you look at what the committee does, in terms...the Nebraska Climate Assessment Response Committee, I mean, they're already doing things such as provide timely systematic data collection and dissemination of information about drought and other severe climate

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occurrences. I mean, that's coming straight from their Web site. Anybody, whether it's the Governor or anybody else, that wants this information can already get it. Again, from their Web site: to perform such other climate assessment and response functions as desired by the Governor. They're doing this already. The committee amendment addresses it. I'd just say it's, you know, substantially the same, therefore, it's not needed language in LB583. [LB583]

SENATOR KINTNER: So the final outcome, should we pass your amendment, will give us what? [LB583]

SENATOR LARSON: As I said, it takes away the voting member from the High Plains Center and, I would argue, cleans up the bill from...what the committee amendment does at this...while, at the same time, still giving the Climate Assessment and Response Committee the ability to do everything they're doing currently. [LB583]

SENATOR KINTNER: Thank you. I yield the balance of my time to Senator Haar. [LB583]

SENATOR KRIST: Senator Haar, you are yielded 2 minutes and 34 seconds. Senator Haar passes. Senator Bloomfield, you are recognized. [LB583]

SENATOR BLOOMFIELD: Thank you, Mr. President. Would Senator Larson yield to a question? [LB583]

SENATOR KRIST: Senator Larson, will you yield? Senator Larson, will you yield? [LB583]

SENATOR LARSON: Yes. [LB583]

SENATOR KRIST: Thank you. [LB583]

SENATOR BLOOMFIELD: Thank you, Senator Larson. The first part of your amendment says, "Strike original Section 1." Can you give me page numbers and line numbers that you are referring to? [LB583]

SENATOR LARSON: Essentially, if you go to page 2, lines 9 and 10. [LB583]

SENATOR BLOOMFIELD: So you're not, in fact,... [LB583]

SENATOR LARSON: We're in the green copy, yeah. [LB583]

SENATOR BLOOMFIELD: You're not, in fact, then repealing the whole of Section 1? That's all that came up in my gadget. It says, "Strike original Section 1." [LB583]

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SENATOR LARSON: The intention is to take him off as a voting member, Senator Bloomfield. [LB583]

SENATOR BLOOMFIELD: I understand that, but that's not what I'm reading here. I'll dig a little deeper into it, but I think we'd better look at that a little closer. [LB583]

SENATOR KRIST: Senator Ken Haar, you are recognized. [LB583]

SENATOR HAAR: Mr. President, members of the body, discussion going on so that I think we understand the intent but we need to figure out the words, and so I'm just going to talk for a few minutes about climate change. And I do appreciate the insertion of the word "cyclical" because we know that the earth has gone through many climate changes. And, for example, the question has come up in other things I've read about--what about when the great glaciers melted?--and so on. Well, most climatologists and most people that look at...look to the past would say that much of the melting of the past ice ages has come from the changes in the earth's orbit. I mean, we live on a planet that's changing all the time. And the axis changes a little bit, the orbit changes, and with orbit changes comes a change in the solar energy that's received from the earth. You get closer to the sun, you get more solar energy. And people that look to the past over past climate change have said that some of those were simply caused by the change in the earth's orbit. That's the kind of change that you and I will never experience but happens over thousands and thousands of years. Another interesting fact here is that the temperatures between the 1940s to the 1970s was actually going down. And climate scientists attribute the primary cause of the observed cooling in the middle of the 20th century to an increase in atmospheric aerosols, as they're called, primarily from burning of fossil fuels, which has increased a great deal during the past century. And aerosols, or soot, it's a very fine form of soot. The aerosols have a complex effect on the climate, but their overall effect is thought to increase reflection of solar radiation, cooling the earth. So during that time period, the '40s to the '70s, we were burning a lot more fossil fuels. It was producing fine particles in the air which were actually reflecting solar radiation, cooling the earth. But then, in the '70s--and this is how we get into some of these fixes--we started to increase pollution controls. And when you increase pollution controls, the amount of aerosols, those soot particles in the atmosphere went down, and so they didn't reflect as much of the solar radiation. One of the things we see from this is the interaction and the cyclical nature of climate change is very complicated. And some people have predicted that in the future we may even have to put aerosols back into the atmosphere to reflect more of the sun's radiation, to cool the earth. But I think what we're talking about here...you know, the topic came up earlier. Well, what about global...you know, what's happening all around the planet,... [LB583]

SENATOR KRIST: One minute. [LB583]

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SENATOR HAAR: ...and how does that affect us? And what this bill concentrates on is what happens...what's going to happen to Nebraska and how will this affect Nebraska agriculture. And as we saw earlier when answering Senator Kintner's question, if there's less snow in the Rocky Mountains on a regular basis, that's going to affect Nebraska. That's probably not going to affect the rest of the planet, but it's going to affect our region, it's going to affect Nebraska. That's the kind of things we're looking at. Another effect, for example, is what will likely happen, to our best science, to precipitation. [LB583]

SENATOR KRIST: Time, Senator. [LB583]

SENATOR HAAR: Thank you. [LB583]

SENATOR KRIST: Thank you, Senator Haar. Senator Larson, you're recognized. [LB583]

SENATOR LARSON: Mr. President, I'd like to withdraw AM1089. [LB583]

SENATOR KRIST: Without objection. Thank you. [LB583]

CLERK: Mr. President, Senator Larson would move to amend the bill with FA63. (Legislative Journal page 1112.) [LB583]

SENATOR KRIST: Senator Larson, you are recognized to open. [LB583]

SENATOR LARSON: Thank you, Mr. President. FA63 is very similar to what AM1089 was. It does strike the original Section 1. To answer Senator Bloomfield's question, we're not striking the statute. The statute will, essentially, just remain the same but will...by striking the entire section, it just...the members of the committee just, essentially, remain unchanged, so the statute will stay in place. What it does do: In those lines on page 4, 15 through 21, anywhere it says "climate change" we insert the word "cyclical" before it, as we did with Senator McCoy's FA62. And with that, I would ask, members, for a green vote, and we can move forward at this time. [LB583]

SENATOR KRIST: Thank you, Senator Larson. You've heard the opening on FA63. Senator Ken Haar, you are recognized. [LB583]

SENATOR HAAR: Mr. President and members of the body, this is not my druthers, but I will vote for it, in terms of moving the bill forward. And again, that will guarantee that we have no interns from these agencies on the board. But I can support this amendment. Thank you very much, Senator Larson. [LB583]

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SENATOR KRIST: Thank you, Senator Haar. Senator McCoy, you are recognized. [LB583]

SENATOR McCOY: Thank you, Mr. President and members. I stand in support of FA63. I appreciate the members' indulgence as we worked through how to address this here on General File in the cleanest fashion possible, with the withdrawal of a couple of amendments and the addition of a couple of floor amendments. Obviously this is, in its substance, very similar to FA62, which everyone voted for a few moments ago and with the addition of FA63, I will support LB583, as has been discussed. In light of the fiscal situation the Appropriations Committee is working on, we still are talking about a General Fund expenditure of about \$40,000. We'll deal with that later, with an A bill, but that will be a topic for another day. But I do stand in support of FA63; once that's adopted, LB583. Thank you, Mr. President. [LB583]

SENATOR KRIST: Thank you, Senator McCoy. Senator Pirsch, you are recognized. [LB583]

SENATOR PIRSCH: Thank you, Mr. President, members of the body. I would...I wonder if Senator Haar would yield to a quick question? [LB583]

SENATOR KRIST: Senator Haar, will you yield? [LB583]

SENATOR HAAR: Yes, I will, to a quick question. [LB583]

SENATOR PIRSCH: (Laugh) I was just going to ask if you concur with the assessment of Senator McCoy. Is there a...after all the amendments, all the changes that have gone...taken place, I think he had mentioned that there...his expectation is there would be about a \$40,000 fiscal note. Is that your understanding as...or your estimate as well? [LB583]

SENATOR HAAR: That's correct, yes. It will be no more than \$40,000. It could be less. [LB583]

SENATOR PIRSCH: Could you talk about what is that...what is the cost based upon, the remaining \$40,000? [LB583]

SENATOR HAAR: Yeah. We talked to climatologists at UNL and, obviously, they testified on this bill and so on. And we said, what would additional...what would be the additional cost of producing this report? And we bargained them down to \$40,000, \$40,000 or less. [LB583]

SENATOR PIRSCH: I see. Okay. [LB583]

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SENATOR HAAR: So I don't know the specific details, but they were confident that they could fulfill that role for \$40,000. [LB583]

SENATOR PIRSCH: Very good. I would yield the balance of my time to Senator Haar, should he desire to use it. Thank you. [LB583]

SENATOR KRIST: Senator Haar, you're yielded 3:30. [LB583]

SENATOR HAAR: I would simply...thank you, Senator Pirsch. I would simply encourage members of the body to vote for FA63. Thank you. [LB583]

SENATOR KRIST: Thank you, Senator Pirsch and Senator Haar. Seeing no other lights on, Senator Larson, you are recognized to close on your amendment. Senator Larson waives his opportunity to close. The question is, shall the amendment to LB583 be adopted? All those in favor vote aye; all those opposed vote nay. Senator Larson, for what purpose do you rise? [LB583]

SENATOR LARSON: Request a call of the house, please. [LB583]

SENATOR KRIST: There has been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB583]

CLERK: 23 ayes, 0 nays to place the house under call, Mr. President. [LB583]

SENATOR KRIST: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel please leave the floor. The house is under call. Senator Sullivan, Campbell, Gloor, Burke Harr--welcome--Mello, Cook, Lathrop, Scheer, Howard, Janssen, Kolowski, Avery, Hadley, Nelson, Adams, Chambers, Davis. Senator Larson, for what purpose do you rise? [LB583]

SENATOR LARSON: I'll proceed. [LB583]

SENATOR KRIST: Thank you. And how would you like to proceed? [LB583]

SENATOR LARSON: I'll accept call-ins. [LB583]

SENATOR KRIST: Thank you. Mr. Clerk. [LB583]

CLERK: Senator Janssen voting yes. Senator Lautenbaugh voting yes. Senator Scheer voting yes. Senator Nelson voting yes. [LB583]

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SENATOR KRIST: Mr. Clerk, please record. [LB583]

CLERK: 26 ayes, 0 nays, Mr. President, to adopt Senator Larson's amendment. [LB583]

SENATOR KRIST: The amendment is adopted. The call is raised. Seeing no other lights on, Senator Haar, you are recognized to close on your bill. [LB583]

SENATOR HAAR: So that we can keep people in the Chamber, I would like to thank the Senator Larson, Senator McCoy to help work this bill to their satisfaction, and it's also to my satisfaction. Again, the bill adds the task to the committee, the existing climate...to CARC, the Climate Assessment and Response Committee, to look beyond simply next summer to a longer term. I would encourage you to vote for this bill. Thank you very much. [LB583]

SENATOR KRIST: Members, you have heard the closing on LB583. The question is the advancement of LB583 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Have all those voted that wish to? Mr. Clerk, please record. [LB583]

CLERK: 35 ayes, 0 nays on the advancement of LB583. [LB583]

SENATOR KRIST: Mr. Clerk.

CLERK: Mr. President, some items, if I might. Amendments: Senator Schumacher to LB82; Senator Hadley to LB23. New A bill. (Read LB384A and LB269A by title for the first time.) I have Select File reports: LB69, LB483, LB623 to Select File. That's all that I have, Mr. President, thank you. (Legislative Journal pages 1113-1115.) [LB82 LB23 LB384A LB269A LB69 LB483 LB623]

SENATOR KRIST: Thank you, Mr. Clerk. Next item on the agenda.

CLERK: LB296 is a bill by Senator Hadley and others. (Read title.) The bill was introduced on January 16, referred to the Revenue Committee, advanced to General File. There are Revenue Committee amendments, Mr. President. (AM354, Legislative Journal page 664.) [LB296]

SENATOR KRIST: Thank you, Mr. Clerk. Senator Hadley, you are recognized to open on your bill. [LB296]

SENATOR HADLEY: Mr. President, members of the body, thank you very much. Good afternoon. I'd like to thank Senator Brasch for prioritizing this bill as her personal priority because I think it is a very important bill. LB296 provides for several changes to Nebraska College Savings Plan. To provide some background on this policy, Nebraska College Savings Plan began in 2001 to encourage parents and grandparents to save for

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their children's higher education. The Nebraska State Treasurer serves as the program trustee; First National Bank of Omaha serves as the program manager; and all investments are approved by the Nebraska Investment Council. I worked closely with Treasurer Stenberg on this bill and I appreciate his office's support. Currently, the plan allows account owners to qualify for up to \$5,000 Nebraska state income tax deduction. Qualified withdrawals for higher education expenses are federal and state income tax free and funds can be used at eligible schools nationwide. The impact of Nebraska having a successful college savings plan can't be measured in revenue impact alone. As we are all well aware, the cost of attending college is steadily on the rise. We need to think about the importance of saving our children's future as a priority for parents and grandparents. This important investment also contributes to the future economic viability of the state. This proposal not only would provide greater opportunity for our citizens to save, but would also result in an educated Nebraska with less loans to pay. Many account owners and account owners saving more will result in more money to spend on NEST scholarships, which in 2012 was well over \$100,000. A well-known industry study indicates that children are seven times more likely to go to and succeed in college when there is a savings account in their name. We need to continue to support Nebraska's College Savings Plan to ensure it remains viable and competitive. Given the strong evidence that supports college savings and to more closely align Nebraska's program with other states, the bill proposes to increase the amount of income tax deduction to \$5,000 for individuals and \$10,000 for named married couples. In addition to the increased deduction, the bill makes several clarifications and technical changes. Since the start of the Nebraska College Savings Program, rollover contributions from another state's plan, including any earnings or income contained thereon, have been entitled to the Nebraska state income tax deduction. The change proposed in the bill would align the statute with the Department of Revenue interpretation and avoid any future confusion. Finally, the bill will allow custodians of a Uniform Gifts to Minors Act, UGMA, and/or Uniformed Transfer to Minors Act, UTMA account, to be treated similarly to account owners. Currently, Nebraska state income tax deduction for plan contributions are available only to the account owners for purposes of UTMA and UGMA accounts, the beneficiary is considered the account owner, which means the custodian is not able to enjoy a tax deduction for his or her contribution. At the committee hearings, the Nebraska Bar Association raised concerns about the provision of the bill that deals with what would happen in the case of an account owner's death when the owner had not named its successor. The bill as amended by the committee deals with the Bar Association's concern and provides that upon the death of the account owner who has not named a successor, the account would go to the beneficiary. In closing, I believe that the college savings is one of the most important planning tools we can provide to our state's young people. Nebraska College Savings Plan provides a convenient and easy way to save money for children's future and expanding the plan that will make higher education more attainable for more Nebraska children. Thank you for your time and I'll be happy to answer any questions and I look for your green vote. Thank you, Mr. President. [LB296]

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SENATOR KRIST: Thank you, Senator Hadley. As the clerk stated, there are amendments from the Revenue Committee. Senator Hadley, as the Chair of the Committee, you are recognized to open on the amendments. [LB296]

SENATOR HADLEY: I mentioned in my opening, but, basically, it's the...provides...this amendment provides that upon the death of the account owner, who has not named a successor, the account would go to the beneficiary. Thank you, Mr. President. [LB296]

SENATOR KRIST: Thank you, Senator Hadley. The floor is now open for debate. Senator Burke Harr, you are recognized. [LB296]

SENATOR HARR: Thank you, Mr. President, members of the body. I want to thank Senator Brasch, again, for prioritizing this bill. This is a very good bill, along with the amendment. What this bill does, I don't know if I'd file a conflict, because I use this. It's wonderful. It's a great plan. We take it from \$5,000 to \$10,000, and to be honest with you, I didn't know that there was a limit when I first did this. But it's a great program. And if you look at the fiscal note on this, it assumes everyone that gives the \$5,000 will automatically give the \$10,000 and I don't think that's true. I think there are many people out there who can afford to give \$5,000, but can't afford to give \$10,000. This gives you an exemption on your state income tax only; it doesn't affect your federal income tax. It's a wonderful program. It's a way for us to plan for our future and to invest money for your child. You can do an age-based account, which is wonderful, because I am not very complex or sophisticated and all I have to do is put money into account, give my child's date of birth and when they plan to go to college. It's a great program. It's been wonderful for the taxpayers of Nebraska. And I would encourage you to please approve AM354 and LB296. Thank you. [LB296]

SENATOR KRIST: Thank you, Senator Harr. Senator Brasch, you are recognized. [LB296]

SENATOR BRASCH: Thank you, Mr. Speaker, and thank you colleagues. It is an honor to be the...have this be my priority bill. As I learned more information about this important message that we are sending to parents and to children, it became more exciting to see the partnership that has developed, not just with the state, but also with our bankers. Across the country, over 10,000 bankers have engaged in a program called Teach Children to Save. And with these 10,000 bankers, there's over 4,300 branches that have helped 389,000 young people to learn about the value of saving during the Teach Children to Save day. And that is the day, today is the national Teach Children to Save day. There are many matching scholarships the state has participated in. They have essay contests for financial literacy; \$14,000 worth of winners have been awarded incentives to continue their knowledge and growth in savings and planning ahead. Many things have been done; there has been over \$50,000 spent on a

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traveling...privately on a traveling Children's Museum exhibit called Fantastic Future Me. And it will go to five children's museums throughout the state starting in Lincoln, going on to Hastings, North Platte, Norfolk. And every year we spend over \$70,000 on what they call a NEST Fund and a festival is being held one day in every one of those communities throughout the state where entertainment and food are also paid for by NEST encouraging saving and planning ahead. I do want to thank Senator Hadley for this bill and for the opportunity to prioritize it. Thank you, Mr. President, and thank you colleagues. And thank you, Senator Burke Harr. [LB296]

SENATOR KRIST: Thank you, Senator Brasch. Mr. Clerk. [LB296]

CLERK: Mr. President, a priority motion. Senator Chambers would move to recommit the bill to committee. [LB296]

SENATOR KRIST: Senator Chambers, you are recognized to open on your motion. [LB296]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, I don't want anybody to panic. I don't want anybody to have heartburn. And I don't want Senator Hadley to have to stand up here and tell the fib that I broke his arm by being too hard on his bill. I'm doing this to make a point which to me is a very strong sticking point and a sore point. LB613 is a bill that was introduced by Senator Schumacher who is a member of the Revenue Committee. The purpose of that bill is to form a tax modernization committee to study the tax system of the state of Nebraska that summarizes it. There was a hearing on that bill February 19. There was a hearing on this bill February 1. On March 12, LB613 was advanced to the floor by the Executive Board of which I'm a member, by the way. And LB296, this bill, was advanced the same day. On March 25, LB613 was advanced to Select File. Today, we have the debate on this bill to send it to Select File. The point that I'm making, which is a sticking point and very sore with me is that we have another bill advanced on a vote of 8-0 from the Revenue Committee which amends the Revenue Act, if I understand the bill correctly. Even though it has a noble purpose, it's going to reduce the money that would be in the General Fund over a three-year period by something over \$4 million. It is a tax...it is a bill that affects the tax system. If there is seriousness about that study, none of these types of bills should have been advanced from the Revenue Committee or all of them should have been advanced. So far, my LB266 languishes in the Revenue Committee for want of a single vote. I don't like that situation and I made it clear Friday that I think more is involved in holding my bill in that committee while letting all these other bills come out, more is involved than mere coincidence or objection to my bill. It is known that there would be objection to some of those other bills that the Revenue Committee sent out here that talk about exemptions and incentives and other things that can be described as goodies and raids on the treasury. They will reduce revenue to the state by a considerable amount. What my bill will do is preserve for and reserve to the state a

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half percent of possible sales tax revenue. And that bill languishes in committee. Even though it was known by the members of the Revenue Committee, and especially Senator Schumacher who voted to advance this bill that his tax study bill had not only been introduced, but it was moving rapidly across the floor, although he had to invoke cloture to shut me up on General File and the body went along with him. I'm going to fight on this issue. However, this is not the bill that I will wage an all-or-nothing struggle on. There will be another day and a better opportunity. And just so my colleagues know what it is that I'm doing, I offered an amendment yesterday and it's printed in the Journal today to LB613. It would strike everything from LB613 and replace those contents that will be stricken with the contents of my tax bill, LB266. This does not pose any kind of difficult, procedural issue because many bills have been amended by other bills. My bill has not been killed in committee. It's being held, unwilling hostage. And I'm not going to say like Senator Kintner, let my bill go and trivialize something that uses similar words. But I will say this, in addition to wanting to take out of LB613 all of that language related to the study, I don't want to prevent the Legislature from having its study, so I have the obligation to keep that ball rolling; or if you will, keep those wheels turning, so at the same time I offered a resolution which will be referred to the Executive Board of which I'm a member. The resolution number is 155 if I'm not mistaken. What it does with some significant improvements is to track the language in LB613 and put it into a resolution. No legislation is necessary for the Legislature to conduct hearings, a study, and do any and everything contained in LB613. By stripping the language out of that bill, we don't clutter the statutes with an unnecessary piece of legislation. If anybody has bothered to read that bill and had noted the provision that the committee which will be formed can require any agency of government, and the only one likely to be involved would be the Department of Revenue, but any agency of government, any political subdivision to provide any information sought by the committee related to its work. And if there is anybody who says without the statutory authorization how can you be sure that a recalcitrant state agency or political subdivision will balk. First of all, they are not politically stupid, but if they are, there is retained in that resolution the language that cites the statute and refers to the legislative rules which empower a legislative committee to issue subpoenas compelling the attendance of witnesses, the production of documents and information so everything that needs to be done to conduct that study is contained in the resolution. That's the way I operate, I'm playing by your rules. I'm playing by the same rules under which people can be very discriminatory and favor their friends and themselves while disadvantaging me and the people I represent. But the rules allow it. I'm not one who offers amendments to the rules. You all do that. They're your rules and you can't live under them. I'm not the one who offers to suspend the rules. You all do that. [LB296 LB613 LB266 LR155]

SENATOR KRIST: One minute. [LB296]

SENATOR CHAMBERS: You enact rules you can't live under them so you want to suspend them. I take your rules the way I find them. And what I have outlined to you is

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what I intend to do. And if those moves fail, the rest of the session you'll be hearing from me on this issue one way or the other. And having made my point, Mr. President, I withdraw that motion. [LB296]

SENATOR KRIST: Thank you, Senator Chambers, withdrawn. Returning to discussion, Senator Lautenbaugh, you are recognized. [LB296]

SENATOR LAUTENBAUGH: Thank you, Mr. President, members of the body. A few weeks ago at the mike, I jokingly said that Senator Chambers was easy to manipulate, all I had to do was start talking about the rules and it was like catnip for him, he could not resist and he could not stay silent and, apparently, I'm just as bad when he does it. But this is an occasion when we're not all angry with each other and maybe some of us who are still here are actually listening, I am not going to call for a call of the house, just to have people hear this. But I hope some of you and I commit to all of you, please read the rules with a critical eye, but also with, you know, sort of a considered eye and weigh the import of them. If you see a procedure in there that takes relatively few votes to accomplish, like yesterday's overruling the Chair, just took a majority of those voting, you should not conclude that it is something we are never supposed to be able to do except in cases of national emergency. Similarly, when you see provisions in there that say a bill can be pulled from committee with 25 votes, you should not conclude that it is an extreme measure that should never be used, because we do know how to make things harder under the rules; we can set up three-fifths or two-thirds or some other super majority to underline the point that we rarely should do things. But I'll be honest, even though I was...this gets convoluted, even though I liked the outcome yesterday from the standpoint that I was not favoring an amendment and so I did want it to have more votes to pass, I think we set a disastrous precedent yesterday in looking at what substantially similar means when we're comparing amendments to bills that have previously been killed. And maybe it would behoove us to get some former senators in here and talk about the things that used to be done routinely that for some reason we are told must never be done or the world will spin off its axis and nothing will ever happen good again because it's not like that. And we do, and it's okay, we do fight about things from time to time. We do disagree about things from time to time. I can remember an occasion where one senator had to be restrained from coming over here and, I think, striking Senator Chambers about four years. And I can remember one time where Senator Lathrop and I were called up to the Chair and told to cool it and we moved on. And Senator Chambers did not get struck that day, but it's okay to be passionate, it's okay to even be angry from time to time, there's plenty worth being angry about. But it helps you do what you want to do or what you will need to do, hopefully, at some point when something is very important to you if you actually read the rules and consider things that are relatively easy to do and understand that that means you should, if necessary, contemplate doing them. I get the feeling that we have a pervasive atmosphere or mind-set that we better not rock the boat. We better not do anything that someone might not like. While that makes us probably decent people, that

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makes us sometimes not so great at our jobs as legislators. Sometimes you do have to rock the boat; sometimes issues are divisive and at the end we call for a division of the house which is when we vote. And so again, I guess I'm jumping on the Senator Chambers' rules bandwagon here and having my nonspecific complaint about...I guess all of us in a way, because there are plenty of things we could do and rather than standing here and complaining at the microphone that our bills don't come out, or suffering in silence and not complaining at the microphone, there are tools available to you when you find yourself in that spot. [LB296]

SENATOR KRIST: One minute. [LB296]

SENATOR LAUTENBAUGH: And if they're in the rule book...and the rule book doesn't have divisions, there's not an Old Testament and a New Testament, there's not a portion with good rules and a portion with bad rules, there's just the rules. And it will behoove you to familiarize yourself with them and employ them to your benefit. And with that I'll yield my remaining 30 seconds to Senator Chambers. [LB296]

SENATOR KRIST: Thirty-five seconds. [LB296]

SENATOR CHAMBERS: Thank you, Mr. Chairman. And rather than say like Porky Pig, th-th-th-tha-tha-tha-that's all folks, I'll simply say, amen, brother. [LB296]

SENATOR KRIST: Thank you, Senator Lautenbaugh and Senator Chambers. Senator Hadley, you're recognized to close on the committee amendments. [LB296]

SENATOR HADLEY: Thank you, Mr. President. Remember the committee amendment just basically says that if a successor has not been named, that the beneficiary becomes the recipient. I would appreciate your green vote. [LB296]

SENATOR KRIST: Thank you, Senator Hadley. The question...you've heard the closing, the question is, shall the committee amendments to LB296 be adopted? All those in favor vote aye; all those opposed vote nay. Senator Hadley, for what purpose do you rise? [LB296]

SENATOR HADLEY: I'm waiting for Senator Hansen to move along on the right side of the aisle there. (Laughter) [LB296]

SENATOR KRIST: Thanks for joining us. Mr. Clerk, Mr. Clerk, please record. [LB296]

CLERK: 25 ayes, 0 nays on adoption of committee amendments. [LB296]

SENATOR KRIST: The amendments are adopted. Seeing no others wishing to speak, Senator Hadley, you're recognized to close on your bill. [LB296]

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SENATOR HADLEY: Mr. President, members of the body, the basic primary concern of this bill, it raises the amount that we can set aside for children to go to the university. But not just the university, two-year colleges, trade schools, the list goes on, it's basically accredited schools. It's a good bill. I'd appreciate your green vote. Thank you, Mr. President. [LB296]

SENATOR KRIST: Thank you, Senator Hadley. You've heard the closing. The question is the advancement of LB296 to E&R Initial. All those in favor vote aye; opposed nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB296]

CLERK: 25 ayes, 0 nays on the advancement of LB296. [LB296]

SENATOR KRIST: The bill advances. Next item on the agenda. [LB296]

CLERK: LB476, is a bill by Senator Carlson. (Read title.) The bill was introduced on January 22; referred to Business and Labor; advanced to General File. There are committee amendments pending, Mr. President. (AM984, Legislative Journal page 972.) [LB476]

SENATOR KRIST: Senator Carlson, you're recognized to open on your bill. [LB476]

SENATOR CARLSON: Thank you, Mr. President, members of the Legislature. I do introduce LB476, which was heard before the Business and Labor Committee and advanced on a vote of 6-1. The committee has designated it as a committee priority bill and I thank Senator Lathrop and the committee for that decision. LB476, which was brought to me by the Department of Economic Development, amends definitions and eligibility requirements for the Intern Nebraska (InternNE) program. This two-year-old program, part of the Governor's talent and innovation initiative of 2011, has been accessed by 229 companies as of December, 2012, in a two-year-old program. The original legislation was passed to assist companies in finding students who hopefully will continue to work and live in Nebraska after completing paid intern experiences. The grants to partially pay interns are funded through the Job Training Cash Fund in the Department of Economic Development. The changes proposed through LB476 will allow this program to have an even greater impact than it had the past two years. Such changes were suggested during conversations with businesses and students seeking internships and will allow more flexibility for businesses, educational institutions and students. Specifically, the bill changes the emphasis of the program from the type of businesses that provide internships to the quality of internships to be provided. This change would open the door to nonprofit organizations, some of which have contacted my office asking about the possibility of participating. Secondly, the bill eliminates the minimum hour and weekly requirements now in statute and instead focuses on a time sufficient to gain valuable work experience. Technical internships are often completed in

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short periods of time during community college quarters or during the few brief breaks between quarters. The bill also provides for college freshmen and sophomores to participate in the intern program, that change would give both student and businesses more time to find a good fit. LB476 also increases the amount of grants for internships from the lesser of 40 percent or \$3,000 to 75 percent of the cost of the internship up to a maximum of \$5,000. And lastly, the bill requires the department to create an action plan for the program which will be submitted to the Governor. There will be public participation, as with other department action plans. The hearing brought many stories of successful internships and new business created due to the help of the state internship program. There is a committee amendment to address concerns brought up during the hearing. And as of March 14, 2013, 229 companies had participated in the internship program with a total of 398 total interns. Of those 398, over 50 percent...over 50 percent were offered full-time positions with the companies where they interned, and another 25 percent were offered full-time positions with other companies. And 70 percent of the interns were from students from distressed areas. This is a good program. I'd be happy to answer questions and I'd ask that you vote to advance LB476. Thank you. [LB476]

SENATOR KRIST: Thank you, Senator Carlson. As the Clerk stated, there are amendments from the Business and Labor Committee. Senator Lathrop, as the Chair of the committee, you're recognized to open on the amendments. [LB476]

SENATOR LATHROP: Thank you, Mr. President, and, colleagues, good afternoon. AM984 replaces the green copy but keeps the original provisions with two additions. First, on page 5, lines 16-22, language is added, allowing for an increased grant amount of 75 percent, or \$7,500, if the employer can show the intern was a federal Pell Grant recipient at the time of the internship grant application. Second, language is added on page 7, lines 4-10, requiring the department to market the internship program to high school and higher ed institutions, with a focus on attracting underserved student populations. The intent of both additions is to attract applicants who may not otherwise have access to quality internships and to encourage participating businesses to select applicants from this population. I ask for your support of AM984. I would add that, when we had a hearing on this bill in the Business and Labor Committee, we had some incredible stories of people who were in internships, stayed in Nebraska--we might have lost them otherwise to high-tech jobs in other states like California, for example--that stayed in Nebraska, became success stories. And it is a remarkable program. This amendment, essentially, allows for a little extra incentive to take that student who may not have an example at home--a parent that's doing that same kind of work--who lives in a...qualifies for a federal Pell Grant--so they are generally lower-income students--and affords them a better opportunity or a better grant process and in the hopes that we will attract more of those students to this program and get more employers to bring those particular type of students on to their internships. So I would encourage your support of AM984 as well as LB476. Thank you. [LB476]

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SENATOR KRIST: Thank you, Senator Lathrop. Seeing no one in the queue, Senator Lathrop, you're recognized to close on the committee amendment. Senator Lathrop waives closing. The question is, shall the committee amendments to LB476 be adopted? All those in favor vote aye; opposed, nay. Have all those voted that wish to? Mr. Clerk, please record. [LB476]

CLERK: 26 ayes, 0 nays, Mr. President, on adoption of committee amendments. [LB476]

SENATOR KRIST: The amendment is adopted. Seeing no one in the queue, Senator Carlson, you are recognized to close on your bill. [LB476]

SENATOR CARLSON: Thank you, Mr. President and members of the Legislature. I just think a program that's only been in existence two years and has 229 companies participating in it and 398 total interns is about as good as you can get. And this really is a good bill. It's an improvement on the program. And I would ask for your vote on LB476. Thank you, Mr. President. [LB476]

SENATOR KRIST: Thank you, Senator Carlson. You've heard the closing on LB476. The question is the advancement of LB476 to E&R Initial. All those in favor vote aye; opposed, nay. Mr. Clerk, please record. [LB476]

CLERK: 26 ayes, 0 nays, Mr. President, on the advancement of LB476. [LB476]

SENATOR KRIST: The bill advances. Next item. [LB476]

CLERK: Mr. President, if I might, one item for the record, a new resolution, Senator Seiler, LR157. That will be laid over. (Legislative Journal page 1116.) [LR157]

LB561 is a bill by Senator Ashford. (Read title.) The bill was introduced in January, referred to the Judiciary Committee. The bill was advanced to General File. There are Judiciary Committee amendments pending, Mr. President. (AM734, Legislative Journal page 998.) [LB561]

SENATOR KRIST: Thank you, Mr. Clerk. Senator Ashford, you're recognized to open on your bill. [LB561]

SENATOR ASHFORD: Thank you, Mr. President. And actually, the committee amendments do become the bill, so I will introduce the committee amendments in my opening, at this time. [LB561]

SENATOR KRIST: Mr. Clerk, let's proceed to the amendments, committee

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amendments. [LB561]

CLERK: AM734, Senator, your committee amendment. (Legislative Journal page 998.) [LB561]

SENATOR KRIST: Senator Ashford, you're recognized to open. [LB561]

SENATOR ASHFORD: Thank you, and thank you to the Judiciary Committee for making this bill our committee priority bill for the year. LB561 is the last and most comprehensive bill in our juvenile justice package. There will be a fiscal impact on this bill due to a few additions to existing programs. So at the outset, I want everyone to realize that, as we go through the policy changes in LB561 with the amendments, there will be a fiscal impact that...and, therefore, the bill cannot get to Final Reading until after the appropriations bill has passed, so if you would just keep that in mind. We are adding a juvenile judge in Douglas County. We are adding two positions in the Crime Commission and an investment in community-based services aid. And in addition to that, we are increasing rather substantially, or proposing to the body that we increase aid to counties to provide for prevention intervention services for juveniles. We have, in my opinion, Mr. President and members, come to a critical point in time and cannot wait to enact meaningful juvenile justice reform. I have said before, as have other members of our committee, that juvenile...that our juvenile incarceration rate is, depending upon who you listen to, is either the third or fourth highest in the country. It is absolutely critical, in my view, that we bring these juveniles, wherever possible, back into the community to get the treatment services they need and divert them from the juvenile justice system whenever practicable and possible. We need to develop a seamless continuum and an efficient system of care for at-risk youth with an emphasis on front-end programming, and I believe LB561 is another big step in that direction. What we have now, simply, is not working. We have juveniles across the state with dual adjudications, meaning that they are being mentored both by or...they're...by a probation system and an HHS system. They are being made wards of the state just to access funding for needed services. It is impossible to accurately monitor the progress of these juveniles as they are bounced back and forth between two systems and the cases are managed by two different agencies. We need one system where the probation officers have much more direct access to community services and can pay for those services directly. The probation officer must have real-time access to data from all relevant agencies in order to best deal with the problems that that juvenile exhibits. In spite of the Juvenile Detention Alternative Initiative, the JDAI Initiative which is now to be a statewide initiative, and our efforts in LB800 a few years ago to enact prevention and intervention policies including graduated sanctions for juveniles on probation, a civil citation pilot, a truancy intervention process, and a prohibition on status offenders being placed in secure detention, juveniles continue to, quite frankly, languish unnecessarily in detention centers and the YRTC's due to the lack of diversion programming and community-based alternatives. Assaults between juveniles and staff continue at the

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YRTC in Kearney. The programs are not evidence based, and I am worried that the safety of the juveniles in the YRTCs, especially in Kearney, is a matter of...should be a matter of grave concern to us, as they are released back into their communities without adequate rehabilitation and transition services. Let me say, at this point, that the two facilities at Geneva and Kearney are assets of the state, but they are assets that need to be much better coordinated and reformed. And LB561, with these amendments, starts that process of reform. Senator Krist introduced, and this Legislature passed, the Nebraska Juvenile Service Delivery Project two years ago. LB561, with the amendments, would expand the Nebraska Juvenile Service Delivery Project statewide. This project is being administered now in the two judicial districts--one, North Platte, and Scottsbluff, the 11th and 12th Judicial Districts--and in Douglas County very successfully. The project has resulted in a reduction in the number of state wards and out-of-state placements. More youth were served in the community using services...service delivery dollars. Seventy-six percent of juveniles in the project in the three judicial districts successfully complete the condition of their probation on time, and 83 percent of those have been served in their home. This has resulted in much better outcomes for juveniles and a savings of dollars as well. Projected outcomes include: reduced recidivism; reduced penetration of youth into the juvenile justice system; and reduced use of the two YRTCs. Under LB561 as amended by AM734, by July 1, 2014, the Probation Administration will serve all youth adjudicated for law violations from adjudication to reentry into the community. The court will retain jurisdiction--and this is a significant change and an important one--the courts will retain jurisdiction over juveniles placed at the YRTCs until such time as they complete their...the program that they are under. Once a juvenile has exhausted all levels of probation supervision in the community, the court will order intensive supervised probation. A condition of the ISP may be and, in many cases, will be placement at a YRTC. But once discharged from the YRTC, the youth will remain on probation and under the jurisdiction of the court for reentry programming, something that absolutely is critical to bringing our juveniles back into the community successfully. The community and family reentry process created under this bill will be administered by probation and fill a gap in what is currently available under the parole services offered by HHS and OJS. Probation will work with the juvenile and their families, with family-intensive therapy, during the out-of-home placement period to plan for their return to the home and to the community. Amazingly, members, this is not done in Nebraska today, at a great cost to us. The Office of Juvenile Services will remain for the purpose of operating the YRTCs. The fiscal impact of this transition should be neutral, as the budget used by OJS for community supervision, parole, and evaluation will be transferred to Probation. The County Juvenile Services Aid Program would be renamed to reflect how the funds must be used and enhanced. Now let me explain to you what this is. We currently appropriate, I believe, somewhere in the neighborhood of \$1.6 million annually into a county fund for diversion and other juvenile programs within the communities. When that fund was set up originally, the idea would be...was that the fund would be funded adequately. One-point-six million (dollars) is, clearly, not an adequate funding to provide the sorts of

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community-based services that are necessary throughout the state. Senator Davis has brought home to our committee, as has Senator Christensen, the need for more community-based services throughout the state, especially in sparsely populated areas. And fully funding at the rate of \$10 million per year, in my view, is absolutely critical to providing the community-based services that are, should be, and must be provided by our counties. The more we invest in community-based and evidence-based services, the more options prosecutors and judges will have to divert at-risk youth and to rehabilitate those who need treatment to their homes, schools, and communities. We...as I mentioned earlier, there will be a director position created within the Crime Commission to work with counties to apply for and utilize these community-based juvenile service aid funds. Enhancement of pretrial diversion is another front-end intervention strategy to keep kids from penetrating the juvenile justice system. Diversion programs are county based, through the county attorneys, and are only available across half of the state. This bill would create the position of the Director of Juvenile Diversion Programs within the Crime Commission to assist in the creation and maintenance of diversion programs in counties in every one of our 93 counties. The directors would keep and track data for diversion programs statewide. Over the past seven years, the Judiciary Committee has considered numerous approaches to address the current conditions of the YRTC's, including moving the administration to the Department of Corrections, changes to the physical structure at Kearney, and raising penalties for those who engaged in assaultive behavior. As introduced, LB561 would have closed them down. The amendment, however, offers several alternative approaches. Expansion of the project, as I have described, is one very important way to address the YRTC's by keeping those who can be served in the community out of Kearney and Geneva. Investing in the development of community-based options and diversion programming through county aid is another strategy. However, there will always be a need for secure residential treatment placements like Kearney, and there is a lot of support, as we realized at the hearing of this bill, to make Kearney work. This bill would require additional recommendations from the OJS subcommittee of the Children's Commission of the Legislature, including a plan for the transformation of Kearney, including the physical structure and the programming to incorporate evidence-based treatment in rehabilitative and treatment models. The future role of the YRTC's in the juvenile justice continuum of care will be submitted to the Judiciary Committee by December 1 of this year for consideration by the Legislature next year. The bill, LB561, would also provide for the use of social impact bonds to finance projects authorized by juvenile justice entities. This type of financing is a new, innovative way of developing private dollars as to address the needs of...social needs in the community, and I will describe those later. The bill includes LB463, which I introduced to add a juvenile judge to the Douglas County Separate Juvenile Court. There are currently five juvenile judges in Douglas County. Based on the 2012 weighted caseload report, the need for judicial resources is 5.19. In June of last year, the Judicial Resources Commission voted unanimously to recommend to the Legislature that we create and fund a new juvenile judge in Douglas County. The bill also includes LB86, introduced by Senator McGill, to

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make certain that staff secure juvenile detention facilities be placed under the general oversight of the Jail Standards Board. The bill includes provisions of LB471, introduced by Senator Coash, to provide that a juvenile committed by the court to the Office of Juvenile Services does not need to be evaluated prior to commencement...commitment if the court finds that a substantially equivalent evaluation has been done in the previous 12 months or if an addendum to a previous evaluation would be appropriate. One of the major changes in this bill, members, is the evaluation process. Through the pilot project that has been under...has been undertaken in the three judicial districts that I described, we now have an evaluation process for juveniles modeled after the needs of that juvenile and the needs of the juvenile's family. So that alone, I think, will... [LB561 LB463 LB86 LB471]

SENATOR CARLSON PRESIDING

SENATOR CARLSON: One minute. [LB561]

SENATOR ASHFORD: ...provide for better outcomes for juveniles as we place them in...create placement opportunities best suited for them. With that, Mr. President, I would urge the adoption of AM734. [LB561]

SENATOR CARLSON: Thank you, Senator Ashford. Members, you've heard the opening on LB561 and the committee amendment, AM734. The floor is now open for debate. Senators wishing to speak include: Seiler, Coash, Krist, and Ashford. Senator Seiler, you're recognized. [LB561]

SENATOR SEILER: Mr. President, members of the Unicameral, good afternoon. I look at this bill with an eye towards the total picture. And it...this is really the last bill to complete the juvenile reform that started quite a while ago. Really, the truancy bill that started has been a total success, followed by the career path bill which is gaining ground everywhere in this state. LB561's pilot program has been very successful. And this takes a fragmented procedure that we now have in juvenile system, streamlines it and organizes it and makes sense out of it. If you look at the committee report, you'll see quite a few opponents there. I'd like to explain that. I'm a member of the Judiciary Committee. Most of those people that opposed it were from Geneva. They were here under the guise that it was going to close Geneva. They made a great presentation about all the benefits that the community and the complex at Geneva provide. So in real life and real terms, they were not opposed to this bill. They were under the misapprehension that we were going to close Geneva and they didn't want it closed. So when you look at that, you can take a second look at it and you'll see that those people from Geneva, by the time they were ready to testify, were really testifying in favor of this bill. I think it's a great bill. I have practiced in the juvenile area for a long time. It has been needed. We've got a lot of problems left at Kearney that needs to be straightened out. We have a facility at Hastings that can help supplement the mental and the

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behavioral and the chemical dependency of these students that need help. They've had a great success on the limited number of students they've worked with. We have the model to do treatment at the home base, rather than incorporating them...into incarcerating them, excuse me. So, therefore, I would urge you to vote positive for LB561 and its amendments. [LB561]

SENATOR CARLSON: Thank you, Senator Seiler. Senator Coash, you're recognized. [LB561]

SENATOR COASH: Thank you, Mr. President. Good afternoon, colleagues. I would encourage you to pay attention to this debate. This is a sea change in the way that Nebraska is going to address the needs of juveniles in our state. In my five years here we've made some progress on this front. But frankly, for the most part, colleagues, we've been nibbling around the edges, and it's all been in a positive direction which has led us to where we are today. We are reforming our model and we're catching up to what we know, and people who work in this area know, is the way that you deal with kids. And what we know is, first of all, you have to have a continuum. You have to have something in place for low-level offenders. You got to have something in place for dangerous, high-level offenders. You've got to have things in place to address mental health needs. You've got to have things in place to address behavioral needs. And you've got to have them--and this is the key part of what LB561 does--you've got to have those things in place in the community where the child lives. For a long time, for lack of a better option, places like Kearney and Geneva have become the last resort for children across the state when they needed the kind of structure and services that they could not find in their home communities. And unfortunately, colleagues, what happened is you had to fail up. In other words, you had to try something and when you failed, you went to the next thing, and you failed and you went to the next thing. Well, if you lived in the community where there wasn't a next thing, you just went right to Kearney or you went right to Geneva, and there are gaps in those services. And what LB561 and the amendment is trying to do is address those gaps. And the biggest part of this is that transfer to the community-based programs at the county level. That moves services so that when that kid in central Nebraska, in Omaha, or in western Nebraska needs some support, he finds it in his county. He doesn't have to have a judge say, well, you know, we know what you need but we don't have it, so Kearney is where you go. Now here's the problem with Kearney. There are a lot of people in Kearney doing the best that they can. They work hard every day, with all sorts of kids, so this is not a comment on their work. This is a comment on why they have to do the kind of work that they do. You might find, in Kearney, a kid who is struggling with substance abuse and he's broken some minor laws. And his parents are struggling to keep him in the school, and so he's got a lot of truancy on his record. But other than that, he's a good kid, and he ends up in Kearney. And you know who he's rooming with in the same big, gymnasium type? A different kid, from a different part of the state... [LB561]

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SENATOR CARLSON: One minute. [LB561]

SENATOR COASH: Thank you, Mr. President...who is there because he viciously assaulted somebody and he got in the wrong crowd. Now both of those kids are going to influence each other. And the sad part is both of those kids are away from their home communities. And when you take a kid away from his family, even if the family is not the best, they latch onto the best thing that they can get, and they're going to find a peer. And for every day that that kid is away from his family, he's latching more onto those peers and, pretty soon, the kid who was in a little bit of trouble finds himself in a lot of trouble. And when he's in a lot of trouble, he doesn't have his family to back...as a backbone, and so he gets into more trouble. Thus begets a vicious cycle, colleagues. This is a big bill. This makes a lot of changes. And you're going to have to take some time to look through it to understand all... [LB561]

SENATOR CARLSON: Time. [LB561]

SENATOR COASH: Thank you, Mr. President. [LB561]

SENATOR CARLSON: Thank you, Senator Coash. Senator Krist, you're recognized. [LB561]

SENATOR KRIST: Thank you, Mr. President. Good afternoon, colleagues and Nebraska, once again. Last session we passed LB995. LB995 was the pilot project that moved juvenile justice to the first level of where it should be, and that is we took away the necessity--we took away the necessity--to make a young person a ward of the state in order to get them the services that they need, real time. We tried to reduce the foster care program. We tried to reduce the wards of the state. We tried to put the family structure back together. We put the emphasis back on that. The problem, colleagues, is we only did it, basically, in three places: in the 11th and the 12th Judicial Districts, which Senator Ashford has already highlighted, and in Douglas County. The one fantastic thing that this Legislature did last session was put an evaluative process embedded in what we wanted to do. That process, run by UNMC and others, captured the data so we know what we did. We know the results. The results are great. We have less recidivism. We have kids being treated like kids. LB561 takes that program that has proven itself to be more economical, more focused on the juvenile, and we spread this across the state, in every county, in every one of your districts. Now I know Senator Karpisek is going to get up and talk about some concerns, and they are valid concerns in terms of how we will spread that across the state. I was honored by the Chief Justice when he asked me to cochair JDAI, Juvenile Detention Alternative Initiative. That is an integral part of what we are doing. JDAI is trying to find alternatives to detention, as the name suggests. LB561 evolved from the process, as Senator Seiler mentioned, from closing those places that are detention centers at Geneva and Kearney. The reality is we still need those facilities for--and I even hate the use the words, but--the worst of the worst. There

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are still cases that need a detention basis. But even in those detention bases, we have to start concentrating on evidenced-based treatment, treating the juvenile like a juvenile, like a kid, and putting him back in his family as soon as we can. This isn't cheap. But the plan that Senator Ashford and I and others have been working on for this session, starting back two years with the LB995 initiative and the project, as we call it, is to make sure that, as we have services stand up, we are looking at reappropriating those funds that are currently being spent. Imagine, if you will, less kids in detention, more kids at home, more family, proper treatment of the child and the family, and intervention at the very core when intervention is required, and evidence-based treatment being there. That's what this is. If those of you who were not here last year want testament of what this program does, ask anyone who is in Douglas County and associated with the juvenile justice system. Ask any senator from Douglas County whose constituents have been involved with juvenile justice. [LB561]

SENATOR CARLSON: One minute. [LB561]

SENATOR KRIST: Thank you, Mr. President. Ask Senator Harms in Scottsbluff, ask Senator Hansen in North Platte, and then think about these services being extended throughout the state. This week we will start to develop a transition plan that is not appropriate to put into statute but a transition plan to put all these critical pieces together. So I'm sure, between now and Select, there will be many updates to you and to the committees appropriate to the jurisdiction of this subject matter. We need to vote green on AM734, green on LB561. Thank you for listening. [LB561]

SENATOR CARLSON: Thank you, Senator Krist. Those wishing to speak include Senators Karpisek and Nelson and Bolz. Senator Karpisek, you're recognized. [LB561]

SENATOR KARPISEK: Thank you, Mr. President, members of the body. Would Senator Ashford yield, please? [LB561]

SENATOR CARLSON: Senator Ashford, would you yield? [LB561]

SENATOR ASHFORD: Yes. [LB561]

SENATOR KARPISEK: Thank you, Senator Ashford. I missed part of your opening, but I want to make sure that I've got this straight. [LB561]

SENATOR ASHFORD: It was revolutionary. [LB561]

SENATOR KARPISEK: I'm sure it was, as it always is. So now I know in your big...when this bill first started out, Geneva and Kearney were going to close. That's not our plan now, correct? [LB561]

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SENATOR ASHFORD: That's correct. [LB561]

SENATOR KARPISEK: Okay, and so now we're saying that the juveniles should stay closer to home. So the counties will be in charge of this? [LB561]

SENATOR ASHFORD: Well, the counties will have more opportunity to develop community-based services, in conjunction with the Juvenile Probation department, yeah, and hopefully with more county aid. That's correct. That...we want them to stay closer to home. But there are services in the bill, provided by Probation, that are going...that will be provided by the state and including transportation and those sorts of things. [LB561]

SENATOR KARPISEK: Okay. What's going to happen with the small counties though? I realize that this is probably a great idea for Douglas, Lancaster, but... [LB561]

SENATOR ASHFORD: Well, I think, if you look at the 11th and 12th Judicial Districts, which are...Scottsbluff being the one center and North Platte being the other center, includes large and small towns and several county judges in both those judicial districts, I think that there have been a number of programs that have been developed around the...in this project, just over the last couple of years, to get juveniles to the right sources of help, and they do that in a variety of ways. We're bulking up telemedicine through this program and project. We are...so there can be direct discussion between judges or mental health professionals and juveniles. We have transportation, if necessary--it is paid for by the state--if we have to transport a juvenile from one place to another to obtain services. But most importantly is that the juveniles, themselves, will be, hopefully, at home and in school and maintaining their relationships with their families--not in all cases. And Kearney and Geneva, to your point, are available as assets, albeit those facilities, I think, will start to be reformed and have more evidence-based treatment, that it will enhance...and, with the County Aid Fund, will enhance opportunities for all 93 counties to build up their community-based services. I realize that in a very sparsely populated area it's going to be tougher, but we are addressing...we are, hopefully, addressing those in the bill. [LB561]

SENATOR KARPISEK: All right. And I did listen to Senator Coash and agree with him that if the kids are sent somewhere and learning things that they shouldn't be learning from other people...but I am concerned about not getting them away from the people that they've been learning from in the first place. Can you address that a little bit? [LB561]

SENATOR ASHFORD: And I think there are two influences there, I think. There's the adverse or dysfunctional family issue. And I believe, and we believe, having looked at this for a long time, is that the foundation of this reform is the family and bringing the family and dealing with the family's dysfunction through family-intensive therapy. We

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believe that we've missed that in Nebraska, especially with delinquent youth. So there will be a lot of...there will be quite a bit of focus on that. Secondly, the second thing is something that's not in this bill but needs to be. [LB561]

SENATOR CARLSON: One minute. [LB561]

SENATOR ASHFORD: It's something we address as we move forward, and that's the influences in school as well, and better interaction with the school officials. And early intervention with school officials find issues that need to be addressed. That's a piece that we need to focus on, hopefully, next year, Senator Karpisek. [LB561]

SENATOR KARPISEK: Okay, thank you, Senator Ashford. I will keep listening. I know what the intent is here. I think it's a great intent. I'm a little bit concerned about the implementation and how it's actually going to work, moving forward. I'm also a little concerned, if we're just going to be sending the worst of the worst out to Geneva and Kearney, what that's going to do to the population there and the people who work there. I will keep listening and asking questions. Thank you, Mr. President. [LB561]

SENATOR CARLSON: Thank you, Senator Karpisek. Senator Nelson, you're recognized. [LB561]

SENATOR NELSON: Thank you, Mr. President and members of the body. I have some of the same concerns that Senator Karpisek does, and I'd like to ask a few questions, first of Senator Krist, if he will yield. [LB561]

SENATOR CARLSON: Senator Krist, would you yield? [LB561]

SENATOR KRIST: Absolutely. [LB561]

SENATOR NELSON: Thank you, Senator Krist. From your testimony, you've been intimately involved with the pilot program, right, the juvenile pilot program? [LB561]

SENATOR KRIST: Yes, sir. [LB561]

SENATOR NELSON: I happen to be one from Douglas County that really, probably, am not very well informed on that. Could you tell me about the pilot program in Douglas County and how it worked and how many juveniles were involved? [LB561]

SENATOR KRIST: The number was between 600 and 800 kids that were actually helped by the pilot project. Recidivism went down by 80 percent. Most of those kids were given an initial interview and assessment, real time. They didn't spend a whole lot of time in detention. They were helped as much as possible, in some cases, home, with ankle bracelets on. In some cases, there was family intervention or family services,

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along with the juvenile services involved, and the combination of that one on one. And I think, Senator Nelson, my opinion of it is, when you can put a young person who still is within the jurisdiction and has a probation officer, not a case worker, not five people from NFC or KVC in there--no slam intended there--but have one person that is following that child through, there are going to be better results, and I think we've proven that with the study. [LB561]

SENATOR NELSON: I would agree with that. Are these...all 600 to 800, were they all first-time offenders? [LB561]

SENATOR KRIST: Statistically, I don't think we can say they were all first-timers. But I can tell you that they were in the system. And I would hope that they're last-timers. I mean, that would be my comment. [LB561]

SENATOR NELSON: So, sort of, as the future juvenile...if you have this chart in front of you, the disposition, initially, is to probation, to a probation officer. Is that what happened there with the pilot program? [LB561]

SENATOR KRIST: Yes, sir. [LB561]

SENATOR NELSON: Okay, now I hear two things. I hear from Senator Coash that it's very difficult, in a lot of cases, for kids to go home because they don't have any support there, they got in trouble because they didn't have this supervision. Certainly, even with certain bracelets or other things like that, are they being sent back into that home situation? And if not, where are they being sent? [LB561]

SENATOR KRIST: Senator, that's exactly the point. It's assessing the child with the problems initially and putting them either in an emergency placement, an emergency shelter situation. But the point is we're not putting them just in detention as the first and only alternative. There are other alternatives involved. There are, absolutely, kids, as I expressed earlier, that...the worst of the worst, and I hate to use the phraseology. But there are those that are going to end up, for lack of other treatment, after first, second, third, fourth offenses, in places like Geneva and Kearney and that's unavoidable. But for most kids, that's not the only track that needs to happen. [LB561]

SENATOR NELSON: Well, but if these are first- or second-time offenders, they're not going to...if they are...I mean, suppose these could be hard-core cases. They're not going back home. Where were the other places that, in Douglas County, they were sent? [LB561]

SENATOR KRIST: Detention facilities in Douglas County, emergency placements, and we do have some emergency foster homes where they can go to, on a short-term basis, until something is adjudicated. [LB561]

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SENATOR NELSON: Those are not what you'd call community-based services, are you? [LB561]

SENATOR KRIST: Some of them are community-based services. [LB561]

SENATOR NELSON: They come under that definition of detention centers? [LB561]

SENATOR KRIST: Yes, sir. [LB561]

SENATOR NELSON: All right, thank you. And then I...again, the question is, how do county, if we're going to... [LB561]

SENATOR CARLSON: One minute. [LB561]

SENATOR NELSON: If we are going to...thank you, Mr. President. If we're going to spread this statewide, what are the individual counties going to do, set up...well, I'll let you talk about that. [LB561]

SENATOR KRIST: Well, excellent question. And to Senator Karpisek's and your question, ask the 11th and 12th Judiciary Districts how...where their success is. And they've been in place now for almost a year. And what we've done is taken the smaller county structures and put them in the judicial district where they can be handled within the district itself. So small counties are being serviced as a function of a judicial district, while we have Douglas County, which is so huge and so broad, handled within a county structure. And that can be tailored across the state. [LB561]

SENATOR NELSON: All right, thank you, Senator Krist. I'll put my light on again because I have other questions. Thank you, Mr. President. [LB561]

SENATOR KRIST: Thank you, Senator Nelson. [LB561]

SENATOR CARLSON: Thank you, Senator Nelson and Senator Krist. Senator Bolz, you're recognized. [LB561]

SENATOR BOLZ: Thank you, Mr. President. From the perspective of the social worker, I think there is a lot to commend in this piece of legislation. I like the child focus. I like the increased focus on assessments and the community-based approach. However, from the perspective of an Appropriations Committee member, I have a few questions regarding the social impact bonds, and I was hoping that Senator Ashford would yield to a question. [LB561]

SENATOR CARLSON: Senator Ashford, would you yield? [LB561]

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SENATOR ASHFORD: (Recorder malfunction)...Senator Mello, but go ahead. [LB561]

SENATOR BOLZ: (Laugh) My question, Senator Ashford, is,... [LB561]

SENATOR ASHFORD: Let me see if I can gather my thoughts. [LB561]

SENATOR BOLZ: ...as an individual who is unfamiliar with social impact bonds, it is interesting to me that \$20 million will be paid for through such a strategy. Could you explain what those social impact bonds are and the long-term impact? [LB561]

SENATOR ASHFORD: Yeah. Social impact bonds are...would be different than the community funding for the counties. That...those are two different things. The social impact bonds are...actually started in England. There is a project in Peterborough, England, that utilizes this financing methodology, and then there is \$9 million project in New York City, very new. The reason the language is in there is to just have some language in there in case we ever want to do social impact bonds. But what they...they aren't really bonds, so to say. They are...the way it works is that the government would decide if they want to do a program for intervention prevention of at-risk youth in the center of the state of Nebraska and the cost is going to be \$5 million to do that. And you would have...and normally what happens is a nonprofit agency would take on that responsibility to create the intervention prevention program. There would be no state dollars involved in that at the outset. There would be private money that would be loaned, in effect, into the project, into...at a certain interest rate, and there would...that would come up with a finite number of payback to those...to the individuals or entities that loaned the money into the project. But the key to it would be that this intermediary group would determine whether or not the outcomes are adequate. So if we're...if we are, in fact, diverting half the kids away from certain, you know, detention facilities, for example, if that's the outcome that we want, and they reach that 50 percent level, these are outcomes that would be determined by the government, by the state government, and then these loans would be repaid to the investor. So it's a very, very new, very interesting way to finance programs forced...that want...where you want a social outcome. In New York it was used for offender reentry programs, and it funded...successfully is funding an offender reentry program in New York City. There is nothing that mandates that here. This is simply language that could be utilized if the state wishes to go that direction. [LB561]

SENATOR BOLZ: That's helpful, Senator. Just in follow up, I want to be clear in my understanding that the bill as written will be able to provide for all of the services contemplated because that is a concern to me that the communities will be able to step up and provide these services. So all of those things will be provided for without the social impact bonds, is that correct? [LB561]

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SENATOR ASHFORD: Correct. [LB561]

SENATOR BOLZ: So the social impact bonds just gives you another tool in your toolbox as the program continues to expand? [LB561]

SENATOR ASHFORD: Should the state wish to go in that direction, and then it could look into social impact bonds. [LB561]

SENATOR BOLZ: Very good. Well, should I have any time left, I'll yield it to you, Senator Ashford, to elaborate, should you prefer to do that. [LB561]

SENATOR ASHFORD: Thank you. And the social impact... [LB561]

SENATOR CARLSON: (Recorder malfunction.) [LB561]

SENATOR ASHFORD: Thank you, Mr. President. How much time do we have? [LB561]

SENATOR CARLSON: One minute. [LB561]

SENATOR ASHFORD: Senator Mello is here and he's providing me with an amendment that he's asking me, under duress, to sign, which would decrease the appropriation from \$10 million to \$5 million. And I do this with some trepidation, but I have great respect for the Appropriations Committee, certainly, and Chairman Mello. So I am going to offer that amendment at the appropriate time, or I just have offered it. So with that, there would be a \$5 million appropriation for the community-based services, which is about a fivefold increase from what it is now, and it would be significant. But it's very important that we fund these county programs in order for this to be very successful. Thank you. [LB561]

SENATOR CARLSON: Thank you, Senator Ashford and Senator Bolz. Those wishing to speak include: Seiler, Krist, Karpisek, Nelson, and Mello. Senator Seiler, you're recognized. [LB561]

SENATOR SEILER: Mr. President, members of the Unicameral, there is a section that has not been covered that I'd like to cover with you because we need your help, especially you in smaller counties. It's called the county attorney diversion program. And what this is, is when you...and a typical one is a keg party of a bunch of seniors in high school, all good kids, never been in trouble before, good model citizens except they had a beer party. They get capped, they get caught, they're taken down to the...and charged with minor in possession. A lot of the counties have, and we're encouraging more...we're not making it mandatory in this bill, but we're encouraging more and more county attorneys to set this up. County attorney either can file immediately and defer, pending them doing community service, them doing some kind of a project that she has

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or he has as county attorney. They work that through, then the charges are dismissed or, in the alternative, not even file charges but have those kids perform community service programs that are set up for this, like working in the hospital, working in a library hauling books, that type of thing. That is a very successful program. Adams County has had it for quite a while, and a lot of the counties that size have that. Where we have problems is, in the smaller counties, the county attorneys are part time, and that's not their big moneymaker. And so they're more reluctant to set that up. We need to encourage and you, as senators for these smaller counties, encourage your county attorney to set up those county attorney diversion programs. They work. They keep the kids from repeating, they keep the kids out of trouble, and they keep the kids from having a record. I really encourage you to do that. This is in this bill. This is in this bill, but it's not "shall." It's "may," and rightfully so. So we'd encourage you, really encourage you to talk to your county attorneys in your area and encourage them to do the diversion program. Thank you. [LB561]

SENATOR CARLSON: Thank you, Senator Seiler. Mr. Clerk for an amendment. [LB561]

CLERK: Senator Ashford would move to amend the committee amendments, FA64, Mr. President. (Legislative Journal page 1117.) [LB561]

SENATOR CARLSON: Senator Ashford, you're recognized to open on your floor amendment. [LB561]

SENATOR ASHFORD: Very briefly, Mr. President, this amendment takes the requested appropriation from \$10 million a year to \$5 million a year for the counties to implement community-based services. Again, it's about a fivefold or four-and-a-half times increase over the existing, quite frankly, very underfunded program in the Crime Commission to help counties provide for community-based services. This will work as a start, but...so I would urge the adoption of FA64. [LB561]

SENATOR CARLSON: Thank you, Senator Ashford. This floor is, again, open for debate. Senator Krist, you're recognized. [LB561]

SENATOR KRIST: Thank you, Mr. President, colleagues, and Nebraska. I understand Senator Ashford's amendment. I understand the request from the Appropriations Committee. And I vow that when the budget is presented on this floor, there is at least \$2.5 million that is going frivolously that I will attack and try to bring it back. If we can't put the priority on taking care of the kids and the critical needs of this state that we have cut...in 2009, when I was first appointed, we came in here and we cut...I don't know the exact amount. We cut services. We cut services all over the state. We cut everything to a bone and now we are just barely starting to make a move back in the right direction and, all of a sudden, we're making priorities in different directions and not spending it

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where it needs to be spent. I'll vote for the amendment. LB561 is too important. But I will readdress the money situation as we get closer to the budget issue. Having someone threaten you either with losing a project in your district or doing something against a bill that you have or not voting the way that they want you to vote, I hope you can look in the mirror and say it was worth it. If you're listening to your constituents and you're doing the right thing, I guess it's the right thing to do. But this is too big, too big a subject matter to be nickel-and-diming. And when you've got the budget that we have, \$5 million is not a large amount of money. Please don't let this dissuade you from what's really at hand here. FA64, AM734, which replaces the bill, and what will become LB561 is too important to the kids of this state. Thank you. [LB561]

SENATOR CARLSON: Thank you, Senator Krist. Those wishing to speak are Karpisek, Nelson, Mello, and Davis. Senator Karpisek, you're recognized. [LB561]

SENATOR KARPISEK: Thank you, Mr. President, members of the body. I was a little concerned about \$10 million, and now \$5 million really, really makes me struggle. And I did hear Senator Krist and I understand what he's saying. I worry about things. We've taken away county aid. This body did that. I hear from my county commissioners all the time about jail reimbursements. And we can argue...we could argue all day about that, whether we are supposed to pay them or not, but it is a real issue that I get beat on all the time. I'm concerned, if we don't fund this the way that we should, then what's going to happen? Is the county going to have to pick it up? That doesn't even start to talk about some of my concerns about how are we going to do this for some of the kids in the rural counties that really need, maybe, more structure, more something. And I know Senator Ashford said that we'll be able to transport them and that's great, but that's going to take more money. And where are you going to transport them to? If you're out in Thedford or somewhere, where will they go? And then if we do transport them, then they're not at home anyway. So now what did we just do? It's not what we're trying to do in this bill. And I'm not trying to harp on this bill. I understand what Senator Ashford is wanting to do. I will say it has people back home beside themselves when we talked about closing Geneva in the first place, and Kearney. It makes it seem like that wasn't very well thought out. Well, now we're going to keep them open and it'll be okay and I understand that. I'm still concerned about who is actually going to be there and how all that is going to work. I'm no expert in it, that's for sure. But now the money is coming to the top for me, besides all the other issues that I had before. I shouldn't call them issues. I should call them concerns because I am concerned. Again, I think it's a great idea. We need to do something. To say that the system is working as it is now is not right and we all know that. And I want to make that very clear because one of the next times I'm up to the mike, I'm going to bring up a different situation where things aren't working right but I can't get people to see the same thing in a different situation. We've talked about the kids, over and over, on this floor. Hopefully, this does get them to not continue down the wrong path. And I think...I don't have as much experience with Kearney as I do Geneva, but I know that it has worked. Is it perfect? Absolutely not.

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What's part of the problem, maybe, at Kearney? I don't know, but I would say that funding might be part of the problem. Now we're going to get into the funding part again. Five million dollars is a lot of money, but I don't know that it's a lot of money for the amount of kids that we're talking about. [LB561]

SENATOR CARLSON: One minute. [LB561]

SENATOR KARPISEK: Would Senator Ashford yield, please? [LB561]

SENATOR CARLSON: Senator Ashford, would you yield? [LB561]

SENATOR ASHFORD: Yep. [LB561]

SENATOR KARPISEK: Thank you, Senator Ashford. Roughly, how many kids are we talking about a year, again? [LB561]

SENATOR ASHFORD: 3,500. [LB561]

SENATOR KARPISEK: And is that...do you have a breakdown of where they're from in the state? [LB561]

SENATOR ASHFORD: We can...there are 3,500 kids at the probation...that will be in juvenile probation, and they're, you know, concentrated in the larger areas. But I can get you that breakdown. [LB561]

SENATOR KARPISEK: Obviously, they're there, I mean, but that is a concern of mine. Again, I'm worried about those counties, how they're going to deal with this and how they're going to pay for it, because some of them might not get very much money. One or two kids could really throw the budget off. But again, I appreciate the effort, and we can...we'll keep working on this. Thank you, Mr. President. [LB561]

SENATOR CARLSON: Thank you, Senator Karpisek and Senator Ashford. Senator Nelson, you are recognized. [LB561]

SENATOR NELSON: Thank you, Mr. President, members of the body. I...it's good that I'm following Senator Karpisek because he's talked about Geneva. He knows that firsthand because it's in his district. I know about the Geneva YRTC because that's my home county and I've heard good things about it for a number of years. I go back to the time when it was called the Girls Training Center (sic--School) at Geneva. And in a way I object to Geneva being lumped in with Kearney as a detention center, if that's what they really are, because that's not what Geneva YRTC is. It's not a detention center in any sense of the word. It's pretty much a training and rehabilitation center. And when the first bill first came and there was some understanding that...or the talk about closing

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Kearney and closing Geneva, I took the trouble to go out and take a firsthand look at Geneva, at the way it's operated now. I don't have my notes in front of me at this time, but I think they have a capacity of 80 and, at the present time, they have 60 there at Geneva. I was very impressed with what I saw. They have one building where the incoming girls come in that has what you might call something equivalent to a jail cell, three or four of them. And when some of--let's use the expression--hard-core juveniles come in there, sometimes there isn't much alternative but to place them there for two or three days until they come to understand that they're in a place now where they're going to be under a measure of control and going to have to observe some rules. But it's just not control and detention. There are...there's education there, all the way up through high school. And my understanding is that the emphasis on...is learning something here, getting out of here, and not coming back or going to the women's reformatory in York. It's their goal to stay out of there. And the recidivism rate of girls coming back to Geneva again or, maybe, going to York is...I think my recollection is it's like 13, maybe 11 percent. So I wasn't able to be here at the day of the hearing because it got postponed until another day and I'd already made other plans. But from what Senator Seiler said, there was a lot of affirmation by the people from Geneva as to what was going on there and what they were accomplishing, not only from the inside of the buildings, which are really in pretty good shape and a good investment for the state of Nebraska, but also the way the girls were able to go out into homes there in the Geneva area, perhaps to earn some money, just to have a meal. And at the time that I left, one of the girls that showed me around--I was the only one there, in company with others--came out of the building as I was getting into the car, and she was with her mother, I think. They were from Beatrice or Fairbury. She said she had four hours to spend with her mother that Saturday and was really looking forward to it. So...and I also want to state that it's my recollection when the state tried to put boys and girls there, move some of the boys from Kearney to Geneva, that simply didn't work. The boys kind of tore the place apart. So that was changed. And although I'm not familiar with Kearney and others can speak to that, maybe there do need to be some changes there. But I think the center there at Geneva stands as a hallmark for what can be done with those young women that simply have gone from one foster home or detention or someplace else, served some time, and eventually wound up there. So I want to just, kind of, set the record straight on the... [LB561]

SENATOR CARLSON: One minute. [LB561]

SENATOR NELSON: Thank you, Mr. President. I think what we are attempting to do here is worthwhile. I'll continue to listen. When we talk about 3,500 kids in the juvenile system, that's quite a bit larger number than the 600 or 800 that were in the pilot program. I do have some concerns about how this is going to be implemented statewide, community-based services. I think we're going to make a start at it. But it would seem to me, from a fiscal standpoint, that we probably aren't going to be able to spend much more than \$5 million, if that much, in the first year of implementation. So I'll

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continue to listen and we'll talk some more about the fiscal. I'll take a look at that, along with Senator Mello, and talk with him and... [LB561]

SENATOR CARLSON: Time. [LB561]

SENATOR NELSON: Thank you very much, Mr. President. [LB561]

SENATOR CARLSON: Thank you, Senator Nelson. Senator Davis, you're recognized. [LB561]

SENATOR DAVIS: Thank you, Mr. President, members of the body. I sat in on the hearing for that particular bill that day. We had a lot of people in attendance and, as you've heard earlier, there were a lot of people there who spoke for the detention centers. But I've put a lot of thought into what took place at the hearing and the new thoughts on juvenile justice and how we're going to deal with those situations, and I've come to the conclusion that I think that Senator Ashford's bill, and this bill in particular, is a good bill that we need to support. And that said, we're going to have to fund it and, in rural Nebraska, that's going to be a problem. And if you talk to some of the people out in the western part of the state--and we had a letter from Scotts Bluff County with a lot of concern about funding--\$5 million sounds like a lot of money and it is a lot of money. But it's probably not going to be enough. And just as Senator Karpisek said, you can't really throw the burden of that back onto the counties, especially in that part of the state where services are stretched or nonexistent. So if we're going to do something, let's think hard and long about what we're going to do and not underfund it. And with that, I'll yield the rest of my time to Senator Ashford. [LB561]

SENATOR CARLSON: Thank you, Senator Davis. Senator Ashford, 3 minutes and 30 seconds. [LB561]

SENATOR ASHFORD: Very briefly--thank you, Senator Davis--there are really two pots of money here. There's the \$5 million or \$10 million in the biennium for community-based services. That's an enhancement over current law. So it's better; it's better than what's going on now. The other...by four-and-a-half times what's going on now. On the other side which...the operations side, Probation will be in charge of these juveniles, 3,500 statewide. Those funds...it's not...there are...there is no new money there. It's a transfer of money from HHS to Probation, so we're going to be able to sustain that. And the pilot has worked so well in the three judicial districts to keep kids in their homes that I think we have the proof that it can work statewide. Yeah, Kearney and Geneva, how that...those facilities will look in five years will depend a great deal on what the Children's Commission comes up with next year, and we'll have a lot of time to discuss and debate that. With that, I would continue to urge the adoption of these amendments and move the bill. [LB561]

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SENATOR CARLSON: Thank you, Senator Ashford. Senator Karpisek, you are recognized. [LB561]

SENATOR KARPISEK: Thank you, Mr. President, members of the body. I did get the map and the numbers where everybody is. And I do appreciate that this has been going on in Douglas County and also in the 11th and 12th because if it was just in Douglas, I would say, well, that's a poor place to try to see how it's going to work and not look at the other places. I do...am concerned about Senator Davis' district and how that's going to work. I'm also concerned about mine and how this money will flow. I realize that, if I look at the bill, maybe, it will be clearer to me, again, on how this will work. Again, to say that the system is working fine as it is wouldn't be, I don't think, a true statement. It can always work better. It can always be better. And I think, as Senator Seiler talked about, some of these kids, they didn't go out and it's not a horrible crime that they committed. They need to be on some probation, probably, be around home, and get back on with their life and, hopefully, straighten up, scare them a little bit, maybe, and fly right. Others of them though, maybe not. Maybe they need to get away from their pattern that they're usually in. I know Senator Ashford talked about the home life. We need to work on that. I'm not real sure how this is going to work on that, but that's all great ideas. And I think, in a lot of these situations, it probably is the home life that is causing a lot of the problems that the kids are in. How we deal with that I don't really know. I do know that they do a lot of good work in Kearney and in Geneva. Is it perfect? Again, no, it's not. Probation does need to happen. And I would have assumed that some of these kids, if it's just something simple, didn't do anything all that drastic that they would be on probation. So I guess I'm a little confused on why they're being sent to Kearney or Geneva if it's something simple as a keg party, as Senator Seiler mentioned. Maybe it's that they've done it more than one time. Maybe they've been in trouble more than one time. I don't know those things. But Senator...would Senator Ashford yield again, please? [LB561]

SENATOR CARLSON: Senator Ashford, would you yield? [LB561]

SENATOR ASHFORD: Yes. [LB561]

SENATOR KARPISEK: Thank you, Senator Ashford. You kind of talked about dealing with the home life and those sort of things. Can you elaborate on that a little bit? [LB561]

SENATOR ASHFORD: Yes. We don't have good family intensive therapy in Nebraska in our juvenile justice system, in fact, very little, if any. What we're doing here is we...and this, again, is a state responsibility, Senator Karpisek, not a county responsibility. But the...we are going to require here that there be family intensive therapy once a youth is adjudicated. And after disposition, if they are...if, for example, they do go to Kearney for a period of time, or out-of-home placement, that before they come back in, there will be

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family intensive therapy both with the family and with the juvenile. And when they come back, that therapy will continue for a period to time to ensure that there is a reunification. [LB561]

SENATOR CARLSON: One minute. [LB561]

SENATOR ASHFORD: I think that's one of the biggest problems we've got, quite frankly, right now. [LB561]

SENATOR KARPISEK: Well, what if the family just won't participate? [LB561]

SENATOR ASHFORD: Well, then they don't, but I...you know, then...there we have to take and look...they're not going to put a child back into a family that's terribly dysfunctional that will hurt them. But at this point, I mean, we have foster care, we have other options, but we're certainly going to focus on the family first. That's the idea. [LB561]

SENATOR KARPISEK: And will that come out of these \$5 million also? [LB561]

SENATOR ASHFORD: No. The \$5 million would be discretionary with the county, each county that would apply for these funds from the Crime Commission, and they'd utilize this money as they see fit in the county, within certain parameters of, you know, prevention, diversion, that sort of thing. [LB561]

SENATOR KARPISEK: Okay, thank you, Senator Ashford, and thank you, Mr. President. [LB561]

SENATOR CARLSON: Thank you, Senator Karpisek and Ashford. Senator Pirsch, you are recognized. [LB561]

SENATOR PIRSCH: Mr. President. [LB561]

SENATOR CARLSON: Senator Pirsch waives. There are no other lights, senators wishing to speak. Senator Ashford, you're recognized to close on FA64. [LB561]

SENATOR ASHFORD: I'm going to pull FA64. We need to have some discussions between General and Select on funding, so. [LB561]

SENATOR CARLSON: So ordered. Senator Ashford, you're recognized to close on AM734. [LB561]

SENATOR ASHFORD: I...there's been good discussion. I would urge the adoption of AM734, which becomes the bill, and then we will have sufficient time to discuss these

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issues that have been raised, very adequately today, before Select File. [LB561]

SENATOR CARLSON: Members, you've heard the closing on AM734. The question is, shall the amendment be adopted? All those in favor vote yea; all opposed vote nay. Have all voted who wish to vote? Record, Mr. Clerk. [LB561]

CLERK: 30 ayes, 0 nays, Mr. President, on adoption of committee amendments. [LB561]

SENATOR CARLSON: AM734 is adopted. Senator Mello, you're recognized. [LB561]

SENATOR MELLO: Thank you, Mr. President, members of the Legislature. I'll be brief. And I appreciate Senator Ashford, Senator Krist, and Coash managing the chaos that was the last, probably, 20 minutes with FA64. Ultimately, in conversations I've had with Senator Ashford throughout this session, I understand that juvenile justice reform is a priority of the Judiciary Committee. But I also know, ultimately, that other committees have other priorities as well, and Senator Ashford knows that. My understanding is that, ultimately, between General and Select File there is going to be a significant number of issues being discussed in regards to whether it's reappropriations from YRTC in Geneva to treatment, to detention centers, ultimately, what that county aid number may be, moving forward. Obviously, Senator Ashford and myself can agree it will not be \$10 million a year, per year, over the biennium and into the future. But that number has not been solidified yet. And I want to give Senator Ashford, in deference to him and his committee, in regards to them prioritizing this issue and this policy area as their priority for the session, time to figure this out and, ultimately, to bring back something back to, ultimately, I would say, the Fiscal Office, to be able to help determine a fiscal note based on changes that we know need to be made to the bill, ultimately, ways to account for cost savings in YRTC in Geneva, as well as the likelihood of how we would even account for any cost savings with social impact bonds. I would ask the body to consider, ultimately, moving this bill from General to Select File with the auspice and understanding that there is going to be a significant number of changes that will be made between General and Select File. And I want to give that deference to the Judiciary Committee. They understand that the current fiscal amount for this bill will not be the final amount. It will not be \$10 million a year for county aid in part because, as we discussed today, there is roughly \$41 million tentatively slated to be left for the floor. And Senator Ashford and myself have had a number of conversations that this is a priority, but we've got to balance this priority with other priorities in other committees as well. And so I appreciate his leadership of acknowledging that, yes, we can make movement on this policy area, we could invest funding in this area, but it's going to take some time for us to weed ourselves through what that final bill will look like and to give the Judiciary Committee and Senator Campbell and Senator Krist, who have been working with them on this issue, enough time to finalize a final piece of legislation for this body to consider on Select File. So I'd urge you to adopt LB561 to Select, with the

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understanding that there's going to be a lot of work being done between now and Select File to make this work fiscally, as well as policywise, for the state. Thank you, Mr. President. [LB561]

SENATOR CARLSON: Thank you, Senator Mello. Senator Krist, you're recognized. [LB561]

SENATOR KRIST: Very briefly, there is no way LB561 will cross the finish line without an A bill. You'll have to have an A bill, you'll have to see the money work itself out because of the positions, because of an additional judge. So calm yourselves, stop that fuss. We're going to work through this. It's going to need an A bill when it crosses. Please vote green on LB561. [LB561]

SENATOR CARLSON: Thank you, Senator Krist. No other senators wishing to speak. Senator Ashford, you're recognized to close on LB561. [LB561]

SENATOR ASHFORD: Senator Mello actually took the bait on that. No, I'm kidding, Senator Mello. I will work with you from time to time. Thank you, members, and I would urge a green vote and move LB561 to Select File. Thank you. [LB561]

SENATOR CARLSON: Members, the question is, shall LB561 be advanced to E&R Initial? All those in favor vote yea; all opposed vote nay. Have all voted who wish to vote? Record, Mr. Clerk. [LB561]

CLERK: 29 ayes, 0 nays, Mr. President, on the advancement of LB561. [LB561]

SENATOR CARLSON: LB561 does advance. Mr. Clerk, any announcements, items for the record? [LB561]

CLERK: Yes, I do, Mr. President. Senator Carlson, an amendment to LB517, to be printed, and LB517A; Senator Bloomfield to LB232; Senator Nordquist to LB553; Senator Lathrop to LB306. New resolution, LR158, it's by Senator Davis. That will be laid over at this time. And I have two conflict-of-interest statements that will be on file in the Clerk's Office from Senator Karpisek. (Also an amendment from Senator Campbell to LB269, Legislative Journal pages 1117-1123.) [LB517 LB517A LB232 LB553 LB306 LR158 LB269]

Mr. President, a priority motion. Senator Adams would move to adjourn the body until Wednesday, April 24, at 9:00 a.m.

SENATOR CARLSON: Thank you, Mr. Clerk. Members, you've heard the motion to adjourn. All those in favor say aye. Opposed, nay. We are adjourned until 9:00 tomorrow morning.