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Floor Debate
April 03, 2017

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SPEAKER SCHEER PRESIDING

SPEAKER SCHEER: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the fifty-eighth day of the One Hundred Fifth Legislature, First Session. Our chaplain today is Pastor Johnny Walker from the West First Chapel Church in McCook, Nebraska, Senator Hughes's district. Would you please rise.

PASTOR WALKER: (Prayer offered.)

SPEAKER SCHEER: Thank you, Pastor Walker. I call to order the fifty-eighth day of the One Hundred Fifth Legislature, First Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

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

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

CLERK: I have no corrections.

SPEAKER SCHEER: Any messages, reports, or announcements?

CLERK: Enrollment and Review reports LB535, LB91, LB180, LB180A, LB267, LB137 to Select File, some of which have Enrollment and Review amendments. I have a confirmation report from the Nebraska Retirement Systems Committee that's signed by Senator Kolterman. Senator Friesen would like to print an amendment to LR6, Mr. President. An announcement: the Transportation Committee will have an Executive Session at 9:30 in Room 2022. That's all that I have, Mr. President. (Legislative Journal pages 883-889.) [LB535 LB91 LB180 LB180A LB267 LB137 LR6]

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SPEAKER SCHEER: Thank you, Mr. Clerk. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LR79 and LR80. First item, Mr. Clerk. [LR79 LR80]

CLERK: Mr. President, LB46 is on Final Reading. Senator Chambers would move to return the bill for a specific amendment, that amendment being FA9. (Legislative Journal page 359.) [LB46]

SPEAKER SCHEER: Senator Chambers, you're welcome to open on your amendment. [LB46]

CLERK: Page 359 of the Journal, Senator. [LB46]

SENATOR CHAMBERS: Thank you, Mr. President. Thank you, Mr. Clerk. What I would do, and these amendments will all follow the same pattern, strike "choose life" and insert "abolish capital punishment." Members of the Legislature, I'm fulfilling a pledge that I made to take as much time as I can under the rules on this bill to try to persuade us that we ought not take this step which is unwise. Some people think that I'm anti-Catholic, which I'm not. If they said I'm anti-organized religion, then they're correct. It just happens that there are more Catholics in the body to take offense at what I say than there are people of other religions, all of them put together probably. And the Catholic organization, I won't just say church, is so vast now and reaches everywhere that it's almost impossible to set your foot down without stepping on something that pertains to that church. They have a parallel education system from preschool through postgraduate. When there were concessions made to churches, it was not for the purpose of businesses, schools, farms, other enterprises that generate cash. It was for the purpose of these organizations or these entities known as churches. They had a defined location. They had a congregation. They had a mission which anybody who looked into religion could determine. There are wise, wily seekers after special consideration and tax breaks and a lot of them were in the Catholic Church. They were able to get Legislatures all over the country and even in Congress to start looking at enterprises connected as offshoots to a church as equivalent to the church. So instead of paying their fair share of taxes, they don't pay anything. Even when it comes to pension funds, they are not regulated, so there are people who can work in these church industries all of their life. Then time comes to collect a pension and they don't have any because the pension fund was not properly funded. They escape regulation, which is on every other entity that employs people and a pension fund is involved. We who are not religious pay taxes that go to maintaining the roads in front of the churches and their enterprises and they pay no taxes. We pay the money for the streetlights that light their property and the sidewalks leading to their property. We pay for the fire protection, the police protection, and instead of showing the way by doing what they should and being examples, they have shown themselves to be moochers, spongers, hangers-on. And then they want to intrude into the secular world by being allowed to

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teach in their garb in the public school classrooms. This license plate is a carry-over and here is a deal that the Catholic Church ought to consider. I'd like to ask Senator Watermeier a question or two if he would yield. [LB46]

SPEAKER SCHEER: Senator Watermeier, would you please yield? [LB46]

SENATOR WATERMEIER: No. [LB46]

SENATOR CHAMBERS: All right. [LB46]

SENATOR WATERMEIER: April fool's. (Laughter) [LB46]

SENATOR CHAMBERS: But do you see how I just accepted it? [LB46]

SENATOR WATERMEIER: I knew I should have (inaudible). [LB46]

SENATOR CHAMBERS: Mr. Speaker, he was April fooling, so would you ask him if he will answer a question? [LB46]

SPEAKER SCHEER: Senator Watermeier, would you seriously answer a question, please? [LB46]

SENATOR WATERMEIER: Yes, I would. [LB46]

SENATOR CHAMBERS: Senator Watermeier, this is not a trick question, so I'm not going to ask you for a number. But when you look at all of the different enterprises, including the church, would you say that there might be over 100 cars registered to the Catholic Church and its offshoots in Nebraska? [LB46]

SENATOR WATERMEIER: I'd be guessing. I'm not a Catholic and not part of that group, but they certainly have a big network, so probably yes. [LB46]

SENATOR CHAMBERS: Thank you. That's all I was going to ask you. Members of the Legislature, this is something that we know is underwritten by the church. The reason I can say it because the Lieutenant Governor, who is a strong Catholic, was outside lobbying for this bill. He testified for it. I don't know if the Governor testified or not, but he made it clear that he's for it too. Here is how we can get out from under this. Everybody knows, because of the discussions

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we've had, that there are organizations who can obtain the printing, stamping, or production of a license plate that speaks to what they're interested in. That prevents that license plate from being a part of the state law or officially endorsed by the state. If every Catholic car...every car registered to the Catholic Church or any of its offshoots were to be interested in having one of these plates, there you'd have almost enough right there to get such a plate. I don't know how many Catholic Churches there are in Nebraska, but on Sunday mornings the priests could point out that a license plate is being sought; for the guarantee of a certain amount of money, such a plate will be produced. But it's not produced by the state as something the state endorses. Therefore, each parishioner is asked to give at least one dollar and those who can afford more will give more. We will put this money into a fund and we will then sponsor a license plate. Why can they not do that? Why? They're the ones who are divisive. They're the ones who intrude into the secular world. They are the ones who provoke people such as myself, who would stand against any encroachment into the political sphere by any church to go after them because they have the heaviest hand, they leave the deepest footprint, and they can control more people. What my amendment says, since choose life is what they want, abolish the death penalty. That is certainly something that would show an acceptance of the notion of human life from birth to natural death. So the amendment itself will not be adopted. But it's my intent to discuss this issue and to go on until a cloture vote is taken. I will have fought the good fight. I will have finished my course. I will have kept the faith as I perceive what faith is. And it has nothing to do with that which is supernatural. It does not stand in contradistinction to anybody else's faith, whatever that may be. I do not attempt to impose my faith or lack of faith, as others who believe in contradistinction to me, in the way that they would try to impose their views. On the floor of this Legislature, I will speak straightforwardly, forthrightly, and forcefully for the things that I believe in. Just by coincidence or by serendipity, what I believe in generally tends toward those who have nobody who believes in them consistently, who sees the need to uplift these people who are walked upon, who are not respected, who are considered the unpeople, who if they are in a room are discussed as though they don't exist. They are the material utilized by others who want to advance... [LB46]

SPEAKER SCHEER: One minute. [LB46]

SENATOR CHAMBERS: ...some particular point of view or some particular ideology or an agenda. Would they walk among these people as I always do? Certainly not. Would they live among these people as I always do? Certainly not. Would they stop or be stopped by these people on the street or wherever they want to stop and talk in the way that I will deal with these people? That's not going to be the case. And do you know why I deal with these people in this fashion? Because I am one of them. What they are is what I am. I am the microcosm of that macrocosm. When you see me, you see them, and they are spoken of in contradistinction to everybody else. They cannot dress like you. They do not get invited to parties and affairs. [LB46]

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SPEAKER SCHEER: Time, Senator. [LB46]

SENATOR CHAMBERS: Thank you, Mr. President. [LB46]

SPEAKER SCHEER: Thank you, Senator Chambers. Senator Pansing Brooks, you are recognized. [LB46]

SENATOR PANSING BROOKS: Thank you, Mr. President. Well, I have an amendment that's much farther down to end rape culture. People in my district asked that that phrase be added, not replaced, but added to the license plate. So I've talked about that. I have had a long discussion about what that really means. You know, and choose life is something that we've gone through and asked everybody in the body. Those are the words that are expected to be used and I'm sort of torn because, of course, as somebody who is pro-choice, I believe in the ability to choose life. I also believe in the ability of women to control their own healthcare decisions, that any decision that they make should be made with their doctor and their minister or priest, if they choose to, and their own family member, but not the government. It isn't our place to go into that exam room with them. I believe that state-sponsored controversial speech is as unnecessary as phrases that make little to no sense. Save the narwhals has nothing to do with Nebraska. Protect the right to act like a lemming. Avoid unicorns in the rut. I talked with Senator Friesen and Senator Hughes and Senator Hansen on these issues and we came up with some of those crazy ideas of what else we could do. And I would just say that, again, there is an ability for 250 people to get together, pay the fee, and put this on the license. How far do we go, colleagues? How far do we go on this speech? This time the speech that's controversial is something you like. Fifteen years ago the body was split as far as conservative and liberals, and we found that in our discussions already this year, it doesn't split cleanly down any line. We found that with the helmets. We found it with numerous issues, mandatory minimums. There is not a distinct dividing line in this body. So what happens when that controversial speech is something you don't like? Is this the door we want to open? The door has been opened, I acknowledge that, by the veterans. That's not controversial, my friends. No one came to say that that is controversial. Breast cancer, again, that's not controversial. It affects men, women, all of our neighbors and constituents and friends. So again, what we're talking about is speech that we all clearly know is controversial and divides people. Again, I would like to add an amendment that adds "End Rape Culture" so people can choose. They can choose what they want to put on it. And in fact, I think we ought to have an amendment that just allows all speech if we're going to start doing this. You choose whatever you want. The state will basically pay for it. So, again, I hope that...I can tell that this is moving forward, but again I wanted to stand, clarify that the words on the license are to say choose life. [LB46]

SPEAKER SCHEER: One minute. [LB46]

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SENATOR PANSING BROOKS: Thank you, Mr. Speaker. And also just make my point that it is not a good idea to start going down the road of state-sponsored controversial speech. Thank you, Mr. President. [LB46]

SPEAKER SCHEER: Thank you, Senator Pansing Brooks. (Doctor of the day introduced.) Returning to the floor discussion, Senator Krist, you're recognized. [LB46]

SENATOR KRIST: Thank you, Mr. President, good morning, colleagues and good morning, Nebraska. And happy birthday, Courtney Krist, 33 years old today. I'd like to talk about this twice, once on this bill and once on the A bill. Although I understand Senator Chambers is not going to take this to a vote, this is actually the lunacy I talked about in terms of the things that would happen and what Senator Pansing Brooks just enumerated. What's next? Pro-death penalty? Anti-death penalty? If you're in business, you should always tell the truth, telling the truth of how you sell a product, no matter if it's used to kill someone or execute someone legally or illegally? What's next? You see, the thing is, I've had a lot of feedback from my Roman Catholic friends, from my pro-life friends: How could you possibly not support this bill? And I asked them to their face and an e-mail, what's next? If I do this for pro-life people, should I then not vote for pro-choice people? I think so. I think that's the fair thing to do. I've said since the beginning of this debate, this is political speak. It is "inciteful," not insightful in terms of moving forward and having insight but to incite a riot. It is "inciteful" in that way. I've seen bumper stickers as I'm driving down the road that make me furious that someone would put that on their bumper. And here we go with a license plate that is not only brought forward by 250 people who want to pay the price but by 40-some people in this room. Is that the direction you want to go? Is it the direction that you want to go to say when Senator Pansing Brooks brings that bill next year that says pro-choice, then what? Then what? See, I use this analogy all the time. I have a very diverse district. I have a quarter of my population in Section 8. I have a quarter of my population that is starter homes. I have a quarter of my population that are half-million to \$750,000 homes. And then I have a quarter of my population that are millionaires. Do you know how many times I'm right when I bid? About one-quarter of the time, because those issues are so divided that my district will in some ways not agree with me three-quarters of the time. So when you vote for this bill, when you go back to your Catholic Church, your Jewish church, synagogue, your Christian services, you can hold your head proud and say, yep, I voted for that vote. And then go to the other part of your population, if that's what exists in your district, and say, sorry, I understand that you're pro-choice, but I personally am pro-life and, therefore, I voted that way. That's not your job. Your job is representing the better needs of this state, 1.9-plus million people. I don't mean to chastise this morning, as I've been accused of doing sometimes, but you know what? I'll get ten minutes, five on this and five on the next. And I will try to relay to my district, the people I represent, why I am voting the way I am voting. And I would encourage you to think about that population that you serve and 1.9 million people across the state and put yourself in the position next year of voting no for that pro-choice license plate... [LB46]

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SPEAKER SCHEER: One minute. [LB46]

SENATOR KRIST: ...or that I love the death penalty license plate. Thank you, Mr. President. [LB46]

SPEAKER SCHEER: Thank you, Senator Krist. Senator Chambers, you're recognized. [LB46]

SENATOR CHAMBERS: Mr. President, members of the Legislature, I will talk about religion because I am trying to appeal to what I think it was Abraham Lincoln referred to as the angels of your higher nature or the better angels of your nature, going by the things you say you believe in. And those are some lofty-sounding principles. Anybody who would direct his or her life in accord with those principles would brighten the corner wherever he or she may be found. He or she would exemplify that notion of not cursing the darkness but lighting your candle. I can be the peacemaker, the one who might be at odds with all people and against whom all people are at odds. I am trying to appeal to a way for there not to be more contention. You all said that that bill that became law prohibiting religious garb was an anti-Catholic move. Well, now that the Catholics have power, they want to do to others what they say was done to them, by using the instrumentality of the state to impose their will on others. There are so many of them that they can make that which is wrong into that which is right because they say it is right. If you all looked at me, you probably see a minion of Satan, which would not offend me if that's what you said, because people see things not as those things are but as they themselves are. But that Jesus was scorned. He was held in contempt. He was a man of sorrow, acquainted with grief. Is that the kind of person you'd want at your cocktail parties? Is that the kind of person the lobbyists invite to these functions that you all go to? Certainly not. That is the kind of person who is put in a metaphorical jar of formaldehyde, placed on the mantelpiece and people pay their obeisance with words but never with deeds. You all are the ones who are supposed to be reaching out to everybody, showing your love and your affection for all of God's creatures, great and small and especially those with two feet, such as yourself, born of a man and a woman. If a man is made in the image of God, am I not a man, paraphrasing Chief Standing Bear. If you saw God, would God look like me? God told you, I'm made in your God's image. Why don't you listen? Because I'm saying what you choose not to hear. There are enough cars registered to the Catholic Church and its entities to provide a license plate of this kind. I will paraphrase something I did from Shakespeare the other day. Oh, how wonderful it is to have the strength of a giant, but it is tyrannical to use it like a giant. You Catholics got your revenge... [LB46]

SPEAKER SCHEER: One minute. [LB46]

SENATOR CHAMBERS: ...on those who put that bill about the religious garb in the classroom. You got your revenge by doing away with that. Now you are replicating what you say was done

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to you. You want to show that now you've got the upper hand, so you're going to impose your will, which you can do because the system accommodates that. But the majority is not always right. The majority said crucify Jesus. So I'm trying to appeal to what you say means something to you. I think Jesus, in fact, I know, was referred to as the Prince of Peace. God is not the author of confusion. That's in the "Bible." This bill is not of God. [LB46]

SPEAKER SCHEER: Time, Senator. [LB46]

SENATOR CHAMBERS: Thank you, Mr. President. [LB46]

SPEAKER SCHEER: You're next in the queue. There are no others. You have one more time at the mike and a close. Would you like to close or your one time at the mike? [LB46]

SENATOR CHAMBERS: I want to take my time at the mike. [LB46]

SPEAKER SCHEER: All right. [LB46]

SENATOR CHAMBERS: Members of the Legislature, I'm going to, before this discussion which may be more in the nature of a soliloquy than a colloquy, I'm going to read some things into the record to show how longstanding has been my opposition to all types of specialty plates, how I fought against those plates. Then I have documentation in the newspaper of how these specialty plates proliferated while I was out of the Legislature because of term limits. While I was here, it was rough sledding for all of those plates. To have made an error in the past is not an argument for continuing to follow that erroneous path, to continue duplicating that which was not wise. Wise people learn from their mistakes. The truly wise don't make mistakes in the first place. Why is that? There is a certain logic that can be found in the universe. There can be found a certain logic in anything if you study it long enough. So people make mistakes when they have not taken the time to adequately size-up a situation and take action appropriate to reach the goal that they have in mind. What is the goal of this license plate? To impose the will of those who hold this position on everybody by showing the bare knuckle power they have in the Legislature. You think I don't recognize that? I have the opportunity to see it on any number of issues. Senator Quen (phonetically), Senator Kuehn, excuse me, brought a bill that was misreferenced to the Government Committee, and we're going to spend a lot of time on that bill. And a funny thing, the Catholics who support this bill are going to support the death penalty even though the Pope has condemned it, at least three in succession. The Catholic Conference, comprising the three bishops in Nebraska, have condemned it. Catholic thinkers everywhere have condemned it. The European Union has condemned it, and nobody, no nation can join the European Union without doing away with capital punishment. Turkey, because it wants to join the E.U., did away with capital punishment, which you may not have been aware of. This thing of honoring life is

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shown in many ways. I will tell you why I don't take personal offense at those who say life begins at the point of conception. But I disagree with them when they say that's a full-fledged human being. But I'm going to show you their hypocrisy. How can the vessel not be important in which is contained something of great worth and value when that something is so intertwined with the vessel that it is of the warp and woof of that vessel and is indistinguishable from it? In other words, if you believe in the zygote, you believe in the embryo, you believe in the fetus, then why have so much disrespect for the vessel in which you find it, namely the body of a female? [LB46]

SPEAKER SCHEER: One minute. [LB46]

SENATOR CHAMBERS: Why are women held in such low regard, treated with such contempt if that which they are carrying means so much? And God help that which she is carrying if that is born into the world and is a female. There are so many contradictions. There is so much hypocrisy and every one of them leads to divisiveness, to the manifestation of hatred, the attempt to play one-upmanship. So here I am, the one who is scorned and rejected, trying to appeal to those who operate at a higher intellectual level, a higher spiritual level, a higher religious level to let your light shine based on what you claim to be. I do not set the standard according to which you need to live. [LB46]

SPEAKER SCHEER: Time, Senator. [LB46]

SENATOR CHAMBERS: You have told me... [LB46]

SPEAKER SCHEER: Time, Senator. [LB46]

SENATOR CHAMBERS: Thank you, Mr. President. [LB46]

SPEAKER SCHEER: Thank you, Senator Chambers. Senator Schumacher, you're recognized. [LB46]

SENATOR SCHUMACHER: Thank you, Mr. Speaker, members of the body. The point has been raised that I think...two good points. Number one, if someone wants to put something on a license plate, it's fairly easy to do. Cheap rate times whatever, 250 people, and you've got your license plate. Why are we talking about this? Point two is that if we go down what is clearly political speech, an endorsement of it by the state, you just can bet that we're going to see more of these proposals and they're going to be controversial and we're going to spend time arguing about them. The imagination can go on and on as to how much time we're going to spend and

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what kind of proposals we're going to be arguing about, or I should say you're going to be arguing about. So knowing that you are going to face, two, three, four years out, an enormous budget problem brought about by the postponing of needed expenses, brought about by the continuation of normalcy in the economy and continuation of a lack of just new revenue bubbling up all over the place, and you're going to face the baby boomer thing and the prison thing and the mental health thing and the who knows what else thing, can you afford to take two, three days to argue about the next license plate? And maybe there's going to be two or three proposals for license plates, so that means six days. In a short session that's 10 percent of the session arguing about license plates that if the parties were really serious about it and they go down and buy one, get 250 people together and go buy one. Is this where you want to take the Legislature that has tremendous responsibilities and tremendous obligation to try to make the thing work, and take it into being kind of a debating club of what the slogan of the day should be? And then suppose you make a mistake in your slogan, or it turns out your slogan was just plain dumb. You got to then do a filibuster to undo the slogan and revoke the plates. Why are we doing this? Is it some kind of litmus test? Is it to show that we know so much that we're going to be the setters of public opinion in this state by what we put on a license plate? Look at how much time we've killed on this one. And the fun hasn't begun yet as we try to wrestle with the money problem we got, which is growing bigger every day, and we are acting less responsible in our theories and our ideas how to approach it every day. We can simply say this is not the business of the state. You want a plate that says whatever, go get it. Nothing is stopping you. We put that provision into law. Save the porpoises if you want, whatever you can dream up, save the jackrabbit. I haven't seen one of those in a long time. Folks, the decisions you are making today are going to have a real impact... [LB46]

SPEAKER SCHEER: One minute. [LB46]

SENATOR SCHUMACHER: ...in a couple years, four years, six years, and some of you are going to have to sit here and try to figure out an even worse mess than we have today. I can't support us going down this road. This is not a religious thing, a right to life thing, and anything else. It's a common-sense thing. You want the plate? Go buy it. There's enough resources in any one of the groups who are wanting this plate to go out and find the 250 people and the 75 bucks, whatever it is. Just have common sense. Let's not compel you to go down this road over and over and again. Let's set a precedent that works and that will save you a few legislative days a year. Thank you. [LB46]

SPEAKER SCHEER: Thank you, Senator Schumacher. Senator Krist, you're recognized. [LB46]

SENATOR KRIST: I yield my time to Senator Chambers. [LB46]

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SPEAKER SCHEER: Senator Chambers, 4:55. [LB46]

SENATOR CHAMBERS: Thank you, Mr. President. Thank you, Senator Krist. Thank you, "Professor" Schumacher. Members of the Legislature, you don't have to do this. What will be harmed if we don't do this? Nothing, status quo. Why must you be divisive? If you're doing it to teach me a lesson, look at how many opportunities I will have to reciprocate on the agenda that follows this. Suppose I would dig my heels in and simply talk on each one of the bills on Select File, not with the purpose of trying to kill that bill but just to take the amount of time that is available to me. You would not appreciate that. You would think it's unreasonable. But that would not be as unreasonable as what you're doing. Tomorrow the sun also rises. Tomorrow is another day. In the middle of my going through all of these bills, I could change my mind. Once the die is cast and Caesar has crossed the Rubicon on this license plate, it cannot be undone. You will close the door that, once opened and closed, cannot be opened again as far as this license plate is concerned, but you're opening another door which you may come to regret later. There come times during our proceedings when we should, even though we usually don't, consider the essential nature of a legislative assembly. If you take the death penalty, which the Governor and his father put several hundred thousands of dollars into having reinstated after the Legislature abolished it and overrode the Governor's veto, if you would look at that and ask me why, since as I'm told the second house has spoken, do I try to bring this repeal of the death penalty again? How many of you--the new people cannot answer this--have had a bill which did not succeed because the representatives of the people in the Legislature voted against it, yet you brought it back again? The representatives of the people had spoken once, but that didn't stop you. My principles are not determined by a popularity contest or an opinion poll, especially when it took thousands of dollars to try to obtain that particular point of view. But if everybody said that something is wrong and I believe it's right, that's where your Jesus and I have something in common. When one of his disciples betrayed him, another one denied him, and the rest of them forsook him, he was still there. That's me when it comes to my principles. There are not many issues that I bring to this Legislature that mean as much to me as taking the state out of the killing business... [LB46]

SPEAKER SCHEER: One minute. [LB46]

SENATOR CHAMBERS: ...and as long as I'm in this Legislature, I shall continue to try to do so. And the death penalty's repeal has done what Jesus did between Pilate and Herod. They were at odds. But when Pilate sent Jesus to Herod to take care of and Jesus sent...Pilate sent Jesus back to...Herod sent Jesus back to Pilate, it said that Pilate and Herod became friends, for before that there was enmity between them. You could say there is enmity between me and the church, but when it comes to abolishing the death penalty, we are not two sides of the same coin. We are the same side of this coin, and we are on the right side. The right...I'll wait until I get a chance to speak again. Thank you, Mr. President. [LB46]

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SPEAKER SCHEER: Thank you, Senator Chambers, Senator Krist. Senator McDonnell, you are recognized. [LB46]

SENATOR McDONNELL: Thank you, Mr. President. Last night I had the opportunity to attend a fund-raiser for the...I'm standing in opposition of FA9 and in favor of LB46. But also since the Catholic Church has been mentioned a number of times today, I thought it was a great opportunity to talk about the event last night for the Notre Dame Sisters. It was a fund-raiser, their twenty-third annual. They've been in Omaha for a hundred years. And I was so impressed with the people that were there. The nuns that have dedicated their whole lives, and it started making me think a little bit about my opportunities and the opportunity of going to St. Thomas More Catholic Grade School and what those nuns, the sacrifices they made and taught me and disciplined me at times definitely when it was needed. And also Gross High School where the nuns sacrificed so much and did a great job dedicating their lives towards education. And last night having an opportunity to read their vision statement, I thought it was important for us to hear it today, especially in light of what we're talking about. As we respond to the call of Christ, we commit ourselves to the building of a world of Christianity, communities of love and support for each other by meeting unmet needs. We will alleviate the pains of alienation and eradicate the causes by enabling persons to be reconciled to God themselves and others through our lifestyle, prayer, simplicity, hospitality, service, and risk. So I think it's important to talk about, when we talk about the Catholic Church, about all the good things they're doing throughout the world, not that there hasn't been mistakes made, throughout the state of Nebraska, and the city of Omaha. And I want to recognize the Notre Dame Sisters for their hundred years of dedication to the people of Omaha. And I'd like to yield the rest of my time to Senator Chambers. [LB46]

SPEAKER SCHEER: Senator Chambers, 3:05. [LB46]

SENATOR CHAMBERS: Thank you, Mr. President. Thank you, Senator McDonnell. And I think it is noteworthy of what people have done who in their life and the way they spend their time exemplify the things they say they believe. I have never condemned anybody who practices what he or she believes as long as that's not hurting other people. I tell people when I'm discussing religion, don't let my view take from you what you believe if what you believe gets you from morning till night, from the front of the month to the end of the month because I don't have anything to give you to replace it with. But if I see people speaking high-sounding phrases and then doing the opposite, I feel a need to call attention of those people to the distance between what they profess and what they do. But I'm different to this extent from most other people. I don't think you have to be religious to do what you think is right, fair, just, honorable, noble, worthy, and all of these other things. We have a brain. Our brain informs us. Without the need of a heart even, or a religion or a philosophy that is formalized, you can develop in your own mind and tailor-make an outlook on life that allows you to navigate all of the controversial, the opposing forces that you will confront no matter how bad or hopeless something looks. [LB46]

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SPEAKER SCHEER: One minute. [LB46]

SENATOR CHAMBERS: If it doesn't kill you, you're going to come out on the other side of it. Few things that you see from a great way off that terrify you, that plunge you into despair, depression and fear, rarely is any of those things as bad when you actually come face-to-face with it as it was when your own mind was making it loom so large because you know what puts you in fear more than anybody else and you tend to turn to what you fear the most and project that on to whatever you're confronting. I don't do that. I believe that you do the thing you fear and the death of fear is certain and the only thing you have to fear is fear itself. But in this case, I do dread what passing this bill would do to the state. Thank you, Mr. President. [LB46]

SPEAKER SCHEER: Thank you, Senator McDonnell and Senator Chambers. Senator Kolowski, you're recognized. [LB46]

SENATOR KOLOWSKI: Thank you, Mr. Speaker. Also I would yield my time to Senator Chambers this morning. Thank you. [LB46]

SPEAKER SCHEER: Senator Chambers, 4:50. [LB46]

SENATOR CHAMBERS: Thank you, Mr. President. Thank you, Senator Kolowski. And by people yielding me the time, they are not putting me in a position to do what I was not going to do anyway. It does away with the necessity of me bringing up amendment after amendment in order to do what I'm able to do without having to take that course. But in case that's the course I must follow, I shall do it. Having been in this world as long as I have been, having been in this Legislature as long as I have been in the Legislature, would it not be an indication of stupidity to not have learned to recognize certain things that could be called trends, that could be called practices, that could be called consequences? Do you think I do not consider the potential consequences, meaning a negative result of the things that I do and say? Those possible negative consequences are not going to deter me from doing what I think I ought to do. I was not sent to this Legislature to be an echo. I was sent here to be a voice, a voice, as I'll repeat again, of people like me. Now, they may in complexion look like you. My eyes are brown. Their eyes may be blue. My ancestry comes from Africa. Yours may come from Ireland, England, Wales of all places, Switzerland, Sweden, Italy, Sicily, Canada, even the North Pole and the South Pole. How do you know you don't have some penguin in you way back when? If what they say about evolution is correct, or if God created everything, there is a commonality in every living thing, in every physical thing, so there could have been one tiny little cell that was the birth...led to the birth and proliferation of all the things that we see now. Then we get into a situation like we confront in this Legislature and we're not talking about the universe. We're not talking about the millions of galaxies. Yeah, that's what they say. And a galaxy may have millions of stars. I

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cannot even conceive of that. I can say the words, but there is nothing that my mind can grasp. So we're looking at a license plate. And all of the campaigning, all of the education, all of the experiences that we've had, all of the moments and hours and days of meditation we may have engaged in have brought us to this license plate. There have been those who have discussed, far more calmly than I have, the harm that passing this law, this bill into law can do. They are not mistaken. If this license plate does not become a reality, how is anything in the world harmed? But how much divisiveness will be avoided? Senator Krist is not the only one who has seen bumper stickers that can be infuriating. [LB46]

SPEAKER SCHEER: One minute. [LB46]

SENATOR CHAMBERS: But suppose somebody drives up behind a car and sees choose life and is a rabid adherent to the opposite and road rage develops? Don't say it cannot. When people are out on that road it does not take much to set them off. So you put a red flag in front of the bull and then when the bull...and that's metaphorically speaking. The color of the garment doesn't mean anything, but red is more attractive to the audience than to the bull. You're going to wave the red flag in front of the bull, but here is where you're different from the matador. You hold the red flag in front of you and when the bull smashes into the flag, the bull smashes you. The matador holds the flag out to the side and guides the bull. You're not going to guide some infuriated person. [LB46]

SPEAKER SCHEER: Time, Senator. [LB46]

SENATOR CHAMBERS: Thank you, Mr. President. [LB46]

SPEAKER SCHEER: Thank you, Senator Kolowski and Senator Chambers. Mr. Clerk. [LB46]

CLERK: Mr. President, the Banking Committee will have an Executive Session now in Room 2022; Banking Committee now. [LB46]

SPEAKER SCHEER: Thank you, Mr. Clerk. Going back to the queue, Senator Watermeier, you're recognized. [LB46]

SENATOR WATERMEIER: Thank you, Mr. President. Good morning, Nebraska. I just rise in opposition to the motion from Senator Chambers to return this to Select File. I do appreciate all the conversation. I do appreciate the effort on...behind the scenes, but I am going to offer a cloture motion at about 10:30 or thereabouts. I did want to remind the body that this bill was drafted after and because of--not because of--the way the mountain lion bill was drafted, the

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conservation mountain lion bill. As much of the language as we could carry over to the choose life plate, it's modeled after the mountain lion bill. We did the very best we could to get that very clean. It's not any different than a lot of other bills, a lot of other license plate bills. So with that, at 10:30, I will be calling for a cloture motion. At that point in time, I would ask for a red vote on your return to Select File and a green vote on Final Reading on LB46. Thank you, Mr. President. [LB46]

SPEAKER SCHEER: Thank you, Senator Watermeier. Senator Pansing Brooks, you're recognized. [LB46]

SENATOR PANSING BROOKS: Thank you, Mr. President. I know that some of you feel that this is a complete waste of time and I'm sure that some people are aggravated with Senator Chambers about going on about this. But I have to remind us all that we need to be aggravated with ourselves and with our committee process. Whenever we send a bill out from committee, we know that we run the risk of extended debate. And so it's clear whenever you do vote on a bill that there are going to be minority voices that need to be heard. And you can just expect that, just like the minority voices are heard in our e-mails and across the state. And again, I don't understand why we need to have controversial state-sponsored speech. Why aren't we saying choose to feed the children? What about that one? Or choose to provide healthcare for all people who were once babies at one point and they're now alive and need to keep living. Or choose funding foster care. How about choose loving all people? There are so many things that we could choose and that we could spend our time on that would make an actual difference to people, but now we are choosing to spend the state's dollars on state-sponsored controversial speech. So again, be as aggravated as you want at Senator Chambers or at me for continuing to mention this, but when you bring controversial issues like this or a committee decides to bring it to the floor, there's no one to blame except the committee and ourselves for our process. This is not a body that just accepts whatever some committee decides is valuable, and we all know that. We all have things that we care about that we want out here. I care a lot about fairness in employment and the ability of people to work based upon their excellence in their skills and not based on the person whom they love. Some of you don't care about that. They think it's not an issue. I tell you it is. So again, we can be aggravated at the process, you can be aggravated at me or Senator Chambers, but again, state-sponsored controversial speech is a path we've not gone down. We...Senator Watermeier continues to mention the mountain lions. Protecting the mountain lions isn't controversial. It was a nature conservancy type of issue and promoting wildlife within our state that's special. So anyway, my friends, this does...it will go the full time of the filibuster. I know that most of you are not convinced that state-sponsored speech is inappropriate if it's controversial. But again, I...what's next? That's what I ask you, what is next? I'll give the rest of my time to Senator Chambers, Mr. President. Thank you. [LB46]

SPEAKER SCHEER: Senator Chambers, 1:01. [LB46]

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SENATOR CHAMBERS: Thank you, Mr. President. Thank you, Senator Pansing Brooks. Members of the Legislature, since Senator Pansing Brooks mentioned it, I really don't mind how people react to me and what it is that I say. But here's something I know. You're mighty happy when I'm on the same side of an issue that you are on. If you bring a bill and I agree with you, you're not only glad that I'm on your side, you want me to speak for it. So I'm going to do and say what I think is right. Sometimes it will put me at odds with you, sometimes it will put me in agreement. But it's not being at odds with you or in agreement with you, it's being at odds with the issue or an agreement with the issue. I have been here so many years that I have probably seen some version of everything that will ever come... [LB46]

SPEAKER SCHEER: Time, Senator. [LB46]

SENATOR CHAMBERS: ...before this Legislature. Thank you, Mr. President. [LB46]

SPEAKER SCHEER: Thank you, Senator Chambers and Senator Pansing Brooks. (Visitors introduced.) Returning to the queue, Senator Krist, you're recognized. This is your third time. [LB46]

SENATOR KRIST: I would yield my time to Senator Chambers. [LB46]

SPEAKER SCHEER: Senator Chambers, 4:55. [LB46]

SENATOR CHAMBERS: Thank you, Mr. President. Thank you, Senator Krist. Members of the Legislature, I put together something I refer to as an album of pictures with me and the little children, and now I can tell you that a more recent one was mailed to me that I'm going to share with you all. The other day somebody even mentioned the pink elephant in the room, and you've heard that expression. Well, knowing how much I care about young things, not just young people, I was given the privilege of taking a picture with the child of that pink elephant. So I'm going to send that around when I can make copies. And you can put it in the album of me with little children. You may see me in a picture with the offspring of a snake, or a wallaby, or any young thing. I want to read a bit of something, and I'm going to start at this point, even though I can't finish it at this...while I'm speaking, but I will before the time is over. This was the caption on this document that I sent to all of you and it's dated March 31. The Choose Life License Plates bill will be on Final Reading Monday. This material shall speak for itself and explains much, which meant I was not going to comment on it. I'd just send it to you. A fellow had sent me a letter dated...when I received it, August 28, 2013. His name is Chad Sample, from Lincoln. Senator Chambers, my name is Chad Sample and I've been a member of the United States Army for 15 years as of August 17, 2013. Recently I e-mailed Senate McGill, who is the senator from my district in Lincoln, about introducing a bill to produce specialized license plates for our

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current and former military members within this great state. She informed me that you're stoutly opposed to all legislation regarding specialized license plates and filibuster any attempt to introduce the legislation. I would like an explanation from you as to why you oppose specialized license plates, especially for military members, Americans who fight and sometimes die for your ability to serve in public office, along with protecting all the freedoms you enjoy each and every day. Please provide me a response regarding your stance on the issue. First of all, I did some time in a military uniform also and I got an honorable discharge, but it didn't make me a hero. Nobody shot at me; I shot at nobody. I wanted to get my time out of the way so I could go to law school. So not everybody...I didn't do it so that Senator McDonnell, when the youngster grew into a grown man, a fine, I started to say, slip of a fellow age-wise that he is. I wasn't thinking there's a youngster with a "Mc" in front of his name, who descended from the Irish people, and he's going to grow up and I'm wearing this uniform so that he can get in the Legislature after serving as the President of a Firefighters Union. I didn't do it so that Senator Crawford could teach at Creighton. I didn't do it so Senator Linehan could work for that fellow who was a Senator. That's not why I did it and I never pretended that was why. But I will read for you that response as time goes on. But the reason I touched on that, it's been clear to people who knew that I have a longstanding opposition... [LB46]

SPEAKER SCHEER: One minute. [LB46]

SENATOR CHAMBERS: ...to these kinds...did you say time? [LB46]

SPEAKER SCHEER: One minute, Senator. [LB46]

SENATOR CHAMBERS: Oh, thank you. A longstanding opposition to these kinds of plates, and I have acted on that. I didn't just sit and stew or stand and simmer and be angry. I tried to stop them. And I was, to a great extent, successful. The next installment will go into that aspect of it. But I want these things in the record because other people out there may want a response from me in terms of why I take the position I do on a bill such as this. Thank you, Mr. President. [LB46]

SPEAKER SCHEER: Thank you, Senator Krist and Senator Chambers. Senator Kolowski, you're recognized. [LB46]

SENATOR KOLOWSKI: Yes, thank you, Mr. Speaker. I again yield my time to Senator Chambers. Thank you. [LB46]

SPEAKER SCHEER: Senator Chambers, 4:50. [LB46]

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SENATOR CHAMBERS: Thank you, Mr. President. Thank you, Senator Kolowski. And this is my response to Mr. Sample, dated August 28, 2013. Dear Mr. Sample: In view of the fact that you live in Lincoln, I'm somewhat puzzled that you're unaware of my reasons for opposing all specialty plates. Numerous articles have appeared in the Lincoln Journal Star down through the years dealing with my position. Many years ago Nebraska plates bore the slogan, quote, the beef state. I shared with my legislative colleagues a U.S. Supreme Court decision declaring that the state cannot, quote, compel speech, unquote, meaning that a person cannot be forced to accede to state-ordered speech with which the person disagrees. Therefore, the person was free to obliterate any such forced speech and not be liable to punishment by the state for doing so. I told my colleagues I was going to cover the slogan with heavy tape and advise the citizens of the state who objected to the slogan to do likewise. The next time a license plate design was adopted, it was referred to as Nebraska lite or plain label because it consisted simply of the word "Nebraska" accompanied by a number whose digits were blue. Enclosed is a handout I shared with members of the Legislature and the media. A column was done on it by the Lincoln Journal Star because irate people, who supported the specialty plates, wrote letters to the editor repeating some form of your comment, military members and so forth, Americans who fight and sometimes die for your ability to serve in public office, etcetera, etcetera. None of that nonsense is why anybody serves in the military. I, for example, did my time in order to get it over with. I didn't shoot at anybody and nobody shot at me. Nobody is heroic or noble simply virtue of wearing a uniform. If you served, you know I'm telling the truth. If you didn't serve, so what? I intend to resist strenuously making license plates billboards. We'll just have to see how things pan out, won't we? That was the response. And here's a little song...how much time do I have, Mr. President, on this time? [LB46]

SPEAKER SCHEER: 2:28. [LB46]

SENATOR CHAMBERS: I might can get through it. Senators want a specialty plate. E-i-e-i-o. Each insists, hey, mine is great. E-i-e-i-o. With a plate plate here, and a plate plate there, here a plate, there a plate, everywhere a plate plate, Senators want a specialty plate. E-i-e-i-o. What kind of plates are we talking about? E-i-e-i-o. Abominable, atrocious? Beyond a doubt. E-i-e-i-o. For the Shriners here, the Veterans there, Game and Parks, EMTs, heads without any hair, such could be the plates we're talking about. E-i-e-i-o. I shall have suggestions too. E-i-e-i-o. Spicing up this devil's brew. E-i-e-i-o. What will they do, wait and see, one thing certain they'll provide glee. I'll draft some suggestions too. E-i-e-i-o. Truth be told, each specialty plate, e-i-e-i-o, is a thing I deeply hate, e-i-e-i-o. Ever in the past, no votes I cast for every plate and they won't be my last. I despise all specialty plates. E-i-e-i-o. Does this mean that I shall fight? E-i-e-i-o. Yep, my friends, you got that right. E-i-e-i-o. With amendments here and motions there, all designed to bring despair, to the last breath shall I fight. E-i-e-i-o. Then the people of Nebraska... [LB46]

SPEAKER SCHEER: One minute. [LB46]

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SENATOR CHAMBERS: ...had so much love for me, that they determined at that stage in my life, I had done enough service for the state and I should be retired. But since I didn't have sense enough to do it on my own, they put term limits into the constitution and forced me out of office. I sat out five years...four years, watched bad things happen, which I didn't like, and because I have principles in accord with which I must act, I came back to the Legislature. And I'll resume when I get the opportunity. Thank you, Mr. President. [LB46]

SPEAKER SCHEER: Thank you, Senator Kolowski and Senator Chambers. Senator Harr, you're recognized. [LB46]

SENATOR HARR: Thank you, Mr. Speaker. I've really enjoyed this conversation this morning. And with that, I would give the remainder of my time to Senator Chambers if he would like it. [LB46]

SPEAKER SCHEER: Senator Chambers, 4:44. [LB46]

SENATOR CHAMBERS: Thank you, Mr. President, members of the Legislature. Here's an article, March 3, 2013, and I was back. Lawmakers consider veterans license plates. I'm going to skip much of this because it's a very lengthy article. In 2009, the Legislature approved the creation of specialty license plates for nonprofit groups that have 500 or more advance orders. Then it mentioned the particular plant of...plate that a former senator from Bellevue, Scott Price, wanted. He wanted to lower the number to 150 of people who have to be for one of these plates. Going to the article. The bills could face opposition from Omaha Senator Ernie Chambers who said he does not support specialized license plates because he thinks license plates are meant for identifying purposes only. Chambers has long argued against special plates, but the Legislature passed the law allowing nonprofit license plates while he was gone from the Legislature because of term limits. Quote, I don't think license plates are to be billboards, Chambers said. And that was the bulk or the gist of that article. Now I'm going to read you all a letter that was in that handout. It's dated 5 November 1959. Addressed to Company D, First Battalion Group, First Brigade, RFA Training, Fort Ord, California. That's where it came from. Subject, Private Ernest W. Chambers. Regarding...or to the Commanding Officer, Company E, Second Battalion, 355th Infantry Regiment. On September 15, 1959, Private Ernest W. Chambers joined this company to complete his second eight weeks of infantry training. From the first day of training he has proven himself to be an outstanding soldier. This soldier has consistently demonstrated outstanding character. He has demonstrated the willingness to learn and to get the job done which is in keeping with the highest standards of the military service. During his second eight weeks of infantry training, this company has been extremely fortunate to be able to have a soldier of Private Chambers' caliber, and as graduation time comes along we are indeed sorry to see this young man--I was young at one time--leave, but at the same time very happy to have had him

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with us. It is a well-known fact in this company that when Private Chambers does something, he gives 100 percent of his mental and physical energies. This attitude toward military life is indeed most commendable. I highly recommend promotion for this soldier. I would do it myself but regulations prohibit it. Respectfully yours, Marshal A. Berdick, Captain, Infantry Commanding. I have done a thing or two in my life. I've been a place or two in my life and I've seen a thing or two. I'm starting to let you all know some of it. What I say I believe, I believe. This, that we're doing, is not in the best interests of the state or the citizenry. The Catholics have enough cars registered to get more than the number of dedicated plates to have this slogan put on their plates. And I mentioned how the priests could start a fund drive and get the plates saying whatever they want it to say. [LB46]

SPEAKER SCHEER: One minute. [LB46]

SENATOR CHAMBERS: I'm not going to take the defeatist attitude and say that there are not 17 people among this 49 who will pull the Legislature back from the brink. It's one thing to look over the edge and see the swirling waters below. It's another thing to be willing to stand between that brink and the people who are heading headlong for it and say, stop and think. Cromwell made a remark to some Scots persons at the Battle of Dunbar. And he said words to the effect, by the bowels of Christ, consider that you may be wrong. [LB46]

SPEAKER SCHEER: Time, Senator. [LB46]

SENATOR CHAMBERS: Thank you, Mr. President. [LB46]

SPEAKER SCHEER: Thank you, Senator Chambers and Senator Harr. Senator Howard, you're recognized. Senator Howard? [LB46]

SENATOR HOWARD: I yield my time to Senator Chambers. [LB46]

SPEAKER SCHEER: Senator Chambers, 4:50. [LB46]

SENATOR CHAMBERS: Thank you, Mr. President. Thank you, Senator Howard, and I hope you survive. Members of the Legislature, what was developing at the time that that statement made was a pending battle and Cromwell did not want to destroy these people. But they insisted, despite his plea, and they were defeated root and branch. I am trying to appeal to enough of my legislative colleagues to withstand and to stand against the effort to put this state-sponsored speech on a license plate. The way a person would get such a plate is to ask for it. Why will not those people, if they care that much, follow that course which is made available to do it in a

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manner other than this and leave the state out of it? The state will not be out of it totally, because the plates will still be made. But they're not made in the ordinary course of affairs that involve other types of plates. And that mountain lion plate, even though Game and Parks spoke against it and nobody could understand why, more than 10,000 people have bought that plate. It's probably considerably more than that. That's far more than the number of people it would take to do something like what we're talking about here. And that plate, as Senator Pansing Brooks pointed out, goes to conservation of wildlife. And money also goes into a fund administered by Game and Parks that provides education for children in the realm of conservation. That is entirely different from what is being considered here today. Senator Watermeier did not say the two are the same. He said that the type of approach was the same, and I want to make that clear. If I'm going to criticize Senator Watermeier's action, I will do that, but I will not allow a misunderstanding which people easily could have gotten when I'm aware that that misunderstanding may result. Senator Watermeier did not equate choose life with the conservation mountain lion plate. He had indicated that he followed a similar course to get the language and so forth for his plate that he's presenting. But the main difference is that the mountain lion plate will not be opposed by anybody, perhaps some four-footed creatures who may be the mountain lion's prey, but that's something we have no control over. He, that you all say, can touch a tree and turn the leaves to gold is responsible for that. What we have before us today is a particular point of view involved with the most contentious issue. And I say the most contentious issue because it has been around ever since I was in the Legislature and before. And it goes on and on, and will continue to go on. Let the warring forces war as they have been doing, but don't put the state in the middle of it. I hope you will not vote in favor of the cloture motion. Contrary to what some people said in the past, not voting is as good as voting no. Senator Watermeier needs to get 33 votes. I hope you will deny him those 33 votes and take a stand for what's in the best interest of this state. If he doesn't get this license plate, the Legislature will go on, life will go on, and nothing...I can't say nothing ventured and I cannot say that nothing was gained, because I think the discussion has been worthwhile. And I think it has made me set the tone for things that may happen later in the session. I am not,... [LB46]

SPEAKER SCHEER: One minute. [LB46]

SENATOR CHAMBERS: ...regardless of what happens, I am not going to mess with the bills on Select File just because I want to take time. There might be one or two bills of substance on which I will speak, maybe even wind up opposing. But I am not giving carte blanche to the rest of the session. The Speaker put out a consent...an explanation of the consent calendar. But there's one thing he forgot to put in his caption or in parentheses. He did tell you all that noncontroversial depends on what he thinks, not what you all think. Consent calendar should have started with the parentheses, the parenthetical statement, provided Senator Chambers gives his consent. What will happen when an attempt is made? [LB46]

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SPEAKER SCHEER: Time, Senator. [LB46]

SENATOR CHAMBERS: Thank you, Mr. President. [LB46]

SPEAKER SCHEER: Thank you, Senator Chambers and Senator Howard. Senator McCollister, you're recognized. [LB46]

SENATOR MCCOLLISTER: Thank you, Mr. Speaker, and good morning, colleagues. I've spoken against LB46 on both General and Select Files and once again I'm speaking against the bill. Senator Krist indicated that he represents a diverse district, and I certainly have the same situation. And I have been receiving 4-1 votes against this bill from e-mails that I have received from people inside my district. I contend that political speech does not belong on state license plates, has no business being there. So I will continue to oppose this bill. And I relinquish the balance of my time to Senator Chambers. [LB46]

SPEAKER SCHEER: Senator Chambers, 4:15. [LB46]

SENATOR CHAMBERS: Thank you, Mr. President, members of the Legislature. Thank you, Senator McCollister. I presume that Senator Watermeier is correct in his reckoning the time. This, a kind of...I said a logic in the universe, sometimes there's kind of a symmetry. One of the most symmetrical geometric forms in my view is a circle. That is a curved line, every portion of which is equidistant from its center. And that's a circle. So it's appropriate that I started on this; it's appropriate that I end on it. I don't know if you all have noticed, but when we talked about the rules and other matters that I deem to be of substance, I was on the floor participating in all the discussions. The last couple of days, not just because I had other things to do, which I did, but they were bills that not only did not particularly concern me, there were people discussing the bill, and there were numbers on both sides to make sure that the discussion would go forth. The bills that did not generate much discussion fit what I call the Loran Schmit paradigm. They don't cost anything. Oh, they don't help anybody, they don't hurt anybody, they don't cost anything, they don't do anything. This bill would do a great amount of pernicious harm. All this session this bill up to now has loomed over the body, yet nothing has happened untoward because a license plate like this is not in existence. We can just continue status quo. I hope you will deny Senator Watermeier his 33 votes. I am not going to take this motion to a vote. That would be a waste of time, genuinely. What is before us is a vote on the cloture motion. And I don't mind if everybody absents himself or herself from the floor on this occasion. Sometimes, sometimes. But, Mr. President, that's all that I will have to say. Thank you. [LB46]

SPEAKER SCHEER: Thank you, Senator McCollister and Senator Chambers. Mr. Clerk, do you have a motion? [LB46]

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CLERK: I do. Mr. President, Senator Watermeier would move to invoke cloture, pursuant to Rule 7, Section 10. [LB46]

SPEAKER SCHEER: It is the ruling of the Chair there has been full and fair debate of LB46. Senator Watermeier, for what purpose do you rise? [LB46]

SENATOR WATERMEIER: Mr. President, I would like to for a...the body to have a call of the house. [LB46]

SPEAKER SCHEER: We are under a call at this point. I would ask senators to please recheck in so we can verify the attendance on the floor. Senator Hughes, Senator Stinner, Senator Smith, Senator Bostelman, please check in. Senator Hughes and Senator Stinner, the house is under call still. Would you please return to the floor. Senator Stinner, would you please return to the floor. Senator Chambers, while we're waiting, did I hear you say you wish to withdraw your amendment? Without objection, so ordered. Thanks, Senator Chambers. We are all here and accounted for. Members, the first vote is a motion to invoke cloture. All those in favor vote aye; all those opposed vote nay. This vote will require 33 affirmative votes. Have all voted that wish to? Record, Mr. Clerk. [LB46]

CLERK: 35 ayes, 6 nays, Mr. President, on the motion to invoke cloture. [LB46]

SPEAKER SCHEER: The motion to invoke cloture is adopted. Returning back to Final Reading. Mr. Clerk, the first vote is to dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Have all voted that wish to? Record, Mr. Clerk. [LB46]

CLERK: 42 ayes, 2 nays, Mr. President, to dispense with the at-large reading. [LB46]

SPEAKER SCHEER: The at-large reading is dispensed with. Mr. Clerk, please read the title. [LB46]

CLERK: (Read title of LB46.) [LB46]

SPEAKER SCHEER: All provisions of law relative to procedure having been complied with, the question is, shall LB46 pass? All those in favor please vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB46]

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CLERK: (Record vote read, Legislative Journal page 890.) 35 ayes, 5 nays, 8 present and not voting, 1 excused and not voting, Mr. President. [LB46]

SPEAKER SCHEER: Thank you, Mr. Clerk. LB46 passes. We'll now proceed to the next item. [LB46]

CLERK: (Read LB46A on Final Reading.) [LB46A]

SPEAKER SCHEER: Do you have a motion? Mr. Clerk for a motion. [LB46A]

CLERK: Mr. President, Senator Chambers would move to return LB46A to Select File, the amendment being to strike the enacting clause. (FA51, Legislative Journal page 890.) [LB46A]

SPEAKER SCHEER: Senator Chambers, you're welcome to open. [LB46A]

SENATOR CHAMBERS: Thank you, Mr. President and members of the Legislature. There is a limited number of motions that can be made on Final Reading. But if you read the rule, it's probably Rule 6 or one of them, and there are a number of rules, these motions are in order as long as they're offered prior to the beginning of the...it says the role being taken. So even if a bill is being read, even if the bill has been completely read, but you get your motion up there prior to the beginning of the vote, then your motion is in order. And if you're fighting what amounts to a losing battle, but there are some things that you think need to be done and said, you should be aware of everything in the rules that would put you in a position to do what it is that you think you must do. There is no need to cry over spilt milk. That vote just taken was one of the worst that I have encountered that I can think of right away since I've been in the Legislature. I haven't seen anything that so blatantly adopted the position of a particular religion. And I know other people may say they're pro-life. You all know what I'm talking about. And you can pretend that it's something else, but we know who is behind this. And we know why the Lieutenant Governor has not been sitting up there during these discussions. This, that I'm doing, is to deliver on a promise that I made, which was to take all the time that I could under the rules on these two bills. The one was the underlying bill. There are people who will feel that they must vote for the A bill because they voted for the underlying bill, I meant because the underlying bill passed. That would like being...that's almost like saying, if a person was being tied down, male or female, to be raped, since the tying down had occurred, you may as well join in the rest of it. There's some matters which are different because they're out of the ordinary. This is money going for what I deem to be a nefarious purpose. That bill that was just voted on should not have received the votes that it did, in my opinion. My opinion did not prevail. Do I hold grudges? Not against individuals. But when it comes to the system, trades are made. They may have decided to trade that bill for consent calendar. That's the trade. And I had talked in terms that were not completely

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veiled earlier in the session about this thing called consent calendar. So some of you will try to find bills that you think meet all of the criteria, but you reckoned without me. I am not the only one who suffered a defeat in that bill, but the defeat to me is not personal. The defeat is to the integrity of the Legislature as an institution. The defeat is to the idea that churches should not be able to impose their will in this Legislature. That vote was a demonstration that exactly this thing which is reprehensible has been achieved. I don't really care about the A bill now. But I will just take some time to ruminate, actually, to talk. Senator Pansing Brooks mentioned an amendment that she would like to have had considered. Here's what has to be kept in mind. It will not be necessary to vote against a pro-life license plate because it will never get out of a committee. You all know that. I know it. Now, I have never counted the number of Catholics in this body. Others have, and that number has been printed. Doesn't make me any difference. They print from time to time the number of "Repelicans," the number of Democrats. And that doesn't make me much difference. I look at votes like that last one, so I and a few others have very strong principles that guide us. We happen to have been on the short end of a bad vote. And that's going to happen more times. But think about when you have a bill on consent calendar. Would it be petty on my part to use the rules to underscore how I think the Legislature as an institution was damaged by that vote this morning? We were not voting on the name of a state fish or bird or rock. We were voting on the issue of whether or not this Legislature is going to be dominated by a certain religious organization. You have seen its dominance, in case you have forgotten, when it comes to those rules and regulations related to these psychologists and others. The Catholic Conference was formally sought to obtain its imprimatur, and you have to a Catholic Governor who appoints people who are going to carry out the Catholic will. So nobody can call me anti-Catholic. I'm anti what the Catholic Church is doing to this Legislature, is doing to the process of adopting rules and regulations which are essential when that kind of strong-arm tactic is used. Somebody has to be unafraid to stand against it. I'm not going to say I'm the only one, but if there is only one, I will then be that only one. In the heat of discussing these bills, I may raise my voice, I may even gesture. But all of that is a part of trying to underscore and emphasize certain points. But when we reach a juncture such as this, where the issue has been settled and this is going to be a Catholic-leaning universe...Legislature in terms of legislation, then I've got to stand firm. And I think again of how you all talked about anti-Catholicism having been the cause of that law against religious garb in the classroom. I'm not a Catholic. Had I been in the Legislature at that time, I would have voted for such a bill. You saw how strenuously I fought against repealing it. Sometimes your worst enemy is correct. The devil and Jesus had a conversation, and at that point Jesus didn't call the devil a liar. There was a point where the devil was...it was suggested that he's the father of lies, but not at that time when he's talking to Jesus, he told the truth. [LB46A]

SENATOR KRIST PRESIDING

SENATOR KRIST: One minute. [LB46A]

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SENATOR CHAMBERS: God and Satan had conversations too. They sat around talking just like sometimes I and Senator Harr would sit around talking. They made bargains, they made wagers, like Senator Briese and I made a wager. But Senator Briese and I know the stakes. And the stakes never would involve somebody who is innocent and has no role to play in determining the outcome. Thank you, Mr. President. [LB46A]

SENATOR KRIST: Thank you, Senator Chambers. Senator Scheer, you're recognized. [LB46A]

SPEAKER SCHEER: Thank you, Mr. President. Just rising real quickly, and I don't know...I wasn't listening very closely to know the exact words that Senator Chambers was using. I don't think he was implying, certainly I hope not, that the Speaker was using any of his authority of trading any of the consensus agenda for any votes on the last bill. And I don't believe that to be the case, but I just wanted to clarify in case it came across in the rules as such. And so I just wanted to clarify that, and having nothing else to say, would relinquish the rest of my time to Senator Chambers. [LB46A]

SENATOR KRIST: Senator Chambers, 4:15. [LB46A]

SENATOR CHAMBERS: Thank you, Mr. President. Thank you, Mr. Speaker. And on the chance that somebody may have thought that, I want to make it clear. I don't think the Speaker had anything to do with how things came out this morning, except for his vote. But that's not in his role as Speaker. I do not think he strong-armed anything, I don't think he...let me just...I don't think he did anything untoward with reference to that bad bill. I just think he made a bad judgment and a bad vote as 34 of you did who went along with that particular position. I do want to make it clear, though, that the rest of the session could be mine. But I'm not that petty at this moment. But it is nice, as Shakespeare said, not nice, it is wonderful to have the strength of a giant. But see, even a giant doesn't prevail all the time. A little boy with a slingshot and a stick, and he didn't even have to use the stick, brought down the most fearsome giant in the "Bibble". There's another little boy, we don't know his last name, but his first name was Jack. And as miraculous things happened in those days, a bean was planted, and it grew so tall that it went up through the clouds. And there was a castle, and in that castle lived a giant. And that giant was a would-be rhymester, but he wasn't good at that, he was good at being a giant. And, Senator Lowe, the only rhyme we know that he is responsible for was...well, he rhymed it at the end. Fee-fi-fo-fum, I smell the blood of an Englishman. That didn't rhyme, but then he got himself together. Be he live or be he dead, I'll grind his bones to make my bread. Well, he wasn't smelling the blood of a man, he was smelling the blood of a little boy. And the little boy in the end won. So the giant does not always prevail. But those who are going to take on the giant run the risk of being pulverized. And the rest of the session will have me doing a lot of cogitating in terms of how I ought to comport myself in a religion-tinged legislative session. Should I let that

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religion run roughshod over the Legislature, or should I, by standing against the slings and arrows of that unkind entity, attempt, and perhaps be successful, bring an end to these slings and arrows? I imagine... [LB46A]

SENATOR KRIST: One minute. [LB46A]

SENATOR CHAMBERS: Did you say time? [LB46A]

SENATOR KRIST: One minute. [LB46A]

SENATOR KRIST: Oh, thank you. I imagine there is joy throughout that "dom," whether it's a kingdom, whether it's a "religiondom," whether it's a "Catholicismdom." I want to emphasize again, and I wish more people would do as Senator McDonnell did in bringing to our attention those people who do wear the Catholic brand or label, who are acting on what it is they believe. And their very actions in accord with it serve as a living rebuke to the others who wear the name but bring shame upon it. Thank you, Mr. President. [LB46A]

SENATOR KRIST: Thank you, Senator Chambers, and you're next in the queue. [LB46A]

SENATOR CHAMBERS: Thank you. Mr. President, I would like to ask Senator Watermeier a question, if he's here. [LB46A]

SENATOR KRIST: Senator Watermeier, are you present? Sorry, Senator, I don't see... [LB46A]

SENATOR CHAMBERS: That's all right. He was given a present, but he is not present currently. I've got to find somebody who was on that bill. Would somebody who was on that bill raise their hand or are you going to disavow it now? Who else cosigned that had bill that we just passed on the license plate? I would like to ask Senator Hilkemann a question if he would answer. [LB46A]

SENATOR KRIST: Senator Hilkemann, would you yield? [LB46A]

SENATOR HILKEMANN: I will yield. [LB46A]

SENATOR CHAMBERS: And, Senator Hilkemann, so it won't seem like I just picked you at random, did you raise your hand as one of those who cosponsored the bill? [LB46A]

SENATOR HILKEMANN: I did. [LB46A]

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SENATOR CHAMBERS: Are you aware that my discussion is on the A bill at this point?
[LB46A]

SENATOR HILKEMANN: I am aware of that. [LB46A]

SENATOR CHAMBERS: And do you know that A stands for appropriation? [LB46A]

SENATOR HILKEMANN: I am aware of that. [LB46A]

SENATOR CHAMBERS: How much money is being appropriated by this bill, if you know?
[LB46A]

SENATOR HILKEMANN: I do not know the exact numbers. [LB46A]

SENATOR CHAMBERS: Thank you. And I see Senator Watermeier is back. I would like to ask him if he would yield to a question. [LB46A]

SENATOR KRIST: Senator Watermeier, will you yield? [LB46A]

SENATOR WATERMEIER: Yes. [LB46A]

SENATOR CHAMBERS: Senator Watermeier, how much money is involved with this A bill?
[LB46A]

SENATOR WATERMEIER: I apologize, but I believe it's either \$9,800 or \$8,800, if I remember right. [LB46A]

SENATOR CHAMBERS: Now could a group of people, if they had wanted to do this, achieve their purpose by spending less money than that, do you think, or would they have had to spend probably more? [LB46A]

SENATOR WATERMEIER: You mean if they wanted to do it on a different route and do it...
[LB46A]

SENATOR CHAMBERS: Yes. [LB46A]

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SENATOR WATERMEIER: I think it's 250, that we changed the minimum from 500 to 250. I think the dollar was \$80 or \$90 per plate, if they wanted to choose to do it that way. But this cash fund is different. It's using funds that is generated from the number of plates that we think we're going to...it's a cash fund, not a General Fund appropriation. [LB46A]

SENATOR CHAMBERS: Now, who puts money into this cash fund? [LB46A]

SENATOR WATERMEIER: This cash fund will come from those who are buying specialty plates. [LB46A]

SENATOR CHAMBERS: And are these citizens of Nebraska who do this and purchase these plates, from whose purchases will be derived? [LB46A]

SENATOR WATERMEIER: I don't think they would have to be a citizen of Nebraska. They probably have to have a vehicle registered and an address registered in the state of Nebraska. [LB46A]

SENATOR CHAMBERS: All right. Are they people who are purchasing something from the state, even if it's just a privilege? [LB46A]

SENATOR WATERMEIER: Yes, they're purchase...they're paying registration fees on the plate that's on a vehicle, yes. [LB46A]

SENATOR CHAMBERS: And this money, once it goes into the cash fund, is considered in the term "state funds." Is that true? [LB46A]

SENATOR WATERMEIER: That's true. The plate...the funds that are designated from LB46 do go into two categories, one is the Department of Motor Vehicles for administration and the other part is in TANF funds, a Temporary needy...or Assistance for Needy Families. [LB46A]

SENATOR CHAMBERS: So the part that goes into administration is money that people paid in who may object to this plate, but who nevertheless must contribute money toward implementing its creation. Is that correct? [LB46A]

SENATOR WATERMEIER: I don't know quite how to answer that. [LB46A]

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SENATOR CHAMBERS: If I purchase a specialty plate, would some of the money from the specialty plate I purchased go into that fund, or you're not sure? [LB46A]

SENATOR WATERMEIER: Yes, it would. [LB46A]

SENATOR CHAMBERS: So I am helping to...I am being compelled to spend money that's going to go to something that I strongly disagree with. That's...that would be the case, wouldn't it? [LB46A]

SENATOR WATERMEIER: I can't say how, if an individual was strongly opposed to it, but if they did, it does go specifically into those two funds, TANF and the Department of Motor Vehicles. [LB46A]

SENATOR KRIST: One minute. [LB46A]

SENATOR CHAMBERS: Thank you, Senator. None of those questions were designed to be trick questions, but that's the church getting money from me in the form of...you don't want to call it a tax, to help advance the practice of the church. These church people are really clever and wily. And I can think of no revenge that should be sweeter than to take some of the money that I have to spend in order to get a plate for my car of the kind that I want and some of that goes to advance a cause that the church stands behind, knowing how strongly I oppose it. What I should have done was to ask for a roll call vote so that we would have...or at least a record vote, we'd know the people who had voted for cloture, but I'm not interested in that this morning. I'm interested in the damage that was done. This bill is going to pass. There's no question about it. And I don't see any point in my taking a lot of time this morning on this bill. This is a side issue. It's like in the carnival what's called a sideshow. [LB46A]

SENATOR KRIST: Time, Senator. [LB46A]

SENATOR CHAMBERS: Thank you, Mr. President. [LB46A]

SENATOR KRIST: Thank you, Senator Chambers, Senator Hilkemann, and Senator Watermeier. Just a reminder, colleagues, when it says Final Reading on the board, when we are in Final Reading, you're welcome to move around when there's an amendment or to use the rest room, but going past the ropes is not permissible, and to your office is actually not permissible. Just a reminder. Senator Harr, you're recognized. [LB46A]

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SENATOR HARR: Thank you, Mr. President. Thank you for the kind reminder. I appreciate it. And I have appreciated continuing to hear Senator Chambers. I might try to wear him out yet this morning, so I'm going to try to...I'm going to give him some more time to discuss this A bill. Thank you. [LB46A]

SENATOR KRIST: Senator Chambers, 4:40. [LB46A]

SENATOR CHAMBERS: Thank you, Mr. President. Members of the Legislature, for those of you all who haven't done hard work, when you do hard work like lifting iron or holding the shovel handle, you don't wear your hands out, you encase them in calluses. Nature has a way of equipping her children to survive in a hostile environment. So you develop calluses who make those parts of your hand that come in contact with this rough surface less sensitive to it, and you thereby are able to survive. So Senator Harr and nobody else will wear me out by giving me time, but I will not be incited thereby to take all of the time that I can this morning, because as I stated, this bill is not worth it. All of the things that I wanted to say were said on the underlying bill. I want my position to be crystal-clear to anybody who has an interest in it. I am not going to hide from it or run away from it, even though I know it is doomed to fail to obtain the support of enough of the members to even defeat the issue that I'm opposing. But that is the way I will conduct my affairs in this Legislature, as I've done for better than four decades. And I am looking with a jaundiced eye at the remainder of the session. Certainly nobody who gets a bill on consent calendar can think too much of it. It has to be noncontroversial, nobody voted against it in committee, and whatever other aspects of criteria would be there. So these are not important bills. They're those I would like to have kind of bills, but they're not necessary. If I get on my hobbyhorse when it comes to a consent calendar and you have a bill that you think is really worth something, let me know. And if it's worth something, maybe I'll leave that alone. But I have yet to see a bill on consent calendar that made much difference one way or the other. And I'm trying to think of an appropriate way to terminate the discussion this morning. I would like to ask Senator Morfeld a question. [LB46A]

SENATOR KRIST: Senator Morfeld, will you yield? [LB46A]

SENATOR MORFELD: Yes. [LB46A]

SENATOR CHAMBERS: Senator Morfeld, were you here when that vote was taken on that license plate bill? [LB46A]

SENATOR MORFELD: Yes. [LB46A]

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SENATOR CHAMBERS: Senator Morfeld, how do you feel right now, if you don't mind sharing with me. [LB46A]

SENATOR MORFELD: I feel fairly relaxed. [LB46A]

SENATOR CHAMBERS: Thank you. He's the only one I'm going to ask that question of. He probably thought there was something heavy and deep coming. But this I do want to say. When it comes to some of these principles and the amount of money being spent, the amount is not of any consequence whatsoever. There was a time when Tripoli...you hear that song from the halls of Montezuma to the shores of Tripoli, there were guys known as the Barbary pirates and they demanded tribute before they would let ships... [LB46A]

SENATOR KRIST: One minute. [LB46A]

SENATOR CHAMBERS: ...go over or through certain areas of the seas. And you know what America said? Millions for defense, not one cent for tribute. So if you're paying tribute, it doesn't matter whether it's one cent or millions. I will never pay tribute to these churches, to these religions who try to intrude into the legislative process. Mr. President, I would now withdraw that motion. [LB46A]

SENATOR KRIST: Without objection, so ordered. (Visitors introduced.) Members should return to their seats for Final Reading, please. Members, please return to your seats for Final Reading. Senator Hilkemann, thank you. Clerk. [LB46A]

CLERK: (Read LB46A on Final Reading.) [LB46A]

SENATOR KRIST: The question is the passing of LB46A. All those in favor, aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB46A]

CLERK: (Record vote read, Legislative Journal page 891.) 28 ayes, 3 nays, 17 present and not voting, 1 excused and not voting, Mr. President. [LB46A]

SENATOR KRIST: LB46A passes. Moving on, General File appropriations bill, Mr. Clerk. [LB46A]

CLERK: Mr. President, LB641A is by Senator Morfeld. (Read title.) [LB641A]

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SENATOR KRIST: Thank you, Mr. Clerk. Senator Morfeld, you're recognized to open on your A bill. [LB641A]

SENATOR MORFELD: Thank you, Mr. President. LB641A is an appropriations bill that fund LB641 using funds from existing dollars through the loan repayment in Nebraska Progress Loan Fund administered by the Nebraska Department of Economic Development which was capitalized from the one-time funding under the federal State Small Business Credit Initiative, a program funded by the federal government to aid small businesses during the credit crisis. I want to emphasize again, as I emphasized in debate, no General Funds are involved. This is simply a way to use funds for the intended purposes of helping small businesses under the bill. And I know that from my discussions with Senator Schumacher, we will have an amendment to the main bill LB641 coming as well. Thank you. [LB641A LB641]

SENATOR KRIST: Thank you, Senator Morfeld. (Visitors introduced.) You have heard the opening on LB641A. Senator Schumacher, you're recognized. [LB641A]

SENATOR SCHUMACHER: Thank you, Mr. President and members of the body. We have basically an appropriation of \$1.492 million for 2017-18, and \$961,000 for fiscal year '18-19 for this particular program. It's my understanding that this money is going to come from a one-time funding from a loan program with the federal government where we're getting some money back. Will Senator Morfeld yield to a question? [LB641A]

SENATOR KRIST: Senator Morfeld, will you yield? [LB641A]

SENATOR MORFELD: Yes. [LB641A]

SENATOR SCHUMACHER: Senator, will you trace for me exactly the steps that the money, the check or...I assume it's a check or a voucher of some kind, that comes from the federal government, comes into our system and ends up in this particular program, supposedly in the hands of some biotech entrepreneur. How does that money move through the system? [LB641A]

SENATOR MORFELD: Well, I can give you a rough outline, and for the specific details I'll contact Department of Economic Development and get back to you. But the funds started out with a program, I believe, in 2011 from the federal government. That was ran through the Department of Economic Development for small businesses during the revenue, or excuse me, the economic downturn. So that money was loaned through the state Department of Economic Development, through funds from the federal government, to those small businesses. The loan repayments are coming up, so the small businesses are going to be paying back the loan money

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to the state, which then is going to be put into a cash fund that we've created with this program. That cash fund then will be distributed to these biosciences start-ups and initiatives through the existing Department of Economic Development program for these start-ups. [LB641A]

SENATOR SCHUMACHER: And, Senator Morfeld, if we did not have this bill, would that money still be coming back into the state coffers? [LB641A]

SENATOR MORFELD: Yes, it would. It's just not allocated at this point. [LB641A]

SENATOR SCHUMACHER: And it would be going to this general business innovation fund in general, rather than in specific? [LB641A]

SENATOR MORFELD: Actually, my understanding is that there's no home for this funding right now at all, so I don't believe it would go to the general...the general pot of money under this current program through the Department of Economic Development. [LB641A]

SENATOR SCHUMACHER: So this would just go into the General Fund. [LB641A]

SENATOR MORFELD: I don't know where it would go to be honest with you. [LB641A]

SENATOR SCHUMACHER: Okay. [LB641A]

SENATOR MORFELD: I just know that it doesn't have a home right now. [LB641A]

SENATOR SCHUMACHER: Because either it would go into this fund already that exists for business, entrepreneurial development, at which time bioscience, communications, anything that is...agriculture, anything could apply for it. And that's one road that it could go to, of which these bioscience folks could also apply for it, or it would go into the General Fund to the tune of...looks like about \$2 million at a time when the General Fund kind of could use the money. So I just want it pointed out how that cash and how we're directing it to go from the general welfare, if it goes to the General Fund, or to a broad range of businesses if it goes to this narrow range of businesses, which is being given preferential treatment in this legislation. So now that we know how the money goes, one other question, Senator Morfeld. Will you yield? [LB641A]

PRESIDENT FOLEY PRESIDING

PRESIDENT FOLEY: One minute. [LB641A]

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SENATOR SCHUMACHER: Thank you, Senator Morfeld. This is a one-time thing and then we're done, right? [LB641A]

SENATOR MORFELD: That is my intent and I believe your amendment that I know that you're filing makes that explicitly clear and I'm in support of that. [LB641A]

SENATOR SCHUMACHER: Thank you. [LB641A]

PRESIDENT FOLEY: Thank you, Senator Schumacher and Morfeld. Seeing no other members in the queue, Senator Morfeld...or excuse me, Senator Erdman, you're recognized. [LB641A]

SENATOR ERDMAN: Thank you, Mr. Lieutenant Governor. I was listening to what Senator Schumacher brought up here this morning. I'd like to ask Senator Morfeld a question or two, if he would yield. [LB641A]

PRESIDENT FOLEY: Senator Morfeld, would you yield, please? [LB641A]

SENATOR MORFELD: Yes. [LB641A]

SENATOR ERDMAN: Senator Morfeld, I'm looking on line 7 of the amendment. It says this...there is included in the appropriations for this program for fiscal years '17 and '18, \$1.492 million, and it goes on to talk about the years '18 and '19 of \$961,000. So this is not just a one-year contribution, it is two? [LB641A]

SENATOR MORFELD: It's...when the cash fund is...it's...it's when all the funds that came through this federal program are expended and this is the amount, that that will be coming back in. So it is...it's done after that time period. And I would note that Senator Schumacher's amendment, which is going to be...I don't know if it's been filed yet. It definitely will be when we get to Select File on LB641. That makes it explicitly clear that it terminates after all these funds come back in. [LB641A LB641]

SENATOR ERDMAN: Can you tell me what Senator Schumacher's bill or amendment is going to say? [LB641A]

SENATOR MORFELD: I just read it on my computer two minutes ago. So I'd be more than happy to get you a copy of it and I'm sure Senator Schumacher would. It explicitly states that it shall terminate after these funds listed here... [LB641A]

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SENATOR ERDMAN: Okay. All right. So following up with this comment that Senator Chambers sometimes makes, what happens if we don't pass this? [LB641A]

SENATOR MORFELD: Well, we wouldn't be making investment in an industry that's been shown to turn, create a lot of high-paying jobs and pay dividends back to the state and... [LB641A]

SENATOR ERDMAN: So where would the money go if we didn't advance LB641A? [LB641A]

SENATOR MORFELD: Right now it's unallocated, so I would have to ask the Fiscal Office when unallocated funds come back to the state where they go. It might be the General Fund. It may...may not be. I'm not quite sure. One of the problems that I want to note, though, is that the intention and purpose of these federal funds is to help small businesses, so I know that there's some concern in Fiscal Office and elsewhere that these funds cannot just go into the General Fund. [LB641A]

SENATOR ERDMAN: Okay. Well, at this time with the information that I have, I'm going to be red on this LB641A until I find out whether these funds can be used in the General Fund or not. The state is just a short...shortfall of money. And if this is an opportunity for us to use this \$2 million to help with that, I believe that's what we should do. So I'm going to vote against LB641A. Thank you. [LB641A]

PRESIDENT FOLEY: Thank you, Senators Erdman and Morfeld. Senator Schumacher. [LB641A]

SENATOR SCHUMACHER: Thank you, Mr. President, members of the body. You know, we had a hearing the other day in Revenue Committee, and there were people who I believe run babysitting, child-care things. I expressly asked the lady who was testifying whether or not she was a small business. She said she was. I said, well, what if we had a fund with \$2 million in it to help these child-care facilities and help finance them and get them started because we are in a need for child support? And she said, oh, my goodness, that would be wonderful. An idea like that, regardless of whether or not the federal government intends this to be used for small business, would be small business. We'd have immediate results and nonspeculative results on that. So there are other uses for \$2 million that are out there that would qualify for this fund. And by making this election and this appropriation today, basically we are saying no to those small businesses and setting our priorities differently from what would, quote, be wonderful. Thank you. [LB641A]

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PRESIDENT FOLEY: Thank you, Senator Schumacher. Senator Morfeld, you're recognized to close on LB641A. [LB641A]

SENATOR MORFELD: Thank you, Mr. President. Thank you, Lieutenant Governor. I actually just received a call from my legislative aide in-between that conversation with Senator Erdman and myself. Somebody is coming up from Fiscal Office. They have confirmed that this cannot be used simply for the General Fund based on the terms of the federal government. This cannot be used for the General Fund based on the intent of the funding and the terms of the federal government. So we are repurposing this for an industry that we have shown, through extensive study, to pay dividends, to reinvest in our economy, to create jobs that are well above the median income in the state, and this is a targeted program that has produced results in the past. And I urge your adoption of LB641A and then when the time comes on the main bill, LB641. Again, I am in full support of Senator Schumacher's amendment to make sure that the program terminates after all the funding has been returned. Thank you. [LB641A LB641]

PRESIDENT FOLEY: Thank you, Senator Morfeld. Members, you heard the debate on LB641A. The question before the body is the advancement of the bill to E&R Initial. All those in favor vote aye; those opposed vote nay. Senator Morfeld, for what purpose do you rise? 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; those opposed vote nay. Record, Mr. Clerk. [LB641A]

CLERK: 27 ayes, 3 nays to place the house under call. [LB641A]

PRESIDENT FOLEY: 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. Looking for Senators Craighead, Hansen, Blood, Briese, Linehan, Brewer, Groene, Murante, Larson, and Krist. If those members could please check in. Senator Hilgers, if you could check in. Senators Hansen and Krist, please return to the floor. Senator Morfeld, we're lacking Senator Krist. Do you want to proceed or do you want to wait? Members, the question before the body is the advance of LB641A to E&R Initial. There has been a request for a roll call vote in reverse order. Mr. Clerk. [LB641A]

CLERK: (Roll call vote taken, Legislative Journal pages 891-892.) 38 ayes, 2 nays, Mr. President. [LB641A]

PRESIDENT FOLEY: LB641A advances. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LB46 and LB46A. I raise the call.

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Proceed now on the agenda to Select File, 2017 committee priority bills. Mr. Clerk, first bill.
[LB641A LB46 LB46A]

CLERK: LB407. Senator Wishart, I have E&R amendments, first of all. (ER18, Legislative Journal page 685.) [LB407]

PRESIDENT FOLEY: Senator Wishart for a motion. [LB407]

SENATOR WISHART: Thank you, Mr. President. I move to amend LB407 to E&R for engrossing (sic). [LB407]

PRESIDENT FOLEY: Members, you heard the motion to adopt the E&R amendments to LB407. All those in favor say aye. Those opposed say nay. The E&R amendments are adopted. [LB407]

CLERK: I have nothing further on the bill. [LB407]

PRESIDENT FOLEY: Senator Wishart. [LB407]

SENATOR WISHART: Thank you, Mr. President. I move...I move LB407 to E&R for engrossing. [LB407]

PRESIDENT FOLEY: Members, you heard the motion to advance LB407 to E&R for engrossing. All those in favor say aye. Those opposed say nay. LB407 advances. Next bill, Mr. Clerk. [LB407]

CLERK: LB148. There are E&Rs, first of all, Senator. (ER21, Legislative Journal page 775.) [LB148]

PRESIDENT FOLEY: Senator Wishart. [LB148]

SENATOR WISHART: Thank you, Mr. President. I move the adoption of the E&R amendments to LB148. [LB148]

PRESIDENT FOLEY: Members, you heard the motion to adopt the E&R amendments to LB148. All those in favor say aye. Those opposed say nay. The E&R amendments are adopted. [LB148]

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CLERK: Senator Schumacher would move to amend with AM835. (Legislative Journal page 867.) [LB148]

PRESIDENT FOLEY: Senator Schumacher, you're recognized to open on AM835. [LB148]

SENATOR SCHUMACHER: Thank you, Mr. President, members of the body. AM835 is a technical correction situation. Apparently they got into Bill Drafting with the E&R phase of this and discovered that there were some capital "Cs" that should be other than capital "Cs" and some little "i's" that should have been big "I's." And to put it simply, in the explanation that legal counsel has provided me with as to the technical changes, LB148 is the bill from the Banking Department to update and cleanup the Securities Act. In the process of reviewing the E&R amendments we discovered one technical drafting matter that should be cleaned up. In one place the bill adds a paragraph as a new subdivision, little "(c)". However, that subdivision should more accurately be a free-standing paragraph. It means it should not have any subdivision letter or number at its beginning. So AM835 will simply amend the E&R amendments and the underlying bill to make this correction. We reinstate paren 1...number 1, reinstate an "or"; and two, turn a semicolon into a period; and three, strike a little "c" in parentheses. So I think that fixes the hyper-technical drafting problem that was experienced in this bill which is like 79 pages long. Almost surprised that that's all there was. I would ask for your support of LB835 to the underlying...which is...AM835 to LB148, which is the Banking Department's cleanup of the Securities Act. Thank you. [LB148]

PRESIDENT FOLEY: Thank you, Senator Schumacher. Debate is now open on AM835. Seeing no members wishing to speak, Senator Schumacher, you're recognized to close on AM835. He waives closing. The question before the body is the adoption of AM835. All those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, Mr. Clerk. [LB148]

CLERK: 34 ayes, 0 nays on adoption of the amendment. [LB148]

PRESIDENT FOLEY: AM835 is adopted. Mr. Clerk. [LB148]

CLERK: Nothing further on the bill, Mr. President. [LB148]

PRESIDENT FOLEY: Senator Wishart. [LB148]

SENATOR WISHART: Thank you, Mr. President. I move to advance LB148 to E&R for engrossing. [LB148]

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PRESIDENT FOLEY: Members, you heard the motion to advance LB148 to E&R for engrossing. All those in favor say aye. Those opposed say nay. LB148 advances. Next bill, Mr. Clerk. [LB148]

CLERK: LB590, there are E&R amendments, Senator. (ER19, Legislative Journal page 776.) [LB590]

PRESIDENT FOLEY: Senator Wishart. [LB590]

SENATOR WISHART: Thank you, Mr. President. I move the adoption of the E&R amendments to LB590. [LB590]

PRESIDENT FOLEY: Members, you heard the motion to adopt the E&R amendments. All those in favor say aye. Those opposed say nay. The E&R amendments are adopted. [LB590]

CLERK: Nothing further on the bill. [LB590]

PRESIDENT FOLEY: Senator Wishart. [LB590]

SENATOR WISHART: Thank you, Mr. President. I move to advance LB590 to E&R for engrossing. [LB590]

PRESIDENT FOLEY: Members, you heard the motion to advance LB590. Those in favor say aye. Those opposed say nay. LB590 advances. Mr. Clerk. [LB590]

CLERK: LB207. Senator, there are E&R amendments. (ER20, Legislative Journal page 776.) [LB207]

PRESIDENT FOLEY: Senator Wishart. [LB207]

SENATOR WISHART: Excuse me, there are no E&R amendments? [LB207]

CLERK: There are E&R amendments. [LB207]

SENATOR WISHART: Thank you. Thank you, Mr. President. I move the adoption of the E&R amendments to LB207. [LB207]

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PRESIDENT FOLEY: Members, you heard the motion to adopt the E&R amendments to LB207. All those in favor say aye. Those opposed say nay. The E&R amendments are adopted. [LB207]

CLERK: I had an amendment from Senator Krist with the note that he wished to withdraw. [LB207]

PRESIDENT FOLEY: Without objection, that amendment is withdrawn. [LB207]

CLERK: I have nothing further on the bill, Mr. President. [LB207]

PRESIDENT FOLEY: Senator Wishart. [LB207]

SENATOR WISHART: Thank you, Mr. President. I move to advance LB207 to E&R for engrossing. [LB207]

PRESIDENT FOLEY: Members, you heard the motion to advance LB207 to E&R for engrossing. All those in favor say aye. Those opposed say nay. LB207 advances. Next bill, Mr. Clerk. [LB207]

CLERK: LB518, there are E&Rs, first of all, Senator. (ER23, Legislative Journal page 792.) [LB518]

PRESIDENT FOLEY: Senator Wishart. [LB518]

SENATOR WISHART: Thank you, Mr. President. I move the adoption of the E&R amendments to LB518. [LB518]

PRESIDENT FOLEY: Members, you heard the motion to adopt the E&R amendments. All those in favor say aye. Those opposed say nay. The E&R amendments are adopted. [LB518]

CLERK: Senator Williams would move to amend with AM687. (Legislative Journal page 836.) [LB518]

PRESIDENT FOLEY: Senator Williams, you're recognized to open on AM687. [LB518]

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SENATOR WILLIAMS: Thank you, Mr. President, and good morning, colleagues. AM687 is a technical amendment to perfect the transfer from the Affordable Housing Trust Fund to the Rural Workforce Housing Investment Fund. Specifically, the amendment clarifies that the State Treasurer is the entity that transfers the funds. I would appreciate your support of AM687. Thank you, Mr. President. [LB518]

PRESIDENT FOLEY: Thank you, Senator Williams. Debate is now open on AM687. Senator Groene. [LB518]

SENATOR GROENE: Thank you, Mr. President. I stand in support of AM687 and I support LB518 in principle. It's what these funds...I was not able...I was not here, I was somewhere else in Exec or something when...on General File. I just wanted to make sure my comments were on the record. This is what these funds are meant to be used for, for housing, to help advance housing projects, affordable housing for middle-class, lower middle-class folks like me. Ag economy is down so I'm lower middle-class lately in my income. But anyway, I'm not seeking this. But anyway, I like it because it's...it's fees that come from...from real estate transactions that's going to go back into real estate. It's going to increase our property tax base. They're not being TIFed. I hope they aren't. But it would create a bigger and wider tax base for our property taxes, new homes, jobs for construction. So in this instance, I can support the use of these funds to create housing opportunities in our rural communities. So, thank you. [LB518]

PRESIDENT FOLEY: Thank you, Senator Groene. Senator Williams, you're recognized to close on AM687. He waives closing. The question before the body is the adoption of AM687. All those in favor vote aye; those opposed vote nay. Have you all voted? Record, Mr. Clerk. [LB518]

CLERK: 35 ayes, 0 nays, Mr. President, on the adoption of the amendment. [LB518]

PRESIDENT FOLEY: AM687 is adopted. [LB518]

CLERK: I have nothing further on the bill. [LB518]

PRESIDENT FOLEY: Senator Wishart. [LB518]

SENATOR WISHART: Thank you, Mr. President. I move to advance LB518 to E&R for engrossing. [LB518]

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PRESIDENT FOLEY: Members, you heard the motion to advance LB518 to E&R for engrossing. All those in favor say aye. Those opposed say nay. LB518 advances. Next bill, Mr. Clerk. [LB518]

CLERK: LB518A. Senator, I have no amendments to the bill. [LB518A]

PRESIDENT FOLEY: Senator Wishart. [LB518A]

SENATOR WISHART: Thank you, Mr. President. I move to advance LB518A to E&R for engrossing. [LB518A]

PRESIDENT FOLEY: Members, you heard the motion to advance LB518A to E&R for engrossing. All those in favor say aye. Those opposed say nay. LB518A advances. Mr. Clerk. [LB518A]

CLERK: LB566. There are E&R amendments, Senator. (ER24, Legislative Journal page 815.) [LB566]

PRESIDENT FOLEY: Senator Wishart. [LB566]

SENATOR WISHART: Thank you, Mr. President. I move the adoption of the E&R amendments to LB566. [LB566]

PRESIDENT FOLEY: Members, you heard the motion to adopt the E&R amendments. All those in favor say aye. Those opposed say nay. The E&R amendments are adopted. [LB566]

CLERK: I have nothing further on the bill. [LB566]

PRESIDENT FOLEY: Senator Wishart. [LB566]

SENATOR WISHART: Thank you, Mr. President. I move to advance LB566 to E&R for engrossing. [LB566]

PRESIDENT FOLEY: Members, you heard the motion to advance LB566 to E&R for engrossing. All those in favor say aye. Those opposed say nay. LB566 advances. Mr. Clerk. [LB566]

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CLERK: LB210. Senator, I have no amendments to the bill. [LB210]

PRESIDENT FOLEY: Senator Wishart. [LB210]

SENATOR WISHART: Thank you, Mr. President. I move to advance LB210 to E&R for engrossing. [LB210]

PRESIDENT FOLEY: Members, you heard the motion to advance LB210 to E&R for engrossing. All those in favor say aye. Those opposed say nay. LB210 advances. Mr. Clerk. [LB210]

CLERK: LB182. Senator, I have no amendments to the bill. [LB182]

PRESIDENT FOLEY: Senator Wishart. [LB182]

SENATOR WISHART: Thank you, Mr. President. I move to advance LB182 to E&R for engrossing. [LB182]

PRESIDENT FOLEY: Members, you heard the motion to advance LB182. All those in favor say aye. Those opposed say nay. LB182 advances. Mr. Clerk. [LB182]

CLERK: LB339, there are E&Rs, first of all, Senator. (ER30, Legislative Journal page 839.) [LB339]

SENATOR WISHART: Thank you, Mr. President. I move the adoption of the E&R amendments to LB339. [LB339]

PRESIDENT FOLEY: Members, you heard the motion to adopt the E&R amendments. All those in favor say aye. Those opposed say nay. The E&R amendments are adopted. Mr. Clerk. [LB339]

CLERK: Senator Krist would move to amend with AM770. (Legislative Journal page 830.) [LB339]

PRESIDENT FOLEY: Senator Krist, you're recognized to open on AM770. [LB339]

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SENATOR KRIST: Thank you, Mr. President. This is the amendment that I talked about in General File. It simply would require that the Legislature would have to approve of the appointment made now by the director of Transportation. I think it's important for us to continue to have that oversight and make sure that that person is the right person for the Department of Aeronautics. [LB339]

PRESIDENT FOLEY: Thank you, Senator Krist. Debate is now open on AM770. Senator Friesen. [LB339]

SENATOR FRIESEN: Thank you, Mr. Lieutenant Governor. I rise in opposition to AM770. I guess I...when I looked at this I was open to discussing it, but at this time, I guess I feel it's not needed. If we're going to look at the department as a complete department of two merged groups, obviously if we look at our transportation system in the state as a whole, we need to have those two individuals working together. If the State Engineer or the director of the DOT is obviously going to pick someone that is not going to fulfill the mission of the department, I just don't see that we need to approve another person. We can take that out with the Department of Transportation, the State Engineer. If he's not doing his job in appointing the right people to that position, he's got a problem with us. We don't want to...I don't want to be seen as micromanaging any department if they have them underneath them. He will be held responsible for any mistakes he makes or the wrong people he puts in place. And when we look at transportation as a whole across the state, if we want to develop a statewide transportation policy, it should be held accountable to one person to do that. So for this reason only, I see that there's no need for this. I still think the process should work just as well. The State Engineer should be held accountable for how his overall agency runs. So, therefore, I stand opposed to AM770, in support of LB339. Thank you, Mr. Lieutenant Governor. [LB339]

PRESIDENT FOLEY: Thank you, Senator Friesen. Senator Krist. [LB339]

SENATOR KRIST: That is probably, in my estimation, a short-sighted approach to this amendment and to the overall bill. We are taking two completely different departments and merging them into one. One has absolutely nothing to do with the other. There is efficiency and economic reasons to do it down the road. We have not seen any so far. Senator Friesen, yield to a question? [LB339]

PRESIDENT FOLEY: Senator Friesen, would you yield, please? [LB339]

SENATOR FRIESEN: Yes, I would. [LB339]

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SENATOR KRIST: Senator, is it also your contention that we should not approve or have any approval authority over the hiring of the...I don't know, the Nebraska health, the doctor that we just approved, health officer, medical officer for the state, Chief Medical Officer? [LB339]

SENATOR FRIESEN: I'm not in Health and Human Services so I don't know what the... [LB339]

SENATOR KRIST: Well, Senator, you represent 1.9 million people across the state and you had a vote to make sure that the Nebraska...that Nebraska had the best doctor in charge. And I, as an aviator, will tell you I think it's very important that we have the best aviator and someone who has aviation experience in charge, and I don't want to leave it to the chief engineer, who knows nothing about aviation or airports, to put somebody in this chain. I supported your effort to try to put it together. Actually it was...once again, on behalf of the Governor. I'll support that. But I cannot support it without having somebody...having some oversight involved. How exactly would you propose that we remove that person once the transportation...or the chief engineer puts him in place? How would that happen, Senator? [LB339]

SENATOR FRIESEN: Is that another question? [LB339]

SENATOR KRIST: Yeah, it was a question in terms of you said we could just let him do it and then we'll remove him if he's got bigger problems. How would you suspect that we would do that either on the beginning or during his reign? [LB339]

SENATOR FRIESEN: If the State Engineer is not putting the appropriate people in place, and that means the Department of Transportation is not operating as efficiently as we would hoped, we don't approve the... [LB339]

SENATOR KRIST: Can I have a gavel, please? Go ahead, Senator, I'm sorry. [LB339]

SENATOR FRIESEN: I guess, you know, if the Department of Transportation is not operating the way we, in an oversight position, would say it should be run, we remove the State Engineer of Department of Transportation. And we put someone in place who does look at it in the whole picture like we envisioned when we put this package together. [LB339]

SENATOR KRIST: Do you trust the current director of the Department of Transportation? [LB339]

SENATOR FRIESEN: I do. [LB339]

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SENATOR KRIST: Okay. What if somebody comes in there that you don't trust and that you have a problem, or he picks someone who is not aviation-related? What choice do we have then to accept him in the hiring of that person? [LB339]

SENATOR FRIESEN: Well, I guess I have numerous methods. I can work with funding. I can work with any kind of approvals that come through that department. There's a lot of pressure I can apply. [LB339]

SENATOR KRIST: So you do believe that oversight is necessary to make sure that the right people are in place. [LB339]

SENATOR FRIESEN: Oh, yes. [LB339]

SENATOR KRIST: So why would you not want to confirm an appointment of this valuable position? [LB339]

SENATOR FRIESEN: I'm not looking for a fight here. I stood up, stated my position. It's not...I'm not willing to go to the mat on this one, not a big deal. I'm just saying I personally didn't feel we needed to do it. [LB339]

SENATOR KRIST: Thank you, Senator. I personally do think we need to do it. I think the person who takes the reigns as part of the new Department of Transportation, who is supposed to know-all, be-all in terms of aeronautics, needs to be approved by this body. It's another thing that if you give it up, then down the road a new person or persons in place you'll not have the choice to confirm. Confirmation process in this body is extremely important. It's part of the oversight function. So I'd ask you to vote green on AM770. [LB339]

PRESIDENT FOLEY: Thank you, Senator Krist. Members, you heard debate on AM770. Senator Krist, you're recognized to close. [LB339]

SENATOR KRIST: I just need to emphasize the fact that I don't think this is...this was not a big deal. I talked to actually legal counsel for Senator Friesen's committee drafted this amendment. So now we get into a discussion on the floor that it's not necessary. I leave it to you. You want to put a nonaviator in charge of the airports across the state, then vote red on AM770, because there's no control that that person is going to have aviation experience and be appointed to that position. Think about that. I ask you for a green vote on AM770. [LB339]

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PRESIDENT FOLEY: Thank you, Senator Krist. Members, the question before the body is the adoption of AM770. All those in favor vote aye; those opposed vote nay. Senator Krist, for what purpose do you rise? [LB339]

SENATOR KRIST: Call of the house and a roll call vote in regular order. [LB339]

PRESIDENT FOLEY: There's been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; those opposed vote nay. [LB339]

SENATOR KRIST: I withdraw. [LB339]

PRESIDENT FOLEY: It's too late, Senator, I'm sorry. The question is, shall the house go under call? Those in favor vote aye; those opposed vote nay. Record, Mr. Clerk. [LB339]

CLERK: 25 ayes, 10 nays to place the house under call. [LB339]

PRESIDENT FOLEY: 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 Krist, for what purpose do you rise? [LB339]

SENATOR KRIST: When we're done with the call of the house, which we probably could be now, we could move on and just ask for call-ins. [LB339]

PRESIDENT FOLEY: Call-in votes are accepted. [LB339]

CLERK: Senator Smith voting yes. Senator Chambers voting, you had voted yes, Senator Chambers. [LB339]

PRESIDENT FOLEY: Record, Mr. Clerk. [LB339]

CLERK: 25 ayes, 8 nays, Mr. President. [LB339]

PRESIDENT FOLEY: AM770 is adopted. [LB339]

CLERK: I have nothing further on the bill. [LB339]

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PRESIDENT FOLEY: Senator Wishart. [LB339]

SENATOR WISHART: Thank you, Mr. President. I move the...excuse me, I move to advance LB339 to E&R for engrossing. [LB339]

PRESIDENT FOLEY: Members, you heard the motion to advance LB339 to E&R for engrossing. Those in favor say aye. Those opposed say nay. LB339 advances. I raise the call. Next bill, Mr. Clerk. [LB339]

CLERK: Mr. President, LB539. There are E&Rs, first of all, Senator. (ER28, Legislative Journal page 839.) [LB539]

PRESIDENT FOLEY: Senator Wishart. [LB539]

SENATOR WISHART: Thank you, Mr. President. I move the adoption of the E&R amendments to LB539. [LB539]

PRESIDENT FOLEY: Members, you heard the motion to adopt the E&R amendments. Those in favor say aye. Those opposed say nay. The E&R amendments are adopted. [LB539]

CLERK: Senator Krist would move to amend with AM817. (Legislative Journal page 855.) [LB539]

PRESIDENT FOLEY: Senator Krist, you're recognized to open on AM817. [LB539]

SENATOR KRIST: This amendment simply puts the E clause on LB539. Realizing that it's going to require some more votes, but we're in the midst of the Tecumseh issue and this will allow our Inspector General of the Nebraska Correctional System to actually work hand in hand and find out some of the issues that are actually happening on scene. So I ask for your green vote to add the emergency clause to AM...to LB539. [LB539]

PRESIDENT FOLEY: Thank you, Senator Krist. Debate is now open on AM817. Senator Krist, you're recognized to close on the amendment. He waives closing. The question before the body is the adoption of AM817. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, Mr. Clerk. [LB539]

CLERK: 41 ayes, 0 nays, Mr. President, on the adoption of the amendment. [LB539]

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PRESIDENT FOLEY: AM817 is adopted. Mr. Clerk. [LB539]

CLERK: Nothing further on the bill, Mr. President. [LB539]

PRESIDENT FOLEY: Senator Wishart. [LB539]

SENATOR WISHART: Thank you, Mr. President. I move to advance LB539 to E&R for engrossing. [LB539]

PRESIDENT FOLEY: Members, you heard the motion to advance LB539. Those in favor say aye. Those opposed say nay. LB539 advances. Next bill, Mr. Clerk. [LB539]

CLERK: LB600. Senator, there are E&R amendments pending. (ER35, Legislative Journal page 864.) [LB600]

PRESIDENT FOLEY: Senator Wishart. [LB600]

SENATOR WISHART: Thank you, Mr. President. I move the adoption of the E&R amendments to LB600. [LB600]

PRESIDENT FOLEY: Members, you heard the motion to adopt the E&R amendments. Those in favor say aye. Those opposed say nay. The E&R amendments are adopted. [LB600]

CLERK: I have nothing further on that bill, Senator. [LB600]

PRESIDENT FOLEY: Senator Wishart. [LB600]

SENATOR WISHART: Thank you, Mr. President. I move to advance LB600 to E&R for engrossing. [LB600]

PRESIDENT FOLEY: Members, you heard the motion to advance LB600. Those in favor say aye. Those opposed say nay. LB600 advances. Next bill, Mr. Clerk. [LB600]

CLERK: LB625. Senator. I have no amendments to the bill. [LB625]

PRESIDENT FOLEY: Senator Wishart. [LB625]

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SENATOR WISHART: Thank you, Mr. President. I move to advance LB625 to E&R for engrossing. [LB625]

PRESIDENT FOLEY: Members, you heard the motion to advance LB625 to E&R for engrossing. Those in favor say aye. Those opposed say nay. LB625 advances. Proceeding on the agenda to Select File, 2017 senator priority bills. Mr. Clerk. [LB625]

CLERK: LB92, no E&Rs. Senator Riepe would move to amend with AM609. (Legislative Journal page 688.) [LB92]

PRESIDENT FOLEY: Senator Riepe, you're recognized to open on AM609. [LB92]

SENATOR RIEPE: Thank you, Mr. President and members of this esteemed body and Nebraskans. AM609 is LB282 which was heard in the Health and Human Services Committee. AM609 is a healthcare reform bill to remove barriers to telehealth services. The bill was voted out of committee on a vote of 7-0 with no opposition testimony and received great written support from stakeholders. The amendment removes the Medicaid coverage restriction for telehealth services for children, if a child has access to comparable services within 30 miles of his or her place of residence. Thank you and I ask you for a green vote on AM609. [LB92 LB282]

PRESIDENT FOLEY: Thank you, Senator Riepe. Debate is now open on AM609. Senator Kolterman. [LB92]

SENATOR KOLTERMAN: Good morning, colleagues. Thank you, Mr. President. I rise in support of AM609. All this does is enhance the telehealth opportunities and hopefully we can pass this and vote green both times, LB92 as well. Thank you. [LB92]

PRESIDENT FOLEY: Thank you, Senator Kolterman. Senator Riepe, you're recognized to close on AM609. He waives closing. The question before the body is the adoption of AM609. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, Mr. Clerk. [LB92]

CLERK: 37 ayes, 0 nays, Mr. President, on the adoption of Senator Riepe's amendment. [LB92]

PRESIDENT FOLEY: AM609 is adopted. [LB92]

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CLERK: I have nothing further on the bill, Mr. President. [LB92]

PRESIDENT FOLEY: Senator Wishart. [LB92]

SENATOR WISHART: Thank you, Mr. President. I move to advance LB92 to E&R for engrossing. [LB92]

PRESIDENT FOLEY: Members, you heard the motion to advance LB92. Those in favor say aye. Those opposed say nay. LB92 advances. Next bill, Mr. Clerk. [LB92]

CLERK: LB195. Senator, I have no amendments to the bill. [LB195]

PRESIDENT FOLEY: Senator Wishart. [LB195]

SENATOR WISHART: Thank you, Mr. President. I move to advance LB195 to E&R for engrossing. [LB195]

PRESIDENT FOLEY: Members, you heard the motion to advance LB195. Those in favor say aye. Those opposed say nay. LB195 advances. Next bill, Mr. Clerk. [LB195]

CLERK: LB271. Senator, I have no amendments to the bill. [LB271]

PRESIDENT FOLEY: Senator Wishart. [LB271]

SENATOR WISHART: Thank you, Mr. President. I move to advance LB271 to E&R for engrossing. [LB271]

PRESIDENT FOLEY: Members, you heard the motion to advance LB271. Those in favor say aye. Those opposed say nay. LB271 advances. Next bill, Mr. Clerk. [LB271]

CLERK: LB9. I have no amendments to the bill, Senator. [LB9]

PRESIDENT FOLEY: Senator Wishart. [LB9]

SENATOR WISHART: Thank you, Mr. President. I move to advance LB9 to E&R for engrossing. [LB9]

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PRESIDENT FOLEY: Members, you heard the motion to advance LB9. Those in favor say aye. Those opposed say nay. LB9 advances. Next bill, Mr. Clerk. [LB9]

CLERK: LB225, Senator, I have Enrollment and Review amendments first of all. (ER27, Legislative Journal page 819.) [LB225]

PRESIDENT FOLEY: Senator Wishart. [LB225]

SENATOR WISHART: Thank you, Mr. President. I move the adoption of the E&R amendments to LB225. [LB225]

PRESIDENT FOLEY: Members, you heard the motion to adopt the E&R amendments. Those in favor say aye. Those opposed say nay. The E&R amendments are adopted. [LB225]

CLERK: Senator Baker would move to amend with AM826. (Legislative Journal page 854.) [LB225]

PRESIDENT FOLEY: Senator Baker, you're recognized to open on AM826. [LB225]

SENATOR BAKER: Thank you, Mr. President. The amendment addresses issues raised by Health and Human Services. Held a meeting in my office with representatives of Health of Human Services, Nebraska Appleseed, and Nebraska Children's Commission. HHS recommended a few changes to help make this bill workable. This amendment adds clarification for HHS and makes some technical corrections. All parties involved approved of this amendment. Thank you. [LB225]

PRESIDENT FOLEY: Thank you, Senator Baker. Debate is now open on AM826. Senator Baker, you're recognized to close on the amendment. He waives closing. The question before the body is the adoption of AM826. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, Mr. Clerk. [LB225]

CLERK: 30 ayes, 0 nays, Mr. President, on the adoption of the amendment. [LB225]

PRESIDENT FOLEY: AM826 is adopted. [LB225]

CLERK: Senator Crawford would move to amend with AM840. (Legislative Journal page 865.) [LB225]

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PRESIDENT FOLEY: Senator Crawford, you're recognized to open on your amendment. [LB225]

SENATOR CRAWFORD: Thank you, Mr. President, and good morning, colleagues. AM840 amends language in LB225 that was originally LB336. LB336 was introduced by Senator Riepe on behalf of the Governor and allows the Department of Health and Human Services to charge a reasonable fee for those requesting checks at the central registry of child and adult protection cases. The fees collected will be put in the cash fund to be used to defray operational costs of completing these checks that is currently a General Funds expenditure. On General File we adopted an amendment to exempt this...from the fee the entities and organizations that are required to check the registry either by statute or regulation. After receiving the revised fiscal note from that amendment, it was determined that not enough entities are optional checks on the entities and so we really could not make the cash fund work in terms of just having...exempting all of those who are required to check the registry. And so the language is now returning to the original language that was proposed by the Governor in LB336. With this amendment, all entities, individuals, and organizations checking the registry, including those required to do so, will be charged a reasonable fee that's not to exceed \$3. If amended by AM840, the bill will still include a hardship provision for those who find the fee to be overly burdensome. Under this provision the department will be able to waive the fee if the requesting party shows the fee will be an undue financial hardship, and the department will be defining that definition. So I'd like to lay just a couple of comments on legislative intent that...to be considered as we think about hardship. Hardship could be experienced by smaller entities. I think it's important to also recognize hardship could be found by entities that have large Medicaid populations and are unable to accommodate the cost of these fees from other sources. Since this bill does impose a fee on providers, I will also highlight that it is important that this fee and other administrative costs imposed be considered as we enter the next iteration of assessing rates and subsidies for our foster care provider, Medicaid providers and child-care providers. If we do so, this has an impact on their administrative costs as they run these programs for us. I think it's also important to bear this fee in mind as we make future decisions in this year on rates for these providers in this session. So that is what AM840 does, colleagues, and I encourage your green vote on AM840. The underlying bill is a package of bills that works to improve our child protections in our state and to strengthen the systems that provide these critical services and it must pass to...in order to make sure that we have our federal...that we comply with our federal waiver for our largest source of child welfare funding. Thank you, Mr. President. [LB225 LB336]

PRESIDENT FOLEY: Thank you, Senator Crawford. Debate is now open on AM840. Senator Riepe. [LB225]

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SENATOR RIEPE: Mr. President, fellow Senators, as Chairman of the Health and Human Services Committee, I rise to support Senator Crawford's AM840 and also LB225. For the sake of the budget, it is important we return to the green copy. Thank you, Mr. President. [LB225]

PRESIDENT FOLEY: Thank you, Senator Riepe. Senator Crawford, you're recognized to close on AM840. She waives closing. The question before the body is the adoption of the amendment. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, Mr. Clerk. [LB225]

CLERK: 35 ayes, 0 nays on adoption of the amendment. [LB225]

PRESIDENT FOLEY: AM840 is adopted. [LB225]

CLERK: I have nothing further on the bill. [LB225]

PRESIDENT FOLEY: Senator Wishart. [LB225]

SENATOR WISHART: Thank you, Mr. President. I move to advance LB225 to E&R for engrossing. [LB225]

PRESIDENT FOLEY: Members, you heard the motion to advance LB225 to E&R for engrossing. Those in favor say aye. Those opposed say nay. LB225 advances. Next bill, Mr. Clerk. [LB225]

CLERK: LB340 does have E&R amendments, Senator. (ER25, Legislative Journal page 820.) [LB340]

PRESIDENT FOLEY: Senator Wishart. [LB340]

SENATOR WISHART: Thank you, Mr. President. I move the adoption of the E&R amendments to LB340. [LB340]

PRESIDENT FOLEY: The question before the body is the adoption of the E&R amendments. Those in favor say aye. Those opposed say nay. The E&R amendments are adopted. [LB340]

CLERK: Senator Murante would move to amend with AM799. (Legislative Journal page 895.) [LB340]

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PRESIDENT FOLEY: Senator Murante, you're recognized to open on AM799. [LB340]

SENATOR MURANTE: Thank you, Mr. President. Members, good morning. AM799 is an amendment requested by the Fiscal Office. It streamlines the transfer of funds and encumbrances associated with the Division of Veterans' Homes from DHHS to the Department of Veterans' Affairs. This is the same amendment they requested with the bill that combined the Department of Aeronautics and the Department of Roads. I would encourage your adoption of the amendment and the advancement of LB340. Thank you, Mr. President. [LB340]

PRESIDENT FOLEY: Thank you, Senator Murante. Debate is now open on AM799. Seeing no members wishing to speak, Senator Murante waives closing. The question before the body is the adoption of AM799. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, Mr. Clerk. [LB340]

CLERK: 36 ayes, 0 nays on adoption of the amendment. [LB340]

PRESIDENT FOLEY: AM799 is adopted. [LB340]

CLERK: I have nothing further on the bill. [LB340]

PRESIDENT FOLEY: Senator Wishart. [LB340]

SENATOR WISHART: Thank you, Mr. President. I move to advance LB340 to E&R for engrossing. [LB340]

PRESIDENT FOLEY: Members, you heard the motion to advance LB340 to E&R for engrossing. Those in favor say aye. Those opposed say nay. LB340 advances. Next bill, Mr. Clerk. [LB340]

CLERK: Mr. President, the next bill, LB88. I have E&Rs, first of all, Senator. (ER26, Legislative Journal page 832.) [LB88]

PRESIDENT FOLEY: Senator Wishart. [LB88]

SENATOR WISHART: Thank you, Mr. President. I move the adoption of the E&R amendments to LB88. [LB88]

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PRESIDENT FOLEY: Members, you heard the motion to adopt the E&R amendments. Those in favor say aye. Those opposed say nay. The E&R amendments are adopted. [LB88]

CLERK: Senator Blood would move to amend with AM810. (Legislative Journal page 877.) [LB88]

PRESIDENT FOLEY: Senator Blood, you're recognized to open on AM810. [LB88]

SENATOR BLOOD: Thank you, Mr. President, fellow Senators, friends all. AM810 is a simple amendment that supports the greater aim of LB88 and the E&R amendments that have been adopted. AM810 would remove the requirement for licensed audiologists to acquire a second license in order to sell hearing instruments. It is important to point out that licensed audiologists were already able to receive their license as a hearing instrument specialist without testing if they worked in a place that sold these instruments. This amendment does not remove the ability to get a hearing instrument specialist license by those who are not already licensed audiologists. Those who want a license will go through the same process that is already in state statute. This amendment removes red tape that does not need to be there and requires a rather redundant license for those who have already gone through the time and effort of becoming a licensed audiologist. This would help us keep in line with the majority of the country as 32 other states, as well as the District of Columbia, do not require an additional license to sell hearing instruments for licensed audiologists. I believe this amendment is both practical and common sense and fits nicely with the goals of LB88 as it has been amended with the E&R amendments, and I urge you to vote green in the adoption of AM810. [LB88]

PRESIDENT FOLEY: Thank you, Senator Blood. Senator Riepe, you're recognized. [LB88]

SENATOR RIEPE: Mr. President and fellow Senators, as Chairman of the Health and Human Services Committee, I rise to support AM810 of Senator Blood's and also LB88. This is a consumer-friendly bill and I ask for your vote on this. Thank you, sir. [LB88]

PRESIDENT FOLEY: Thank you, Senator Riepe. Senator Blood, you're recognized to close on AM810. She waives closing. The question before the body is the adoption of the amendment. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, Mr. Clerk. [LB88]

CLERK: 37 ayes, 0 nays on the adoption of the amendment. [LB88]

PRESIDENT FOLEY: AM810 is adopted. [LB88]

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CLERK: Senator Schumacher would move to amend, AM864. (Legislative Journal pages 895-896.) [LB88]

PRESIDENT FOLEY: Senator Schumacher, you're recognized to open on AM864. [LB88]

SENATOR SCHUMACHER: Thank you, Mr. President, members of the body. I want to thank Senator Blood for bringing this bill because it apparently opened an area that was in need of some review. I related on the floor, a week or so ago when this was on General File, a situation that we had in Columbus involving a nurse who was educated in a foreign school, licensed in a couple other states, and was having a difficult time here. That and those remarks I made on the floor led to a revealing of another issue in this whole line of nursing licensing. Right now our old law, which has been around for some time, says that graduates of foreign nursing programs shall pass the Canadian Nurses Association examination or hold a certificate from the Commission on Graduates of Foreign Nursing Schools. And these are apparently specific organizations. There are more competitors in the area now, and we have a lot of folks who are qualified, who are licensed, who are trained in other countries, particularly India, who would like to get licensed in a more efficient way in this state. So this takes out the specificity of the Canadian Nurses Association examination or a certificate from this single outfit called the Commission on Graduates of Foreign Nursing Schools, and instead substitutes language that says graduates of a foreign nursing program shall pass a board-approved examination, and a lesser graduate of a nursing program in Canada provide a satisfactory evaluation of the education program attended by the applicant from a board-approved foreign credentials evaluation service. And the folks in DHHS says this solves the problem. It gives some flexibility that we don't have now because we specify these other organizations rather than have general competition and should help people who are qualified, who can pass an examination, who happened to go to school in another country, in getting licensed and go to work in this state and perhaps ease some of our nursing shortage. I'd ask your support for AM864 at this time, and as part of our overall licensing common-sense movement. Thank you. [LB88]

PRESIDENT FOLEY: Thank you, Senator Schumacher. Senator Riepe. [LB88]

SENATOR RIEPE: Mr. President and Senators, as Chairman of the Health and Human Services Committee, I rise to support AM864 from Senator Schumacher and LB88. Thank you, sir. [LB88]

PRESIDENT FOLEY: Thank you, Senator Riepe. Senator Blood. [LB88]

SENATOR BLOOD: Thank you, Mr. President. I rise in support of AM864 and I am thrilled that this makes our bill only stronger and more user-friendly. [LB88]

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PRESIDENT FOLEY: Thank you, Senator Blood. Senator Schumacher, you're recognized to close on your amendment. He waives closing. The question before the body is the adoption of the amendment. Those in favor vote aye; those opposed vote nay. Record, Mr. Clerk. [LB88]

CLERK: 39 ayes, 0 nays on adoption of Senator Schumacher's amendment. [LB88]

PRESIDENT FOLEY: The amendment is adopted. [LB88]

CLERK: I have nothing further on the bill. [LB88]

PRESIDENT FOLEY: Senator Wishart. [LB88]

SENATOR WISHART: Thank you, Mr. President. I move to advance LB88 to E&R for engrossing. [LB88]

PRESIDENT FOLEY: Members, you heard the motion to advance the bill. All those in favor say aye. All those opposed say nay. LB88 advances. Items for the record, Mr. Clerk? [LB88]

CLERK: Mr. President, LR90 is a resolution by Senator Clements. That will be laid over. I have a communication from Senator Watermeier, as Chair of the Special Elections Committee. I also have a notice of issuance of legislative subpoenas pursuant to that action. Senator Williams would like to print an amendment to LB142. Bills read on Final Reading were presented to the Governor as of 11:26 a.m. (re LB46 and LB46A). Senator Pansing Brooks would like to add her name to LB75. Judiciary Committee will hold an Executive Session at 1:10 in Room 2022. (Legislative Journal pages 896-897.) [LR90 LB142 LB46 LB46A LB75]

Senator Watermeier would move to recess the body until 1:30.

PRESIDENT FOLEY: Members, you heard the motion to recess to 1:30. Those in favor say aye. Those opposed say nay. We are in recess.

RECESS

SPEAKER SCHEER PRESIDING

SPEAKER SCHEER: Good afternoon, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber. The afternoon session is about to reconvene. Senators, would you please

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record your presence. Roll call. Senators, we're starting the afternoon session. Would you please return to the Chamber. Record, Mr. Clerk.

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

SPEAKER SCHEER: Thank you. Do you have any items for the record?

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

SPEAKER SCHEER: Mr. Clerk, we'll proceed with the first item.

CLERK: Mr. President LB506 on Select File, no E&Rs. But Senator Wishart would move to amend with AM851. (Legislative Journal page 878.) [LB506]

SPEAKER SCHEER: Senator Wishart, you're welcome to open on your amendment. [LB506]

SENATOR WISHART: Thank you, Mr. President. AM851 incorporates my bill, LB287, into Senator Albrecht's LB506. LB287 is a bill that eliminates the need for duplication of storage of certain data collected by the Department of Health and Human Services. The Nebraska Legislature created the Child and Maternal Death Review Team in 1993. The team reviews the number and causes of deaths of Nebraskans ages 0-17 and deaths of women during pregnancies regardless if the death is considered suspicious. The goal of the team is to identify patterns of preventable deaths and report to the public and state policymakers recommendations on changes that might prevent future deaths. Currently Nebraska's Child and Maternal Death Review Team within the Department of Health and Human Services has an ongoing, no-cost agreement with the Michigan Public Health Institute to store within a secure, multistate database data about each death that the team reviews. Interpretation of current state statute allows only de-identified data to be stored in this database. The state also stores in house the same data with identifiers such as names, dates, etcetera, so that it can update the records as more information is gathered in the review process. AM851 to LB506 would clarify in statute that with proper privacy protections in place, the state would be able to eliminate the necessity for this duplication of data storage by allowing the storage of the data with identifiers in an off-site electronic database. LB287 was heard by the Health and Human Services Committee on February 10. It has no opposition, no fiscal impact, and advanced from the committee unanimously. Additionally, AM851 to LB506 includes a small technical or cleanup change for Senator Albrecht's bill. I would like to thank Senator Albrecht for working with me on incorporating this piece of legislation on her bill and I'd be happy to answer any questions. Thank you. [LB506 LB287]

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SPEAKER SCHEER: Thank you, Senator Wishart. Senator Albrecht, you're recognized. [LB506]

SENATOR ALBRECHT: Thank you, Speaker Scheer. Good afternoon, colleagues. I rise in support of AM851. AM851, by Speaker (sic) Wishart, is a friendly amendment. As explained, it adds language from LB287, a bill which eliminates the need for duplication of storage of certain data collected by the Department of Health and Human Services. I appreciate Senator Wishart for reaching out to me and I urge a green light on AM851 and LB506. Thank you. [LB506 LB287]

SPEAKER SCHEER: Thank you, Senator Albrecht. Senator Riepe, you're recognized. [LB506]

SENATOR RIEPE: Mr. President and Senators, I appreciate this opportunity. I rise as Chairman of the Health and Human Services Committee to support AM851 as it reduces regulation and has no fiscal note. Thank you. [LB506]

SPEAKER SCHEER: Thank you, Senator Riepe. Senator Hilgers, you're recognized. [LB506]

SENATOR HILGERS: Thank you, Mr. President. I was not here when LB506 was initially addressed on the floor, and so I wanted to just make a couple comments for the purpose of the record. I want to thank Chair Albrecht for bringing this bill. It's an incredibly important bill and it's one that's impacted me and my family personally. A year ago, my wife and I were diagnosed. We had twins and one of the twins, William Michael, was diagnosed with Down syndrome. And we early on, about 12 weeks on, in the pregnancy we...our medical professional had advised...had given us some advice and recommended that we terminate the pregnancy. It was an incredibly emotional time for my wife and I and our family. And I think in those periods of time for families who go through that, it is incredibly important for them to have the information that they can in order to treat these...or in order to have this hospice care and have...know of every resources...every resource that is available to them. So I was very proud to cosponsor LB506. I was excited to see it pass General File. I want to thank Senator Albrecht for the work that she's done on this. And just for the record, I wanted to make clear that I am in strong support, even though I wasn't here on that first day, I'm in strong support of LB506 and I urge everyone to vote green on this amendment. Thank you. [LB506]

SPEAKER SCHEER: Thank you, Senator Hilgers. Senator Friesen. [LB506]

SENATOR FRIESEN: Thank you, Mr. President. I just have a question. Would you yield to a question, Senator Wishart? [LB506]

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SPEAKER SCHEER: Senator Wishart, would you please yield? [LB506]

SENATOR WISHART: Yes, I will. [LB506]

SENATOR FRIESEN: It just deals with the data storage. And just having seen the amendment and not being caught up with it, is...you know, part of the NITC, or Nebraska Information Technology Commission, was to make sure data storage was secure and everything. So are you saying you're going to enter into agreements with other agencies to store data or is this something that can be done...explain it, that process, I guess. [LB506]

SENATOR WISHART: So currently the way that data is stored currently with the Department of Health and Human Services is they have a contract, a written agreement, excuse me, not a contract, with Michigan to store the data for free. There are privacy protections that will be put in place if that's a concern of yours. [LB506]

SENATOR FRIESEN: Okay. That's all I needed to know, I think. Thank you very much. Thank you, Mr. President. [LB506]

SPEAKER SCHEER: Thank you, Senator Friesen. Senator Murante, you're recognized. As he's going back, Senator Wishart, I'm not ready to give my title up yet, so. Senator Murante. [LB506]

SENATOR MURANTE: Thank you, Mr. President. Members, good afternoon. Would Senator Wishart yield to a question? [LB506]

SENATOR WISHART: Yes. [LB506]

SENATOR MURANTE: Senator Wishart, I apologize...thank you very much. I didn't catch all of your opening and I asked you very briefly off the microphone. You had said in your opening that AM851 is the contents of a bill. Is that correct? [LB506]

SENATOR WISHART: Yes, it is. [LB506]

SENATOR MURANTE: And what bill was it? [LB506]

SENATOR WISHART: That is LB287. [LB506 LB287]

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SENATOR MURANTE: Okay. Thank you. I'm just pulling this up now. I want to make sure that I...(a) for my own edification, have my mind wrapped around it, but (b) for the sake of the record. Was LB287, was that advanced? It was referenced to HHS. That's correct? [LB506 LB287]

SENATOR WISHART: Yes. [LB506]

SENATOR MURANTE: And was it advanced out of Health and Human Services? Have they advanced it yet? [LB506]

SENATOR WISHART: Yes, it was advanced unanimously out of the...out of Health and Human Services Committee. [LB506]

SENATOR MURANTE: Okay. And were there any opposition...was there any opposition to LB287 in its public hearing or in committee? [LB506 LB287]

SENATOR WISHART: No, there was no opposition. [LB506]

SENATOR MURANTE: Okay. And LB287 has not been prioritized, correct? [LB506 LB287]

SENATOR WISHART: No, it has not been prioritized. [LB506]

SENATOR MURANTE: Okay. All right. And I believe your Chairman has already articulated his support for the amendment. Okay. Thank you, Senator Wishart. I appreciate that. I raise that, those questions, for...really for the sake of the record and for my own edification purposes because I think we do need to be cautious. And Senator Chambers spoke previously about the concern that comes from amending one bill into another. I think there is a way to do it and there's a time and a place for it. I certainly support this amendment. I should have articulated that from the outset, Senator Wishart. I do support AM851 and the advancement of LB506. However, as this legislative session begins to wind down and we are approaching the final third of this legislative session, we are going to come to a point where it is...we are going to be running out of time to discuss all of the priority bills before us, let alone all of the bills that we wish to attach to those priority bills. And in the Government Committee right now we have several bills, several of our...two...both of our committee priority bills are going to contain the contents of other bills in them. And for the purposes of transparency so that the public at large understands and the members of this Legislature understand, we are going to ensure that the committee statements contain all of the bills which have been amended into the main bill so that everyone on the floor understands what's going on. So hopefully we don't have these questions. And I don't begrudge

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Senator Wishart for bringing this amendment in the way, in the form or fashion that she did. It's perfectly appropriate, what she's doing. I just wanted to make sure that I was clear because if it had not come out of committee, then you would have gotten a whole series of new questions for me, Senator Wishart. But you...I now have the clear understanding that it was done the right way. I appreciate your amendment. I support Senator Albrecht's bill and encourage your adoption of AM851 and the advancement of LB506. Thank you, Mr. President. [LB506]

SPEAKER SCHEER: Thank you, Senator Murante and Senator Wishart. Senator Hughes, you're recognized. [LB506]

SENATOR HUGHES: Thank you, Mr. President. Would Senator Wishart yield to a question? [LB506]

SENATOR WISHART: Yes. [LB506]

SPEAKER SCHEER: Senator Wishart, would you yield? [LB506]

SENATOR WISHART: Yes, I will. [LB506]

SENATOR HUGHES: Thank you. Thank you, Senator Wishart. I guess I just wanted to explore the possibilities that you went through before we got to this point. Did you request this as a Speaker priority bill by chance? [LB506]

SENATOR WISHART: So I did not request this piece of legislation as a Speaker priority bill. [LB506]

SENATOR HUGHES: Okay. Did you have others that you requested, or why not this one? [LB506]

SENATOR WISHART: Yes, I did. I had a different bill that I requested. [LB506]

SENATOR HUGHES: Okay. Also, it's a little risky adding...trying to amend the bill on the floor. And I guess Senator Murante asked most of the questions that I had but I just wanted to make sure that you understood sometimes this can be very risky, not only for the person who's amending it but also the person whose bill you're attaching it to; that we've seen that happen in the past where both end up going down. I am certainly in favor of both AM851 and LB506, but

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just wanted to make sure that you covered, did everything you could to get to this point. And also, did you...have you considered a consent calendar on this bill? [LB506]

SENATOR WISHART: So at the time when consent calendar was announced, I had already spoken with Senator Albrecht and the Speaker about amending this on to her legislation. [LB506]

SENATOR HUGHES: Okay. Thank you very much. Thank you, Mr. President. [LB506]

SPEAKER SCHEER: Thank you, Senator Hughes and Senator Wishart. Seeing no one left in the queue, Senator Wishart, you're welcome to close. She waives closing on AM851. Question before the floor is the adoption of AM851. All those in favor vote aye; all those opposed vote nay. Have all voted that wish to? Please record. [LB506]

CLERK: 43 ayes, 0 nays, Mr. President, on the amendment. [LB506]

SPEAKER SCHEER: Senator Wishart for a motion. [LB506]

SENATOR WISHART: Thank you, Mr. President. I move to advance LB506 to E&R for engrossing. [LB506]

SPEAKER SCHEER: You've heard the motion. All those in favor say aye. All those in favor...all those opposed say nay. LB641 (sic) is adopted...we moved to E&R Initial. Correction: That was LB506. Moving to the next item, LB641. [LB506 LB641]

CLERK: Mr. President, the first order of business, E&R amendment, Senator. (ER32, Legislative Journal page 862.) [LB641]

SPEAKER SCHEER: Senator Wishart for a motion. [LB641]

SENATOR WISHART: Thank you, Mr. President. I move the adoption of the E&R amendments to LB641. [LB641]

SPEAKER SCHEER: You've heard the motion. All those in favor say aye. All those opposed say nay. ER32 is adopted. [LB641]

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CLERK: Senator Morfeld would move to amend with AM854. (Legislative Journal page 878.)
[LB641]

SPEAKER SCHEER: Senator Morfeld, you're welcome to open. [LB641]

SENATOR MORFELD: Thank you, Mr. Speaker. AM854, what it does is it limits the amount of money to...that is designated to LB641 to the amount of money that will be coming back in from the federal government. So it actually, for all intents and purposes, does what Senator Schumacher would like to do, is just limit this simply to the funding that was provided by the federal government and then paid back to the state. So that's what the amendment does. We'll talk about it in a bit, but Senator Schumacher's amendment, upon further review over lunch, actually guts several key components of my bill so it is no longer a friendly amendment and it's no longer simply limited to simply sunsetting the program, unfortunately, upon further review. So that being said, I ask that you adopt this amendment that limits the amount of money to the money that would be coming in back from the federal program, and then we can debate the Schumacher amendment after that. Thank you, Mr. President. [LB641]

SPEAKER SCHEER: Thank you, Senator Morfeld. Seeing no one...oh, Senator Williams, you're recognized. [LB641]

SENATOR WILLIAMS: Thank you, Mr. President, and good afternoon, colleagues. Would like to just talk just briefly this afternoon about the importance, again, of growing our state and recognizing that we continue to have issues that will be coming out of Revenue, Education, and Appropriations, and a lot of heavy lifting left to do in the future with that. But the plain fact remains that underneath all that any opportunity that we have to, under our current structure, grow our state makes a great deal of sense, and that's why the bioscience sector is so vitally important to the long term of what we're doing. Right now Senator Morfeld's bill comes under the Business Innovation Act which means it has great controls. It has controls of the Department of Economic Development which oversees that whole project. And we're not talking a lot of money here, as has been mentioned, even though I don't want to diminish the fact that \$2 million, as Senator Schumacher has mentioned earlier today, could go a long ways in some other areas. But the types of jobs that we are looking at in the bioscience area are typically high-paying jobs when they happen, but they're also high-risk opportunities on the front end. These businesses, many of them don't make it out of the chute, and that's why the assistance on the very front end is important. It's also important to note that the allowance under this allows us to engage in new technologies, and every time we do that there are spin-off benefits. I think some of you have had the opportunity to visit with representatives from ADM and representatives from Cargill with their facilities in Nebraska. And with their corn facilities and their ethanol facilities and other things they have, we are now seeing unique opportunities for spin-off businesses. And

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those help our state's number-one industry, which is agriculture. Want to continue to remember how important that is that we look at that, also recognizing that there are many opportunities with medical enhancements, new technologies with equipment that is being introduced. We've had the opportunity, some of us, to meet with people at Innovation Campus that are doing unique things there. And here again these are high-paying, highly educated people that are involved with these endeavors. So I would encourage as we debate and move forward on this, you remember underlying all of this is our goal to grow the state. And this is one very special way to do that. Thank you, Mr. President. [LB641]

SPEAKER SCHEER: Thank you, Senator Williams. Seeing no one else in the queue, Senator Morfeld, you're welcome to close on your amendment. [LB641]

SENATOR MORFELD: Thank you, Mr. Speaker. Just to remind everybody, this is an amendment that limits the funds to the amount of funds that are appropriated by the federal government that went to the businesses and will be paid back. That way, it makes sure that there's no obligation beyond that. Thank you, Mr. Speaker. [LB641]

SPEAKER SCHEER: Thank you, Senator Morfeld. The question before you is adoption of AM854 into LB641. All those in favor vote aye; all those opposed vote nay. Have all those voted that wish to? Please record. [LB641]

CLERK: 38 ayes, 0 nays on adoption of the amendment. [LB641]

SPEAKER SCHEER: AM854 is adopted. Mr. Clerk. [LB641]

CLERK: Mr. President, Senator Schumacher would move to amend with AM868. (Legislative Journal pages 898-899.) [LB641]

SPEAKER SCHEER: Senator Schumacher, you're welcome to open. [LB641]

SENATOR SCHUMACHER: Thank you, Mr. Speaker, members of the body. Just as a recap, Nebraska has got a Nebraska business innovation program. We put some General Fund money into that. We put some of this recycled federal money into it. And all business innovation can apply for it. Biotech can apply for it. Communications can apply for it. Engineering can apply for it. Little programs of preschool baby-sitters can apply for it. A lot of different businesses can apply for it. So this money is available. This program is in position. People at DED will tell you they've got rules and regulations and ways that they go about evaluating the economic desirability of any of the applicants because there is limited funds. Okay? So they take

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everybody from every flavor of innovation and go for it. What this bill does is it says we're going to make a subset within that and we're going to call that subset this biology innovation fund and we're going to put \$2 million of loan repayments that the feds...we get from a federal program into this pot along with possibly some General Funds money, depending on how you read the amended language. Well, Senator Morfeld basically, and he said it this morning again, agreed that what we do is we spend that federal money in this fund and then we shut her down; we shut down the fund, we shut down the program, all over, \$2 million in and out. Okay? I drafted an amendment. That amendment is AM868 which basically says what I just said. We spend the \$2 million and we shut her down. Now Senator Morfeld took issue with a small phrase in the amendment. That small phrase says that when this is all said and done, the department, by March 1 of 2018, will submit to us a report of the money it spent, where the \$2 million went. And the report will list out the identity of the recipient. And this is the language Senator Morfeld objects to: and if the recipient was not an individual, the equity holders of the recipient, if any, and the location of the enterprise formed, and the purposes for which the financial assistance was given. He objects to the disclosure of the people behind the corporate mask. Okay? Everything else: hunky-dory. Well, rather than roll over on that issue, because I think transparency is very important who is the ultimate beneficiary of this special deal within our larger system, I say, wait a minute, no. We have a disagreement about that issue, because I think the equity people, when you're dealing with small businesses and a program which has no rules and regulations and...no authority for them and \$2 million moving fast, we should know who's involved, not just the name of XYZ corp. So this issue is pretty much resolved as a yes for AM686 (sic) with the single exception of if the individual was not...if the recipient was not an individual, the equity holders need to be disclosed. Fair enough decision for the body: Should they have to be disclosed or not? If they have to be disclosed, then the amendment should roll. If they don't have to be disclosed, then we should strike that language out. Now what the amendment we just passed, which Senator Morfeld said was the same as this, doesn't do is shut down the program. It doesn't terminate this program. So we've got this lingering program out there that you can do some budget gimmickry with to all of a sudden fund out of the General Fund two, three, four years from now, because the program doesn't shut down. And so what I propose is this. This amendment solves a problem. We've got a squabble about whether or not the faces behind the corporation need to be disclosed, whether we know who the real people are that are getting this basically unregulated money. We have a right to know that. So to bring it to a head, I filed a floor amendment that says strike from the amendment the business about disclosing the equity holders. That will bring it to a vote. I hope you vote against my floor amendment and leave the AM868 just as is. If you vote for it, that's fine, too, but you're saying let's keep this behind the curtain. This is a new, unregulated program with \$2 million and we should begin to set the precedent with these deals that we know who's really involved, who's getting the money, who's friends are they, because you'll find, the longer you're here, those chains of that state money just filter out there through all kinds of tributaries. This is a fair way to bring it to a head. We have agreement on the language, or had agreement, with the single exception of the disclosure of who

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is behind the curtain. I can't see any reason why those people should not have to disclose themselves and this amendment, AM868, pass as is. But to bring this at...to a head and not scuttle the...what's needed in this program, to terminate it clearly, I have a floor amendment which I will introduce next. So basically on this whole series that I have, I would encourage you to vote against the floor amendment, for AM868, and then we'll...I understand there's going to be some discussion on the underlying bill. Thank you. [LB641]

SPEAKER SCHEER: Mr. Clerk. [LB641]

CLERK: Senator Schumacher would move to amend AM868 with FA52. (Legislative Journal page 899.) [LB641]

SPEAKER SCHEER: Senator Schumacher, you're welcome to open on the floor amendment. [LB641]

SENATOR SCHUMACHER: Thank you, Mr. Speaker, members of the body. This brings it to a head. This would take out the line, the sentence Senator Morfeld and I disagree over, and that is the language that says if the recipient was not an individual, then the equity holders need to be disclosed in this report. Simple question for you: The people who are getting this \$2 million, do you want to know who they are or you just want to know the name of their company? I would urge you to vote down FA52. Thank you. [LB641]

SPEAKER SCHEER: Thank you, Senator Schumacher. Senator Lindstrom, you're recognized. [LB641]

SENATOR LINDSTROM: Thank you, Speaker. I rise today in opposition to FA52 and AM868. The discussion I heard earlier on LB641A was the issue with the termination once the funds were exhausted, which part of Senator Schumacher's amendment addresses. However, he does bring in some other facets to the bill that cause some issues, one being that we don't require this for any other incentive program that we have available. This would only include this, whether it's in Nebraska Advantage or other. So looking at his amendment, there is one portion, what it says, "The fund shall terminate on exhaustion of its funds following receipt of the final loan payment provided for" in subsection of this section. By his original amendment on, AM868, by striking Sections 3, 4, and, 5, he removes the Bioscience Innovation Cash Fund from the Business Innovation Act and would cause issues. So as it stands now, I am opposed to FA52 and AM868 and would support LB641. Thank you, Mr. Speaker. [LB641 LB641A]

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SPEAKER SCHEER: Thank you, Senator Lindstrom. Senator Morfeld, you're recognized.
[LB641]

SENATOR MORFELD: Thank you, Mr. Speaker. A few different points: First, this amendment does much more than what Senator Schumacher is actually telling the body. First it takes it out of the Business Innovation Act. It completely strikes the language of this applying to the Business Innovation Act. So essentially the funding would be rudderless because right now the Business Innovation Act provides the framework that's proven to have the checks and balances to make sure that these are good investments, that they're going to things like prototype grants and other types of grants that are necessary for these early-stage, start-up companies to be able to get more investment and more funding down the road and which have been proven to be highly successful time after time. So the first part of Senator Schumacher's amendment doesn't just simply have a sunset date. It actually strikes the entire Business Innovation Act to govern the use of the funds as they come in. The second part has the sunset, which I'm perfectly fine with. My amendment that we just adopted, it made it so that it would only use...it'd only be...only use the funds that were appropriated to it under the federal government program are being sunsetted out. That's fine. I'm fine if he wants a definite date to end it. That's okay. The third part requires the disclosure of all the equity holders. Now I don't know. Maybe that's a good idea. Maybe it's a bad idea. The bottom line is that's an entirely different bill that didn't have a hearing. And that only applies to this one economic incentive bill. It doesn't apply to the Nebraska Advantage Act. It doesn't apply to the other \$5 million that goes to the Business Innovation Act or the people that avail themselves of it. So this is an entirely new requirement that the public has not had the opportunity to comment on in a committee hearing, which is the purpose of a committee hearing, and it's a narrow exception just for this \$2 million in funding. So if we want to have a discussion about whether or not we want to disclose all equity holders of companies that use economic incentive programs, then I think we should have that discussion, but that's an entirely different bill. This is an entirely unprecedented new requirement and that's a discussion that we should have in committee and we should apply equitably to all of our economic incentive plans or packages, programs, whatever the case may be, throughout the state. Now I understand that Senator Schumacher has never liked LB641 from the start. I could tell that when I was the Chair of the Bioscience Steering Committee and we were trying to talk about ways to grow our biosciences industry and I can tell it now on LB641. So I understand he's just generally opposed to this bill. But the bottom line is that AM868 does more than what Senator Schumacher just suggested, which is completely destroy the framework under which the grants would actually be granted through the Business Innovation Act, which is a proven way of doing that. It would require the disclosure of all equity holders, which is an entirely new requirement that we've never required for any of these other innovation acts. Colleagues, I urge you to oppose the floor amendment and my understanding is that Senator Lindstrom is going to be bringing an amendment to Senator Schumacher's amendment that strikes out all the language with the exception of the sunset. And when we have that amendment in hand, I urge you to adopt that

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amendment because that will address the issue that I think some people have concerns on, that Senator Schumacher told me originally he had concerns on until he added all this additional language. So I urge you to not adopt FA52 and to support the Lindstrom amendment to AM868 when that amendment comes up. Thank you, Mr. Speaker. [LB641]

SPEAKER SCHEER: Thank you, Senator Morfeld. Senator Kolterman, you're recognized. [LB641]

SENATOR KOLTERMAN: Thank you, Mr. Chair. Couple of things come to mind. I sat on the committee that heard this bill originally and we supported it coming out of...at least I supported it coming out of committee. I think it came out 6-2 or 6, 1 against, and 1 not voting. The reason I'm so supportive of this, I served on my local GROW Nebraska committee in Seward, grow Seward County. Economic development is important to me. In my district, I'm fortunate to have some really, really good partners in the ag community--Pioneer, Monsanto, Bayer, Syngenta--and then we also have a huge ethanol plant in my district. All of these companies partner with start-up companies to try and get them to help them grow their business in one way or another. In fact, on the "biocampus," Novozymes, I think we've talked about that; Senator Brasch talked about that. That's a start-up company that Cargill is associated with now. There's a company called GeneSeek that came out of the university. Some of their royalties are still being paid to the University of Nebraska. So I think it's important, even though we're not talking a lot of money. It's \$2 million that wasn't going to be allocated anywhere else and Senator Morfeld found a place for that that could possibly help. And we've had several small businesses that came to Seward and said, hey, I'd like to get a little help from you. We didn't have the availability. If we'd have had something like this where they could have applied for a \$50,000 grant, that might have helped us create some new good-paying jobs. But from another perspective, I have a question I'd like to ask Senator Schumacher if he'd yield to me. [LB641]

SPEAKER SCHEER: Senator Schumacher, would you please yield? [LB641]

SENATOR SCHUMACHER: Yes, I will. [LB641]

SENATOR KOLTERMAN: Senator Schumacher, I'm always here to try and learn what's going on, so I'm going to ask you some questions from a procedure perspective. You...I understand AM862, that's an amendment that you filed on this bill, but then you filed a floor amendment, FA52, and you asked us to vote it down. If you wanted us to vote it down, why did you file a floor amendment to begin with? [LB641]

SENATOR SCHUMACHER: The amendment was already filed when I learned that Senator Morfeld objects to the transparency position...provision. And so to bring that to a head and find

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out what the body's sentiment was, I voted...I filed the floor amendment to remove that language. If that language...if my floor amendment is defeated, as I would hope it would be, then we can proceed on the substantive amendment. The substantive amendment, AM868, does nothing but shut this complete thing down after the money is spent, the \$2 million is spent, just as was represented. It doesn't leave a program on the books to be later tried to be funded in some other way. The representation was crystal-clear that this program would be shut down when that \$2 million was run through it. [LB641]

SENATOR KOLTERMAN: All right. Well, I appreciate that. Again, I didn't know you'd already filed the floor amendment, so thank you for clarifying that. I would encourage everybody to vote down not only FA52 but also AM868, and support LB641 and the amendment that Senator Lindstrom will be bringing. Thank you. [LB641]

SPEAKER SCHEER: Thank you, Senator Kolterman, Senator Schumacher. Senator Harr, you're recognized. [LB641]

SENATOR HARR: Sorry about that. Thank you, Mr. President, members of the body. So here's where I stand on this. I am 100 percent for economic development in this state and I think we as a state have a great opportunity with bio through our university system and through our agricultural system that we have a leveraged advantage over most of our other competing states on that. My question, though, is, is this the right way to do it? Maybe it is; maybe it isn't. Senator Schumacher wants to hold some accountability. I know if I got money from the state, I would understand that there were strings attached to it. And if that means having to tell my equity partner, other equity partners, hey, you're getting money, we're getting free money from the state but we've got to report who you are, I can't imagine anyone having a problem with that. It's not like this is a campaign disclosure, for goodness' sake. There shouldn't be anything you're embarrassed of, so I'm not quite sure the reason for FA52. Biotech jobs, by the way, are the future and there's a great opportunity for our state in bio and they are good-paying jobs. I'm just not sure, also, that bio is any better than computer sciences. I haven't seen any data that says these jobs pay more than computer sciences or any other emerging field out there, intellectual, artificial intelligence. So...and it goes on and on, the possibilities. So while agree with growing bio in Nebraska, I haven't been sold on the need for this and why, if it's so great, do we have to give them a preference. Why can't they stand on their own? Just answer me those questions and maybe I'll be able to support this bill. Are they higher-paying jobs than all the others? Where is the proof? Are there other areas that pay more? Maybe we should be promoting, I don't know, healthcare. Healthcare is a growing field. Housing, should we be encouraging housing--I don't know--industry? These are questions that I need answered for me. And then why, if it is so great, do they need this? And I look forward to talking to Senator Morfeld, listening to his response as to why that needs to occur. And then what is the problem with accountability? You know, the old saying "your idea, my money, bad idea" seems to kind of ring true here if we can't even...if

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you're not even willing to say who you are. So I look forward to the conversation and to hear what's going to happen on this. I'm still open. I don't know. I'm torn on this one. So thank you, Mr. President. [LB641]

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PRESIDENT FOLEY: Thank you, Senator Harr. Senator Schumacher. [LB641]

SENATOR SCHUMACHER: Thank you, Mr. President, members of the body. FA52 says we don't want to know who's behind the curtain, give the \$2 million away, you can give it to a front corporation, we don't want to know, we don't want that in the report. FA52 is a bad idea. But in order to get past that issue which gives Senator Morfeld some heartburn, let's vote on it. If we defeat it, then we look and we focus in on AM868. And AM868 fundamentally does just two things. It says when the money is gone, the program stops. And there's...it cuts out the tie to the General Fund. So the only money coming through this will be that \$2 million of federal loan repayments that somehow recirculated into the system. We then can have a debate in the end of whether or not we should, in LB641 itself, take the \$2 million and dedicate it to this, rather than some other small business function. The disclosure is important in a program which is new, which has no rules and regulations behind how DED is supposed to distribute this money, who gets it. In fact, it's not subject to a lot of the rules that were in place in the Business Innovation Act. And the money under that act can be competed for by everybody. There is no \$2 million, of what I think is about \$9 million that we put into that, dedicated to one area for one bite at the apple for two years. I think that we should follow what was represented on General File: that this thing shuts down completely after the \$2 million is spent. And I understand that representation was made clear and unambiguous to get the vote on General File and that when the \$2 million is spent, it's spent in such a way that we know how it was spent, who got to be the benefit of it, and that it was not spent on political hanky-panky, was not spent on somebody's little clique deals that may come up. Their taking us out of the general spectrum of the Business Innovation Act and creating this special deal with special criteria for a one-time blowing of \$2 million just doesn't fit right. So I'd encourage you to defeat FA52 and say transparency rules, we want to know who gets this money, and then we're going to talk about AM868 and why it's a better way to end this program which was clearly represented to be and agreed to be done after two years. Thank you. [LB641]

PRESIDENT FOLEY: Thank you, Senator Schumacher. Senator Groene. [LB641]

SENATOR GROENE: Thank you, Mr. President. I'm confused. I stand in opposition to FA52 and in favor of AM868. Transparency is paramount in a democracy, in an open democracy. When you forcibly confiscate money from your citizens through taxation, where every one of

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those dollars is spent those taxpayers should know that. Who receives those dollars, those taxpayers should know that. We have situations in law where they get tax credits. Ah, you can understand that a little bit. That's that person or that company paying those taxes and then have an avoidance through a tax credit of paying them. But this is tax dollars given to someone. We need transparency. And sorry, Senator Schumacher, I will never vote against transparency, and normally you wouldn't either. This is confusing. The Business Innovation Fund is...I don't believe there's a restriction in it now that somebody who is a bioscience business, whatever that definition is, cannot apply for it. I'm not much one for separating people, businesses by descriptions. A business is a business. A new start-up business is a new start-up business. If it's worthy of the Business Innovation Fund, then it should receive them. I don't understand why we got to divide humans or businesses by their actions, by their behavior, and to define them in law, but some folks do that. The Nebraska Progress Loan program, the way I see it, could just roll right back into the Business Innovation Fund without busying the whole business up with dividing this guy makes widgets and this one makes gadgets and this one gets this funds. If the gadget is better than the widgets, he should get the grant. This is unnecessary and I stand in opposition of FA52 and I'm disappointed in my good friend Senator Schumacher, too, that he would ever consider striking transparency from one of his attempted legislation. So thank you. [LB641]

PRESIDENT FOLEY: Thank you, Senator Groene. Senator Schumacher, you're recognized. He waives the opportunity. Continuing debate, I see no one in the queue. Senator Schumacher, you're recognized to close on FA52. [LB641]

SENATOR SCHUMACHER: Thank you, Mr. President. Leaving FA52...voting down FA52 says we want to know who is behind the curtain, because FA52 says confidentiality, all you get to see is the front of the corporation, not the people in the building. So I would encourage you to defeat LB...or FA52 so that we can then proceed to discuss AM868 with the disclosure and the transparency provision in it. Thank you. [LB641]

PRESIDENT FOLEY: Thank you, Senator Schumacher. Members, you've heard the debate. The question before the body is the adoption of FA52. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, Mr. Clerk. [LB641]

CLERK: 0 ayes, 37 nays, Mr. President. [LB641]

PRESIDENT FOLEY: It appears that FA52 is not adopted. (Laughter) [LB641]

CLERK: Mr. President, Senator Lindstrom would move to amend the Schumacher amendment with AM902. (Legislative Journal page 899.) [LB641]

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PRESIDENT FOLEY: Senator Lindstrom, you're recognized to open on AM902. [LB641]

SENATOR LINDSTROM: Thank you, Mr. Lieutenant Governor. If you pull up your gadget, you'll see my amendment, AM902. It looks a little complicated. All it does is it strikes all the language in AM868 and leaves the portion under Section 4 where the fund shall terminate, so we're just dealing with the termination on LB641 and the funds available. And then I would ask that you look at the committee statement as well. If you look there, you'll see who was a proponent. We did not have any opponents, no neutral. We can have a discussion about whether or not tax incentives are the best way to go. You know, I'm fortunate enough to sit in all my committees with Senator Schumacher, and one of the smartest guys that I've probably ever run across, but there's one thing I know is that he is not for incentives and I'm well aware of that. And so if you look at this committee statement, you'll kind of find that to be true as well. And I think that's fair that we need to have that discussion another day. We're going to have some discussions on tax policy, which, in my opinion, is a better way to go as far as how do we incentivize businesses through income tax, through corporate income tax and promoting business that way. But again, we're dealing with competing with different states. You know, some of the folks that came in and testified were talking about having partners in California and talking about whether or not they should come to Nebraska. And I asked him, point blank, would you be here without this program? He said, I would not. So we get...we have to be careful of what we start tampering with and with as far as incentives. And I think this does promote jobs in Nebraska, high-paying jobs, and with a great ROI, return on investment. So with that, I would ask that you adopt AM902, which is the amendment to Senator Schumacher's bill, and appreciate it, and then adopt LB641 as amended with my amendment. Thank you. [LB641]

PRESIDENT FOLEY: Thank you, Senator Lindstrom. Debate is now open on AM902. Senator Schumacher. [LB641]

SENATOR SCHUMACHER: Okay. Thank you, Mr. President, members of the body. Senator Lindstrom, will you yield to a question? [LB641]

PRESIDENT FOLEY: Senator Lindstrom, would you yield, please? [LB641]

SENATOR LINDSTROM: Yes, I will. [LB641]

SENATOR SCHUMACHER: Thank you, Senator Lindstrom. Senator Lindstrom, does your amendment, and I haven't had a chance to see it yet, does your amendment strike out the transparency provisions? [LB641]

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SENATOR LINDSTROM: It strikes out everything except for that the fund shall terminate, so number (4). [LB641]

SENATOR SCHUMACHER: So the fund terminates, but does the program terminate in your amendment? [LB641]

SENATOR LINDSTROM: The program as far as the Business Innovation Act or the biosciences program? [LB641]

SENATOR SCHUMACHER: Bioscience. [LB641]

SENATOR LINDSTROM: As far as the amendment, no, it would just...well, it would terminate...yes, it would terminate with exhaustion of the funds. [LB641]

SENATOR SCHUMACHER: Is that in your amendment expressly? [LB641]

SENATOR LINDSTROM: I could pull it up. I mean it...if you read the amendment, it says strike. You know, there's a lot of numbers in there so... [LB641]

SENATOR SCHUMACHER: Okay. How does your amendment differ from AM868? [LB641]

SENATOR LINDSTROM: AM868 has...the only thing that stays in my amendment, so everything else is gone as far as what's underlined in AM868. My amendment has the section (4). The fund shall terminate on exhaustion of its funds following receipt of the final loan repayment provided in subsection...that portion stays. Everything else is gone. [LB641]

SENATOR SCHUMACHER: So you leave an unfunded program. [LB641]

SENATOR LINDSTROM: I do not believe that's what the intent of the amendment is. [LB641]

SENATOR SCHUMACHER: Okay. If what you're getting at is some heartburn, and I can understand where it might come from in the way that Bill Drafting set this up, was a striking of Sections 3, 4, and 5, I don't have any problem with those things going from AM868 because that really isn't the crux of AM868. But I do think that AM868 providing for the transparency and providing for no money to political contributions and shutting down the program when the money runs out, the \$2 million, and basically so that we don't have an unfunded, lingering program out there is a better way to do it than AM902. Thank you, Senator Lindstrom, for

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answering questions. As I understand it, there is...in the amendment from Bill Drafting, it strikes Sections 3, 4, and 5; 3, 4, and 5 have very little content in them from the original law except that it establishes a financial assistance program, which is obvious, and Sections 1 and 2 of the act will be known as something. So there's no substance done, and I understand maybe why Bill Drafting did it, in striking 3, 4, and 5. But if that's the source of heartburn to AM868, then I think that can be taken care of. But to leave a lingering program and to dispose of the \$2 million without knowing who it's really going to and without a restriction on its use for political activities is not the best way to do this. AM868, if we defeat AM902 and if it's causing anybody any heartburn, what Bill Drafting did, I'd have no problem taking out of AM868 the line that says strike Sections 3, 4, and 5, because they don't have...those sections don't have anything of substance in them anyway in the original language. I would encourage AM902 to be defeated... [LB641]

PRESIDENT FOLEY: One minute. [LB641]

SENATOR SCHUMACHER: ...so that we don't gut the very useful transparency provisions and the ending of the program, so we don't have a lingering program laying out there with no money and somebody come back in and say, oh, my, wouldn't it be nice if we put some General Fund money into that. That wasn't what was represented. AM868 in substance is fine. I think we could easily take out those three...striking 3, 4, and 5. But AM902 guts important transparency provisions and leaves a lingering program with no funding. I would encourage its defeat. [LB641]

PRESIDENT FOLEY: Thank you, Senator Schumacher. Senator Morfeld. [LB641]

SENATOR MORFELD: Thank you, Mr. President. Colleagues, and Senator Schumacher, I hope he's looking at his...at Senator Lindstrom's amendment. If he looks at Senator Lindstrom's amendment, the only thing it leaves in there is the termination of the program. So Senator Schumacher, I don't know if he's confused. I'll talk to him on the mike after this. But what Senator Lindstrom's amendment, AM902, does is it strikes all the language with the exception of Senator Schumacher's language that terminates the program. And let me read it. It's line 7 of the original Schumacher amendment, AM868: The fund shall terminate on exhaustion of its funds following receipt of the final loan payment provided in subdivision (2)(b) of this section. That's Senator Schumacher's own language that we leave in there. So it leaves in the termination of the program. So I urge you to adopt AM902, Senator Lindstrom's amendment. It leaves in the definite termination of the program as Senator Schumacher drafted that. And I think the transparency issue and all those other issues that he brought up are very good issues to discuss, but those should be applied evenly to all of our incentive programs. And I think maybe that's a great piece of legislation next year for us to debate. Thank you, Mr. President. [LB641]

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PRESIDENT FOLEY: Thank you, Senator Morfeld. Senator Kuehn. [LB641]

SENATOR KUEHN: Thank you, Mr. President. I was wondering if Senator Lindstrom would yield to a question. [LB641]

PRESIDENT FOLEY: Senator Lindstrom, would you yield, please? [LB641]

SENATOR LINDSTROM: Yes, I will. [LB641]

SENATOR KUEHN: Thank you. I do...in looking at AM902, what is your issue with section (5), lines 10-12, that "No money in the fund shall be expended directly or indirectly to promote or oppose any candidate for public office or to influence state legislation"? If you're striking that, I'm assuming you have some opposition to that. [LB641]

SENATOR LINDSTROM: Well, again it goes back to what the intent of the bill and what I think the argument was on the A bill was that the issue was the termination. We're adding, or Senator Schumacher's amendment is adding in extra language that was not discussed earlier on what the intent of what we were trying to accomplish here by having a termination of the funds for the program. If we want to do that, as Senator Morfeld said, I'd be more than happy to work with Senator Schumacher and other parties to bring some language for all our incentive programs to have that type of language in it. But to just pick out this one and say, okay, we're going to add in what you described, I think that's a bigger debate for another day and I don't think it should be done on the floor right now as far as a floor amendment or, you know, an amendment that came a few hours ago. [LB641]

SENATOR KUEHN: So we already are singling out the industry. So I guess if we're talking about singling out things within the Bio Innovation Act, we're already singling one out. Why not start here? I guess if you oppose the use of these tax incentives for political activity, why not start here? [LB641]

SENATOR LINDSTROM: I agree with the concept. I just don't think today and here, because we have had...we haven't had enough time to debate that and what type of ramifications that may or may not have when it comes to transparency and how businesses are set up with LLCs, corporations. We have a bill that Senator Groene has brought to us in BCI Committee, LB594, dealing with some transparency. But there are a lot of other issues that come into play here. And so I don't think...I think we'd be doing ourselves harm with the unforeseen consequences of doing this. So with the original intent of where we were as far as sunseting and eliminating,

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terminating the funds being used here, my amendment addresses that and we can have a debate on the other issue for another day. [LB641 LB594]

SENATOR KUEHN: Thank you, Senator Lindstrom. Colleagues, I guess why I understand the concerns about addressing something, we are having a debate on the floor. We're having a debate right now about whether or not we believe that innovation funds should be used for political activity, whether incentive funds should be utilized. And I guess if...unless you believe that these types of funds should have the ability to be utilized in political activity, there is no reason to exclude it from this particular bill. We're talking about a very specific utilization of taxpayer dollars in a sense to incentivize investment in these industries. And so I think setting parameters on how those incentive funds are utilized is perfectly viable for discussion and debate on the floor. And I think if you look at all of the things that Senator Lindstrom's amendment, AM902, takes out of the bill, I think a critical one about how those funds should be used, and then reporting the use of those funds back to the Legislature, which is...as later I realized Senator Schumacher referred to the reporting mechanism back as nonsubstantive to the bill. But I think in section (4) on lines 19-21 of AM868, where it requires an electronic report of how those dollars are used, I think that's key to our deliberation and discussion of how these business incentives are used. If we're giving taxpayer dollars to a specific corporation or entity for the purposes of incentivizing growth of that industry, I don't know how we know whether or not the program worked if we don't have some sort of report that... [LB641]

PRESIDENT FOLEY: One minute. [LB641]

SENATOR KUEHN: ...tells us exactly how they're used. Thank you, Mr. President. [LB641]

PRESIDENT FOLEY: That was just one minute, Senator. [LB641]

SENATOR KUEHN: All right. Great. I'll use that minute. So in terms of where we are on this, I think if we're going to get to a better understanding of how these incentives actually work, we have to have that reporting mechanism. We have to have that clear line of how those dollars are spent. If you've read the Performance Audit report of the tax incentives that was conducted last year and some of the continuing work that we're doing in Performance Audit with trying to evaluate the Nebraska Advantage Act, one of the hard things is we don't fundamentally know the answers to a lot of the questions because we haven't collected the evidence at the time that the incentive was passed. So here we have a reporting mechanism, which kudos to Senator Schumacher for catching that there was no reporting mechanism for how these dollars were used, and now we're wanting to gut it out. And I think that kind of accountability piece is the very hallmark of what we should be looking at... [LB641]

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PRESIDENT FOLEY: Time. [LB641]

SENATOR KUEHN: ...when we're expanding these incentives. [LB641]

PRESIDENT FOLEY: Time, Senator, but you may continue for an additional five minutes. [LB641]

SENATOR KUEHN: Thank you. So continuing on, I think if we're going to look at these incentives and we're going to understand whether or not they're an efficient use of taxpayer dollars as we prioritize and with all of our other spending, I think we have to have two key pieces and that is going to be evidence, and so data collected with regard to what was done with those dollars, and accountability. And I truly believe that two of the sections of AM868 which are removed by AM902, specifically the section that prohibits the use of these dollars for political activity, which, quite frankly, I don't know how you could possibly justify using incentive dollars for political activity; and second, the reporting mechanism which tells us as a Legislature exactly what these dollars were used for, so we can understand how they may or may not have been effective in incentivizing the growth of the biosciences and the biotechnology industry, I think are absolutely critical. So I encourage you to take a strong look at AM868 and really read what it does and decide what pieces in there are not important, are not valuable. I certainly support it and I appreciate Senator Schumacher. I served on the Bioscience Steering Committee task force this summer with Senator Morfeld as well as with Senator Schumacher and was present for all of those discussions and, at times, debates about the process. I think they were worthwhile and I think what you're seeing here for the discussion of the entire body is the same kind of discussions that we've had over the course of several months. So I encourage you to oppose AM902. Keep the reporting piece. Allow the Legislature to collect the evidence necessary so we can evaluate these programs, and make sure that we know where these dollars are going and where they're being spent, so we know that they are actually being utilized in the manner in which they are intended. So again, I encourage you to vote no on AM902 and yes on AM868. Thank you, Mr. President. [LB641]

PRESIDENT FOLEY: Thank you, Senator Kuehn. Senator Williams. [LB641]

SENATOR WILLIAMS: Thank you, Mr. President. Everybody confused yet? I think we're getting there. I appreciate working with Senator Schumacher in trying to find a solution to this. The portion that is bothersome of his first amendment, AM868, among other things, is striking Section 3, 4, and 5 seems to mean taking it out of the Business Innovation Act. I'm not sure that was the intent at all of that, but I believe it's possible to interpret it that way. I'd like to just let everybody know that as long as we keep this under the Business Innovation Act, through the annual reporting from the Department of Economic Development, there is significant reporting

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that is required. In fact, the identity of each recipient has to be reported, the location of the enterprise formed, and the purpose for the financial assistance. All is listed in their annual report. I do not want to, nor would I, try to argue against the transparency issue for this, but that is a significant change under what is currently the law under the Business Innovation Act and that gives some of the people pause to wonder if there should have been a hearing held on that portion. I would encourage you at this point, as we move through this process of amendments to arrive at a solution, to support the Lindstrom amendment, AM902, and then we can further debate where we go with this transparency issue and also the issue that Senator Kuehn was talking about, about the political contributions. So I encourage you to support the Lindstrom amendment, AM902. Thank you, Mr. President. [LB641]

PRESIDENT FOLEY: Thank you, Senator Williams. Senator Krist, you're recognized. [LB641]

SENATOR KRIST: Thank you, Mr. President. Good afternoon, colleagues. Would Senator Morfeld yield to a question or two? [LB641]

PRESIDENT FOLEY: Senator Morfeld, would you yield, please? [LB641]

SENATOR MORFELD: Yes. [LB641]

SENATOR KRIST: Senator Morfeld, thank you for yielding. As I understand it, LB641 uses funds from a federal program that are not being utilized and that number is somewhere in the neighborhood of \$2 million. [LB641]

SENATOR MORFELD: Correct. [LB641]

SENATOR KRIST: And the program that we're trying to incentivize here is biosciences? [LB641]

SENATOR MORFELD: Yes. [LB641]

SENATOR KRIST: Okay. And is...would it currently be managed under an existing program that the state of Nebraska has? [LB641]

SENATOR MORFELD: Yes, the Business Innovation Act. [LB641]

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SENATOR KRIST: Okay. Thank you. Senator Schumacher, could you yield to a question? [LB641]

PRESIDENT FOLEY: Senator Schumacher, would you yield, please? [LB641]

SENATOR SCHUMACHER: Yes. [LB641]

SENATOR KRIST: And your opposition to using that money is, first of all, not to put us on the hook long term for any additional money. Is that correct? [LB641]

SENATOR SCHUMACHER: That's one of the things, yes. [LB641]

SENATOR KRIST: And what is the other major concern? [LB641]

SENATOR SCHUMACHER: The other major concern is this particular program, in its subset, it could already be done under the Business Innovation Act. If a biotech company comes in and asks for money, it competes with everybody else who may be in the innovation business for some of the money that's put in the Business Innovation Act. [LB641]

SENATOR KRIST: And that money in the Innovation Act is our money, not federal money? [LB641]

SENATOR SCHUMACHER: The bill...I think we fund something like \$9 million into the Business Innovation Act. I believe that's the figure. This \$2 million is kind of a bonus money that's coming around because of some loan repayment program that will end up in our pockets and it has to be spent for small businesses. So it's a...Business Innovation Act is an ongoing thing and it's a thing available to bioscience. Why this special carve out is happening and why it's happening in a way that does not offer maximum political accountability, I'm not sure. [LB641]

SENATOR KRIST: So your...you would argue that that \$2 million should be drawn down and be distributed into the Advantage Act to any small business that would be able to draw it? [LB641]

SENATOR SCHUMACHER: Not in the Advantage Act. That's a completely different animal. This is the Business Innovation Act. [LB641]

SENATOR KRIST: Oh, Innovation Act, I'm sorry. [LB641]

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SENATOR SCHUMACHER: Right, yes, and that... [LB641]

SENATOR KRIST: So adding the \$2 million to the Innovation Act then? [LB641]

SENATOR SCHUMACHER: Right, or something as simple as subsidizing small businesses engaged in childcare. [LB641]

SENATOR KRIST: Okay. And what do you see the major difference between AM902 and AM868 are? [LB641]

SENATOR SCHUMACHER: The accountability provisions and that AM902 leaves lingering the program. It abolishes the fund but in the act, LB641, we also create a program and we tell DED to establish a program and we also establish a fund. So we got to...when this \$2 million is digested, we got to get rid of the program and the fund. Otherwise, the program is lingering around, waiting for General Fund dollars specially attributed to it rather than general business innovation. [LB641]

SENATOR KRIST: Okay, thank you. Senator Lindstrom yield to a question or two? [LB641]

PRESIDENT FOLEY: Senator Lindstrom, would you yield, please? [LB641]

SENATOR LINDSTROM: Yes, I will. [LB641]

SENATOR KRIST: Would you concur with the assessment from Senator Schumacher in terms of the difference between AM868 and AM902? [LB641]

SENATOR LINDSTROM: I apologize, Senator. I went out to the lobby real quick just to clarify on some of the numbers that were being (inaudible). [LB641]

SENATOR KRIST: Okay. So in essence, it's the transparency part of it and the fact that your AM902 does not dissolve the program after the money is gone. [LB641]

SENATOR LINDSTROM: I would argue that it does dissolve. It says the fund shall terminate, and thereby it would terminate the program. [LB641]

SENATOR KRIST: Okay. Thank you, Senator. So, colleagues, every once in a while...and Senator Williams said it best,... [LB641]

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PRESIDENT FOLEY: One minute. [LB641]

SENATOR KRIST: ...are you confused yet? Yes, I was. I think I'm less confused now that I've asked the questions in sequence to get to where I'm at. I believe that anytime we can bring \$2 million of unused money in to incentivize small business, particularly the bioscience areas, and other areas but bioscience being one of them, I would be in support of the program. And I will take a long look at this between Select and Final Reading, but I'm at this point going to support AM902 and then LB641. Thank you. [LB641]

PRESIDENT FOLEY: Thank you, Senator Krist. Senator Harr, you're recognized. [LB641]

SENATOR HARR: Thank you, Mr. President. I've enjoyed this debate today and listening to the questions, especially the last ones from Senator Krist, and doing a little research. And what I found is that the Business Innovation Act already requires the DED to identify who are the entities that receive the money, the amount that they receive, and the location of that entity or where those jobs are located. That, in conjunction with AM902, gives me a greater deal of satisfaction about this bill, or comfort, I should say, not satisfaction, comfort. Let's be honest, \$2 million probably won't amount to a hill of beans in this world of biotech. It is an area that is flush with capital. Yes, there are some start-ups in Nebraska that may benefit from this, or maybe they don't. Maybe they should go out and find some of that capital for this. Is Senator Morfeld available for a question? [LB641]

PRESIDENT FOLEY: Senator Morfeld, would you yield, please? [LB641]

SENATOR MORFELD: Yes. [LB641]

SENATOR HARR: Thank you, Senator. So there's \$2 million. This would go towards biotech. How big is the industry in the state of Nebraska now? [LB641]

SENATOR MORFELD: Well, I don't want to make up any numbers. I'd have to look at the report for the exact number. It's a large...it's a fairly large industry. [LB641]

SENATOR HARR: Okay. [LB641]

SENATOR MORFELD: But this would mostly go to start-ups, so small companies that don't have a lot of access to capital. [LB641]

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SENATOR HARR: Okay. And my next question is, how is that money awarded? [LB641]

SENATOR MORFELD: So there's already a process put in place under the Business Innovation Act. There's five different programs. There's prototype grants. There's several stage-one and stage-two type of grants. So there's already a process in place that's fairly well defined. [LB641]

SENATOR HARR: Okay, so let's start from the beginning. Prototype, how much is awarded for that? [LB641]

SENATOR MORFELD: Senator, I would have to get out the specific numbers here, so I would need to look in the (inaudible)... [LB641]

SENATOR HARR: Okay. And you don't know for phase one and phase two either? [LB641]

SENATOR MORFELD: No, I'd have to get...I don't know the exact specific numbers for each of those (inaudible). [LB641]

SENATOR HARR: Okay. If you could find that out for me, if we can put that on the record... [LB641]

SENATOR MORFELD: Absolutely. [LB641]

SENATOR HARR: Now we put \$2 million into this fund to benefit...I'm not done with you, Senator. You're not getting off that easily. [LB641]

SENATOR MORFELD: I was going to go look up the information. [LB641]

SENATOR HARR: Oh, okay. So we have \$2 million that goes towards biotech, again, good idea. It is a good industry and it is high-paying jobs. So I appreciate that. Two million dollars, if let's say they only hand out \$1.5 million, what happens to the remaining \$500,000? [LB641]

SENATOR MORFELD: Well, I would think that, first off, if it terminates, I would think that it would be in the program and designated and allocated to that designation until those funds are expended unless there is a date that's specific under Senator...that is maintained in Senator Lindstrom's... [LB641]

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SENATOR HARR: So under my scenario, the following year there would be \$2.5 million available or is this just a one-time \$2 million shot in the arm? [LB641]

SENATOR MORFELD: No, this is just the amount of funding that is collected from the loans from the federal program. So if only \$1.5 million of those loans come back, that's all that gets allocated. [LB641]

SENATOR HARR: No, that's not what I'm asking, and I apologize if I wasn't clear. This is a one-time shot at \$2 million, correct, up to \$2 million? [LB641]

SENATOR MORFELD: Up to, depending on how much money actually comes back. [LB641]

SENATOR HARR: Okay. Let's pretend the fund, for hypothesis' sake, returns \$4 million, so there's \$2 million specifically for bio. [LB641]

SENATOR MORFELD: It... [LB641]

SENATOR HARR: It's just a hypothetical. [LB641]

SENATOR MORFELD: It's not possible because that wasn't...there wasn't that much funding that was given by the feds, so there's not... [LB641]

SENATOR HARR: How much funding was given by the feds? [LB641]

SENATOR MORFELD: It was in the range that was put in the...it was around \$2 million, just less than \$2 million. [LB641]

PRESIDENT FOLEY: One minute. [LB641]

SENATOR HARR: Okay. So let's say \$2 million. Let's say all the money is returned and there's \$2 million to fully fund this program... [LB641]

SENATOR MORFELD: Um-hum. [LB641]

SENATOR HARR: ...and only \$1.5 million in grants applications. What happens to the remaining \$500,000? [LB641]

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SENATOR MORFELD: My understanding is that remaining \$500,000 would be allocated to additional grants that are requested. So the fund is in place until that money is gone. [LB641]

SENATOR HARR: So we're taking all the money, the proceeds, all of it that possibly...and applying all of it to bio,... [LB641]

SENATOR MORFELD: Yes. [LB641]

SENATOR HARR: ...not just a portion? [LB641]

SENATOR MORFELD: We're applying all of the funds that would come back from this federal program into bio. [LB641]

SENATOR HARR: Okay. Thank you. [LB641]

SENATOR MORFELD: Yep. Thank you. [LB641]

PRESIDENT FOLEY: Thank you, Senators Harr and Morfeld. Senator Bostelman, you're recognized. [LB641]

SENATOR BOSTELMAN: Thank you, Mr. President. Colleagues, I've been listening to debate today and the other day and really haven't made up my mind on it. A couple things come to my mind as we talk about this. One is small business development in the state of Nebraska. How does this help or deter small business development throughout the state and does it take money away from small businesses, like we talked about earlier, that would...could really use the money? And off the mike I talked with Senator Morfeld and Senator Kuehn a little bit about, okay, are there companies out there that are already sitting there waiting, potentially? Do we know of potential companies out there already waiting that could use this money? Is it going to be utilized, all the money could be utilized or not? And, you know, that's always a gray area. We don't know for sure and that's kind of been talked about already. But I also want to talk about, you know, those companies that are out there that won't have access to that \$2 million. That's a...you know, that's a big difference maker for a lot of small businesses in our state and small businesses in our state, you know, drive our...drive a lot of the economy in our state as far as our small towns and that. And I'm really hesitant to allow one section to maybe take up a bigger chunk of money and not allow some of these other companies, some other businesses, start-ups in rural Nebraska that may need this money. I still haven't made up my mind yet. I think this is a good discussion to have. And I'm...I'd just like to hear a little bit more but a little bit more defined, perhaps, on how this funding might be used in different ways in the state than what

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we're talking about with just the biotech industry. I think that's an important industry, for sure, but I think there's other small businesses, opportunities out there that may not have access to this that could use it as well and that would be beneficial to them. So I'm eager to listen to continued debate on this. I am opposed to AM902. And thank you, Mr. President. [LB641]

PRESIDENT FOLEY: Thank you, Senator Bostelman. Senator Lindstrom, you're recognized to close on AM902. [LB641]

SENATOR LINDSTROM: Thank you, Mr. President. Like was stated before, AM902 addresses the section that the fund shall terminate, meaning that the program shall terminate when the fund has been utilized. There was a number being thrown around, \$9 million for the Business Innovation Act. I checked. It's \$6.8 million. And so \$2 million of this would go to the Bioscience Fund. Like was stated by Senator Williams, the Innovation Act is already being reported on to DED and so this would just be a subset of the BIA, or Business Innovation Act. There's been a lot of good discussion today and about some of the transparency issues, which I agree with, which we really should have that conversation and I'd be happy to do some moving forward. However, at this time I think moving forward what we talked about earlier and the intent of the discussion on the A bill was to terminate the fund after it had been exhausted. And we can talk about the other things for a later date. But I urge you to vote for AM902 and then, once amended, I would urge you to vote for AM868 and the underlying bill. Thank you, Mr. President. [LB641]

PRESIDENT FOLEY: Thank you, Senator Lindstrom. Members, you heard the debate on AM902. The question before the body is the adoption of the amendment. All those in favor vote aye; those opposed vote nay. Have you all voted who care to? There's been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; those opposed vote nay. [LB641]

SPEAKER SCHEER PRESIDING

SPEAKER SCHEER: Please record. [LB641]

CLERK: 32 ayes, 5 nays, Mr. President, to place the house under call. [LB641]

SPEAKER SCHEER: 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 Larson, Murante, Riepe, McDonnell, please return to the floor. Senator Riepe, Murante, and McDonnell,

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please return to the floor. Senator Lindstrom, we are all here now. We're all present. Mr. Clerk. Senator Lindstrom, do you record...roll call in reverse order. Mr. Clerk. [LB641]

CLERK: (Roll call vote taken, Legislative Journal page 900.) 32 ayes, 15 nays, Mr. President, on the amendment. [LB641]

SPEAKER SCHEER: AM902 is adopted. Moving back to AM868, seeing no one in the queue, Senator Schumacher, you're welcome to close on AM868. [LB641]

SENATOR SCHUMACHER: Thank you, Mr. Speaker, members of the body. This is the posture of the bill at this particular time. We have a bill... [LB641]

SPEAKER SCHEER: Excuse me, Senator. We are still under call. I have not raised the call. Please take your seats. You'll be given 5:00, Senator Schumacher. [LB641]

SENATOR SCHUMACHER: Okay, thank you very much. We've got a bill that creates a special fund and a special program, two things. You can look at the E&R amendment. Section 1 says the Bioscience Innovation Fund is created. And then you go down to line 26 and it says, "The department shall establish a Bioscience Innovation Program." Two things are created there. We need to dismantle two things if the understanding that when the \$2 million is burned up this thing ends, which is what was represented. AM868, as it's now postured, does not dismantle both things. It leaves the program. It leaves access to the General Fund because AM868 in its original form took access to the General Fund out. It also takes out the political accountability and the disclosure of who is getting the money. Now, if we're to believe that this is just for little guys and little companies and they're going to be doled out the money according to rules and regulations that don't exist, then there should be accountability as to who gets it. We also have the issue of what sense is it to instruct the Department of Economic Development to go through the whole "hoop-de-la" of creating a program for a one-fund shot when that shot already, that funding already can be done under the existing program. Why the carve out? Why the special treatment? Why do other innovative areas of our economy get slighted? I believe the figure of \$6 million, this is a third of it to this one area. That's a third that nobody else can compete for. LB641 was not the conclusion of the advisory committee or the legislative research group under LR...I think it was LR1103 or something like that, LB1103 (sic--LB1093). It was not the conclusion. That committee has yet to put together its vote, its report, yet to debate it. This was just pushed out and, as such, it's a flawed thought, a flawed bill and should not receive the support from the body to disburse \$2 million according to some very loose criteria in an undocumented way. AM868 was an effort to make the bill better and to facilitate and to make it clear there was only \$2 million riding on this thing, not an access to the General Fund, and to take care of that situation. That being the case, I withdraw AM868. [LB641]

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SPEAKER SCHEER: Sorry, Senator Schumacher. The amendment...your amendment has been amended, so it's not up to you to withdraw at this point. [LB641]

SENATOR SCHUMACHER: Well, then I don't withdraw AM868 (laugh) but encourage its defeat as well as the defeat of LB641. [LB641]

SPEAKER SCHEER: Thank you, Senator Schumacher. You've heard the closing. All those in favor of adoption of AM868 vote aye; all those opposed vote nay. Have all voted that wish to? AM868 is adopted. Mr. Clerk for announcements. [LB641]

CLERK: Yes, sir, Mr. President. [LB641]

SPEAKER SCHEER: Record, Mr. Clerk, please. [LB641]

CLERK: 28 ayes, 15 nays on the amendment. [LB641]

SPEAKER SCHEER: I got a little ahead of you there. AM868 is adopted. Mr. Clerk. [LB641]

CLERK: Mr. President, some items, thank you. Communication from the University of Nebraska-Kearney regarding a bond issue accompanying a transmittal letter to Senator Watermeier, as Chair of the Reference Committee, and then a Reference report, all of those documents to be inserted. I also have a series of amendments to be printed, Mr. President, to LB661 by Senator Chambers. (Legislative Journal pages 900-903.) [LB661]

Mr. President, I have other amendments but I have a priority motion. Senator Schumacher would move to bracket the bill until June 2 of 2017. [LB641]

SPEAKER SCHEER: I raise the call. Senator Schumacher, you're welcome to introduce your floor amendment (sic). [LB641]

SENATOR SCHUMACHER: Thank you, Mr. Speaker, members of the body. This is a motion to bracket the bill, which would effectively shut it down for this session, while we think through exactly what we want to do in the field of encouraging biosciences, and also what we want to do in context of a larger picture of economic incentives, be they tax credits or be they grants. There is a new Advantage Act type of program that is being considered by the Revenue Committee, proposed by Senator Harr, for economic development. There is this \$2 million, which will be around yet next year. There is an opportunity for the committee that was appointed to study this

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whole field to render its report, which is due by the end of the session and hasn't much been worked on yet, and to take all the things and issues we heard today into account. I am told that without the decoupling that was in the original AM868, that this bill has access to the General Fund at some point because the plan still exists. This takes a timeout from this particular thing. There was no urgency cited in the debate as to why we needed to do this now and prematurely. There is no language in the bill that tells us exactly who and what we want to prioritize. Go read through the bill, actually look through. There is a list of good-sounding things but nothing that tells us what...or tells the department what we intend to do or what criteria. We cannot give adequate judgment to what happens. And if we are to believe that the thing goes away at the end of \$2 million, what good will it do if it goes away after the money is spent? I think, over the information we've had over the last few weeks as to what needs of our society are, putting \$1 million...\$2 million into this fund, which is in a very, very prosperous industry to begin with, and which they can fund their own development, is less of a social benefit than taking the \$2 million which has to go to helping small business and giving it, for example, to the child-care providers, who we are having a real hard time trying to fund because we have such budget shortfalls. This \$2 million placed elsewhere in small business could even release up funds to help us deal with the budget situation, which is going to become very acute very, very quickly. No reason for this designation, this special treatment for the biotech industry to the discrimination of other industries. No reason for the appropriation of the fund here, \$2 million, when we are scrimping and saving in almost every other category. We do need political accountability. And, no, you don't need a hearing on every little minor change that goes into a bill. If it's germane, it can be brought on the floor. And certainly germane to this particular item is to make sure that the money goes for where it is intended rather than for political purposes or to unaccountability in its recipients. We deserve to know where this money would be going. We deserve to know the results, the people behind it, because it becomes pretty obvious after you're here for just a little while that what happens is that there is all kinds of money currents that perpetuate these various programs and make them virtually impossible to get rid of. There is no clear-cut sunset on LB641 as AM868 would have given it. It is now amended to create a lame duck fund that sits there with access to the General Funds in the future, with no restrictions as to the amount of money, no clear direction, no rule-making authority as to this particular fund, no criteria, and a one-year, two-year attempt to set up a whole program, which, if we believe things, will evaporate. I think if there was ever a situation to bracket a bill until we figured out a good plan, one that was supposed to have been proposed by this entire committee but which was never done, this would be one to do it. And between now and the end of the session, we can work on that plan that is mandated without worrying about it conflicting with this particular bill, as it should have been to begin with. These whole areas of business grants incentive, once engaged, are impossible to unengage. And everybody can come up with all kinds of arguments why they should continue and continue and continue, even though they merit really poor grades when really put under the microscope like the Advantage Act was by the Performance Audit Committee. A bracket motion is a way to dispose of this and get on to other business today and

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also preserve the ability to use this \$2 million in a way that may end up being far more fruitful. It's an option you can take. Or you can commit the \$2 million and we can go on that way, too. But \$2 million in this environment is a lot of money. And it has not been demonstrated that this particular way of spending it is superior to many, many alternatives for its expenditure. I would encourage your vote for the bracket motion. And if something develops in this area, we can take it up again next year. The bracket motion does not kill the bill. It just moves it to the end of the schedule for this particular term of the Legislature. Thank you. [LB641]

SPEAKER SCHEER: Thank you, Senator Schumacher. Senator Morfeld, you're recognized. [LB641]

SENATOR MORFELD: Thank you, Mr. Speaker. Well, it goes as no surprise or shock to anybody that I oppose the bracket motion for a few different reasons. First, either Senator Schumacher was so upset during our Executive Session, that we went to in the Steering Committee, that he didn't remember that we came up with four things, four courses of action, that we were going to put in recommendations. It was in mid-December that we had this meeting. I said I wanted to walk away from that meeting because several members were either...one member had lost their seat, another member was term limited, there was only five people on the Steering Committee, and I wanted to make sure that we had recommendations from that committee to move forward with. Now, during that discussion, there was pretty good consensus, with the exception of Senator Schumacher, on what we needed the recommendations to be. And, no, I did not take a formal vote of the committee. I wanted there to be consensus. It was clear there was no consensus from Senator Schumacher, because he does not like incentives. If this was somebody else's incentive bill, then he wouldn't like that incentive bill. I have known this from the first day that I met Senator Schumacher that he does not like incentives. I get it. It was very challenging to come to a consensus during our discussion of the five Steering Committee members, because Senator Schumacher did not like the committee, did not like the process. And in the end, I looked around and I said, can we agree on these four recommendations, with the exception of Senator Schumacher, because I know he didn't like the committee. And everybody else agreed to these four different recommendations, with the exception of Senator Schumacher, which is noted in the draft version of this report, which quite frankly, colleagues, the report is not due until the end of the session, which is why I have not submitted the report yet. The recommendations that were agreed upon, with the exception of Senator Schumacher, were: job training opportunities for working in a regulatory environment, I believe that was Senator Kuehn's suggestion; establishing a new tier for the biotech industry in the Nebraska Advantage Act, I think that was accomplished...not accomplished yet, but I think that's in a bill; establishing a State of Nebraska Biotechnology Venture Fund, which is what this is, that's number three; and creating more opportunities for STEM training in K-12. Those were the four that were agreed upon, with the exception of Senator Schumacher, that we would put in the recommendation and draft report that we would submit to the Legislature, which is not due

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until the end of this session, which is why I have not submitted it yet. Obviously, I got busy on drafting legislation, though, because legislation, as we all know, is due within the first ten days of session. So this fulfills the third recommendation that will be in the report that will be published by the end of the session, as required by the resolution. Also saying that there is no accountability for this funding is completely false. Let me state that again. Saying there is no accountability on where this funding is completely false. Senator Schumacher can repeat it and repeat it and repeat it as much as he wants, but that doesn't make it true, because this falls under the Business Innovation Act. And under the Business Innovation Act, there are already requirements to report. So there is accountability. It's the same accountability as all of the other the grants that are received under the Business Innovation Act. So there is accountability with this funding. And in conversations with another member who wanted accountability for the funding, I went up to them and, I said, well, there is already accountability. This is the same accountability metrics that's currently under the act, so this would just be duplicative. It already exists. There is accountability for this funding. It's the same accountability under the Business Innovation Act. We had several individuals show up and testify that this would be critical funding for their start-up. And that these types of grants... [LB641]

SPEAKER SCHEER: One minute. [LB641]

SENATOR MORFELD: Thank you, Mr. Speaker. That these types of grants help keep businesses here in Nebraska or even bring them here in the case of one business that testified. So, colleagues, number one, this was a part of the recommendations of the committee. No, I did not take a formal committee vote. There were just five of us sitting around the table. With the exception of Senator Schumacher, nobody objected to these four recommendations. One of these recommendations was creating a Biotechnology Venture Fund, which came out of the SRI report. These already do have accountability. It falls under the current Business Innovation Act, which has been in force for several years now and has been successful. And I urge you to oppose the Schumacher bracket motion. This has been well thought out, well researched. We have two reports. Feel free to come up to me, I will give you the report. And I urge you to oppose the bracket motion. Thank you, Mr. Speaker. [LB641]

SPEAKER SCHEER: Thank you, Senator Morfeld. Senator Williams, you are recognized. [LB641]

SENATOR WILLIAMS: Thank you, Mr. President. Good afternoon again, colleagues. And I rise in opposition to the bracket motion and in support of the underlying LB. I would, first of all, go back to where we started this afternoon talking about growing our state and the importance of doing this and this being a small piece of that but, again, looking at how we can continue to grow. In addition, I would draw your attention to the committee statement that is in your

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information. The public hearing was held back early March in front of the Banking, Commerce and Insurance Committee. The members of the committee voted this out 6-1, with 1 senator present and not voting. Those that voted in favor of bringing this bill out in its original form were: Senator Baker, Senator Brewer, Senator Kolterman, Senator Lindstrom, Senator McCollister, and myself; and Senator Schumacher was the dissenting vote. There was significant testimony supporting this legislation. There was no opposition testimony. Again, no opposition testimony. There has been some concerns about singling out a specific industry and whether it's fair to do that with bioscience to the detriment of other small businesses. And I would say it's not to the detriment because there are funds still available for them. If it was really going to hurt other small businesses, I don't think you would have the Lincoln Chamber voting...or testifying in favor of the legislation, the Omaha Chamber testifying in favor of the legislation. So I think there is strong reason to vote in favor of moving this forward at this time. Yes, we deserve to know information from companies that receive benefits that we provide, either passing them through or directly. And as Senator Morfeld has suggested, and Senator Harr has suggested, under the Business Innovation Act, there are reporting requirements that DED follows through in their annual report. They do identify the recipients of the funds that are received, they do identify the location of that recipient, and they do identify the purpose for which the funds were used. So I think there is significant reporting now and transparency involved with that reporting. With that, I would encourage you to help grow our state, help us find solutions to the issues that we are looking for, and therefore, vote against the bracket motion and green on LB641. Thank you, Mr. President. [LB641]

SPEAKER SCHEER: Thank you, Senator Williams. Senator McCollister, you are recognized. [LB641]

SENATOR MCCOLLISTER: Thank you, Mr. Speaker. I oppose the bracket motion from Senator Schumacher and support LB641. I think it's a good, good bill and it's necessary in Nebraska. It's a good way to utilize \$2 million of federal money and it does great things for Nebraska. As we found out in the introducer's statement of intent, it helped small enterprise formation, development of innovation to enhance the creation of high-wage jobs, encourages the development of new techniques to create small start-up businesses, leverages agricultural sector to support emerging bioscience technologies, and leverage research and development conducted in postsecondary institutions in Nebraska. It is a good bill that we need to support. With regard to the issue of transparency, I would remind my colleagues that my bill, LB565, that is currently in Revenue but I hope will soon emerge, will require additional transparency. We know that the Nebraska Advantage Act requires a great deal of transparency, encompassing some of the issues raised in this debate. So I support this bill and I'd encourage you to vote red on the motion to bracket and green on LB641. [LB641 LB565]

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SPEAKER SCHEER: Thank you, Senator McCollister. Senator Kuehn, you are recognized [LB641]

SENATOR KUEHN: Thank you, Mr. President. Thank you, colleagues. I think there is a few things I guess I want to make sure the body understands since of the five on the committee, Senator Schumacher, Senator Morfeld, and I was the other returning member who was a part of that group. So I guess I want to clarify a couple things. I think we are doing ourselves a disservice if we dismiss this simply as saying Senator Schumacher has a bee in his bonnet about tax incentives and doesn't like them and therefore we shouldn't take it seriously. He's drawing some really important conclusions and asking some really important questions about this particular incentive. So regardless of one member's particular belief about tax incentives or their effectiveness or noneffectiveness, there is some fundamental questions that I really do believe that the body just kind of glossed over without really thinking through that Senator Schumacher brought to us. I think by summarily dismissing and gutting a majority of his amendment without taking up each of the individual items, we really lost an opportunity to have a thoughtful discussion as a body about some really key elements, and that is how these funds are used. I, again, will reiterate that I think that striking the provision that restricted these funds from being used from political purposes was a great disservice of this body. I think the fact that we have eliminated the fund, but we have not eliminated the program, is an incredible oversight. This is how things sputter on in statute and then somebody finds it two or three years later and dumps some money into it and, wow, a program is up and going again and suddenly funds are appropriated. So the failure to, while we eliminated the fund, the failure to eliminate the program means we've left an unfunded orphan program existing out in statute. Additionally, I did speak with Senator Morfeld about the reporting requirements. The Innovation Act does require reporting, but we haven't described and discussed in any detail about what we think that reporting needs to be. Does anyone here actually understand what is going to be reported under the Business Innovation Act? We just summarily assume something is going to be reported. So therefore, we don't need to ask, what is that information? Does that information go back to the original ideas and goals and objectives for passing this particular incentive? So we've really lost an opportunity to be thoughtful as a body about what we're trying to do with LB641. I have had the opportunity to be a part of this issue for months and months and months, hear all the testimony from the interim study. And Senator Morfeld is correct. There were four different conclusions that were brought up. I will say that when it comes to the development of the venture fund, LB641, that would be, as a member of the task force, far and away my least and lowest priority of those particular conclusions that we arrived at. I certainly think we talk about job training and STEM influence that were much higher priorities than just dumping money into a venture fund. And certainly addressing the issues of the Advantage Act was far and away probably one of the biggest conclusions. The other thing I want to caution the body about is I want you to go back and look at kind of how these conclusions were drawn and what the report was actually done. And I know Senator Schumacher brought this up on General File with

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LB641, but it's a good lesson for all of the new members of the body. This was a study conducted by the industry who received a payment to have packaged up a report for the industry. So it was about as close to the fox guarding the hen house as you could possibly have got when we came to the study itself. And I fully support the biotech industry, fully support the biosciences industry. It's an innovative, high-reward type of industry with a lot of risk, but let's make sure you follow kind of where and how this process evolved and how we got here today. So when... [LB641]

SPEAKER SCHEER: One minute. [LB641]

SENATOR KUEHN: ...we're looking at a venture fund--thank you, Mr. President--and we're talking about putting tax dollars to the tune of...or loan repayment dollars to the tune of a couple million dollars back into private industry and we just gloss over the opportunity to be thoughtful and deliberative about how those funds are reported back to the body, how those funds are used, whether or not we sunset this in an effective way and not just cut off the funding and strangle it but we eliminate the program, those are all big issues. And while I don't fundamentally oppose LB641, I think we had some serious issues brought up. We didn't take them up in a way that I'm comfortable with and so I will be supporting the bracket motion. It gives us time over the interim to work on the legislation, to see if the venture fund has life, it has viability, and to address a number of those issues brought forth by the task force, as well as brought forth by Senator Schumacher and this body. Not that I oppose incentives or the biotech industry, but I think we need some more time to really look at it and understand... [LB641]

SPEAKER SCHEER: Time, Senator. [LB641]

SENATOR KUEHN: ...thoroughly what we're doing. Thank you, Mr. President. [LB641]

SPEAKER SCHEER: Thank you, Senator Kuehn. Senator Erdman, you are recognized. [LB641]

SENATOR ERDMAN: Thank you, Mr. Speaker. When we had this bill the first time on General File, there were two red votes and I was one of those. Nothing has changed. I support Senator Schumacher's bracket bill. And I was wondering if Senator Morfeld would stand for a couple questions. [LB641]

SPEAKER SCHEER: Senator Morfeld, would you please yield? [LB641]

SENATOR MORFELD: Yes. [LB641]

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SENATOR ERDMAN: Senator Morfeld, when we had this discussion on the first round, you had made a comment about where did this bill come from. And help my memory, if you will. I thought you said something about Senator Mello had suggested that you bring this. Is that a correct statement? [LB641]

SENATOR MORFELD: Senator Mello requested that I bring it and carry on his work in the biosciences field, correct. [LB641]

SENATOR ERDMAN: So why did we have the committee set up if you already had in your mind you were going to do this for Senator Mello? [LB641]

SENATOR MORFELD: No, that's not the path. What happened was Senator Mello asked me to bring the interim study resolution to look at whether biosciences was doing what they said they were going to be doing since 2010. [LB641]

SENATOR ERDMAN: Okay. [LB641]

SENATOR MORFELD: We did that. We commissioned a report. It showed that they were. And then I actually decided to introduce this legislation based on that. [LB641]

SENATOR ERDMAN: Okay. [LB641]

SENATOR MORFELD: So I guess it's two steps back. [LB641]

SENATOR ERDMAN: All right. Thank you. Can you speak to the issue that Senator Kuehn just mentioned about this report was like the fox watching the hen house? Can you explain what he meant by that? I mean, what was his intention with that? Sounded to me like this was a self-serving committee set up to accomplish what they needed to accomplish to do what they wanted it to do. Would that be fair? Yes or no? [LB641]

SENATOR MORFELD: That's not a yes or no answer. I would say, first, no, then second, I would say that we actually commissioned SRI, who does several other reports and independent studies for the Governor... [LB641]

SENATOR ERDMAN: Okay. [LB641]

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MORFELD: ...and for Department of Economic Development to look at this industry and look at the needs. And then we based our recommendations based on that independent report. [LB641]

SENATOR ERDMAN: And your comment I heard you say that the reason the report hasn't been written yet, it's not due till the end of the session. Is that correct? [LB641]

SENATOR MORFELD: Well, the SRI report was written and is done. Our committee recommendations and findings have not been submitted. I have a draft right here I'll be happy to show everybody. [LB641]

SENATOR ERDMAN: Okay, that's fine. I guess my final question is, we talked about transparency and disclosing who were the owners of a corporation if a corporation received these funds. Are you in favor of disclosing who those people are? [LB641]

SENATOR MORFELD: I'm not necessarily opposed. It's just I don't think this is the bill that should be the vehicle for that. I think that that should be a separate bill, Senator Erdman. And I may support that bill, actually. But I don't think that we should do a carve out just for one grant program when we don't require that for all. [LB641]

SENATOR ERDMAN: Okay. [LB641]

SENATOR MORFELD: I think we should require it for all. [LB641]

SENATOR ERDMAN: So I can conclude then that you would be in favor of disclosure of those people? [LB641]

SENATOR MORFELD: If it's a separate bill and it's addressed, I think I probably would. I would have to hear the debate and hear the stakeholders too. [LB641]

SENATOR ERDMAN: So your final answer is maybe? [LB641]

SENATOR MORFELD: Maybe. I'd like to hear from the stakeholders. [LB641]

SENATOR ERDMAN: That's what I thought. [LB641]

SENATOR MORFELD: Okay. [LB641]

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SENATOR ERDMAN: That's what I thought. [LB641]

SENATOR MORFELD: Thank you, Senator Erdman. [LB641]

SENATOR ERDMAN: Thank you for answering those questions. So going forward, it seemed to me that Senator Schumacher made a lot of sense when it was AM868. Seemed to me like he's making some sense with the bracket motion, and I will be supporting the bracket motion. Thank you. [LB641]

SPEAKER SCHEER: Thank you, Senator Erdman and Senator Morfeld. Senator Schumacher, you are recognized. [LB641]

SENATOR SCHUMACHER: Thank you, Mr. Speaker. I think that Senator Morfeld is trying to categorize me as being opposed to bioscience industry. Nothing could be farther from the truth. Bioscience, along with a lot of other new industries, are essential. This is not that question. This question is whether or not \$2 million that's coming back in a loan repayment program should be dedicated to this fraction of our many industries and it should be dedicated without adequate safeguards as to transparency. If you're going to do transparency, you need to start somewhere. And this was a perfectly, and is a perfectly, legitimate place to start. You try to start it off with the Advantage Act or something like that you'll get all kinds of opposition, not that opposition is not coming in from the lobby right now on this bill. We were told on General File that this bill would have no access to the General Fund. Yet in the existing language, it talks specifically about crediting to this fund money as is transferred to the fund by the Legislature, paid to the state in fees and deposits, as well as some of this recycled money. We had a general discussion at a committee meeting. There was no vote. There was no direct proposal on the table. There was no way to integrate this into a consistent policy. Committee members, as far as I know, still have not seen this draft, based upon a study that was paid for by the taxpayers but directed by the industry group. If we're going to spend \$2 million on this or any other field, it should be done with a whole lot more thought, planning, and comprehensiveness than what this is. And we will have a program established at page 1, line 26 of the E&R amendment that will survive the cancellation of the fund, a program that has only one place to get its funding from: the General Fund. And we are spending \$2 million on something that, at best, is less than clear. Certainly all the business groups and the special groups are for this. It's \$2 million that comes their way instead of to prisons, instead of to mental health, instead of to education, instead of to whatever else is out there, property tax relief, etcetera. So is it a good idea? I think in the big picture, this idea is not mature enough to be eaten. And we are going to basically not have \$2 million that could be otherwise dedicated and we are going to have this lingering program that's out there. We should do what we were supposed to do and come up with a comprehensive report to the

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Legislature, duly voted on by a committee, rather than a general discussion that I believe was one meeting. [LB641]

SPEAKER SCHEER: One minute. [LB641]

SENATOR SCHUMACHER: And it certainly wouldn't hurt to do that in the report and analyze that report through the summer. We're going to throw \$2 million and we're not sure what it's going to be targeted at, who is going to get it, nor will we ever know the true people who are going to be getting this. This needs a lot more work. And I think the bracket motion is a good way to do it. Thank you. [LB641]

SPEAKER SCHEER: Thank you, Senator Schumacher. Senator Krist, you are recognized [LB641]

SENATOR KRIST: Thank you, Mr. Speaker. I wonder if Senator Morfeld would yield to a couple of questions. [LB641]

SPEAKER SCHEER: Senator Morfeld, would you please yield? [LB641]

SENATOR MORFELD: Yes. [LB641]

SENATOR KRIST: Senator Morfeld, thank you for your courtesy. What happens if no one applies for this money or if we don't use the whole amount? [LB641]

SENATOR MORFELD: Well, if nobody applies for...are you talking about what happens if we don't pass this legislation or if somebody doesn't...? [LB641]

SENATOR KRIST: If we pass this legislation and we basically bring that \$2 million here to be used for bioscience, what happens if that money is not spent once this bill is passed? [LB641]

SENATOR MORFELD: Well, it would sit in that specialized fund until it's been exhausted. Then after that, it would be done, the funding would be over. [LB641]

SENATOR KRIST: And that fund would be here in Nebraska or still at the federal level to be applied for? [LB641]

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SENATOR MORFELD: It would still be here in Nebraska in the Department of Economic Development. [LB641]

SENATOR KRIST: Okay. I guess I'm still teetering here a little bit on the question that Senator Schumacher continues to ask, and that is are we absolutely sure the language in this bill as amended is not going to require any General Funds or any more funding into the program? [LB641]

SENATOR MORFELD: Senator Williams actually looked into this and he's going to respond to this right now. He just heard from, I think it was, either Bill Drafting or the Fiscal Office that the language that we adopted, that was Senator Schumacher's language, under the Lindstrom amendment, will terminate this program after it's been expended. [LB641]

SENATOR KRIST: Okay. So could Senator Williams answer that question? [LB641]

SPEAKER SCHEER: Senator Williams, would you please yield? [LB641]

SENATOR WILLIAMS: Yes, I will. [LB641]

SENATOR KRIST: Go ahead. [LB641]

SENATOR WILLIAMS: Thank you, Senator Krist, for that question. Yes, Bill Drafters has been listening to the debate and we've been talking about the sunset on this whole issue. And they have called my office and assured me that the Lindstrom amendment that has been adopted into LB641 does end the program. It effectively terminates the program. [LB641]

SENATOR KRIST: Okay. Thank you both for your input. I guess I'm still supporting LB641 and not the bracket motion. I'm one of those people that believes that if we can bring those dollars into the state and use it for any small business, in terms of building a business, that we should do that. I do understand Senator Bostelman's concerns, though, in terms of other businesses that could use these funds. But at this point, I think the discussion we're having again is on whether the biosciences should be the target. So I'll still support LB641 and I'm not going to support the bracket motion. Thank you, Mr. President. [LB641]

PRESIDENT FOLEY PRESIDING

PRESIDENT FOLEY: Thank you, Senator Krist. Senator Briese. [LB641]

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SENATOR BRIESE: Thank you, Mr. President, and good afternoon, colleagues. I rise just to make a couple comments on this. And one of my comments was addressed back there by Senator Williams, because I too felt that the AM868 does terminate the program in its present form. But I liked AM868 for several reasons. I liked that it sunsetted the program. I liked that it enhances transparency. I like that it enhances accountability. But even with that said about the sunset provision, I'm still a little unclear of what we're dealing with here. Senator Schumacher, would you have time to yield to a question? [LB641]

PRESIDENT FOLEY: Senator Schumacher, would you yield, please? [LB641]

SENATOR SCHUMACHER: Yes, I will. [LB641]

SENATOR BRIESE: Thank you, Senator. Is it your understanding that Section 1 of AM868 is still intact or has it been stricken? [LB641]

SENATOR SCHUMACHER: Let's see. [LB641]

SENATOR BRIESE: And that would be the section referring to Sections 3, 4, and 5 of ER32, I believe. [LB641]

SENATOR SCHUMACHER: I believe that's been taken out. [LB641]

SENATOR BRIESE: And does AM902 do that? [LB641]

SENATOR SCHUMACHER: Yes. [LB641]

SENATOR BRIESE: And can you refer me to that language in AM902? [LB641]

SENATOR SCHUMACHER: Okay. AM902 said: Strike amendments 1 and 4; on page 1, beginning with "strike" in line 2. Amendment 1 would be the strike sections 1, 3, and 5. And amendment 4 would be the last page, the one-liner, strike amendment 3. [LB641]

SENATOR BRIESE: Okay. So Section 1 of AM902, that does refer to your Section 1 of AM868. [LB641]

SENATOR SCHUMACHER: Right. [LB641]

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SENATOR BRIESE: And it strikes Section 1. It strikes Section 1. Okay. [LB641]

SENATOR SCHUMACHER: Right. That zaps the language, strike Sections 3, 4, and 5. [LB641]

SENATOR BRIESE: Okay. Very good. I didn't read it that way, but that clears that up. And so 3, 4, and 5 are still intact in ER32 apparently? [LB641]

SENATOR SCHUMACHER: Right. [LB641]

SENATOR BRIESE: Okay. Thank you very much, appreciate that. And again, one of my questions when I rose was about the lines in, excuse me, line 25 and 26 and whether the program continues. The program would be terminated as per AM868. But I, too, rise in support of the bracket motion for the reasons that various individuals have spoken to here. Again, I liked AM868 for the fact it did sunset and continues to sunset the program, but the fact it enhanced transparency and accountability and prevented any of these funds to be used for political purposes. So again, I rise in support of the bracket motion. Thank you. [LB641]

PRESIDENT FOLEY: Thank you, Senators Briese and Schumacher. Senator Williams. [LB641]

SENATOR WILLIAMS: Question. [LB641]

PRESIDENT FOLEY: Thank you, Senator. There is no one in the queue. Senator Schumacher, you are recognized to close on your bracket motion. [LB641]

SENATOR SCHUMACHER: Thank you, Mr. President, members of the body. I think the proper thing, since there is confusion as to the language, and it would indicate that the Lindstrom amendment did leave in the language that the program shall terminate when the fund created under Section 1 of this act terminates. I think Senator Crawford has looked into that fairly closely, and in discussions with her, that is a redeeming factor left in the amendment that has been adopted. However, there are other loose ends that are there, including the transparency issues, which are leaving a gaping hole, and the lack of specificity when it comes to how this money is to be used. That being the case, I think we can still debate this on Final Reading with some specific amendments. And I would withdraw my bracket motion. [LB641]

PRESIDENT FOLEY: Thank you, Senator. Without objection, the bracket motion is withdrawn. Returning now to debate on LB641. Mr. Clerk. [LB641]

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CLERK: Mr. President, Senator Watermeier would move to amend with AM893. (Legislative Journal pages 904-905.) [LB641]

PRESIDENT FOLEY: Senator Watermeier, you are recognized to open on AM893. I do not see Senator Watermeier at the moment. I do not see Senator Watermeier, I will have to pass over...is anyone authorized to speak to the Watermeier amendment? We'll stand at ease for a moment as we wait for Senator Watermeier to arrive. Senator Watermeier, you are recognized to open on AM893. [LB641]

SENATOR WATERMEIER: Thank you, Mr. President. And good afternoon again, Nebraska. I really want to thank Senator Morfeld for allowing me to introduce an amendment that will take in LB230 and amend it into his bill. I'll close...not close but start off with this idea. I'm sorry I'm out of breath. Came from the other side of the building. All the debate we have had this morning and this afternoon on LB641 about the importance of incentives, the process, just makes the case for why I'm bringing AM893. AM893 would amend my bill, LB230, from the Executive Board Committee, into LB641. As amended, LB230 proposes to create the Nebraska Economic Development Task Force. The task force is created to provide a more coordinated approach to legislation addressing economic development. The task force is to collaborate with the Department of Economic Development and the Department of Labor and is to gather input on issues pertaining to economic development, discuss proactive approaches, guide policy development, and discuss long-range strategic plans to improve economic development in Nebraska. The task force would consist of the following members: one senator from each Congressional district appointed by the Exec Board; the Chairs of the Appropriations, the Banking, Commerce and Insurance committee, the Business and Labor, the Education Committee, the Revenue Committee, and the Urban Affairs Committee, or their designee. The task force would select a chair and vice chair from its own members. The task force is to meet at least three times during the interim and will sunset in four years, giving future legislators the ability to review the task force's work and determine if it would be beneficial to extend the life of the task force. Last year, pursuant to the passage of LB1083, I was selected as chair of the Venture Development and Innovation Task Force. Invest Nebraska was hired to do prepare a statewide strategic plan. One of the policy recommendations was to establish an economic development special committee in the Nebraska Legislature to review economic trends and develop strategy on prioritization of legislation. Economic development is very important for Nebraska's future, but we don't have a united approach for developing strategy on what works and what does not work, what we want to promote and prioritize, and what needs to be altered to be effective. The task force would have the ability to bring in others with knowledge in pertinent areas to present information at their meetings. Therefore, I believe that the task force would be the expertise to move our state forward in the critical area of economic development. The task force would annually identify economic development priorities and electronically submit a report by December 31, 2017, of each year after. And I urge you to vote green on AM893, which would

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be the amendment to LB230. And one of the other reasons that I brought this up is it's obviously a recommendation out of LB1083 last year that we don't know where all economic development comes from. It's a shotgun effect in the state. We have Urban Affairs Committee that talks about TIF. We have the Revenue Committee that talks about tax incentives and all the financing of that. And even inside Appropriations, many times we talk about tax incentives, dollars, where they go, and economic development. And I will tell you, there is no coordinated effort in this state. But more importantly, it comes to us on January 1. We finally have all these ideas that come bombarding us from outside. We need to move this discussion into July, August, September, and October so then we can start to form them, mold them, discuss with each other. Back in the early '80s, when LB775 was developed and born, the committee was...the Legislature was in such a panic at that point in time they created a standing...I believe, and correct me if I am wrong on this, but we created a standing committee of economic development. It had a legal counsel. It had a clerk. It did all that work on those tax incentives, and three years later, it dropped the ball. It formed that, it did that, and then it dropped. And because of those gaps, I think we have a lot of the questions today. Now, Performance Audit has picked up the ball in some ways and they're starting to talk about, they're starting to put metrics on what the dollars are, what the jobs are. They're doing the best they can. But we need to be proactive in the state of Nebraska. We're doing nothing more than being reactive. We get a suggestion, we get an idea, and it comes out here on the floor and we react to it. Nebraska has got to become more proactive at this. Once again, I appreciate Senator Morfeld allowing me to amend this on to that. I did ask for a Speaker priority; it didn't come out. I gave up my committee priorities in Exec Board for other more pertinent things and decided to let this sit. But I really was looking for a home for this yet this year. So with that, I would end my opening on AM893, Mr. President. [LB641 LB230]

PRESIDENT FOLEY: Thank you, Senator Watermeier. Debate is now open on the amendment and the bill. Senator Crawford. [LB641]

SENATOR CRAWFORD: Thank you, Mr. Lieutenant Governor, and good afternoon, colleagues. I rise in support of AM893 and LB641 as amended. So first, I will speak to AM893. And I appreciate Senator Watermeier working on this idea. As the former Chair of Urban Affairs, we had had conversations last year and over the interim about the importance of having a mechanism that got the chairs of the different committees that all have a hand in economic development in the state, getting together intentionally to have conversations about ways that initiatives in the different committees could work together and so we can see what's happening in economic development across the different committees. This I think will be a very valuable tool for the committees to work together and for there could be good conversations across committees. We don't really have a committee on economic development, per se, and AM893 pulls together those different committees that have key parts of economic development so they can have conversations about ways to move forward in using the tools of all of the different committees. So instead of creating a new committee, it's really trying to have better coordination

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and discussion between those committees that are all engaged and effective in economic development. And I believe it's an important step forward in terms of having good coordinated and integrated conversations about our best way to move forward in economic development. And that may include conversations about some of the issues about disclosure that we've had some debate on already today, what disclosure looks like across all the different programs, across all of these different committees, and could lead to some creative solutions, I think, as we pull together ideas from the multiple committees. Colleagues, I also...I know we have had great conversations about disclosure and control and what happens with this program as it moves forward. And I believe as I have tried to...as I have been tracking these amendments and the amendments to the amendments moving forward, I believe where we stand on LB641 now is that this money that we have access to, this \$2 million, is for the...it's provided for these bio programs within the framework of the Business Innovation Act. That is the framework that grants disclosure and regulations about how the money is used and the transparency of the money that's used. I think it's fair to keep this specific program within that Business Innovation Act framework. If we think that we need to improve transparency and reporting on economic development, it makes more sense to work on that, I believe, in the Business Innovation Act, as opposed to create that for money that we pull out of that framework and then don't have those frameworks and regulations around it. So I believe I feel more comfortable with this money being inside that regulatory framework that exists for the Business Innovation Act, and that's what LB641 does now. And it does now say the fund terminates and then it indicates that the program terminates when the fund terminates. So I think we have a clear double termination of the program to make sure that this is a temporary program inside the Business Innovation Act framework. The reporting requirements for the Business Innovation framework are in our statutes, in 81-12,166. I believe we can also look at the regulations that are related to reporting and transparency as we move into Final Reading and get a better picture of what all that framework entails. But now the program clearly does terminate and the transparency and reporting requirements are there within the framework of the Business Innovation Act. And I urge your support for AM893 and LB641. Thank you, Mr. Lieutenant Governor. [LB641]

PRESIDENT FOLEY: Thank you, Senator Crawford. Senator Krist. [LB641]

SENATOR KRIST: Thank you, Mr. President. And I think that Senator Hughes this morning kind of laid the ground work for bills that are added on to other bills later on in the session and how they can either take it down or help it up. I think that's true. He's shaking his head yes. So I would say that, again, we have to be cautious, but I have no problem with this bill. I mean, it came out of a different committee, but Senator Crawford is absolutely right, if there is a contiguous line of subject matter, and many of our standing committees deal with these kinds of issues. I do want to also, though, recommend, and I should have said it this morning when Senator Hughes made his point, so I'd like to put it on the legislative record right now, I think it's important that you know what you're voting on. Although I support AM893, which was LB230,

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the committee statement had 5 ayes--Senators Chambers, Crawford, Watermeier, Scheer, and McCollister; 2 nays--Senator Hughes and Senator Kuehn; and then 2 members absent--Senator Bolz and Senator Larson. And I think that's important because, although there was no opposition and no neutral testimony, I believe it's good for us to make a legislative record of where it came from in terms of substance matter before we attach it on. That to me is a litmus test for whether or not this bill belongs as an amendment on another bill. I was told a long time ago that nothing is ever not germane until it is contested. I've always learned and believed that nothing is unconstitutional until it's challenged and it is declared unconstitutional. But I think establishing a legislative record for the future is very important. And setting precedent to move forward is also very important. It also keeps our Speaker from getting in a bad position to have to weigh in on a feud or a fight. So at this point I would say that I see great merit in the attachment of AM893 and I think, in terms of subject matter, it is contiguous, and I would support it, ask you for a green vote on AM893 and then LB641. Thank you, Mr. President. [LB641 LB230]

PRESIDENT FOLEY: Thank you, Senator Krist. Senator Erdman, you are recognized. [LB641]

SENATOR ERDMAN: Thank you, Mr. Lieutenant Governor. I appreciate the discussion we've had thus far. If I could, I'd like to ask Senator Hughes a question. I see he voted no in committee. [LB641]

PRESIDENT FOLEY: Senator Hughes, would you yield, please? [LB641]

SENATOR HUGHES: Of course. [LB641]

SENATOR ERDMAN: Senator Hughes, I don't want to put you on the spot, but if you would, could you share with us briefly what your concerns were and why you voted no? [LB641]

SENATOR HUGHES: In visiting with Senator Watermeier, he felt that he had the opportunity to call all of these players together without creating another legislative council or legislative special group, and quite frankly, we have enough of those special groups already. And since he felt he could call it in place without having this in statute, that's why I opposed it. [LB641]

SENATOR ERDMAN: Thank you very much. You know, when I was not a member of this body, I seen all the studies that we put together and all the research that was done, and not a whole lot was accomplished by any of it. I mean, maybe some of those things had positive outcomes. But I began to conclude that, if you want to study something, just put together a task force and look at it for ten years and maybe come to some conclusion that may make sense. So the history of doing these thing don't make a lot of sense to me. I noticed also, Senator Watermeier, the fiscal

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note was only like \$4,300 bucks. And I think probably the reason was is because most of those people serving on there were going to be senators. And, consequently, we make about 85 cents an hour, so I can realize and understand the \$4,300. And it did say something about those employees that are employed by the state will get their funding from the state. So there is a cost there that's not exactly described, but somebody is paying for that. Senator Kuehn also voted no. And if I could ask Senator Kuehn the question. [LB641]

PRESIDENT FOLEY: Senator Kuehn, would you yield, please? [LB641]

SENATOR KUEHN: Yes. [LB641]

SENATOR ERDMAN: Senator Kuehn, would you share with us as concisely as Senator Hughes did as to why you voted no? [LB641]

SENATOR KUEHN: We have lots and lots of task forces. I didn't feel that this was a compelling enough reason to put into statute yet another task force. I think its a noble idea and something that can be convened and worked on. I just didn't feel it rose to the standard of creating a task force. [LB641]

SENATOR ERDMAN: Thank you. Thank you for that answer. I happen to agree with those two senators and their comments. We do a lot of this and for whatever reason, I don't know what it is yet, maybe I'll understand, but it doesn't make any sense. I am opposed to AM893 being involved here, included in LB641. As I stated earlier, I'm opposed to LB641. And I was disappointed when Senator Schumacher withdrew his bracket motion because I wanted to vote on that. But it is what it is. But, Senator Watermeier, I just don't see the need to do this. We can do this without this. And I'm sure that many of those in this body just love to go to meetings during the summer when they're off. And so consequently, I rise in opposition to AM893 and I would ask you to throw up a red vote for me. Thank you. [LB641]

PRESIDENT FOLEY: Thank you, Senator Erdman. Senator Schumacher. [LB641]

SENATOR SCHUMACHER: Thank you, Mr. President, members of the body. This kind of wandering in the jungle today on this particular bill, and a lot of interesting and thoughtful things are being said and spoken about, Senator Watermeier's idea comes pretty close to hitting a nail on the head when he says that we act in a reactive manner. And as a result, we don't have a very coordinated or very thoughtful business program. If we did, we probably wouldn't be in the financial mess we are now. We have this group studying that, that group studying this, this group studying the groups that study the groups. And I can understand what Senator Hughes

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articulated, that we may have existing committees and forums for doing some of this. I think that AM893 has merit in putting together this. And I bring that perspective from the Planning Committee. We have spent and we do spend, over the last six years that I've been on it, probably, oh, \$25,000 to \$50,000 a year working with the University of Nebraska at Omaha in reviewing what type of trends there are in the state and where we should address those particular trends and how we may be fighting a losing battle with this or that economic development program, given the overwhelming trends that might exist in society. I only have one year left on the Planning Committee, hope we can do some things there. That may be an appropriate body to do some of this. But I just turned in an amendment to AM893, which if we proceed with this theory that Senator Watermeier has, would add into that list of chair people for the future the Planning Committee chair. Some way or another we all got to get on the same page. And Senator Erdman is right, we have ten years of studying everything and accomplishing not much of anything. But we need to try to do something because we will see and you will see more of these efforts of, gee, this is a good idea. Gosh, we got to hurry up on this idea. Gosh, broadband would be wonderful, let's do a broadband incentive and throw some money toward it. Or, gosh, it would really be good if we did something with energy research, so let's throw some money toward this, that, or the other thing of energy. And we don't have a good focused policy. And we spend a whole lot of money on business incentives and business grants, hundreds of millions of dollars. And we oddly enough do it halfway blind to the fact that, at the same time we're spending that money, we're "chintzing" on some things that could cost us a lot of money and a lot of opportunity with education, mental health, prisons, and all of those kind of things. So it seems like we have two standards operating. And somehow we need to coordinate those two. This is halfway an introduction to the floor amendment that I'm offering, so I can keep that short. And I think that it's worthy of putting this idea on board LB641 in the event it passes. Thank you. [LB641]

PRESIDENT FOLEY: Thank you, Senator Schumacher. Mr. Clerk. [LB641]

CLERK: Mr. President, Senator Schumacher would move to amend the Watermeier amendment with FA54. (Legislative Journal page 905.) [LB641]

PRESIDENT FOLEY: Senator Schumacher, you are recognized to open on FA54. [LB641]

SENATOR SCHUMACHER: Thank you, Mr. President. All this amendment does is add the Chair of the Planning Committee to bring the resources of that \$25,000 to \$50,000 a year and meeting every month or so in the interim to bear on this particular task and lend that insight that that committee has gathered and probably will continue to gather well into the future to this process of where we should focus our economic development money and incentives and what are hopeless battles and what is fruitful territory. Thank you. [LB641]

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PRESIDENT FOLEY: Thank you, Senator Schumacher. Continuing debate, Senator Watermeier. [LB641]

SENATOR WATERMEIER: Thank you, Mr. President. Just so everybody knows, I would be in support of the FA54 bringing on the Planning Committee chair or their designee. I didn't look at it closely, but I think that's probably how it would be written. If not, we can change that to make sure that it's written as designee. I just wanted to also inquire a little bit to the conversation we had on the fiscal note. There is a fiscal note of \$4,300, but for those that haven't read these fiscal notes that closely, there is always three departments that look at fiscal notes: our own Fiscal, Revenue...or excuse me, the two. And so you have this maybe varying opinion. On the back of the fiscal note it does show a \$4,300 potential liability for the state, but if you read the underlying fine print of the front side of that fiscal, however, these travel costs could already be incurred for any other duties as legislator and budgeted as such and not shown as additional cost attributed to this bill. So it's very likely the bill will come back with an amended fiscal on Final Reading that has no fiscal note to it. They will have a fiscal, but it may read zero, just as it does now. So I don't anticipate any cost to amending LB641 with my AM893. But Senator Schumacher I would have to say is correct in the fact that...and it really disturbs me a little bit to say that we could build another task force, another committee and kill this idea. We've done that over the last few years. We do need to turn our attention to be in front of these discussions. If we're not going to be proactive in these conversations, they're going to catch us surprise. We're not going to be prepared, we're certainly not going to be organized with some sort of a consensus about where we should be heading. That's all I'm trying to do with this bill. Senator Hughes had mentioned the fact that I could do this without a task force. I could do this without a task force, but I will tell you that it's going to be more meaningful if the Department of Labor and the Department of Economic Development know that we're going to get together and are mandated to do that at least three times on the interim. At least three times. We could meet monthly. In fact, that's my hope. I don't want to get the group too awfully big, because that will make it hard to get together every month. But I really think that we'll meet the first time and we will invite in some testifiers and people to come into the conversation. The next month we'll bring in a different group. So my hope is, by putting it into statute, it's sunsetted within four years. When this is gone, I'll be gone as well. We can make the decision whether the report we get every year is worthwhile. But if this body wants to continue to put its head in the sand on some of these issues, and say we'll just figure it out on the floor, we'll get the kind of conversations we have had in the last four years that I have been here. It's very difficult to figure out where we all think about economic development. And I really do want to just say I do believe there will be a very little, if no, fiscal note to this bill. So thank you, Mr. President. [LB641]

PRESIDENT FOLEY: Senator Schumacher, you are recognized to close on FA54. He waives close. And the question before the body is the adoption of FA54. All those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, Mr. Clerk. [LB641]

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CLERK: 35 ayes, 1 nay, Mr. President, on the amendment. [LB641]

PRESIDENT FOLEY: FA54 is adopted. Returning to debate. Senator Watermeier waives closing on AM893. The question before the body is the adoption of AM893. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record please, Mr. Clerk. [LB641]

CLERK: 27 ayes, 7 nays on the adoption of Senator Watermeier's amendment. [LB641]

PRESIDENT FOLEY: AM893 is adopted. Mr. Clerk. [LB641]

CLERK: I have nothing further on the bill, Mr. President. [LB641]

PRESIDENT FOLEY: Senator Morfeld for a motion. [LB641]

SENATOR MORFELD: Thank you, Senator Hansen. I move to advance LB641 to E&R for engrossing. [LB641]

PRESIDENT FOLEY: Members, you heard the motion to advance LB641 to E&R for engrossing. All those in favor say aye. Those opposed say nay. The question is divided. We'll take a machine vote, please, on the advance of LB641. Those in favor vote aye; those opposed vote nay. Have you all voted? Record, Mr. Clerk. [LB641]

CLERK: 25 ayes, 7 nays on the advancement. [LB641]

PRESIDENT FOLEY: LB641 advances. Next bill, Mr. Clerk. [LB641]

CLERK: Mr. President, I'm sorry. LB161, no E&R. Senator Schumacher would move to amend, AM871. (Legislative Journal pages 905-907.) [LB161]

PRESIDENT FOLEY: Senator Schumacher, you are recognized to open on AM871. [LB161]

SENATOR SCHUMACHER: Thank you, Mr. President, members of the body. I bet you're getting sick of hearing from me today, but I didn't do the agenda. So it just so happens that a number of these issues are coming up today. This is dealing with a situation where there has been a request to extend the time in which a business under Tier 6 of the Advantage Act can utilize credits that it got under the program. Let me recap just a little bit what goes on with the Advantage Act. There are six different tiers. Each one of the tiers have different qualifications,

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different characteristics, different perks. Tier 6 is the richest of the tiers. It requires the biggest investment and the most change in employees. And there is lots and lots of money involved. In fact, in the whole Advantage Act there are hundreds of millions of dollars of credits, some of which, if they're earned, will be claimed and some will expire. And in some respects, when they expire, that means hundreds of millions of dollars in revenue that we won't lose. It's a deal, a contract that is made with the various businesses that participate in the Advantage Act. And that deal, if we were to try to unilaterally change it in a manner adverse to the business, we could not do because a deal is a deal is a deal. And one of the deal's provisions is that a business that earns credits under Tier 6 has a time limit of one year past the entitlement period to claim those credits. That's the deal, okay? Just like going to a buffet, all you can eat buffet, if the deal is it's all you can eat before 3:00, then at 3:00 the free lunch stops. You can't go and say, oh, gee whiz, I'm still hungry. It would be kind of nice if I could continue eating this way until midnight. Well, in Tier 6 there is only one business that this affects. And I give them credit, they haven't made any threats. They just said, give us an extra 15 years to claim and to eat at the table, to use our credits. Well, what does this do? Just from the fiscal note, it looks like that's about \$1.8 million a year times 15 years up to that extra. How much of that they're going to use, we don't know, because the Advantage Act doesn't let us look behind the scenes. It's not terribly transparent, even to people on the Revenue Committee or to any committee of the Legislature, except under tight secrecy rules, once in a while the Performance Audit Committee. And that came up with an inconclusive and perhaps down report on the Advantage Act. So the only reason we would possibly make this gift, getting nothing in return, just saying all right, you can eat until midnight for no extra money or no commitment, is that we don't want to get them mad at us. We want them to stay in Nebraska, maintain their rather large and significant headquarters in Nebraska, maintain their payroll in Nebraska, and not hit an economic situation some years down the road where someone says, oh my gosh, really Chicago looks pretty good and we'd like to visit our friends at ConAgra there. So this amendment is a very simple amendment. It says that if in those extra 15 years they leave the headquarters...or move their headquarters out of state or cut their payroll in the state, inflation adjustment by more than 10 percent, deal is off. This gift that we have given, it comes back. It's recaptured and we get that money back. And I'm not even sure we can do even that because we don't have the authority just to make gifts to private companies. And it really is special legislation when we know we're doing this for just one company. But as you might imagine, there is powerful forces in the lobby that want this extension to be granted by this body. This gets at least something from it. And LB161, by extending this deadline, implies that if other companies in other tiers need an extension, we'll go along with that, too. So instead of our deadlines saving us money and being able to say, okay, you didn't do it, you didn't claim your credits. You weren't productive enough to claim your credits within...before the deadline. Gosh, we're lucky, we don't have to pay those credits, the deadline is expired. We almost will hear, and I'm sure you will hear, a moral, a fairness, a justice argument; a gee whiz, you did it for Tier 6, why don't do you it for tier this, that, or the other thing? And that will cost us money, money that we're entitled not to spend by the virtue of the deal that we made. And the deal that we made

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should be the one that is kept. We will not have an extra few hundred million dollars to throw around and the estimates of what's sitting there, hopefully a good chunk of which will expire, is the in neighborhood of hundreds of millions of dollars over the life of the Advantage Act. Nor do we want to encourage more applications under this Advantage Act, because already there is a proposal in Revenue Committee to come up with a new "Super Advantage Act." It admits that this Advantage Act has problems, so why would we want to juice up this act by giving longer time claim periods to Tier 6 companies? This is a simple amendment. It says, if we do you this favor, then at least you will not...if you leave the state or if you cut back on your employment here, you will owe us this extra money that you're going to get back. It's fair, it's sensible, and it's something we should do in common sense if we're going to make what essentially amounts to a gift of the opportunity to claim these credits near 100 percent level over 15 years, and you do the math, somewhere between \$25 and \$35 million going to one company. Good company, can't blame them for asking, but is it good policy? And are we opening the door on the other tiers so that we're going to have to pay almost all of these hundreds of millions? Even if these companies go out of business, I'm wondering whether or not merging with another company these credits don't carry over to another company. I ask your support for AM871 so that we at least get some assurances or higher odds that this particular company will stay in Nebraska and will not reduce its employment here and leave its headquarters here. Fifteen years is a long time, lots of circumstance can change. And while I have no doubt there is no intention or desire by this company to leave the state today, that's not to say that the next generation of the company or economic circumstances won't have it looking at it, particularly if another state says, well, gee whiz, we got a bigger, better, super-duper advantage program if you move to our state. There should be some disincentive to leaving or to cutting employment in this state. I ask your support of AM871. Thank you. [LB161]

PRESIDENT FOLEY: Thank you, Senator Schumacher. Debate is now open on LB161 and the related amendment. Senator Friesen. [LB161]

SENATOR FRIESEN: Thank you, Mr. Lieutenant Governor. I stand in opposition to AM871, and I appreciate Senator Schumacher and his bringing numerous questions before us today. And I think sometimes we do need to address these issues. But when we look at this company and he talks of...he makes a lot of insinuations here and he talks about a gift. These are credits that have been earned. There is no gift. They have invested, they have invested a lot of money, and they have created a lot of jobs that are high-paying jobs. And they want to continue to do that and they expressed that numerous times in the visits that they have had with me. They have no intention of leaving, in fact, they would love to grow the company even further here by bringing other divisions into Omaha, which I think would be fantastic because you look at the dollar amounts of the jobs that they're going to create would create quite a boost for Omaha and the state of Nebraska. Other Advantage Act, the different levels already have extended carry-over periods. I don't think any of them are going to be asking for more. Their problem is they're just

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not earning enough money to use all their credits. And the same thing could happen here, I suppose, if they couldn't use them all up. But right now, they just are not allowed through time to use the credits. And so as they go forward, I mean, if they want to bring in more divisions here, yes, they will add jobs. They will invest in this state. And they have invested a tremendous amount of resources already. Their headquarter...or their training facility that they put in, they bring in people worldwide and bring them into Omaha. This is the type of company that we want here. This is the type of company we should be looking for. They bring diversity to the state, they bring good-paying jobs. So when we look at this and, you know, it was designed differently than the other tiers at the time, but this is just a correction in something that probably should have been done long ago if we'd have thought a company, a home-grown company, was going to meet these levels of qualifications that this brings. So, you know, we have sent them a strong message already that we support them. We support their efforts to grow this state and diversify the economy. I would appreciate everyone if you would stick with me on this. Let's vote AM871 down and support LB161. Thank you, Mr. Lieutenant Governor. [LB161]

PRESIDENT FOLEY: Thank you, Senator Friesen. Senator Krist. [LB161]

SENATOR KRIST: Thank you, Mr. President. As far as the issue at hand here with the Tier 6, I don't believe it's special legislation. And the reason I don't believe it is special legislation is that this is not a closed class. There could be another company that would rise to the occasion. Second comment, we have known that this particular company, even though they are only one, granted, have been here for 100-plus years and have not in any way signified that they are going anywhere. I'm not sure that...let me give you an example in my own life. I can bring a pilot in and I can train him and spend all the money and I can write up a contract that says you're going to promise me you're going to be here for another ten years because I'm spending money on you. And guess what happens? He puts his two weeks' notice in and he's gone. So not necessarily in terms of the company, but in terms of the growth of the company, how can we mandate that the company would have 322...not go under the 322 number employee level that they are today? You make business decisions based upon what's good and what's not good for your business. So it could fluctuate between here and Bangkok with this company in having more or less employees. I've supported LB161 from the very beginning. I don't think that AM871 is enforceable. That would be my basic premise in terms of my question with AM871. But I'm going to go...it's too bad that a lot of the Revenue Committee members are not here. There are a few of you that are here. But I'm going to go into a little other digression here. There are at least seven issues made up by three or four different bills that are in Revenue right now that simply say let's take a time-out from all the taxes that we are giving to businesses, big businesses, small businesses, tax exemptions across this great state of Nebraska. We're asking the kids to take a hit. We're cutting down childcare; we're cutting down provider rates. How about businesses that are drawing down millions of dollars in tax exemptions? Why isn't the Revenue Committee coming to the table and giving us a couple of those to say, here is one, here is a \$150 million a year tax deduction that we

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passed years ago and it's sitting there? All we have to do is give them notice and say, in this next fiscal year, you will not be able to take advantage of this particular tax exemption. There will be a hiatus. We're not doing away with it. We're just telling you, you need to feel the pain the way the rest of us are feeling pain. Where are you, Revenue Committee? Because the Appropriations Committee is cutting, cutting, cutting, cutting, and I'm watching programs that absolutely can't afford to be cut anymore. And the Revenue Committee has the ability sitting in their committee. One of those bills is mine. One of those bills is mine. We made legitimate decisions, we and our predecessors, made legitimate decisions to give away tax dollars when times were good. That doesn't mean we can't take back a little bit of that. Senator Kolowski, could I borrow that? Just to remind you, Senator Hadley passed this out in our legislative symposium. I'm not supposed to use any kind of props, but I'm sure you all still have this, the number of bills and what they were worth. We have got programs on here that say they're worth \$38 million of revenue. And when you dig down into it, some of them could total \$150 to \$250 million. I'm not exaggerating, \$250 million. I was talking to Senator Stinner a few minutes ago. I said near a billion, he said at least \$600 to \$700 million. Let's not be talking about change here. Let's talk about the big decisions that we're going to have to make. Day 70 is fast approaching and the Revenue Committee could very well single out one or two or three of those bills that are sitting in there. Senator Schumacher was the introducer of several of those bills. We could come up with \$250 million worth of couch change pretty easy, folks, by simply saying, we're going to take a hiatus. You're not going to get the tax deductions that you thought you were going to get in 2017. And do I think people are going to flock out of this state? No, they're not going to. [LB161]

PRESIDENT FOLEY: Time, Senator. [LB161]

SENATOR KRIST: Thank you. [LB161]

PRESIDENT FOLEY: Thank you, Senator Krist. Senator Wayne. [LB161]

SENATOR WAYNE: Thank you, Mr. President. I rise in support of the underlying bill, not in support of the amendment. But when I think of tax credits, I think of all the people who are paying taxes. And then I'll also remind you that when I drive around Omaha, the particular company that benefits from this does a lot of construction. And as we think about tax credits, I will be bringing a bill next year for sure, but we need to think about what are we doing with public dollars to invest in the future of our work force? And my concern, and from this Select File to Final Reading, I'm going to ask for a lot of data on what kind of small businesses, minority businesses these companies, who are asking for help and asking for tax credits or incentives, are giving to those other small businesses and minority businesses. It makes no sense whether it's a TIF project or a city project or a state project that is running through north Omaha that nobody looks like...nobody working looks like those in that community. Whether it's in

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Kearney, Nebraska, local work forces should be used. If they are getting a public tax benefit, we have to make sure that the work force is reflective of the communities in which they work in. So today I'm still going to support this bill, partly because some of my colleagues' comments to me, and I do understand the great work that many of these organizations do, and this one in particular. But I can't in good conscience not raise this issue, because this will come back on Final Reading. But we have to make sure we're holding companies accountable who are getting tax incentives, tax breaks, or any other thing dealing with public dollars, that they are using their money wisely to not only invest in their company but invest in the Nebraskans who live here. And I find that critical. So I will support this underlying bill. But I'm giving a fair warning going forward that I'm going to ask for data because small and emerging businesses and minority companies, particularly when there is a billion-dollar project in Omaha regarding our CSO and we don't see people who look like us and all that work is going through our communities. It's not going to happen anymore, at least not on my watch. And I'm asking everybody else to do the same to make sure we are holding companies accountable, not just for profits but for the work force development throughout our community. Thank you, Mr. President. [LB161]

PRESIDENT FOLEY: Thank you, Senator Wayne. Senator Friesen. [LB161]

SENATOR FRIESEN: Thank you, Mr. Lieutenant Governor. I will agree with Senator Wayne. I think we should look at every one of our tax programs that we have out there. And if I would have my way, I would join him in probably eliminating most of them. We have not done a good job of designing some of our economic development programs. And they've had consequences that I think no one intended, but they are with us today. But this is again one of those cases where I find exception for now, but down the road if we would eliminate the Nebraska Advantage Act, you'll have my vote. Some of the issues that have been brought up, I mean, we do currently have a clawback. If they don't meet the terms of their contract, we can clawback and take that money. And so I think none of those provisions are changed. Senator Schumacher is just reemphasizing some of that, but that's not really needed. If they don't meet the terms of the contract, they can have clawback and take that money. But in this case, these credits are already earned. It's nothing different about that part of the contract. And so I'm again willing to, down the road, look at all of our economic development programs that we do have out there and see if we can't do a better job. And I ask for your red vote on AM871 and green on LB161. Thank you, Mr. Lieutenant Governor. [LB161]

PRESIDENT FOLEY: Thank you, Senator Friesen. Senator Crawford. [LB161]

SENATOR CRAWFORD: Thank you, Mr. Lieutenant Governor. And I appreciate Senator Krist raising the issue on the floor in terms of having conversations about revenue and possible freezing and tightening some of our revenue provisions, in addition to having conversations

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about appropriations. Solving this budget crisis takes both. A balanced discussion of our budget situation would include discussions about appropriations and discussions about revenue. And our Appropriations Committee has been working very hard, working on reexamining all of the spending. But, colleagues, more of our revenue leaves through revenue provisions as opposed to through spending. And so if you're looking at closing a budget gap, it's important to look at revenue provisions, as well as spending provisions. And I'm not on the Revenue Committee myself, but I have been trying to look at some of the different bills that look at revenue and look at ways that we might either reform revenue or even temporarily freeze a revenue provision, as Senator Krist mentioned. And I'm just going to lay out a few of those that are out there so other senators can also look at those provisions and see if there are things in those bills that you think are valuable for our ongoing conversations and debates about how to best move forward and how we might make sure we're having conversations about those. And that includes LB373 by Senator Schumacher, which includes many provisions; LB468 by Senator Krist, which includes a provision that would freeze the provision that allows the income tax rates to adjust for inflation. So we could have a debate about whether we should freeze that adjustment in our revenue for a period and have a debate whether that's more appropriate, or whether it's more appropriate to freeze the provisions for our child-care providers. And Senator Briese has a couple of bills, one of those is LB312, in terms of laying out some ideas of things that might change with revenue. I have a question for Senator Friesen, please. [LB161 LB373 LB468 LB312]

PRESIDENT FOLEY: Senator Friesen, would you yield, please? [LB161]

SENATOR FRIESEN: Yes, I would. [LB161]

SENATOR CRAWFORD: Thank you, Senator Friesen. I'm sorry I didn't get a chance to ask you about this before. You mentioned that the Advantage Act has clawback provisions. So if they don't meet their requirement, the money would pull back. But do those clawback provisions include the provisions that Senator Schumacher has in this amendment? Do the clawback provisions include if you leave the state, and do they include if your income target, the wage target falls that's in AM871? [LB161]

SENATOR FRIESEN: I'll address the income one first. I mean, I would hate to tie the portion with the jobs there, because if the economy collapses through no fault of their own and they have to cut people on payroll, I don't want to tie a company's hands for that long a time. But other than that, I mean, I don't think...no, I don't think there is a...well, I take that back. You have to meet the terms of the contract or you can't use the credits. And so they will be meeting them, but there is nothing to keep them here if after these terms are all done they want to leave the state. But again, to insinuate that this company has ever thought about leaving the state, they have never

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said to us, you know, if we don't get this or get that we're going to move out. This is not a ConAgra company. This is a company that has grown here, has stayed here, has invested millions of dollars in an infrastructure here who wants to stay here and grow their business. [LB161]

SENATOR CRAWFORD: I have a couple other questions, if that's okay. You had mentioned that they've already earned the incentives. So do we have... [LB161]

PRESIDENT FOLEY: One minute. [LB161]

SENATOR CRAWFORD: ...is that money sitting somewhere and is it not then considered when we're looking at our General Funds? How does that money get accounted for that they have, quote, earned, unquote? Where is it sitting or how is that accounted for? [LB161]

SENATOR FRIESEN: Well, I think it's with the other Advantage Act. I mean, Senator Schumacher has talked about a lot of those credits sit there, waiting to be collected. They have been earned. But I don't know that you can...if you allow them to collect the...the other lower tiers, if they would have made enough income, they would have collected them. But they're just sitting there right now. And so this one here, I think, part of this will be also going forward when they want to bring these new divisions or new companies into Omaha here, will qualify for them, so some new credits also. So I don't know that these are...I can't tell you what portion of the credits have been earned and just not used or what may come as they bring more jobs to Omaha. [LB161]

PRESIDENT FOLEY: Time, Senators. [LB161]

SENATOR CRAWFORD: Thank you. [LB161]

PRESIDENT FOLEY: Thank you, Senators Crawford and Friesen. (Visitors introduced.) Senator Schumacher, you are recognized to close on AM871. [LB161]

SENATOR SCHUMACHER: Thank you, Mr. President, members of the body. This is a simple proposition. And the proposition was clear in the agreement that was entered into, that once the credits were earned, there was a specific time in which they had to be claimed. Deal done, okay? Now this particular company has said, well, we would like the specific time plus 15 years to claim the credits. No question they've earned the credits under the terms of the agreement and they have time until that specific date to claim them. But now they're asking for more. They're asking for a change of the deal, a change of the deal which will result in \$25 to \$35 million, give or take. I wish we had accurate numbers. But the fiscal note indicates...they're indicating \$1.8

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million a year for as far out as that projects, and that projection doesn't go out the entire 15 years. All that AM871 says is, fine, but if you should let us down and move your headquarters from the state or cut your employment in the state by more than 10 percent, you owe us the money that you're going to get in those extra 15 years back. It's common sense. We owe it to our state to not just plain roll over and give away this extra time and money that we did not promise to under the terms of the agreement. ConAgra got like \$160 million worth of perks under a similar program, walked away, change of management, deaths, whatever triggered that. How would we feel if in year 10 this company left the state and continued even in years 10 through 15, because it obviously would have some projects left in the state, maintain some, if they would continue to claim these credits that we gratuitously pass out now? If they stay here, I don't have any reason to believe they won't, but if they do, then this does nothing. If they maintain their employment levels in the state, this does nothing. But it gives us at least something in return and them a little bit of incentive to stay here should circumstances change and moods change and personnel change in this company. And that's highly likely. If this isn't common sense, then common sense doesn't exist. And why would we do it under these circumstances for one company and not change all of our deals in all the other things that we do just because somebody comes in and says, gee, we're nice guys? One thing I kind of had to agree with our President on in his race is that you don't do dumb deals. You don't give something away without getting at least something. Politicians are inclined to give away, to make dumb deals. If this was you... [LB161]

PRESIDENT FOLEY: One minute. [LB161]

SENATOR SCHUMACHER: ...and it was your deal, would you just simply say, oh, golly gee, I'll give you this extra exposure, without an opportunity at least to say, wait a minute, if you let me down, I want to clawback that extra money that I trusted you when I gave you? We have to do it up-front. We can't do it afterwards. Once you pass this then it's locked in, unless there is a lawsuit questioning some of the technicalities, and who knows where that would go. I ask your support of AM871. We have not heard one reason why it would be harmful and there are many reasons why it could be very good. Thank you. [LB161]

PRESIDENT FOLEY: Thank you, Senator Schumacher. Members, you have heard the debate on AM871. The question before the body is the adoption of the amendment. All those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, Mr. Clerk. [LB161]

CLERK: 5 ayes, 20 nays, Mr. President, on the amendment. [LB161]

PRESIDENT FOLEY: AM871 is not adopted. Mr. Clerk. [LB161]

CLERK: I have nothing further on the bill. [LB161]

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PRESIDENT FOLEY: Continuing debate, Senator Harr. [LB161]

SENATOR HARR: Thank you, Mr. President, members of the body. I stand in support of LB161. We don't have any more amendments. But you better think hard and you better swallow hard. We are facing some tough times in this state. We have a budget shortfall, all in all over \$1 billion, with a "B." Now we've taken some corrective steps already; Appropriations is taking some more. But ask yourself what can we afford? This is a good bill. This grows our economy. This keeps jobs in Nebraska. We just got done with an Exec Session in Revenue. Now, we didn't vote out the amendment, but we put the amendment together in a "bus" that has a cost in '19-20 fiscal years, when I'm long gone, on a beach with Senator Schumacher and others drinking tequila--probably Senator Krist if we're drinking tequila--of \$65 million. How would you guys like to come up with another \$65 million? Well, I hope you do because the next year you got to come up with \$102 million; the following year, \$137 million. That's fiscally irresponsible. Now, you may say to yourself, hey, we're going to grow; don't worry, we'll grow our way out of it and we'll pay for this. Where? Your President is threatening to start a war with Mexico on corn, eliminate NAFTA, there goes 20 to 30 percent of where we sell our crops. So there goes the price of corn. Wheat is down, new wheat is down 8 percent from last year. The least amount of crops, land being farmed for wheat since 1917. So don't look to wheat. Even if it does come back, we don't have enough land being farmed in wheat. What is causing our recession right now that we have a huge budget deficit? That's what we have to figure out. And then we have to figure out how we can stimulate that portion of our economy that is causing the recession. Until we figure out what's causing our recession, we shouldn't just go spend money willy-nilly on tax cuts where there is absolutely no correlation or causation between tax cuts and growth in the economy. The data is absolute. Congressional Budget Office has the information. It's absolute. Instead, we should be looking at housing, healthcare, and education. We need to focus on how do we make those better to grow this state, and I'll even say reduce regulations. We do that, we'll grow our state. It's not throwing money away that we don't have. I think it's ironic, if you have a program that is funded through appropriations, you're just fine. You are hurt, excuse me. You are hurt. We are cutting you. If you have a program that is funded through a tax credit, you're pretty much okay. [LB161]

PRESIDENT FOLEY: One minute. [LB161]

SENATOR HARR: Unless, according to the Governor, it's a tax credit that you have to apply for and you may or may not get it, and then if that program is eliminated, well, guess what, you never had it in the first place, so it's not a tax increase. Makes zero sense. We need to be very careful and judicious in what we do in the next three weeks and pay attention to what our state's priorities are and who we need to take care of and how we want to grow this state. Thank you, Mr. President. [LB161]

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PRESIDENT FOLEY: Thank you, Senator Harr. Senator Chambers. [LB161]

SENATOR CHAMBERS: Mr. President, members of the Legislature, I am so pleased to have young Senator Justin Wayne here. He is new red meat for the grinder. But we need people who have a lot of enthusiasm, a lot of idealism, and a drive to do that which is right. He knows and I know the nature of the problems in our community and even poor white communities. It is not difficult to determine what it takes to address those problems. The difficulty is to persuade those who have the power and control to do those things that they also know will solve the problems. But they have an interest in maintaining status quo in communities such as mine and Senator Wayne's. When all of this giveaway programming started with ConAgra, you know who was the one who fought them tooth and nail, kept them here late in the night offering amendment after amendment, ridiculing the Legislature, showing how the citizens were going to be robbed? There is even a picture of me holding a sign on the floor of this Legislature saying: resist ConAgra's terrorism. That's before you all even knew what the term "terrorism" meant. And nobody paid attention. I had said you ought to put ConAgra on top of this building because the state was being given over to ConAgra. So it took them a lot of work, a lot of late nights, but they won and I lost. But the citizens in the state lost. I had mentioned that ConAgra looks at the Legislature like fools. Take them for all they're worth, then when you get what you want, leave them. What did ConAgra do? It took years, but they left you. I'm going to get those transcripts and show you the fight that I waged (singing) when I wore a younger man's clothes, younger, and fought them virtually alone. Then as time passed, years rolled by, here comes Cabela's. They were going to build a store out somewhere in Sarpy County. Senator Landis carried a bill for them to give them free money, and I fought it. Former Senator Brown was here, and she and I got along, but we didn't see eye to eye on that. And I told them that before Cabela's establishes a specific location, they have done all of the research. They know what is going to be derived in terms of profit and they were going to go there long before anybody even thought of trying to get money out of this foolish, spendthrift, virtually blind Legislature. And I had to fight and fight and fight. But they lost. Cabela's lost. And I said Cabela's will do the same thing. They don't respect this Legislature. And you know what I'm pleased about in a kind of perverse way, not perverted, kind of a perverse way? There was a Cabela's way out west with the rural people, the good people, the family values people, the moral people, the ones who gave their word and kept it, and Cabela's said: (singing) so long, it's been good to know you. So long, it's been good to know you. [LB161]

PRESIDENT FOLEY: One minute. [LB161]

SENATOR CHAMBERS: So long, it's been good to know you. What a long time since I've been home. Now I've got to be drifting along. And Cabela's going to leave you. I'm going to ask Senator Briese right quick in these few seconds I have left if he will yield. [LB161]

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PRESIDENT FOLEY: Senator Briese, will you yield, please? [LB161]

SENATOR BRIESE: Sure. [LB161]

SENATOR CHAMBERS: Senator Briese, my light is on. I'll just give you a hint. I'm going to discuss a possible wager. Thank you, Mr. President. [LB161]

PRESIDENT FOLEY: Thank you, Senator Chambers. Senator Schumacher, you're recognized. [LB161]

SENATOR SCHUMACHER: Thank you, Mr. President, members of the body. Senator Crawford asked a pretty decent question before. These hundreds of millions of dollars in credits, where are they at? How are they accounted for? How are they budgeted? How do we control them? Well, there is hundreds of millions of dollars in credits that are out there, that have been earned or will be earned. And now there will be a longer time to collect some of them, in at least one of the tiers. But we don't control them. They can be taken on the tax return when they file once they've earned for those credits. This year, I believe the figure is, and if Senator Stinner is in the room he can correct me if I have misunderstood him, somewhere in the neighborhood of \$100 million of our budget problem is due to those credits being cashed in. We don't have any control of it. If the \$30 million, give or take, represented by LB161, if this company hits the jackpot and has a big tax liability, they can cash them in, in one year, once earned. We have no review of the program. What program review we've had by the Performance Audit Committee, if it was your kid going to college and came home with that report card, you'd say, I think you better look for a McDonald's to go and work in. This may be great fun to just say, oh well, we'll do what the lobby says for this business incentive and for this particular bill; we'll be happy to do that. But this music is going to come home. It's going to come home while many of you who have just been elected are still in this body and you're going to have to figure out how to handle those things. Senator Harr raised an immensely poignant argument when it comes to the financial mess that we're in. We're in a terrific mess and we're talking tax cuts. Really? Really, folks? There probably isn't 3 percent of Nebraskans believe that that's possible. Some of them are in this room, apparently. The burdens that you're creating now for yourself by not listening to some of these arguments for fiscal prudence, for doing what conservatives do, and that's make sure you've got strong reserves, not taking a reserve from \$700 million down to \$400 million in a flash, thinking that, oh well, we'll be rich next year and be able to make it up. Uh-uh. That \$700 million, most of that came out of a spin-off of a federal program or fear of Obama raising their taxes and that cashed in on a bunch of capital gains and other things that people did so they could get under the wire with cheaper taxes to avoid a tax cut...or a tax increase that never came. I cannot stress, and as I get ready for the door to hit me on the rear on the way out, about all I can do is warn. Fiscal imprudence, following dogmatic ideas that somehow everything is going to

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grow magically, when there is no rational reason to believe that agriculture will move off the trend line it's on, had been on for years, except for that temporary spike around 2012, when there is no rational reason to believe we're just going to have enough people flood into the state for some reason... [LB161]

PRESIDENT FOLEY: One minute. [LB161]

SENATOR SCHUMACHER: ...that will boost our revenues, when there is no rational reason to believe that the baby boomers will not put a tremendous load on the system, that we're somehow going to squirrel out of having to deal with that multi-hundred-million dollar prison mess or mental health, which is costing us part of it, just continue to kind of go along because the lobby says we paid them to tell you what to do. The rubber is about to hit the road, folks, this year. But not anything like it's going to hit in the time that you're here. Thank you. [LB161]

PRESIDENT FOLEY: Thank you, Senator Schumacher. Senator Chambers, you're recognized. [LB161]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, how many times have you all heard that small businesses are the backbone of the economy? Everybody has heard that. Look how unfair these so-called credit programs are. And my rural brothers and sisters are not bright. Down through the years before you youngsters, in terms of the time you have been in the Legislature, came here, I tried to persuade the rural senators to get something in exchange for these votes you give to the city slickers for their big companies. I said, you all are never going to have a company large enough where you live to get those credits. So here is what we will do. And I will draft the legislation. We are going to find a way to help funnel some money to these little stores and businesses on main street rural Nebraska. That's where the help is needed; that's where it never goes. And guess who fought me? The rural people. They said they had made agreements with the people from Omaha. I said, well, here is the way to negotiate with you. You got six eggs, they've got six eggs. They negotiate until they've got 12 eggs and you've got no eggs. Then they tell with you a big smile, come back and let's negotiate again when you get some more eggs. Then I tried this on them, the small business people, and this would go for the small businesses in the city. They called these big stores box stores in the old days. You are going to be run out of business by these big box stores. And guess what you're going to do in the process? You are going to pay taxes that will be used to give credits to these big businesses that are going to run you out of business. If you've got a kettle and it takes a certain amount of revenue to fill that kettle and certain people are no longer contributing, but that amount of money is needed, then those who are putting into the kettle will have to give more. The big boxes are taking out more and you're putting in more to help fund those who are going to run you out of business. They didn't grasp that either. Probably because, unlike Senator Groene, I didn't have

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two or three economic degrees behind my name. So then I tried this on them. If you laid all of the economists in the world end to end, they could not reach a conclusion. And if they did, it would be wrong. They didn't get it. And now as Senator, I'll call him "Professor," Schumacher pointed out, agriculture, believe it or not, is dying. That doesn't mean crops won't be grown. It means that others are going to be in charge of it. This so-called family farm, however small or large you make it, is a thing of the past. That's nostalgia. The red barns, the cows mooing, and the little children doing whatever little children do in the rural area, all of that is gone. And the ones who are taking over couldn't care less about you. For one thing, they have machines now that will do the work of any number of people. You don't even count and you don't even see it. And you won't let anybody wake you up to see what is there. Could it be that the future is so bleak, the reality is so daunting that you must avert your eyes and pretend it's not there? Are your older people in the rural areas going to do like the older people in the cities and become addicted to opioids to get away from it all, knowing what the ultimate price is? [LB161]

PRESIDENT FOLEY: One minute. [LB161]

SENATOR CHAMBERS: In the literature where people sold their soul to the devil, "Brother" McConnell (sic), "Brother" McDonnell, I gave away something that I intended to do with him in time. (Laugh) But when I do it, he won't be ready for it. "Brother" McDonnell, those people sold their soul to the devil knew, based on the agreement, they were going to have to ante up, but that was far in the future to them. But to old Satan, it was like the pop of a finger. And when that time came, Faustus said, who sold his soul: let me become like a drop of water and be lost in the ocean. Let me catch those horses that run and drag time, stop them in their endless flight. But there was no stopping. The deal had been cut, Faustus had to pay. Your forebears made a deal with the devil. The fathers ate those sour grapes... [LB161]

PRESIDENT FOLEY: Time, Senator. [LB161]

SENATOR CHAMBERS: ...and now you, the children, will have your teeth set on edge. [LB161]

PRESIDENT FOLEY: Time, Senator. [LB161]

SENATOR CHAMBERS: Thank you, Mr. President. [LB161]

PRESIDENT FOLEY: Thank you, Senator Chambers. Senator Wishart, you are recognized for a motion. [LB161]

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SENATOR WISHART: Thank you, Mr. President. I move to advance LB161 to E&R for engrossing. [LB161]

PRESIDENT FOLEY: Members, you heard the motion to advance the bill, LB161. All those in favor say aye. A machine vote has been requested. All those in favor vote aye; those opposed vote nay. Have you all vote voted who care to? Record please, Mr. Clerk. [LB161]

CLERK: 37 ayes, 2 nays on the advancement of the bill. [LB161]

PRESIDENT FOLEY: LB161 advances. Senator Pansing Brooks, for what purpose do you rise? [LB161]

SENATOR PANSING BROOKS: I just want to remind people that there are people coming over to see the Standing Bear statue with Senator Brewer and with me, and we're going to meet at the east door. And anybody who would like...can you come tell either Senator Brewer or me, so that we know how many to wait for? And then we're going to run over there. And it won't take long. It's just really cool to see it right now. All right, thank you.

PRESIDENT FOLEY: Thank you, Senator Pansing Brooks. Mr. Clerk.

CLERK: Mr. President, some items. Senator Krist to print an amendment to LB300; Hilkemann to LB91; Baker to LB68; Blood to LB68; Pansing Brooks, LB68; Pansing Brooks, LB122; Ebke to LB34; and Senator Stinner to LB222. [LB300 LB91 LB68 LB122 LB34 LB222]

Mr. President, Senator Wayne would move to adjourn the body until Tuesday at 9:00.

PRESIDENT FOLEY: Members, you heard the motion to adjourn. All those in favor say aye. Those opposed say nay. We are adjourned.