

February 4, 1982

LR 215  
LB 211, 472A, 607, 789, 796,  
835, 845

SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: The motion before the House is the Newell proposal, the withdrawal of LB 211. He has closed. All those in favor of the motion vote aye, opposed vote no. Record.

CLERK: 30 ayes, 0 nays, Mr. President, on the motion to withdraw the bill.

SPEAKER MARVEL: The motion is carried. The bill is withdrawn. The Clerk has some items to read in.

CLERK: Mr. President, your committee on Education whose Chairman is Senator Koch to whom was referred LB 796 instructs me to report the same back to the Legislature with the recommendation it be advanced to General File; 845 General File; 472A indefinitely postponed; 607 indefinitely postponed; 789 indefinitely postponed. All signed by Senator Koch as Chairman.

Mr. President, I have a communication from the Appropriations Committee and signed by its Chairman. And I understand that the preliminary budget report of the Appropriations Committee has been distributed. That document will be filed in my office.

Mr. President, new resolution, LR 215, signed by Senators Warner, Lowell Johnson, Cope, Goodrich and Stoney. (Read LR 215 as found on pages 553 and 554 of the Legislative Journal). That will be inserted in the Journal and laid over, Mr. President, pursuant to our rules.

Mr. President, I have an amendment to LR 215 offered by Senators Warner, Dworak, Fowler, Rumery and Marsh. That will be printed in the Journal. (See pages 555 and 556 of the Journal).

Senator Wiitala moves to place LB 835 on General File notwithstanding the action of the committee. That, too, will be laid over.

SPEAKER MARVEL: The next order of business is a report of the Public Works Committee and the Chair recognizes Senator Wesely.

CLERK: Mr. President, the report is found on page 487 of the Journal.

SENATOR WESELY: Mr. Speaker and members of the Legislature, the Public Works Committee would like to recommend

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important problem in my district. It concerns 42nd Street which runs along Wyuka Cemetery. It is an unpaved street which is prone to getting very muddy during the summer when it rains, very difficult to pass. The city was having trouble with Wyuka to try and get that paved. The bill was brought to me by the City of Lincoln. We considered its content in an attempt to try and get Wyuka Cemetery to do something about the problem. As it turns out, Wyuka Cemetery is a state cemetery. I don't know if you knew that or not. It is perhaps the only state cemetery in the country which indicates the cradle to grave socialistic tendencies of Nebraskans, I guess, because we are unique in that respect. Nevertheless, the Wyuka Cemetery bill has been heard and held by the committee. Negotiations have taken place, and now it faces a violent and a timely death at the hands of the committee. And my concern is to not let this noble bill die in such a fashion but rather to give it a proper burial by withdrawing it at this time and asking for your very gracious, very thoughtful consideration of its contents and the services provided to this state. I ask you to vote in favor of its withdrawal.

SENATOR CLARK: Is there any discussion on the withdrawal of 237? If not, all those in favor vote aye, opposed vote nay. Voting on the withdrawal of 237.

CLERK: Senator Clark voting yes.

SENATOR CLARK: Record the vote.

CLERK: 30 ayes, 0 nays on the motion to withdraw the bill, Mr. President.

SENATOR CLARK: The bill is withdrawn. We are now ready for item #5, resolutions. The first resolution, LR 215.

CLERK: Mr. President, LR 215 offered by Senators Warner, Fowler, Dworak, Rumery and Marsh. (Read LR 215). Mr. President, the resolution is found on page 553 of the Journal.

SENATOR CLARK: Senator Warner. Senator Warner, do you want to take up the resolution?

SENATOR WARNER: Mr. President, is this the resolution or the amendment to the resolution?

SENATOR CLARK: Did you have an amendment?

SENATOR WARNER: Yes.

SENATOR CLARK: Is it your amendment?

SENATOR WARNER: Committee amendment.

SENATOR CLARK: All right. We will take up the amendment.

CLERK: Mr. President, the amendment offered by the Appropriations Committee is found on page 555. It is signed by Senators Warner, Fowler, Dworak, Rumery and Marsh. (Read amendment). Mr. President, that amendment is found on page 555 of the Journal).

SENATOR CLARK: Senator Warner, on the amendment.

SENATOR WARNER: Mr. President and members of the Legislature, three years ago this morning seemed like a good idea. Today it seems like a good idea but the impact of what we are deciding today is significantly different than when I was thinking about the existing rule that we are now operating under three years ago. And the significant difference is that three years ago we could usually set a budget target figure without too much concern about receipts because we pretty well knew what they were and what was stable. Today we are in the midst of a great deal of indecision as to what the receipts are going to be. Not only are we undecided about their total but we are undecided about individual amounts as to what will be taxed, individual items. I look upon the adoption of this resolution as perhaps having more significance than we sometimes have attached to it. I have called it a guide and that essentially is what it is because it is not binding. I also understand as I am sure each of you do understand that how you vote on this resolution for a total spending is going to affect how you can vote on other measures later on. Because if we vote to have a total target figure, then it would become exceedingly difficult, I would think, for us to individually vote to exceed that when we start dealing with the parts of the whole through A bills or amendments or the budget bill itself as the session goes along. So in effect we are placing a ceiling on what the Governor can sign. By adoption of a resolution we are putting a ceiling on what this Legislature can probably pass, so I think it is highly significant. I don't know how many of you have fully read the report that was passed out where there was an attempt to do two things, give you a view...overview of what has occurred, what the trends have been on expenditures as well as receipts, but more significantly point out some of the decisions that

you are making this year that is going to affect our '83-'84 appropriations. And while I know that is speculative, it nevertheless is going to be affected by what we do today or what we do this session. I said that the thing that's different this time, if you look at the resolution or the material with the resolution, it indicates the number of revenue sources that must occur that have not as yet been acted upon, although some of them have. For example, \$1.8 million has been turned down to be funded from some other source than general fund already by the Legislature. We do not yet know what may happen with the cigarette, the corporate tax. Certainly the attempt that the Appropriations Committee did in looking for other alternatives for revenue sources such as fees adjustment has met with general resistance in a number of areas. We also have put in legislation as many of you know, all of you know, that would provide the opportunity to review existing programs required by law and almost without exception any proposals to review the programs to be repealed have met with a great deal of resistance. When we look at the overall picture, we will go through this year with no capital construction, virtually none. There will be virtually no capital construction next year in all probability. And if you looked on page 26 you will see listed a number of programs that in the past at least there has been a lot of interest in amongst the members of the Legislature which will not be funded at the level unless the amendment to the resolution is adopted, even then only a portion of those items can be funded. If you look at the '83-'84 projections, in both the resolution as well as the amendment to the resolution, we used the 7 percent growth figure and in those cases in either event you see a substantial need for increased receipts in the calendar year '83, whether that be in part from a recovered economy or in part from adjustment in tax rates, in either event substantial increase in dollars at least are going to occur. We also are looking at a budget which proposes dropping the reserve from 3 to 2 percent. I would only remind you that last year we...a year ago now we started out at 5, we ended at 3. We have another 2 percent drop. We are down to 1. The only other time that the state was operating that close we had serious cash flow problems, some of you will recall, and that too creates problems in the future which I think could be in part avoided by adoption of the resolution...amendment to the resolution which in essence would require or permit \$15 million of general fund appropriation in excess of what was recommended in the Governor's figure. It would raise 18.6 net assuming all of the increases that the Governor has proposed are

also enacted but it would permit the funding of some of these programs which I am sure many of you will want to vote for later on. With that, Mr. President, I would move that the amendment to the resolution be adopted.

SENATOR CLARK: Senator Warner, it has been suggested that you use the same tone and the same clarity of voice when you explain the budget, please.

SENATOR WARNER: I just did explain the budget.

SENATOR CLARK: Senator Beutler.

SENATOR BEUTLER: Mr. Speaker and members of the Legislature, I think I am going to end up repeating in part what Senator Warner has said, but I want to indicate perhaps some frustration I feel. I was on the Rules Committee and we adopted Senator Warner's rule and I was a real advocate of the rule at the time that it went through the Rules Committee and I still think that it is an excellent rule. But the rule as we are all aware puts a cap on how much we are willing to spend. It tells the Appropriations Committee what our overall budget is going to be, and the underlying assumption when we were thinking about this in the Rules Committee was that, well, whatever we decide the cap is, if we need more revenues we will go out and we will have to raise the sales and income tax if that is what we decide. If the budget is lower, we will lower our sales and income tax. But the fact is that this year the situation is much more complicated because it is not just a simple matter of raising and lowering of the income and the sales tax. We are trying to deal with the question not only of how much in terms of expenditures but the question of which revenue tools are we going to use to raise the money. And I don't know if you are like me but right now I am confused about some of the different ideas that are going around and which of those ideas are, in fact, going to get out of the committees, particularly the Revenue Committee, and are going to be the actual tools that we use to implement whatever spending program we come up with. You know, we have the income tax, the corporate income tax structure change. Is that going to be one of the tools? The cigarette tax, is that going to be one of the tools? Alcohol taxes. Are we going to use that? Is the bill going to be coming through to lower the reserve from 3 to 2 percent? Are we going to increase the individual income tax? All these items are unknown right now.

We don't know which of the revenue raising tools we are going to be using. Now for myself it makes a difference. I am in favor of some and I am against others just like you are in favor of some and against others, and before I feel comfortable saying what kind of spending limitation we are going to have, I would like to know what tools I am going to be called upon to use to reach that limitation because it may affect how much I am willing to spend. If the Legislature is willing to use a certain kind of revenue raising tool, I may be willing to spend more. If they are using tools I don't like, you know, I would be willing to spend less perhaps. So I don't know what I am saying in the end, except that I am not ready to vote and I hope that somebody on the floor will address the problem of whether this is not maybe premature and how we might otherwise deal with it. Thank you.

SENATOR CLARK: Senator Carsten.

SENATOR CARSTEN: Mr. President and members of the Legislature, it would appear to me that at the moment most of us are at a point where we are not quite sure, as Senator Beutler has said, what tools we are going to use to provide revenue for the funding of appropriations. It does seem to me like the point is well taken that for the time being and until our Revenue Committee has had an opportunity, which is about another week away, to measure the true impact of those sources that have been submitted to us and for us to make that decision and come up with a recommendation that it might be well that this resolution be laid over for the time being. We are not a spending session as I view it but we are in a revenue session and that is of the utmost importance at this particular point. So I think that this morning and I am not sure if there is an amendment on the Clerk's desk or not, but if not, I do have one that I would offer that would lay this over and the Appropriations Committee amendment until the Revenue Committee reports to the floor the necessary revenue bills to affect the budget. Mr. Clerk, if you do not have a motion to that effect on your desk, I will sign this one and bring it up there and so move.

SENATOR CLARK: Motion on the desk.

CLERK: Mr. President, Senator Carsten would move to lay over LR 215 and the Appropriations Committee amendment until the Revenue Committee reports to the floor all necessary revenue bills to affect the budget.

SENATOR CLARK: Senator Carsten, do you wish to talk on that?

SENATOR CARSTEN: I think, Mr. President, I have said all that needs to be said relative to it. It is a very simple...plain, I did not circulate the motion that I have up there but it is just plain and simple to lay it over until the Revenue Committee has the opportunity to look at these bills and make their decision and report to the floor. I don't see any reason to send this resolution to a committee. Our Revenue Committee as well as the Legislature as a whole knows what the situation and the problems are. I see no need to send it to the committee. I think we can just hold it here. Our committee will act as soon as we possibly can and make a recommendation to the body for their consideration. That is the reason for the motion that I have placed up there, Mr. President. I would hope that you would support it.

SENATOR CLARK: Senator Warner, did you want to talk on the Carsten amendment?

SENATOR WARNER: Well, first to answer....or ask a question of Senator Carsten, so I am reasonably sure. I think, Senator Carsten, are you....what is the time frame that you think the report would be made? We are not talking until revenue bills are passed but until you have made a report, your Revenue Committee has made a report of what you believe would be an appropriate mix of revenue?

SENATOR CARSTEN: Yes, correct.

SENATOR WARNER: Okay, Mr. President, I have no problem with that because I recognized when I started out that revenue is the whole issue this year, not the budget, revenue determines the budget. There are two things I would just want to call your attention to. I would presume with the delay that the Appropriations Committee will proceed with the hearings and the things that we need to do based upon the resolution, the lower figure, so that we can expedite that and get identified by agencies and citizens that appear before us as to where they feel the budget is short or too long, whichever way it is. Secondly, I assume that the body will understand that some delay in the time frame that the rule requires of the Appropriations Committee could occur, hopefully not, but it could mean that we would be a day or two or three later than we had originally anticipated, and so I would want you to understand that that might occur although we

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would strive not to have that happen. But I have no problem with waiting until the first part of next week for that report. I couldn't concur more that what the package is of revenue is all important not only in its amount but its sources. So I would not object to Senator Carsten's motion.

SENATOR CLARK: Senator Haberman, do you want to talk on the Carsten motion? We do have a little conflict here because this is another motion when we are on an amendment.

SENATOR HABERMAN: Mr. President and members of the Legislature, I rise to oppose Senator Carsten's amendment. Is that what you are calling it? Motion?

SENATOR CLARK: It is a motion.

SENATOR HABERMAN: Rule 8 was a good rule when we passed it and I still think it is a good rule. The Appropriations Committee has put in many hours and have come up with this recommendation. We had the booklet printed. People have had it in their possession. You can look at the booklet and you can see what it does. You have got two budgets. You have got the recommended budget and then you have got the Appropriations budget and there is \$15 million difference, give or take. So you have a choice. You could either say, we want to go with the original budget, save the \$15 million, or you can go with what the Appropriations Committee puts out and spend the extra \$15 million. I don't think there is any reason to delay this. By delaying it it is just going to put it back into the more hectic part of the session that we might as well see where we stand now, see which way we are going to go and then Revenue Committee or the other committees or this body wants to come up with other ideas, we know where we are going on this budget. That was the reason it was given to us early so we could digest it, read it, make up our minds, and I think there is quite a few of us here who have done just that, and I am sure that the Revenue Committee or some of their members had input to the Appropriations Committee on this. So I see no reason to stall it, to put it off. I think we are over a third, thirty-three and a third, forty percent gone now in our time, and it is not going to get any better. So I would urge the body to reject the motion. Let's go ahead and vote on the resolutions and let's set the course of this ship and go from there. Thank you, Mr. President.

SENATOR CLARK: Senator Warner, I understand you want to



withdraw your amendment to the....

SENATOR WARNER: Procedurally I will temporarily withdraw it so that Senator Carsten's motion can be taken up.

SENATOR CLARK: It is withdrawn. We will go ahead and take up the motion. We were getting into a parliamentary procedure here. We will take the motion now of Senator Carsten. Did anyone else wish to speak on the...? Senator Johnson.

SENATOR V. JOHNSON: Mr. Speaker and members of the body, I commend Senator Carsten for this wise motion. I am a member of the Revenue Committee and the Revenue Committee is having a difficult time in coming to grips with the various revenue raising measures that the State of Nebraska needs simply to adopt the Governor's budget. Now I am of the personal opinion that by a week from tomorrow the Revenue Committee will have ultimately framed the revenue measures for the state. I know that because of internal dynamics on the committee, and I think the Chairman would probably concur with that statement. But it is almost impossible for us to adopt a budget resolution when we don't even know what kind of tax measures we are going to have to operate with that generate revenue for this state. If we have no corporate tax measure, if we have no cigarette tax measure, if we have no reduction in the reserve requirement, then we will have a \$50 million shortfall which if we pass the budget resolution today would have to be made up with by at least a two percentage point increase in the income tax. And in my opinion it is premature for us today to pass a budget resolution without some understanding in this body as to what kinds of revenue measures we are going to have just to fuel the engines of the state. But I can guarantee you that by a week from tomorrow this body will know the recommendations of the Revenue Committee. You will know the recommendations of the Revenue Committee concerning the revenue measures. You already know the recommendations of the Appropriations Committee. That is what has come to you in the budget resolution. You have their recommendations. But this is the one session that is not a spending session. This is a revenue session, and you need the recommendations of the Revenue Committee so that you can make the most informed, the most intelligent and the wisest decision. For that reason, it is only fit and proper that we defer deciding the budget resolution until at least a week from tomorrow when we will know what it is the Revenue Committee is recommending for

the basic revenue measures for the state, and once we know that the puzzle will be put together and you can then vote appropriately. I would wholeheartedly support Senator Carsten's motion to lay this measure over until the Revenue Committee reports back.

SENATOR CLARK: Senator Lamb.

SENATOR LAMB: Mr. President and members of the Legislature, a question....is this postponed to a day certain? Or what is the date? As I read Rule 8, it shall be between the 20 and 30 legislative days after the Governor presents his or her budget. This, I believe, is the 20th day. I would suggest that this has to be laid over to a day certain in order to be appropriate.

SENATOR CLARK: I was of the same opinion, however, the Clerk tells me it is not necessary. Maybe the Clerk could explain that to you. Senator Lamb...

CLERK: Senator, I think....if I may, the report is to be submitted by...and this might be properly posed to Senator Warner, but the report that you received on your desk is to be submitted between the 20th and 30th legislative day, but I don't think that applies to when the resolution is to be.....

SENATOR CLARK: Could we have it a little quiet, please.

CLERK: But Senator Warner might better answer that question.

SENATOR LAMB: Senator Warner, would you care to answer? Well, we are reading Rule 8 and it says that the report shall be presented between the 20th and the 30th day after the Governor presents his budget, and do you read that as meaning that that will be the time frame within which this number will be established on the floor?

SENATOR WARNER: I don't have the rule right in front of me, but as I recall the rule there was that time frame to report to the Legislature and then there was another time frame for the Legislature to act which is between another series of days. So it would be my belief that the date of Senator Carsten's motion would prevail, that based on what he would...when he would anticipate making his report, it would be within the time frame that the rule requires the Legislature as a whole to act because we brought it in as early as we could, but I don't remember the dates.

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SENATOR CLARK: Senator Lamb, as I read the rule it says the report has to be made within the 20th and 30th day which has been done.

SENATOR LAMB: As I read it now, it says between 15th and 20th days after...on even numbered years. This would be an even numbered year, would it not?

SENATOR CLARK: It is an even number.

SENATOR LAMB: So it's 15 to 20 legislative days. Now does that mean that we do not have any deadline on when the Legislature acts on the report? Is that correct?

SENATOR CLARK: Senator Wesely, did you want to clarify that?

SENATOR WESELY: Senator Lamb, if you will look at Section 4 of the rules, it says that the Legislature shall consider such resolution no less than three legislative days after the Appropriations Committee report is distributed to the members of the Legislature and the resolution is printed in the Legislative Journal. I consider it not necessarily passed. We want to bring it up on the floor if there is a...as today evidently there is a decision that perhaps we don't want to act on it today but at least it has to be considered within that time frame. And then I think it is up to the Legislature as to when we take final action. There is no actual language that I can see at this point in the rule that says we have to adopt it by a certain date. The report has to be in by a certain time and we have to consider it within a certain time but then it is up to the Legislature to act upon it in whatever fashion we find most appropriate.

SENATOR LAMB: Well, Mr. Chairman, if I could continue. It seems to me that if the Legislature shall continue such resolution no less than 3 legislative days after the Appropriations report is distributed, that really means act on it. I think that was the purpose of this amendment to the rule in the first place, was to be sure that this sort of thing...this was taken care of early in the session so everyone knew where they stood, and whether or not we lay this over, I would like to just discuss laying it over since we have discussed the rule. I don't see the purpose in it. We are really talking about \$15 million. Do you want to talk about \$15 million now or do you want to talk about \$15 million later? That is the issue. In considering the general economy of this state,

people being laid off, farmers having a tough time, I don't think a few more days is going to make any difference in how you consider the Appropriations requests that are presented to the state. It seems to me that we can wait for the Revenue Committee to come out with a bill. I understand yesterday they did not come out with one of the bills, and so I would suggest that this Legislature can decide today whether or not they want to spend an extra \$15 million, whether or not the money comes from one formula or another, I see that as less important than the total fund that is being spent. I would oppose laying the bill over.

SENATOR CLARK: Senator Burrows, did you wish to talk on the Carsten motion?

SENATOR BURROWS: Yes.

SENATOR CLARK: To lay over.

SENATOR BURROWS: Mr. Chairman and members of the body, I fully support the Carsten motion to lay this over. The \$15 million involved in the amendment really is insignificant since it would take nearly \$30 million of state funds going back to the subdivision to hold harmless that 7 percent lid on real estate tax. Nearly half of the savings that come about through the federal income tax reduction is passed on to the state. The \$15 to \$16 million reduction by holding the line on the state income tax rate that we are talking about, the 15 percent rate is not a magic figure. Nobody is locked into that and it takes a couple points in the income tax to stop from passing on the federal income tax reduction as a state income tax reduction. Now if we don't appropriate somewhere in the neighborhood of \$30 million, we are shoving the real estate taxes up on the taxpayers of this state by somewhere between 9 and 11 or 12 percent. There is a lot of animosity against the real estate tax system and I don't believe the taxpayers of this state are going to take the shell game of talking about an income tax cut and letting it slip over on the real estate tax and that is the basic issue that I think is of real significance to the body. To get that income tax, we are zero groping or nearly zero groping the funds that are going to the subdivisions, and that means that 7 percent lid equates to somewhere between 9 and 12 percent property tax hike on the homeowner and on the farmer of this state. We have got more farmers across the state now that are more worried about getting an income than paying 1 or 2 percent income tax. I think the real serious view and the responsible

action we ought to take in this Legislature is to look for 30 votes since the Governor has threatened to veto additional appropriations outside his budget, and give the real estate system some relief, and it is going to take that apparently. But I think resolutions cutting back that don't allow room for anything like \$30 million relief to the real estate system, I think are totally irresponsible and I think this Legislature should speak out, work for 30 votes to give some real estate relief to the real estate taxpayers of this state. Thank you.

SENATOR CLARK: Senator Howard Peterson.

SENATOR H. PETERSON: Mr. Speaker and members of the Legislature, it won't be often on this floor that I will rise to oppose the Chairman of the Revenue Committee, but I would submit to the Legislature that one of the important things as far as the Revenue Committee is concerned is to get a sense of opinion from this Legislature about how much money you think we need to raise. If we are going to make that decision in the Revenue Committee, we better know how much you feel we ought to raise. Is it the amount in the Governor's budget? Is it the amount that the majority of the Appropriations Committee is recommending? That is the issue before us. If we know that decision, then our decision in the Revenue Committee can be made and until we know that, it doesn't make a bit of difference, we can pass all those bills out whatever way we want to, they will be amended on the floor to suit the Legislature. That was my argument yesterday in the Revenue Committee hearing. I felt we ought to report all three of the Governor's recommended bills out so this Legislature would have them before them at the same time that we had this matter today. Apparently that wasn't the choice of the committee and I live with that choice, but I do think that we ought to make the decision today. I think we are ready to. I think most of us have our minds made up whether we are going to be for one figure or the other and then from that point then the Revenue Committee can make its decision.

SENATOR CLARK: Senator Newell. We are still on the Carsten motion to lay over.

SENATOR NEWELL: Mr. President and members of the body, I guess the Revenue Committee members are all standing up saying how they feel about the Governor's package, and I wouldn't want to miss a chance to do that. I have

decided to be pretty supportive of the Governor this year myself. I was going to support the corporate income tax and the over levy bill, but as a smoker who must have a lot of smokers in his district, I am not too anxious to support him on the cigarette tax bill which only raises \$7 million. Now I don't know exactly what the disposition of the Revenue Committee's revenue raising proposals are. Senator Warner brought in a great one the other day which I opposed. It raised \$4.1 million from the general homestead. I mean there are a lot of revenue raising proposals out there. There is probably quite a few spending proposals that the Appropriations Committee is considering too. The question seems to me since this year we don't have any more revenues than we did last year, just how much money are we going to raise and how much of that money that we raised are we going to spend, and I think that if we decide not to spend some of it, you know, that would be wonderful, but the bottom line is there is a lot of interest. I want to ask Senator Warner a couple of questions.

SENATOR CLARK: Senator Warner.

SENATOR NEWELL: One of the questions, Senator Warner, I would like to ask is has the Appropriations Committee really looked at the budget and basically how did you arrive at your amendment that you proposed?

SENATOR WARNER: Well, there was a variety of....

SENATOR NEWELL: I guess the question really is, have you had a chance to really go through it agency by agency and make those kinds of decisions that you need to make and come up with that sort of recommendation based on that hard evaluation of each and every agency request?

SENATOR WARNER: Well, yes and no, Senator Newell. We used a different approach this year. We started in December looking for places or programs to reduce or eliminate, and we have proposed a number of those for review. We have not proposed any of them to be done, but we have proposed to be reviewed. I guess realistically we have been looking at, at least I have been looking at what the receipts are as they stand today and it was the combination of looking at those receipts, the federal fund loss that...or the loss Nebraska has taken because of the federal changes, and my basic position is that we should not absorb all that loss and the \$15 million holds us about even as far as that loss of revenue is concerned.

SENATOR NEWELL: Okay, that is on that side. Let me ask you this question. If the Revenue Committee does not give or does not advance the cigarette tax, the corporate income tax and the Governor's over levy thing and it rejects some of the proposals that you have offered to raise money, how much money will be available for expenditure for state operations this year? Or the next year?

SENATOR WARNER: If none of those measures are enacted, you take roughly \$31.2 million off of 758, so you would be down to \$724 million...\$726 million.

SENATOR NEWELL: What percentage of the budget would that be? Can you give me a percentage increase?

SENATOR WARNER: It would be a reduction from this year's level.

SENATOR NEWELL: It would be a reduction from this year's level?

SENATOR WARNER: Yes.

SENATOR NEWELL: Well, Mr. President, I think the....

SENATOR WARNER: A very slight reduction.

SENATOR NEWELL: I think the point that I....I guess I am really wanting to make and it is a very simple point, the rule as I read it says that we should not consider the resolution until three days after the Appropriations Committee kicks it out of committee. This is the earliest we could possibly do this.

SENATOR CLARK: You have one minute.

SENATOR NEWELL: But if we make those considerations now not knowing how much money we are going to raise, we are basically going to be reducing the budget, and so this would be irresponsible to offer any sort of amendment, 7 percent, 2 percent, 3 percent, whatever, until we know where we are going to get the money. I mean, this is an unusual year for this Legislature. It is unusual inasmuch as we are trying to hold the rates at what they are. We don't know how much money we are going to have to do it with. I think the Revenue Committee has to act. I think that Senator Carsten makes a very eloquent point and a realistic point to this Legislature when he

says, we will get you the information inside of a week how much money you are going to have to spend, and then you can work on this budget resolution. The rule makes it clear that we can take this up only after three days, not within three days, and so I think that we ought to be about finding out just where we are going to be fiscally before we start spending money in this Legislature.

SENATOR CLARK: Senator Wagner.

SENATOR WAGNER: Mr. Speaker and members, I rise to support Senator Carsten. I think at this time that it is only the wise thing to do as far as I am concerned. I think giving us probably about another week in approximately this area that we can come out with bills that will come out of that Revenue Committee. And here on the floor this morning I heard Senator Johnson talk about premature. Senator Beutler used the word premature. This is the wording I used yesterday in committee when we were talking about bringing some of those bills out because I thought we needed a little bit more time. I still do. I support Senator Carsten on his motion.

SENATOR CLARK: Senator Hefner.

SENATOR HEFNER: Mr. President, members of the body, I rise to support the Chairman of the Revenue Committee's motion here this morning. I think the Appropriation Committee's resolution is a little premature. I think that we are putting the cart before the horse. All we are asking here this morning is for this body to wait approximately one week, maybe one week and a day, and I think that this body should do this. The Revenue Committee has a lot of bills before it this year. In fact, we have been meeting late in the evening on some of these hearings, and I think it is good that we let the citizens of Nebraska come in and tell our committee how they feel. We met in Exec Session yesterday but we really didn't accomplish very much, and by accomplishing I am saying that we didn't put out a bill that would take care of some of our problems. And I think by thinking it over a little, talking to some of the Appropriation Committee members, that we can find a solution. I think it is the duty of our committee, the Revenue Committee, to find a solution and present a package to this body. Therefore, I would urge you to support the Chairman of the Revenue Committee, Cal Carsten's motion.

SENATOR CLARK: Senator DeCamp. The question has been called for. Do I see five hands? I do. All those in



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favor of ceasing debate vote aye, opposed vote nay.

CLERK: Senator Clark voting yes.

SENATOR CLARK: Record the vote.

CLERK: 27 ayes, 0 nays, Mr. President, to cease debate.

SENATOR CLARK: Debate is ceased. Senator Carsten, do you wish to close?

SENATOR CARSTEN: Mr. President and members of the Legislature, I rise to close on my motion believing it to be the proper and correct way to go. As we had committed ourselves earlier in the session to work with and in coordination with the Appropriations Committee, and this is part of that operation, next Tuesday, the 16th, the Revenue Committee and the Appropriations Committee are going to meet jointly in the afternoon with the Department of Revenue with a representation from the Governor's office. We will then be looking at the latest figures that are available to us. On Wednesday our committee will be in Executive Session dealing solely with the Revenue bills that are before us, and as quickly as we can get that decision made we will forward it to the body for their consideration. In view of those circumstances and those comments, Mr. President, I would again renew my motion to hold this over until that report is made. Thank you.

SENATOR CLARK: The question before the body is to lay over the resolution until the Revenue Committee has had time to get their report out. All those in favor vote aye, opposed vote nay.

CLERK: Senator Clark voting yes.

SENATOR CLARK: Record the vote. Record vote.

CLERK: (Read the record vote as found on pages 604 and 605 of the Legislative Journal). 27 ayes, 16 nays, Mr. President, on the motion.

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LB 304

in favor vote aye, opposed vote nay. Senator Marvel.

SPEAKER MARVEL: (Microphone not activated)....the amend-read before we vote.

SENATOR CLARK: The amendment will be read.

ASSISTANT CLERK: Mr. President, Senator Warner moved to amend the Duda motion so that we consider both LR 215 and LB 304 today.

SENATOR CLARK: You all understand the motion, all those in favor vote....did you understand that, Senator Goll?

ASSISTANT CLERK: Senator Warner moved to amend the Duda motion so that we consider both LR 215 and LB 304 today.

SENATOR CLARK: All those in favor of that motion vote aye, opposed vote nay. Record the vote.

CLERK: We are not under Final, Senator. Senator Dworak voting yes.

SENATOR CLARK: The motion is adopted. Now we are back on the Duda motion. Anyone want to talk on the Duda motion? If not, all those in favor vote aye, opposed vote nay, as amended. Record the vote.

CLERK: 32 ayes, 0 nays, Mr. President, on adoption of Senator Duda's motion.

SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: The Clerk will now read LR 215.

CLERK: Mr. President, LR 215 found on page 553 of the Legislative Journal. It is offered by Senators Warner, Lowell Johnson, Cope, Stoney and Goodrich. (Read.) Mr. President, once again, the resolution is on page 553 of the Journal. Earlier when it was considered by the Legislature, we laid over LR 215 pursuant to a motion by Senator Carsten. We have pending now, Mr. President, a motion from Senators Warner, Fowler, Dworak, Rumery and Marsh and that motion is found on page 555 of the Legislative Journal. It would amend the resolution: (Read). Senator Warner, do you wish to offer your amendment to that at this time? All right, in that case, Senator Warner would move to amend that amendment. I believe copies have been passed out to the membership. They are on your desk. They are on a pink sheet of paper.

SPEAKER MARVEL: The Chair recognizes Senator Warner.

SENATOR WARNER: Mr. President, I am sure all of you have had an opportunity to read the...thoroughly study the book that was passed out some weeks ago dealing with the entire picture as far as appropriations are concerned in compliance with Rule 8 that was adopted. The resolution as it was introduced carried a target figure of \$758 million. To that the majority of the Appropriations Committee which is the amendment the Clerk read amended that...offered an amendment to increase that to \$773 million which at that time was contingent upon the receipts from tax increase bills that had been introduced in addition to the one percent adjustment in the state income tax rate. Now because of the change that occurred in the receipts, the majority of those members of the committee who signed the resolution, three of the five, have indicated their support also for this amendment to the committee amendment which places the target figure for appropriations at \$763 million of General Fund appropriation. I think so it is clear it should be understood that that \$763 million is also consistent with the figures that the Revenue Committee has discussed and has explained on the floor. As far as the revenue side of state government is concerned, we are nearly completed with the hearings to date on appropriations as far as the agency hearings. We have a day or so or two left but based upon what we have done so far it is clear that a figure at this level is about what is going to be required for continuation of state government or the needs of the state, minimum needs, to be met and I would urge that the body adopt the figure contained in the sheet that has been passed out. It also includes because the Rule provides for a '83-'84 figure which is only a target figure again but it does emphasize the importance of looking ahead which whatever we do this year

affects the following year and it serves somewhat as a guide when it comes to looking at new or expanded programs of which this year, of course, there will be none or virtually none. So I would move adoption of the amendment to the committee amendment.

SPEAKER MARVEL: The Chair recognizes Senator DeCamp.

SENATOR DeCAMP: Mr. President, members of the Legislature, we are now to precisely what the rules envisioned when they were adopted in the first days of this session and that is simply that we would pass a resolution as a legislative body looking at some number, and we have two numbers; one is \$758 million and one is \$15 million more. \$15 million more is what, about two percent additional total budget. It is my understanding that the Governor, and the resolution speaks to it very clearly, said \$758 million, his agencies, his staff have said is an adequate number of dollars to do the things. I can pick any number of places where I believe \$15 million can be saved. Now whether it can or cannot be effectively saved without doing damage I am not going to know nor is any person in this room going to know until they get a lot of additional information when the actual debate comes. How much do you really need for state employees increase? The amount proposed now happens to be \$15 million. How much do you need for a University increase? I don't know what the increase is in percentage but I know that it is a substantial number of dollars, maybe some savings there. How much do you need for everything? I don't know but I can't see that there is any reason to go with an additional \$15 million at this time until...until we get her laid out here, balance everything, and look at it. \$758 million seems to be a reasonable target figure to live with at this time and, once again, this is a resolution indicating a direction. If I were doing it my own way, I have got an amendment up there which I may or may not pursue, it says something like this: The Legislature recognizes all the facts and problems inherent with the economy and we encourage and request the Appropriations Committee and the Revenue Committee to act as efficiently, as quickly, and as effectively to get us the information and the budget bill itself to deal with and then we can chatter about what the final figure is going to be. But at this time why add \$15 million for the sake of adding it without some compelling reason, and at this point, we don't have it so far as I can see, and so I am going to support \$758 million at this time with the understanding it certainly is just a resolution, and when somebody comes out here and says what the needs are, then we can make adjustments. And when they bring those needs to us, those needs have to be dealt with not in an isolated

fashion, not in an isolated fashion, but in the context of our whole economy such as what is our state aid to education, what are we doing for property taxes, these kind of things, too, not just what we are doing for the University. And I have nothing against the University, I went all my years there but it is a fact, and I think anybody that has been in this body would have to tend to recognize that fact that the University is a very powerful lobbying institution, without question the most powerful, and that possibly their voice is a little louder when it comes to divvying up the money and secondary education and some of these other things maybe don't have quite as strong a voice in here. So let's stick with the \$758 million target figure by resolution only and see what we get when we get the whole picture out here in the form of a budget bill.

SPEAKER MARVEL: Your time is up. The Chair recognizes Senator Haberman, and then Senator Beutler.

SENATOR HABERMAN: Mr. President, members of the Legislature, I would like to call the attention of this body that if you pass the resolution that is \$15 million higher than what the Governor has recommended you are saying, in essence, go ahead and spend the \$15 million because you have got enough votes to do it, because the resolution says, adopt the higher figure, spend the \$15 million. And once you get her spent and once you tell everybody what you are going to do, it is a lot harder to take it back. It is hard to take it back and in many cases you won't get it back. So by passing this resolution, you are indicating to everybody, all the state agencies, everybody in the State of Nebraska, that we are going to spend an additional \$15 million. I think that is a dangerous thing to do. I understand, I was going to bring that up, Senator DeCamp, thank you, that the resolution cuts \$5 million off and I believe, Senator Warner, you said the \$5 million was cut due to the increase in the income, is that right? Just a question. Yes, now can you...the pink sheet says you are taking \$5 million off, right?

SENATOR WARNER: The pink sheet takes \$10 million off. The committee resolution...the essential figure you want to talk with, Senator Haberman, the pink sheet puts the target figure at \$763 million.

SENATOR HABERMAN: Okay, but why are you taking that off, because of due to increased income?

SENATOR WARNER: Because the original amendment was \$773 million and because of the reduced anticipated receipts, primarily the beginning balance on July 1 as reported to

us by the Tax Commissioner, Mr. Leuenberger, would be reduced between \$10 million and \$16 million, and the pink sheet reduces or recognizes that reduced receipts of \$10 million.

SENATOR HABERMAN: Okay, thank you, Mr. Warner or Senator Warner, I am sorry. I will still stick to what I said before, you are indicating how much money you are willing to spend and how are you going to explain a vote to change your mind.

SPEAKER MARVEL: Are you addressing Senator Warner? Who are you talking to?

SENATOR HABERMAN: I am talking to you, sir, and the rest of the Senators.

SPEAKER MARVEL: Okay.

SENATOR HABERMAN: If you vote for the resolution and then when it comes back that some of this how it is going to be cut, how are you going to explain that you changed your mind and changed your vote. I'd have a hard time doing that so I would like to recommend that you do not support the increase until we see what is being offered like we have in the past. Thank you, Mr. President.

SPEAKER MARVEL: Before the Chair recognizes Senator Beutler, in the, it doesn't indicate here whether it is North or South, where is the Burwell High School gang? You are North. Okay, 33 seniors, 2 sponsors from Burwell High School, Burwell, Nebraska; Lester Piper, teacher, Connie Piper, teacher. Where are you located? Up here. Welcome to the Unicameral. The Chair recognizes Senator Beutler.

SENATOR BEUTLER: Mr. Speaker, members of the Legislature, since this is an amendment to an amendment and since the amendment to the amendment proposes to reduce the excess expenditures over the Governor's budget from \$15 million to \$5 million, I call the question.

SPEAKER MARVEL: Shall debate cease first? All those in favor of ceasing debate vote aye, opposed vote no. Senator Cullan, will you restate your point of order please.

SENATOR CULLAN: Mr. President, the point of order is that Senator Beutler cannot debate the issue and then call the question. If you are calling the question, that is all you may do.

SPEAKER MARVEL: Okay, I sustain...okay, Senator Cullan, I

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have got to have your attention. We are never going to get through this if we have small groups of people constantly moving around and disturbing not only those around him but also disturbing others. The Chair will not sustain your motion but in other words indicate that you proceed with the vote. The motion is, shall debate cease? Those in favor of that motion vote aye, opposed vote no. Record.

CLERK: 29 ayes, 6 nays, on the motion to cease debate, Mr. President.

SPEAKER MARVEL: Senator Warner, do you wish to close on your amendment to your amendment?

SENATOR WARNER: I would just say, Mr. President, that the whole purpose of the resolution, of course, is to give the Legislature as a whole input at an early date on level of appropriations. The figure that you are voting on is the target figure of \$763 million. I would move its adoption.

SPEAKER MARVEL: All those in favor of the Warner motion as explained by Senator Warner vote aye, opposed vote no. Have you all voted? Have you all voted? Record the vote.

CLERK: Mr. President, Senator Haberman requests record vote. (Read the record vote as found on page 852 of the Legislative Journal.) 26 ayes, 17 nays on adoption of Senator Warner's amendment to the amendment, Mr. President.

SPEAKER MARVEL: Senator Warner, do you want to explain the original motion so we can proceed from there?

SENATOR WARNER: Okay, Mr. President, now the....

SPEAKER MARVEL: Excuse me just a minute, the Chair needs from all of you all the help we can get with this very serious problem. Will you do the best that you can to sit as close as you can to where your word is, whatever that terminology meant. The Chair recognizes Senator Warner.

SENATOR WARNER: Mr. President and members of the Legislature, the target figure that you would be now adopting as an amendment to the original resolution is to insert \$763 million in lieu of the \$758 million. By way of explanation, if you look at those things that have been passed out, this would appear to be about the level that will be required, the tentative budget that was passed out

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to you that the Appropriations Committee is holding hearings on added up to \$756.1 million. In addition to that we know of a number of things that will have to be done that has to be added to that. It will be such things as health insurance that is coming, some A bills, increase in health insurance premiums for state employees estimated at a million. There is some A bills, of course, that will be included in that figure. We are aware from the hearings of some adjustments from the initial figures that they are contained in the book that was passed out to you that will be made to the tentative appropriations figures, probably in the vicinity of at least \$2 million. When you add all those things together, it becomes evident that the \$763 million figure is a reasonable target figure that will meet...relatively meet the immediate needs of the state with some reduction, of course, in services because this increase doesn't begin to even meet the inflationary costs that we are talking about. So it is a very conservative figure despite any comments that anyone else would want to make, and I would move that the amendment to the resolution be adopted.

SPEAKER MARVEL: Senator Burrows, your light was on, do you wish to be recognized?

SENATOR BURROWS: Yes. Mr. Speaker and members of the body, I oppose the resolution because it is accepting a premise that this Legislature will not increase funds to subdivisions but just pull it near zero growth on the stateside that goes down into the school districts, the counties and these areas of government. What we are doing with a budget lid of this sort is saying that the state is going to zero growth the funds to the subdivisions. I think that is being accepted by the body and we are going to force a 9 to 11 percent increase in the real estate taxes since that 7 percent lid is against both state and local receipts. I think the Legislature should take responsible action and provide some relief to the real estate tax system. I think it is ridiculous that we accept an actual income tax cut by not adjusting the rates to where we can provide some real relief to that real estate tax system. I think it is totally unfair. I think the body should really look at the situation of the subdivisions and not say that the state is going to take care of the sales income tax rate and let it fall wherever the chips fly down at the local level. I think the citizens of this state are more concerned today about real estate taxes than getting an income tax cut. We have got too many people that don't know what their income is going to be to have the concerns over there, or whether they are



going to have one, but they know they have got a heavy real estate and a growing real estate payment coming up on them. I would urge the body to reject the resolution, not on the basis that it is too high, but on the basis that it does not provide for any real estate relief. Thank you.

SPEAKER MARVEL: The Chair recognizes Senator Wesely. Is Senator Wesely in the room? Senator Wesely, do you wish to speak to the resolution as explained by Senator Warner?

SENATOR WESELY: Yes, I am thinking about calling the question, Mr. Speaker. Is that possible?

SPEAKER MARVEL: You are too early on the question. The Chair overrules you.

SENATOR WESELY: Okay.

SPEAKER MARVEL: The Chair recognizes Senator Barrett.

SENATOR BARRETT: Would Senator Warner yield to a question, please? Concerned about the conversation with reference to \$15 million additional spending and so forth, Senator Warner, for clarification I think there is some confusion on the floor. As amended we will be talking about a budget of, or spending lid of \$773 million, \$63, I'm sorry, as amended. Is that correct?

SENATOR WARNER: The amendment before us is at the level of 763.

SENATOR BARRETT: And the Governor's proposal was \$758 million. Is that correct?

SENATOR WARNER: The amount that was contained in the Governor's budget bill indicated \$758. Now whether or not that was his total figure or not, what was before the body was \$758 and that is what is in the body of the resolution now being offered. The amendment raises that by \$5 million.

SENATOR BARRETT: Thank you, to \$763. With that in mind I would remind the body that in the Governor's state of the state message as I recall, the Governor made an allowance of about \$4 million in A bills. That being the case, it appears to me that the resolution and the Governor may be about a million dollars apart. As far as I am concerned that is close enough. I would urge the body to support the amendment.

SPEAKER MARVEL: The Chair recognizes Senator DeCamp.

SENATOR DeCAMP: Mr. President and members of the Legislature, we have a total volume of dollars proposal. What we do not know is what goes into those dollars. I'm going to vote to support the resolution because it is within, so to speak, just a hair's breadth, a million dollars as Senator

Barrett described it of what the Governor said was a good budget. I do detect from the conversation of Senator Warner that he envisions additional expenditures that are different from those outlined in the proposal and from some of the conversation I have heard additional ten million or more may actually now be contemplated as covering shortfalls in revenue, etc., etc. I would point out one thing for everybody to hold in mind when the budget gets out here and that is simply this. It is not the University nor is it state employees upon which the burdens of Reaganomics and new federalism are being cast. It is local government, it is subdivisions of government, it is the property taxpayer and so if you deem it appropriate out here to say the University which has not had to take on these new burdens, if you would, should have increases commensurate or approximately commensurate with inflation, then how can you in good conscience or even sound logic say that subdivisions of government and the property taxpayer should not be equally dealt with? I repeat, I support the number, not the context of what is going into it necessarily because nobody has the same idea as to what is going in there.

SPEAKER MARVEL: The Chair recognizes Senator Lamb and then after Senator Lamb, Senator Marsh. Senator Marsh. Do I see five hands? Okay. Those in favor of ceasing debate vote aye, opposed vote no. The motion is to cease debate. Have you all voted? One last time, have you all voted?

CLERK: 25 ayes, 10 nays to cease debate, Mr. President.

SPEAKER MARVEL: Debate has ceased. The Chair recognizes Senator Warner to close on his amendment to the resolution.

SENATOR WARNER: Mr. President, again the amendment to the resolution sets the figure at 763. I would want to clarify the comment relative to the initial proposal by the Governor was 758. Included in that was three and a half million for A bills rather than in addition to the 758 but based upon the things that we know are going across that 763 million figure as a target figure seems reasonable and I know it is necessary. I would hope the body would adopt it.

SPEAKER MARVEL: Senator Newell. Okay, the motion is the adoption of the Warner amendment as explained by Senator Warner, the amendment to the resolution. All those in favor vote aye, opposed vote no. Record. Record vote has been requested.

CLERK: (Read record vote. See page 853, Legislative Journal.) 31 ayes, 16 nays, Mr. President.

SPEAKER MARVEL: Motion is adopted.

CLERK: Mr. President, Senator DeCamp...I have nothing further on the resolution, Mr. President.

SPEAKER MARVEL: Senator Warner, do you wish to explain once again the resolution?

SENATOR WARNER: Only in summary, Mr. Chairman. Mr. President, the resolution as it now stands it sets the target figure at \$763 for the current year's budget. It is in keeping with the concept that the Legislature as a whole give some direction to the Appropriations Committee as well as other committees that are considering budget limits and I think it will in the long run assist, if we do this every year, will assist in giving the entire Legislature a bigger input into the orderly consideration of appropriation bills and I would move its adoption.

SPEAKER MARVEL: The question is the adoption of the resolution. The Chair recognizes Senator Nichol.

SENATOR NICHOL: Mr. Chairman, I would like to ask Senator Warner a question please.

SPEAKER MARVEL: Senator Warner.

SENATOR NICHOL: I don't know if this relevant at the time or not but as I understand the Appropriations Committee reduced the recommendation of the Governor from seven percent to five percent on community technical colleges. That would be a .65 percent increase for them. Can you tell me the way the bill stands now, or this may be reconsidered by the Appropriations Committee, or is that cast in cement or in concrete, I should say?

SENATOR WARNER: Number one, Senator Nichol, whoever figured that out forgot to figure the three percent cut that was made in November when they are using that percentage figure. And as you will recall, it was made very clear by the Legislature that those cuts made in November were permanent cuts and we have had a variety of people who have come in and presumed that this year's increase was not calculated on that reduced appropriation that we did in November. So but the tentative figure for any aid program that have had any increase was at the five percent level. Your specific question whether the Legislature or the Appropriations Committee would approve another figure, whatever five votes will do will be our recommendation and whatever twenty-five votes here do will be the final figures.

SENATOR NICHOL: So this really probably wouldn't have any bearing on that, right?

SENATOR WARNER: Well, I can't...you know none of us could promise I don't think what the final figure for any agency is going to be.

SENATOR NICHOL: Okay. Was there a proportionate decrease from the Governor's budget the same percentage all the way across on educational institutions?

SENATOR WARNER: His budget had a variety of percentage changes from what educational institutions (interruption).

SENATOR NICHOL: My point that I am getting at, Senator Warner, was the University, community colleges and the four state colleges all reduced commensurate with each other?

SENATOR WARNER: The five percent cut that occurred was done on all agencies in November. Now the Governor's budget for this year, as I recall the state colleges had the highest percentage increase, then the community colleges, and then the University, as a percent. That was his initial recommendation.

SENATOR NICHOL: Okay, so you are saying the Governor proposed a higher increase for tech colleges than state colleges and the University of Nebraska?

SENATOR WARNER: No, no. State colleges had the highest percentage increase, as I recall, and then community colleges had the next, if you are dealing with percents, had the next second highest increase, and the University had the lowest percentage increase in the Governor's budget bill.

SENATOR NICHOL: Okay, then did you take a percentage of the Governor's proposed budget (interruption)?

SENATOR WARNER: The tentative figures in a broad, the tentative figures that you are referring to from the committee are based upon a five percent increase in salaries which was the same as what the Governor indicated, zero percent in operations which is what the Governor's staff indicated they generally did, and we also had an allowance where utilities were, as we almost always do, have an allowance for utilities something in excess of the zero percent because utility costs do go up. And then there are...

SENATOR NICHOL: Mr. Chairman...Mr. Chairman...

SPEAKER MARVEL: You have thirty seconds left.

SENATOR NICHOL: I can't hear what he is saying is my problem.

SPEAKER MARVEL: Okay. (Gavel.)

SENATOR NICHOL: Thank you.

SPEAKER MARVEL: The microphone volume is up as far as it will go, Senator Nichol.

SENATOR NICHOL: I will get it from the record, thank you.

SPEAKER MARVEL: Senator DeCamp and then Senator Chambers.

SENATOR DeCAMP: Mr. President, I have a couple of questions of Senator Warner before the vote.

SPEAKER MARVEL: Senator Warner.

SENATOR DeCAMP: Senator Warner, as I understand the resolution, number one, it is strictly a resolution and has no legally binding effect, such as a statute, on this Legislature and whatever we do on the budget bill is just that, whatever we do with the number of votes required, is that correct?

SENATOR WARNER: To be totally objective, Senator DeCamp, if a member of the Legislature anticipated voting for a higher budget than is contained in \$763 million, then I would think you would want to vote no on the resolution because I am sure that the press or the media would not be so naive or a candidate for office running against an incumbent would not be so naive that they wouldn't add up all the yes votes on a series of appropriation bills and compare that to how one voted on the resolution. So, you are correct that it is not legally binding but there is a degree of moral responsibility that each of us would have and I am sure that the media might call our attention to it should we violate that moral responsibility.

SENATOR DeCAMP: Yes, and second question, the target figure, \$763 million, is less than one percent more than the proposed figure of the Governor of \$758 million, is that correct then?

SENATOR WARNER: One of the good members of the Appropriations Committee, Senator Cope, tells me it is .7%.

SENATOR DeCAMP: Okay, then the final question, there is nothing in this resolution other than a target figure for us to think about and try to shoot for? There is nothing binding or even suggesting how we put the \$763 million in, for example, that compels us to say this includes a major increase to the University or this does not include property tax relief or this...in other words, it is simply a figure without any binding numbers even in terms of if you want to use the words "moral responsibility" on how we spend that money absolutely?

SENATOR WARNER: The resolution does not detail the allocation to each agency, that is correct.

SENATOR DeCAMP: Okay, Mr. President and members of the Legislature, since the resolution is within the goal we were talking about, those who have voted consistently against taking authority to the Legislature to start increasing taxes, since it is simply an indication of a target figure, and since it does not suggest an increase for the University or an increase for state employees and no increase for property tax relief or anything else, I am supporting it and encourage others to do the same.

SPEAKER MARVEL: Senator Chambers.

SENATOR CHAMBERS: Mr. Chairman, excuse me, and members of the Legislature, I supported the amendment to reduce that original amount by \$10 million and I am going to tell you why I did it. Senator Warner mentioned the term "moral responsibility". All that resolutions are are moral commitments if anything. Now the reason I voted to reduce that original figure by \$10 million is because I am going to have a resolution and perhaps an appropriation bill dealing again with the North Freeway. Senator Warner said that once you vote for these figures, you have a moral responsibility to continue to abide by what your vote indicated you would do. I feel that when the Legislature voted against the bill to stop the North Freeway, they assumed a moral responsibility to see that it is completed but they violated that moral responsibility by killing a resolution that said they would provide state funds to complete it. Well, this morning I got a letter from the Federal Highway Administration saying that they don't guarantee any funds that any federal highway project will be completed. So there is a good chance the money is not there. So in line with keeping with moral responsibilities, although they are not honored in the Legislature by and large when it comes to spending money and other things, I am

going to vote for this resolution but it has nothing to do with my feeling that less money ought to be appropriated by the Legislature or spent by the Legislature. My intent is to ensure that that \$10 million reduction that you just voted for and morally committed yourself to may be available if I can persuade enough of you to appropriate it for the North Freeway, even though I am totally against it. I want to see if the Legislature does believe in morality. If it does stand by its commitments when those commitments would involve a black community. You have given the signal that the Department of Roads to continue cutting down trees, acquiring property, tearing down houses and haven't built a single private residence to replace any of the hundreds of houses they have destroyed that belonged to my people. So since we are talking about morality in the context of white people's concerns this morning, I want to tailgate a few of mine and I am going to vote for this resolution. But, remember, you are going to hear from me again talking about the morality that was discussed this morning and I will get a transcript of the debate so I won't misquote anybody and I will bring that issue up again but I alert you as to why I am voting for this resolution and why I voted for the amendment just adopted to reduce that original figure by about \$10 million. Thank you.

SPEAKER MARVEL: Senator Newell.

SENATOR NEWELL: Mr. President, I don't rise to speak about the North Freeway, I rise to speak about this budget resolution and I would just like to get some clarification. Senator DeCamp offered some things and Senator Warner kind of clarified the issue and I don't want to take exception to Senator Warner's arguments but I think what we ought to talk about just exactly what this resolution is. It is a guideline for the Appropriations Committee to set the budget based on the dollar amounts that we are suggesting that they approve. Senator DeCamp says, yes, this Legislature can change those, amend those, modify the budget resolution at the time, either reducing or increasing. That is part of the process that this floor and this body goes through. This is only a guideline and instructions to the committee. Senator Warner, I am not sure that a no vote automatically means...automatically means that you want to raise taxes and that you are going to push for increases in spending and so forth once this is passed. But I do agree with you, Senator Warner, that this is instructions to the committee on how much, what target levels the committee ought to be preparing. And if I am incorrect and if for some reason we can read in this rule or in any other

provision that in fact if you don't vote for the resolution that means you are for more spending, then I would like to have that clarified but I think it could mean that you could be for less spending and I think that is the issue that we are adopting here. It is basic instructions to the committee, Senator DeCamp, you can work on property tax relief or you can cut the budget further, in either case, once those bills come to the floor, that is my understanding and I am sure that is the understanding of most of the members of this body.

SPEAKER MARVEL: Before we proceed, in the South balcony from Senator Chronister and Senator Goll's Districts 26 high school students and 4-H students in Districts 15 and 18, Cuming, Burt, Washington and Dodge Counties, Mr. Phil Rezniski (phonetic), Extension Service; and in the District from Senator Schmit, Senator Chronister, Extension Board, Butler, Polk and Colfax County, 18 members, Dennis Kahle, County Agent, Don Siegler, and they are in the North balcony. Can we welcome these folks to the Unicameral. We are speaking on the Warner resolution and the Chair recognizes Senator Stoney.

SENATOR STONEY: Mr. Speaker, members of the Legislature, a question of Senator Warner, if he would respond please.

SENATOR WARNER: Yes.

SENATOR STONEY: Senator Warner, I am attempting to gain a little historic perspective on our spending habits here in the Legislature and I do not have the figures and perhaps it is an unfair question, and you can respond accordingly if that is true, that could you give me some idea as to what the Governor's recommendation was for fiscal year 81-82, what the Appropriations Committee's target was, and what we actually expended?

SENATOR WARNER: Thanks to staff, what came out of the Appropriations Committee last years based on our target figure that we had within the committee, we were I think about \$100,000 difference than the Governor. but then with the addition of a number of A bills, that figure became, as I recall, about five or six million more but a portion of those the Governor signed, you will recall as well.

SENATOR STONEY: Thank you, Senator Warner. Well, ladies and gentlemen, I have not been supportive of this resolution and former attempts to establish the increase in the income tax and I think from what Senator Warner has said this is a pretty good expression of why I have been opposed to what



we are doing thus far this year. Last year as a member of the Appropriations Committee, I did not feel that the amount that was adopted was one that I could support. I felt it was a little ambitious and, of course, I do not apologize but I must say that I am rather conservative when it comes to fiscal matters. Now my only concern with this resolution that is being adopted, and I know it really has no force of law, it is just a moral statement on our part, is that after adopting the additional \$5 million and placing our target at \$763 million, which is in excess of the Governor's at \$5 million, and if the committee as it historically has exceeds what that target figure might be, and knowing full well the propensity of the members here on the floor to expend dollars collectively, that \$763 million that we are establishing as a target now in my opinion will not hold and I just hope that you would take this into consideration before casting your vote on LR 215. Thank you.

SPEAKER MARVEL: Senator Higgins and then...Senator Higgins first. We are speaking to the Warner resolution.

SENATOR HIGGINS: Thank you, Mr. President. I think instead of considering increasing the budget, what I keep getting from my constituents is why don't you Senators find a way to save money. I understand the Revenue Committee did a study and found out if we quit paying all those businesses in the State of Nebraska three percent of what they collect to collect the sales tax it would save the State of Nebraska \$10 million. Let's go back to when we started this silly thing. It was 1967 or 68 we started this sales tax and we tried for years to get it through and Nebraska wouldn't pass it until finally they sweetened the pie and said anybody in business that they get to keep three percent just for doing the paperwork. That's when the banks were paying them one percent interest on the money they had in their bank. Today they are getting five and a quarter, six, seven, whatever. The sales tax money they collect draws interest for them in their own bank accounts for thirty to forty-five days. I see no reason to pay business three percent to collect the sales tax when they are making five percent or better on just depositing in their bank until they remit to the state. Now maybe back in '67, '68 they needed it but that is \$10 million, and I want everybody to think about this. Nobody pays me to withhold state income tax on my employees. Why? Why should a businessman be paid to collect a sales tax and another business not be paid to collect the state income tax? Because the Greater Omaha Chamber of Commerce didn't come down here and lobby for it. I just think that if you want to do the taxpayer a favor, that is the easiest way to cut taxes, cut out that three percent that we are paying them and

allowing them to make about eight or nine percent by investing the money for thirty or forty-five days until they give it back to the state. That isn't going to hurt anybody and I think the taxpayers would be grateful for it. Thank you, Senators.

SPEAKER MARVEL: Underneath the North balcony as a guest of Senator Lowell Johnson, Mr. Tom Grein, Managing Editor of the Fremont Tribune. Are you there? Senator Warner, do you wish to be recognized? Senator Warner is closing on the adoption of the resolution.

SENATOR WARNER: Just to clarify, I have the exact figure, Senator Stoney, that you had asked for a bit ago and as I indicated we were within \$100,000 of the committee target figure and then there was approximately \$4 million of A bills or increased commitments over that that the Governor signed last time, and then in addition, there was another \$4.6 million of vetoes that we overrode. So when the Legislature adjourned, the target figure that the Appropriations Committee used was exceeded by \$8.6 million. Again, the purpose of the resolution, as you all know, is to give the Appropriations Committee some guidance, I want to clarify the point, as well as the Legislature as a whole. The figure is at \$763 million but I want to clarify what I responded to Senator DeCamp's question on what is binding and my comment as to whether you voted no was only pertinent if you vote no on 763, and the presumption is I would imagine that you think that it is too high...excuse me, if you vote yes, the presumption is that is the level you want to fund, and then you turn around and vote yes on a whole series of A bills or appropriations amendments that exceed that, then I think you have a moral responsibility to explain that. If you vote yes on the 763 and we come up with a total appropriation less than that, then obviously you have acted more conservative than initially but you have that flexibility and I can see where that would be no problem. But I do think it should be understood that at least I would imagine that someone is going to compare votes on this resolution and then votes on spending bills as they go across to see if there is consistency, and I say that only so that no one misunderstands. Again I believe the 763 is a reasonable figure and I would hope the body adopts it.

SPEAKER MARVEL: The motion is the adoption of the resolution. All those in favor vote aye, opposed vote no. We are voting on the adoption of the resolution. Have you all voted? Record the vote.

CLERK: Mr. President, Senator Cullan requesting a record vote.

February 25, 1982

LR 215, 230  
LB 304, 139, 139A, 456, 685,  
686, 710, 786, 830, 834, 835,  
884, 906, 936, 962

(Read record vote found on pages 853 and 854, Legislative Journal.) 28 ayes, 15 nays on the adoption of the resolution, Mr. President.

SPEAKER MARVEL: Motion is carried. The resolution is adopted. The Clerk has a couple of items to read into the record and then we will proceed with LB 304 on the agenda.

CLERK: Mr. President, your Committee on Education whose Chairman is Senator Koch instructs me to report LB 710 advanced to General File with committee amendments attached. That is signed by Senator Koch. (See page 854 of the Legislative Journal.) Your Committee on Ag and Environment reports LB 786 advanced to General File, and 962 advanced to General File, both signed by Senator Schmit as Chair. Senator Schmit would like to print amendments to LB 686 in the Journal; Senator DeCamp to print amendments to LB 936. (See pages 854 through 861.)

Mr. President, I have a report of Registered Lobbyists for the week of February 19 through February 24.

Your Committee on Public Health reports LB 456 advanced to General File with committee amendments attached; 835 to General File with committee amendments attached; 830 indefinitely postponed; 884 indefinitely postponed; 906 indefinitely postponed. (See pages 861 through 866 of the Legislative Journal.)

New resolution, LR 230 by Senator Wesely. (Read LR 230 as found on page 867 of the Legislative Journal.) That will be laid over, Mr. President.

Mr. President, LB 685, 834, 139 and 139A are ready for your signature.

SPEAKER MARVEL: While the Legislature is in session and capable of transacting business, I am about to sign and do sign engrossed LB 685, engrossed LB 834, re-engrossed LB 139, engrossed LB 139A. Now we are going to read the motion on LB 304.

CLERK: Mr. President, I have a motion from Senators Carsten and Warner to return LB 304 to Select File for a specific amendment. The amendment would read as follows: (Read the Carsten-Warner amendment.)

SPEAKER MARVEL: I failed to do one thing and I will do that and then we will come back to this. Senator Nichol asked for a short Exec Session of the Judiciary Committee

March 1, 1982

LB 375, 604, 604A, 682, 738

Your committee on Enrollment and Review respectfully reports we have carefully examined and engrossed LB 375 and find the same correctly engrossed, 604 correctly engrossed; 604A correctly engrossed, all signed by Senator Kilgarin. (See page 896 of the Legislative Journal.)

Mr. President, LR 215 is ready for your signature.

PRESIDENT: While the Legislature is in session and capable of doing business I propose to sign and I do sign LR 215.

CLERK: Mr. President, your committee on Government reports LB 682 advanced to General File with committee amendments attached; 301 as indefinitely postponed, both signed by Senator Kahle as Chair. Banking reports 738 advanced to General File with committee amendments attached. (See pages 896-899 of the Legislative Journal.)

Mr. President, the Revenue Committee will meet in executive session today at 4:00 p.m. in Room 1019, Revenue Committee Room 1019 at 4 o'clock.

Mr. President, just a reminder that the Appropriations Committee has changed their hearing for this afternoon from Room 1003 to Room 1520. That is Appropriations from 1003 to Room 1520.

PRESIDENT: The Chair would like to take this opportunity to introduce a guest of Senator Nichol who is standing right down here at the front, guest from Scottsbluff, Nebraska, Dr. Glen Vandenberg. He is under the South balcony. Doctor, would you stand and be recognized. Welcome to your Legislature.

CLERK: One final item, the Education Committee reports LB 709 advanced to General File with committee amendments attached. That is signed by Senator Koch. (See page 900 of the Legislative Journal.)

PRESIDENT: And we also have a guest of Senator Kahle under the North balcony, Dr. Ed Alderman, optometrist from Minden, Nebraska. Doctor, would you stand up and be recognized and welcome to your Unicameral. Dr. Alderman. The Legislature will be at ease for a moment.

EASE

PRESIDENT: The Legislature will come back to order and Speaker Marvel has some announcements to make at this time. Speaker Marvel.