

January 20, 1981

LR 6, 7
LB 490 - 529, 144, 182

SENATOR BURROWS: I move the adoption of the resolution as amended.

SPEAKER MARVEL: Any further discussion on that motion? All those in favor of that motion vote aye, opposed vote no. Have you all voted? Record the vote.

CLERK: 42 ayes, 1 nay on adoption of the resolution, Mr. President.

SPEAKER MARVEL: The motion is carried and the amendment is adopted. Members of the Legislature, it is my privilege to introduce to you a young lady who with her staff has put out at least 869 separate bills and I would like to have her stand, and if it is your will to acknowledge the work that is done. The Clerk will read.

CLERK: Mr. President, new bills: (Read title to LB 490 through LB 517, pages 305 - 311, Legislative, Journal.)

Mr. President, while we are waiting, new resolution, LR 7: (Read. See pages 212 and 213, Legislative Journal.) That will be laid over.

Mr. President, hearing notice is provided by the Business and Labor Committee for February 4.

Mr. President, Senator Labedz offers explanation of vote.

Mr. President, new bills: (Read title to LB 518 through LB 526, pages 314 - 316, Legislative Journal.)

Mr. President, Senator Burrows would like unanimous consent to have his name added to LB 144 as coinroducer.

SPEAKER MARVEL: Hearing no objection, so ordered. One last call, does anybody have any legislation that is buried someplace that you would like to dig up? Now is your chance. Last call for any legislation.

CLERK: Mr. President. (Read title to LB 527 and 528, pages 316 and 317, Legislative Journal.)

Mr. President, Senator Kremer would like to ask unanimous consent to have his name added to LB 182 as coinroducer.

SPEAKER MARVEL: Hearing no objection, so ordered.

CLERK: Mr. President: (Read title to LB 529, page 317, Legislative Journal.)

March 13, 1981

LB 13, 76, 83, 204A, 254, 309,
391, 427, 455, 472, 498, 136

CLERK: ...your committee on Education whose chairman is Senator Koch reports LB 309 to General File; LB 427 to General File; LB 455 to General File; LB 472 to General File; LB 498 to General File with amendments; LB 13 as indefinitely postponed; LB 254 indefinitely postponed; and LB 391 as indefinitely postponed, all signed by Senator Koch as Chair.

Mr. President, Senator Wagner would like to print amendments to LB 204A. (See pages 899 of the Legislative Journal.)

PRESIDENT: One more time, if everyone will be at their desks we will commence Final Reading. Would all members please get to your desks so we can start Final Reading. As soon as everyone is at his or her desk we will begin. All right, we will begin, Mr. Clerk. The first bill on Final Reading is LB 76.

CLERK: (Began reading LB 76 on Final Reading.)

PRESIDENT: Yes, for what purpose do you arise, Senator Chambers?

SENATOR CHAMBERS: This bill, Senator DeCamp and I had talked about it. Can we lay it over a day? There are some amendments that are going to be offered and we don't want to try to do it now and the other bills can go ahead and be read?

PRESIDENT: Mr. Speaker, what do you wish to do with...? Under these circumstances? Is that all right? All right, the Speaker says it is all right, Senator Chambers. We will just pass over the LB 76 and commence then with LB 83, Mr. Clerk.

CLERK: (Read LB 83 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 83 pass with the emergency clause attached. All those in favor vote aye, opposed nay. Record the vote.

CLERK: (Read record vote as found on page 901 of the Legislative Journal.) 44 ayes, 1 nay, 2 excused and not voting, 2 present and not voting, Mr. President.

PRESIDENT: LB 83 passes with the emergency clause attached. The next bill on Final Reading is LB 136.

CLERK: (Read LB 136 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 136 pass. All those in favor vote aye, opposed nay. Record the vote.

SENATOR WIITALA: To begin with there was a little bit of opposition but most of the opposing views were reconciled to the best of my knowledge to this point, Senator Kahle.

SENATOR KAHLE: Thank you.

SPEAKER MARVEL: Senator Koch.

SENATOR KOCH: Mr. Speaker, I move the previous question.

SPEAKER MARVEL: The motion before the House is shall debate cease. Do I see five hands? Okay. The question before the House is shall debate cease. All those in favor of that motion vote aye, opposed no. Record the vote.

CLERK: 26 ayes, 0 nays to cease debate, Mr. President.

SPEAKER MARVEL: Debate is ceased. Senator Wiitala, do you want to close on your motion to advance?

SENATOR WIITALA: Mr. Speaker, members of the Legislature, I would just like to say that this primarily affects parcels of land in metropolitan areas and SIDs and I have no further closing. Thank you.

SPEAKER MARVEL: All those in favor of advancing LB 309 vote aye, opposed vote no. Record the vote.

CLERK: 32 ayes, 0 nays on the motion to advance the bill, Mr. President.

SPEAKER MARVEL: The motion is carried. The bill is advanced. LB 455, there has been a request from the introducer to pass over the bill. Is there any objection? If not, so ordered. The Chair now recognizes Senator Barrett.

CLERK: Mr. President, LB 498, introduced by Senator Barrett. (Read title.) The bill was first read on January 20, referred to the Education Committee for public hearing. The bill was advanced to General File, Mr. President. There are committee amendments attached by the Education Committee.

SPEAKER MARVEL: The Chair recognizes Senator Koch.

SENATOR KOCH: Thank you, Mr. Speaker. The committee determining from Senator Barrett's bill, added three amendments. Those three amendments, one of them basically deals with the inclusions that provisions to allow contracting for trans-

portation, secondly, clarification of revenues and expenditures to be placed in or made from a fund and the authority for the Nebraska Department of Education to promulgate the rules and regulations for that fund. I move for the adoption of the committee amendments.

SPEAKER MARVEL: The motion is the adoption of the committee amendments as explained by Senator Koch. All those in favor of adoption of those amendments vote aye, opposed vote no. Have you all voted on the adoption of the committee amendments? Record the vote.

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

SPEAKER MARVEL: The motion is carried. The committee amendments to 498 are adopted. Senator Barrett, do you wish to explain the bill?

SENATOR BARRETT: Thank you, Mr. Speaker and members of the Legislature, LB 498 as amended refers to all school districts which are now transporting children to and from school or to and from school related activities. You will notice that the bill was heard by the Education Committee on the 24th day of February, 1980. There was no opposition to the bill at that time. The necessity for 498 is essentially because transportation needs in our school districts are competing with educational programs for budget dollars. LB 498 simply authorizes a school district to set aside a special fund for transportation needs separate from the school's general budget. The transportation fund would then be used for the purchase of vehicles, operational costs, maintenance, insurance and so forth. You will note in the bill that there is a section which precludes a school district from using the special transportation fund for capital construction. It will be impossible for a school district to use the funds in the special fund for a construction or housing of school vehicles. The bill provides for a separate tax levy in addition to the other school taxes to be collected in the same manner that they are now collected. The Board of Education will report tax receipts, projected expenses of the district and of course the necessary tax rate to support those transportation programs. The fund used for transportation will be excluded from the 7% budget limitation. Historically I believe that Section 79, I believe it is 487, now provides that a school provides transportation funds out of a general fund. Receipts are now subject to the Political Subdivision Budget Limitation Act of 1979 and in light of the lid problems that our school districts are having it is my feeling and the feeling of the Education Committee that this is a very necessary step to take

at this particular time. If we can believe half of what we are hearing in the halls, there will be no effort made to repeal the lid this year, no effort of any consequence to perhaps modify the lid. So, due to the tremendous increases in fuel costs, costs of vehicles, maintenance, insurance and other related costs, transportation now determines a very considerable part of a school district's budget although it is only indirectly related to the instructional program in the school district. Mr. Speaker, I would move that LB 498 be advanced to E & R initial.

SPEAKER MARVEL: Senator Lamb, do you wish to be heard on this bill?

SENATOR LAMB: Mr. Speaker and members of the Legislature, I rise to call your attention to the ramifications of this bill. This is taking the lid off of part of the school budget. I think routinely in recent years we have resisted all attempts to take the lid off of one segment. We did at one point exempt fuel and fuel is still exempted from the lid and of course fuel is part of the transportation costs but I think we're faced with the proposition here that if we start chipping away at the lid, where do we stop? And it's a philosophical one. Maybe we should do away with the lid completely. I don't know but I hate to see us start chipping away at one part of the lid without dealing with the problem as a whole. I come from an area of the state where transportation costs are high and it is tempting for me to vote for this because the school districts in my area are highly impacted by transportation costs but philosophically I cannot support the bill. I would come closer to supporting a bill to take the lid off completely but I don't think at this point we should start chipping away. There is no end to that sort of thing.

SPEAKER MARVEL: Senator Schmit.

SENATOR SCHMIT: Mr. President and members of the Legislature, I can understand the problem that many of the schools face, especially those in rural areas where distances are much greater than in the urban areas and the problem and the cost of transportation are proportionately greater. I think that it's a very valid discussion or point of discussion as to whether or not transportation of children to schools ought to be responsibility of the school district anymore. But I would have to agree with Senator Lamb that I would prefer to take the lid off than to poke another hole in the lid and we talked about it many, many times. The problem of the lid is one which is here. It is one which the public seems to like. It is one which the most responsible persons that know is there only for public consumption and I think that to perhaps use this bill as a method of circumventing some

of the cost of education is to saddle some district with a considerably larger budget proposal than others would have. I know that in my own area, my own school district a few years ago they had an iron clad ruling that a youngster had to be at least two blocks from school where they would pick him up on the bus. I don't think that was any great hardship but I think there comes a point in time when we've got to be realistic and certainly when you live in the town of Bellwood, it's about six blocks one way and seven the other, we shouldn't have to have public transportation but we do and I think that maybe we would be better off to face realization that we can't afford all those luxuries and let a few of those youngsters walk a short distance than to relieve this pressure in this manner. I know there is going to be pressure and I know there is going to be some real tough decisions that will have to be made but I think that in all fairness the cost of transportation has become such a very large part of the cost of education that we need to realize what it is, we should not exempt it, we should, in fact, accentuate it and ask our people if they really think it is worthwhile. So at this time, although I'm sympathetic with Senator Barrett and I know the problem is very real in the rural areas, I think it would be a mistake and I just can't support the bill.

SPEAKER MARVEL: Senator Carsten.

SENATOR CARSTEN: Mr. President and members of the Legislature, I rise in opposition to Senator Barrett, my good friend and I, Senator Barrett, understand the problem that you are trying to address but as Senator Lamb and Senator Schmit have both said before me, we keep poking the holes in lids and eventually we don't have any and I think that is what is being attempted here. Once again, we have in the Revenue Committee tried desperately hard to prevent further exemptions to the lid and whether it is right or wrong, that has been the philosophy and I think the last election has shown that the bulk of the people are for cutting back, not expanding and this certainly would be an expansion. I do not know what it would do to my own school district but I know it would be some increase without any question as it would to all districts that bus the kids. I think that it is a wrong approach. If you want to make an approach, let's come right out front and say let's do away with the 7% lid rather than try to hide it behind something of this note. I am opposed to it and would certainly urge you not to approve it.

SPEAKER MARVEL: Senator Kahle.

SENATOR KAHLE: Mr. Speaker and members, I would like to ask Senator Barrett a question or two if I could. Senator Barrett, if I am correct we have a four mile limit that it is necessary to pick up the students to bring them in to school. Would this change that in any way?

SENATOR BARRETT: No, it would not, Senator Kahle.

SENATOR KAHLE: It would still be a four mile limit.

SENATOR BARRETT: That is my understanding, yes.

SENATOR KAHLE: Okay. I guess I have some deep concerns about this and I would go along with those that spoke before about the lid. We had some very serious problems in the school district that I pay taxes to, the Kearney district, when they stopped bus service to the south part of Kearney which lays across the Union Pacific Railroad tracks and the parents there got together and have reinstated the use of at least two buses and maybe three which they pay directly out of their own pockets for. So I guess if there was anybody that was concerned about this I should be because that part of the city is in my district. But as much as I would like to see that happen and they would be able to be bused again, it is a way of blowing a hole in the lid and I agree that unless we blow the lid completely that a bit by bit is not the way to do it. I had introduced a bill the other day dealing with county bridges and we discussed that. I think we would be... I don't think we are going to build any bridges unless we do blow the lid. So I think we have a problem but much as I'd like to see the transportation paid above the lid or outside of the lid, I think we're going at it piecemeal instead of head on. One of the other things that would happen, we heard the Governor's budget this morning and the state budget sounds like if we follow his recommendations we're going to be able to hold the line on taxes but that is not the truth out in the local subdivisions where the real estate tax has been going up and will continue to go up at 7% at least if you're paying your share and they haven't changed your valuation. So I don't believe that the people back home would want us to blow the lid for just that particular segment. If we're going to blow it, let's blow it all. Thank you.

SPEAKER MARVEL: Senator Fenger.

SENATOR FENGER: A question of Senator Barrett please.

SPEAKER MARVEL: Senator Barrett, do you yield?

SENATOR BARRETT: Yes, Senator.

SENATOR FENGER: Senator Berrett, the Omaha school district is currently facing a three, three and a half million dollar annual cross town federal mandated budget in busing. In many of these instances private carriers are contracted. Is the private carrier aspect of cross town busing addressed in this and is it your opinion that Omaha school district and that mandate would follow under the same special fund?

SENATOR BARRETT: Question number one, it is my understanding that the committee amendments take care of contracting, leasing and so forth, Senator Fenger, and number two, I'm not in a position to answer that question. I'm sorry.

SENATOR FENGER: Thank you.

SPEAKER MARVEL: Senator Koch.

SENATOR KOCH: Mr. Speaker and members of the body, this bill is a result of a rather extensive study on transportation in the State of Nebraska for the public school systems. The committee in its wisdom feels that this is the most appropriate way to meet transportation costs today. Contrary to what some of them may think this is not an urban versus rural type of proposal. We have in our office downstairs from the various administrators and others in the State of Nebraska what they are presently putting into transportation. It runs anywhere from 12% to 22% of their budget for the purpose of bringing children to an attendance center for the purpose of instruction. Now under the 7% lid I ask you, is this fair? When you start cutting programs so that you can provide transportation because by law this body has said, you will transport children who are elementary grades two miles and beyond, you are going to transport them. Four miles and beyond you're going to transport them also. As individuals I think it behooves you and I to look at the costs of transportation and see whether or not they shouldn't be set aside. I know several school districts that have attempted to do away with transportation. However, they have been unable to do so simply because parents become so accustomed to it they expect that convenience. Certainly I know that this may pierce the lid limit to some extent but the point is it's going to sit out here by itself where it can be examined by the public to determine to what extent they want to furnish transportation and to Senator Fenger I would say he'd better look at Bellevue because Bellevue is going to be one of the biggest losers there is when it comes to impact aid and Bellevue manages its own

transportation system and Bellevue lives under a lid like everyone else does. Bellevue could stand to lose at least \$2 million under 874 dollars this next year. When you transfer that into millages it is going to be a traumatic millage increase. In fact, it is so bad I'm thinking about introducing legislation to allow Bellevue and others to charge tuition to their students who are solely dependents of military personnel living on the reservations. Now, before you decide and make up your mind, I suggest you examine it very carefully because the committee is going to sit there doing surveys and listening to the various administrators and board members on the subject of transportation for just idle time. We came here with this piece of legislation because we think it is the most appropriate way to handle it in terms of transportation. The board then can defend their transportation policies or they can diminish them if they feel it is going out of hand but for us to allow that to be taken away from programs of instruction for children I don't believe is in the best interests of the children nor the best interest of the patrons nor for auditing of how much it costs us for transportation in the State of Nebraska.

SPEAKER MARVEL: Senator Remmers.

SENATOR REMMERS: Mr. President, members of the Legislature, just briefly I want to oppose this bill. I have said many times that I would vote to remove the 7% lid but that I would oppose any end runs on it. I think the district that I live in probably has about as large a percentage of their budget going for transportation as maybe any other district in the state but I think that the 7% lid has been imposed on us. I think it would be wrong to run around it. Maybe when these people realize what it is costing them that it is costing education maybe we'll have a mandate to remove the 7% lid. I'm opposed to an end run.

SPEAKER MARVEL: Senator Beutler.

SENATOR BEUTLER: Mr. Speaker, members of the Legislature, I just want to make one real brief comment. It strikes me as strange that on the same day of the year we hear from our Governor who basically wants to impose upon the state government an increase this year of something like 5 or 6% on the theory that the people are in a state of tax rebellion and this is all that we can do in these hard economic times and then over in the local political subdivisions side we have a lid which we call a 7% lid

but which every intelligent person knows it is more like a 9 or 10% lid, and yet the assertion is made here this afternoon that these local political subdivisions can't get along with the 9 or 10% lid and need another hole in it and yet we all seem to be in a mood to think that the state government can get along with 5 or 6%. I guess I think we owe it to ourselves and to the public to come up with some sort of consistent theory on these things and I would ask that that be some guide to you in dealing with the bill that is before you right now. Thank you.

SPEAKER MARVEL: Senator Vard Johnson.

SENATOR V. JOHNSON: Mr. Speaker, members of the body, I want to make just a couple remarks with respect to this bill. I think the first remark I want to make is to Senator Bill Barrett. Now he knows the meaning of the penalty of piling on. He's had virtually every speaker has risen in opposition to what he is going to do and the second remark I want to make is to the Executive Board. Not every bill that is labeled education bill should be referred to the Education Committee. Every other bill that has had to deal with a 7% lid has been referred to the Revenue Committee where it has been summarily dispatched but when a 7% lid bill got to the Education Committee that committee obviously saw it different in sending this particular exemption bill to the floor of the Legislature. So to some extent, Senator Barrett, the hard remarks that you are getting on the floor today, you would have got in the Revenue Committee had the bill come to the Revenue Committee and the final remark I want to make is that I recognize that Senator Barrett is doing frankly the right thing because local subdivisions genuinely are suffering from our 7% budgetary receipts lid that we imposed two and a half years ago and without any question alterations have to be made in that. But I want every member in this body to remember that that piece of legislation sunsets December 1983 which means that the 7% lid law that we have in place will come to an end automatically. It takes no legislative action on our part. It will come to an end automatically December 1983. So at that point in time this body will be able to reassess the efficacy of a 7% lid law, be able to determine whether or not it wants to continue the legislation, whether it wants us to let the local subdivisions do what they want to do but I suspect that until that point in time we will have to continue to struggle with the problem that local subdivisions are faced in trying to meet increasing costs with a very restrictive receipts budget.

SPEAKER MARVEL: Senator Barrett, do you wish to close?

SENATOR BARRETT: I'm not sure, Mr. Speaker.

SPEAKER MARVEL: I've had the same feeling at times.

SENATOR BARRETT: My intent was not to stir up the natives. Thank you, Senator Johnson, for those kind remarks with reference to piling on. I think I'm entitled to fifteen yards, correct? I made no secret about this, ladies and gentlemen, not at all. It is straight out, very straight forward. Pull transportation costs from the general budget, levy a special tax. It is exempt from the 7% Budget Limitation Act of 1979. The bill is a loophole. There is no question about it. It is dictated by the severe limitations which have been placed on school districts in your legislative districts and in mine. It is virtually impossible for some of these districts to continue operating under the current levels with the current programs without some assistance. Transportation costs, transportation needs are competing for these educational dollars and as far as I am concerned there is a difference between transportation and education. An exemption, an exception, if some of you prefer, a subsidy. Call it by any name you want. If you have a philosophical problem with it, sobeit. I repeat, I move that LB 498 be moved to E & R initial. Thank you.

SPEAKER MARVEL: All those in favor of that motion vote aye, opposed vote no, the advancement of the bill. Have you all voted? Have you all voted? Senator Barrett. Do you want to record the vote? Okay, record the vote.

CLERK: 12 ayes, 28 nays, Mr. President, on the motion to advance the bill.

SPEAKER MARVEL: The motion lost. The Clerk has a couple of items on his desk before we go to the next bill.

CLERK: Mr. President, there will be a meeting of the Reference Committee underneath the North balcony at three-thirty.

Mr. President, Senator Fowler would like to print amendments to LB 404A in the Legislative Journal. (See pages 223-224 of the Legislative Journal.)

Mr. President, a new bill, LB 767 offered by Senator Schmit. (Read by title for the first time LB 767. See page 224 of the Legislative Journal.)

Mr. President, Senator DeCamp would like to have a meeting of the Banking, Insurance and Commerce tomorrow morn-

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LB 127A, 287, 401,
498, 820-824

hear your votes, so would you please cooperate with him and with us. Proceed.

CLERK: (Read the roll call vote as found on pages 269 and 270 of the Legislative Journal). 22 ayes, 20 nays, Mr. President, on the motion to advance the bill.

SPEAKER MARVEL: The motion fails. Senator Landis. The Clerk has got some items to read in and then we will go to LB 410.

CLERK: Mr. President, new bills. LB 820 offered by the Urban Affairs Committee. (Read title as found on page 270 of the Legislative Journal). LB 821 offered by the Urban Affairs Committee. (Read title). LB 822 offered by Senator Fowler. (Read title). LB 823 offered by Senator Chronister. (Read title). LB 824 offered by Senators Haberman, Nichol and Labeledz. (Read title). See pages 270 and 271 of the Journal).

Mr. President, I have a series of notice of hearing reports. The first is offered by the Urban Affairs Committee for January 20 and January 27, signed by Senator Landis. One for the Miscellaneous Subjects for January 28, 29, February 4, 5 and 11, signed by Senator Hefner. A third from the Ag and Environment Committee for January 28 and 29, signed by Senator Schmit. One for the Revenue Committee for Monday, January 18. That is offered by Senator Carsten as Chairman. (See pages 271 and 272 of the Journal).

Mr. President, new A bill, LB 127A offered by Senator Sieck. (Read title). (See page 272 of the Journal).

Mr. President, the Speaker gives notice of priority bill scheduling for general floor debate.

Mr. President, Senator Koch would like to print amendments to LB 498 in the Legislative Journal. (See page 273 of the Journal).

Mr. President, your committee on Nebraska Retirement Systems to whom was reported LB 287 instructs me to report the same back to the Legislature with the recommendation that it be advanced to General File with amendments. That is signed by Senator Fowler as Chairman. (See pages 273 through 275 of the Legislative Journal).

Mr. President, Senator DeCamp would like to print amendments.....that's all I have, Mr. President.