April 14, 1981

introduction of Request #935 by the committee.

SPEAKER MARVEL: Senator Warner.

SENATOR WARNER: I so move, Mr. President.

SPEAKER MARVEL: The motion is the introduction of the bill. All those in favor of that motion vote aye, opposed vote no. Record.

CLERK: 31 ayes, 0 nays, Mr. President, on the motion to introduce.

SPEAKER MARVEL: The motion is carried. The bill is introduced.

CLERK: Mr. President, Senator Warner moves for the introduction of Request #950 by the Appropriations Committee.

SPEAKER MARVEL: Senator Warner.

SENATOR WARNER: Mr. President, I move the introduction of the bill.

SPEAKER MARVEL: All in favor of that motion vote aye, opposed no. Record the vote.

CLERK: 31 ayes, 0 mays on the motion to introduce, Mr. President.

SPEAKER MARVEL: The motion is carried. The bill is introduced. The Clerk is going to read the titles and then we will have a motion to put the bills on General File.

CLERK: Mr. President, new bills. LB 557 by the Appropriations Committee. (Read the title to LB 557 for the first time.) LB 558 introduced by the Appropriations Committee and signed by its members. (Read title to LB 558 for the first time.) LB 559 by the Appropriations Committee. (Read title to LB 559 for the first time.) LB 560 introduced by the Appropriations Committee and signed by its members. (Read title to LB 560 for the first time.) LB 561 signed by the Appropriations Committee. (Read title to LB 561 for the first time.) And finally, Mr. President, LB 562 offered by the Appropriations Committee. (Read title to LB 562 for the first time.)

Mr. President, Senator Warner now moves for suspension of rules, Rule 3, Sections 4 and 12, and Rule 6, Section 1, so as to place LB 557, 558, 559, 560, 561 and 562 directly

amendments vote aye, opposed vote no. Have you all voted? Record the vote.

CLERK: 27 ayes, 0 nays, Mr. President, on the motion to adopt the committee amendments.

SPEAKER MARVEL: The motion is carried. The amendment is adopted. Senator Warner, do you want to explain 161?

SENATOR WARNER: Now I move that the bill be advanced to E & R Initial. To go back to the two I forgot for a moment, the court reporter and the clerk of the Supreme Court, the reason for the amendment, it reflects the salary policy of the eight, the difference between the eight and nine percent as the bill had in it. All of the other constitutional officers contained in the bill salary level reflects the statutory level authorized by law and continues that level for each of those positions during the coming fiscal year. Of course it cannot be changed other than by law so...and again as required by the Constitution, those salaries must be contained in a separate appropriation bill. So I move the bill be advanced.

SPEAKER MARVEL: The motion is to advance 161 to E & R for Review. All those in favor vote aye, opposed vote no. Have you all voted? Record.

CLERK: 26 ayes, 0 mays on the motion to advance the bill, Mr. President.

SPEAKER MARVEL: Motion is carried. LB 161 is advanced to E & R for Review. LB 557.

CLERK: Mr. President, LB 557 (read title). The bill was first read on April 14 of this year, Mr. President. It was referred directly to General File.

SPEAKER MARVEL: Do you want to explain the bill, Senator Warner?

SENATOR WARNER: Yes, sir. Those of you who are using the blue book, this starts Section 2, page 28. These are the traditionally cash funded only agencies with one minor exception which is the Department of Aeronautics and I move that the bill be advanced. The only thing I might mention at this point, because the rest of the next three bills all contain some across-the-board policies relative to salaries and other policies that the Appropriations Committee is recommending, and, briefly, it is this. In the area of salaries, it is generally a nine percent,

allowance in dollar amount of nine percent increase in salaries. It is allocation in essence of nine percent for those employees who are eligible for overtime. range of six to twelve but the average shall be nine for those not eligible for overtime which is essentially supervisory, management, administrative personnel and this is what we have traditionally done now for the last two or three years. In addition the appropriation language for the salaries also has language relative to a pay plan conversion that you may recall was included in the Governor's message. Also when he appeared before the Legislature, in addition to these adjustments, there will be a bill coming along that reflects increased health insurance costs for those state employees covered by the health insurance and the A bill, of course, will provide the funding for that portion of the adjustment for the cost of those operations. The only general fund increase in this bill deals with the Department of Aeronautics where there is a... I take it back. That is in the A bill so I don't have to touch on it here. I will pick that up in the A bill. I would be glad to answer any questions on any one of the agencies, Mr. President, if there are any.

SPEAKER MARVEL: The motion is to advance the bill, 557. All those in favor of advancing the bill to E & R for Review vote aye, opposed vote no. Record the vote.

CLERK: 25 ayes, 0 mays on the motion to advance the bill, Mr. President.

SPEAKER MARVEL: The motion is carried. The bill is advanced. Now we go to 558.

CLERK: Mr. President, LB 558 (read title). The bill was read on April 14. It was referred directly to General File, Mr. President.

SPEAKER MARVEL: Senator Warner.

SENATOR WARNER: Mr. President, I move LB 558 be advanced to E & R Initial. This is the appropriations required by the various constitutional officers including the Legislative Council, Supreme Court, District Courts, Governor, Lieutenant Governor, Secretary of State, Auditor of Public Accounts, Attorney General, State Treasurer, Public Service Commission and the Board of Pardons. The same general policies were used for these agencies as previously discussed on others. Again in the interest of time, and recognizing the number of Senators that heard the discussions

LB 160, 161, 163, 232, 241, 252, 326, 557-562

PRESIDENT LUEDTKE PRESIDING

PRESIDENT: Prayer this morning by the Reverend Dwayne Lueck from Trinity Lutheran Church, Martinsburg, Nebraska. This is Senator VonMinden's pastor.

REV. LUECK: Prayer offered.

PRESIDENT: Roll call. Has everybody registered your presence? Record the presence. Mr. Clerk.

CLERK: There is a quorum present, Mr. President.

PRESIDENT: A quorum being present, are there any corrections to the Journal?

CLERK: Mr. President, correction, page 1577, line 7, add Senator Hefner's name after Sieck.

PRESIDENT: Correction so ordered. Any messages, reports or announcements, Mr. Clerk?

CLERK: Mr. President, your committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 252 and recommend that same be placed on Select File with amendments; LB 326 Select File with amendments; LB 232 Select File with amendments; LB 160 Select File; LB 161 Select File; LB 557 Select File; LB 558 Select File; LB 559 Select File with amendments; LB 560 Select File; LB 561 Select File; LB 163 Select File with amendments; LB 562 Select File, all signed by Senator Kilgarin as Chair.

Mr. President, LR 60 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 60. We are ready then for agenda item #4. The Sergeant at Arms will see that all members are at their desks and clear the aisles for Final Reading. We are ready for Final Reading as soon as everyone takes their places. We are about ready for Final Reading. As soon as everyone is in their place we will commence Final Reading. All right, we will commence. The first bill on Final Reading, Mr. Clerk, is LB 241.

CLERK: (Read LB 241 on Final Reading.)

PRESIDENT: (Interupts reading.) Pardon me, Mr. Clerk, will you stop please. Senator Koch, for what purpose do you arise?

SENATOR WARNER: I move the bill be advanced, Mr. Fresident.

SPEAKER MARVEL: The motion is to advance the bill, 160. Is there any discussion? All those in favor of that motion vote age, opposed vote no. Okay, all in favor of advancing the bill say age. Opposed no. The motion is carried. The bill is advanced. Next, Mr. Clerk.

CLERK: Mr. President, 161 has nothing on it.

SPEAKER MARVEL: Senator Kilgarin.

SENATOR KILGARIN: I move we advance LB 161.

SPEAKER MARVEL: All in Tavor of that motion say aye. Opposed no. The motion is carried. The bill is advanced.

CLERK: Mr. President, LB 557. I have nothing on the bill.

SPEAKER MARVEL: Do you want to move the E & R amendments?

SENATOR KILGARIN: There aren't any.

CLERK: No. just the advancement, Senator.

SPEAKER MARVEL: Do you want to advance the bill?

SENATOR KILGARIN: I move we advance LB 557.

SPEAKER MARVEL: The motion is to advance 557. All those in favor of that motion say aye. Opposed no. The motion is carried. The bill is advanced.

CLERK: Mr. President, 558, I have no E & R amendments. I do have an amendment from Senator Beutler. The purpose is to provide \$25,000.....Senator Beutler, Mr. President, moves to amend 558....(Read the Beutler amendment as found on page 1664 of the Legislative Journal.) That is offered by Senator Beutler.

SPEAKER MARVEL: The Chair recognizes Senator Beutler.

SENATOR BEUTLER: Mr. Speaker and members of the Legislature, let me give you a little bit of history on this particular amendment. As most of you will recall, the whole redistricting discussion really came up in the Legislature a couple years ago when Senator Cullan came in and we had some redistricting out in Alliance, and we had some redistricting done in Columbus. And the process that was begun at that point in time probably began before that,

CLERK: 14 ayes, 17 mays, Mr. President, on adoption of the Hoagland amendment.

SENATOR CLARK: The amendment failed. Senator Haberman, would you like to recess us until one-thirty right after the Clerk reads something in.

CLERK: Senator, excuse me, if I may. Mr. President, I have amendments from Senator DeCamp to LB 557, 558, 559, 560, 561 and 562 to be printed in the Journal. (See pages 1756-1757 of the Legislative Journal.)

Urban Affairs Committee will have an executive session at 11:00 a.m. underneath the North balcony on Thursday, Mr. President.

Mr. President, the Miscellaneous Subjects Committee will meet in executive session in Room 2102 at noon today. Public Works Committee will meet underneath the North balcony right after recess at noon. That is signed by Senator Kremer. That is all that I have, Mr. President.

SENATOR CLARK: Senator Haberman.

SENATOR HABERMAN: Mr. President, I move to recess until one-thirty this afternoon.

SENATOR CLARK: You have all heard the motion. All those in favor say aye, opposed no. We are recessed until one-thirty.

Edited by Arleen McCrory .

LB 70, 163, 172, 184, 242, 250, 285, 302, 310, 324, 369, 375, 494, 497, 527, 557, 558, 559, 560, 561,562.

May 5, 1981

aye, opposed vote no. Have you all voted? Senator Burrows.

SENATOR BURROWS: I would like a Call of the House and a roll call vote.

SPEAKER MARVEL: The first motion is, shall the House go under Call? All those in favor of that motion vote aye, opposed vote no. Record.

CLERK: 16 ayes, 1 may to go under Call, Mr. President.

SPEAKER MARVEL: The Legislature is under Call. Please return to your seats. Record your presence. Senator Burrows, do you want to record....Senator Kahle, Senator Hefner, Senator Goodrich, Senator Wagner, Senator Landis, Senator Newell, Senator Chambers, Senator Pirsch, Senator Labedz, Senator Higgins. While we are waiting, under the north balcony Mr. Jack Fletcher and his son, Monte, Jack is a former resident of Lincoln County, Nebraska, and now lives in Upland, California, and they are guests and friends of Myron Rumery. And from Senator Remmers' District, 14 students from Tablerock, Nebraska, Mrs. Griffith, teacher. Should be in the north balcony. Are they?

CLERK: Mr. President, while we are waiting, your Committee on Enrollment and Review respectfully reports they have carefully examined and engrossed LB 163 and find the same correctly engrossed, 557, 558, 559 and 560, 561, 562, all correctly engrossed. (Signed) Senator Kilgarin. Your Committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 242 and recommend that same be placed on Select File, 494 Select File with amendments, 369 Select File, 310 Select File with amendments, 497 Select File with amendments, 250 Select File, 302 Select File with amendments, 70 Select File with amendments, 285 Select File with amendments, 324 Select File with amendments. (See pages 1771 through 1773 of the Legislative Journal.) Mr. President, Senator Schmit, Kremer, Chronister and VonMindenmove to place I a 37 can be on General File pursuant to Rule 3, Section 18(b). Senator Carsten would like to print amendments to LB 172, and Senator Lamb to LB 285. (See pages 1769 through 1771 of the Legislative Journal.)

SPEAKER MARVEL: Senator Labedz, Senator Higgins, Senator Chambers, Senator Goodrich. Senator Burrows, do you want to start the roll call? We have four that still are unaccounted for.

PRESIDENT: He is ignoring you as only he can do. He is over there ignoring you, he is so surrounded by... you missed your chance. We will go ahead then to the next item, under agenda item number five, which is on motions on returning to Select File for specific amendment, the budget, starting with LB 232, Mr. Clerk.

CLERK: Mr. President, I have no motions on 232.

PRESIDENT: All right shall we go on to 160 then.

CLERK: Mr. President, I have no motions on LB 160.

PRESIDENT: All right, what about 161?

CLERK: I have nothing on 161.

PRESIDENT: What about 163?

CLERK: I have nothing on 163.

PRESIDENT: Would you try 557.

CLERK: Mr. President, I do have a motion on 557. Senator DeCamp would move to return LB 557 to Select File for a specific amendment. The amendment is found on page 1756 of the Journal and it would read as follows. Read DeCamp amendment.

PRESIDENT: All right. Before we do could we have a little bit of order. It is very hard to hear and this is a very important appropriations matter.....draw your attention it is LB 557. The Chair recognizes Senator DeCamp.

SENATOR Decamp: I need a Page to hand out some things. Mr. President and members of the Legislature, I'm not going to try to take very much time on this, I happen to know the outcome, I can count and my good friends can count but I think I have to make some points because it may be important in the future. So, in the minutes that I have on the opening statement I'm going to tell you the mechanics of what I am proposing overall, the net effect of what I am proposing, the net effect of going ahead without the proposal, at least in my opinion and then in my closing on the issue I will deal with some philosophical things. There are a number of motions. I will tell you in advance so we don't waste time, if the first one fails, I'll withdraw all of the others, so that is an incentive I suppose to make it

By the same token I wish you honestly would listen and look at the information. The mechanics of my plan work something like this. You have handed out to you two sheets. Now, pick up your sheet number one if you would and go through it with me and it talks about daddy's budget and mommy's budget and I make is simple so I can understand it. I'm sure that you people understand the budget process better than I do so, if you would go with me on this it makes it at least so I can explain it. Every year come about this time of the session the Appropriations Committee, I call them daddy here, brings out their budget. It has all of the various items that they deem to be important. It almost invariably spends all the money, uses up the money. Now we get over to mama's budget, daddy turns over to mama and says well here is the budget and we have only got \$100 and we are going to live within Mama says yes but, you forgot the kids school clothes, you forgot a spending allowance, you forgot a church donation, you forgot the baby clothes. She says these are really priorities that I at my level know about and they are just as important. Daddy says, well sorry I've used the \$100 it is gone. You will have to do something about that. There are two solutions, I think, and we have always taken solution number one. That is supposedly all of mama's priorities are outside the budget. No matter how fundamental they are they are the things that "cause the tax increase" they are the things that generate the vetoes they are the things that are outside of everything. So, as it is here we have 26 million, it is going to go over to the Governor's office, state aid is going to be vetoed, ADC is going to be vetoed, we will have the fight in here and if we override the vetoes as is the regular annual ceremony, we get egg on our face for spenders, tax increasers, ADC we are overriding vetoes for things like Women that have babies and don't want to work, so on and so forth. It is an annual event and I think that maybe it is time to look at another approach. The other approach is this, we say look, these are priorities of members of the body, part of the family, lets take the entire budget and cut it by just enough to make everything fit but recognize those priorities. So by cutting the budget 25% across the board and eliminating ten million of the 20 million increase in state aid, you will actually be under the total dollars that are available and that we talked about and that the Appropriations Committee had talked about. I think that it makes it veto proof. You don't have to apologize to anybody. There is nothing left to veto. We are under the numbers, which is what

the governor's goal was. We have simply emphasized our priorities. Now to the objections that have been heard and I know that you have gotten your calls from the University and told, oh, this is terrible from some public employees. This does not cut the public employees salary increase by a billionth of one penny. I repeat it, it does cut them at all contrary to what you have been told. it may mean is if you have got ten employees and they are to get a ten dollar increase and you only have a hundred dollars available and you cut it back to ninety-eight dollars that when one quits or is laid off you may not replace them for two or three months, you may have to tighten your belt there. But, you have got other language, internal language in the bills that guarantees their pay increase. So, if you have been told, and I know that many of you have been told that you are cutting that pay increase for public employees, or University employees that is totally false. All you are doing is saying over all we are going to cut a little here, we are going to tighten our belt there so on and so forth. I really believe that that is the approach that maybe you should be taking. Now I passed out a second exhibit or handout. We have made state aid a fundamental part of our whole educational financing We are increasing because of the inflation and other things the budgets about 7% a year. If you don't also relatively increase that part of the finance of state aid and the financing package all you are doing is shifting that portion over to property. So if you stick with the budget the way it is, without any state aid increase, you are increasing the property taxes about two percent. That is what it is going to amount to, about a two percent increase for your property taxes because we haven't recognized that part of the budget as one of the priority items. I do believe that it is time, and I'm not attacking the University, but I would like to say that it is time for us to recognize that public education at the primary and secondary level and some of these other things that we as a legislature have dealt with are just as fundamental to the core of the budget as the University of Nebraska. You can't say that they are entitled to a 13% increase or a 12.8 or whatever and that your financing system for public education at the primary and secondary level is somehow the bastard child of government, something we don't really have to be responsible for, and we just give it as a gift, that is a fundamental obligation. Primary and secondary education we should recognize the state responsibilities just as much as the University. But

we never have. It is always we have to override vetoes. we have to override vetoes to get any money for state aid. The system that I am offering you would prevent any tax increase. It would make the thing pretty much veto proof. And, I think it would recognize the priorities such as the water thing that Senator Kremer and Schmit put on, the state aid, at least half of it that was put on to keep up with inflation and that part of the financing system. I urge you to adopt it and I know that there are less count 29 votes absolutely against it without any understanding of what it is I am offering, but the University has sent out the magic word so I know that it is fate, but I think I did have to offer it because I think in future years, in future years you are going to see you have got competing forces and you have to start treating them more fairly and equally than we have in the past and you cannot have the Iniversity as the only thing that attention is given to.

PRESIDENT: Chair recignizes Senator Warner.

SENATOR WARNER: Mr. President, members of the Legislature, I think it has been indicated by the maker of the motion that the argument be presented all on this bill. merely point out that LB 557 has no General Fund money in It is the cash funded agencies only. But since we are only arguing the principle we can argue it here as well as any place. It was suggested that the committee ties up all money and that is not true. Has not been true since I have been on the Appropriations Committee and this year you will recall the yellow sheet showed 8.7 million. Palf of that was for reduced revenues should the food credit be increased but there was funds left over. I want to talk more specifically about the concept because that is really what is at issue. The first concept is that we are cutting state fund operations, as I understand the proposal to increase aid. That is a priority that I personally can not support, that the state gives a lesser priority to its prime responsibilities for programs where it has the sole responsibility for programs as compared to the aid bills. Secondly, it has been stated that this will not affect salaries, across the board 2% and again as a technical fact that is probably an untrue statement because as I understand the amendment as it is proposed is to cut all programs....agencies but 2% well you will have programs within particularly smaller agencies that are highly salary or personal service intensive, and there is frankly not that kind of funds.

Small agencies frequently do not have have vacancy savings. Secondly, we take vacancy....assumed vacancy savings into account in large agencies and provide some recognition of that fact in arriving at the budget, in fact it is submitted that way when their budget request is made way back in the summer before the....before any review has been made what-In passing I notice with interest that the amendsoever. ments leave out the bills affecting senator salaries and constitutional officer's salaries but I assume that could be remedied if the concept wishes to be picked up. main problem is two. One is the fact that on 561, which is the aid bill, the 21/2% amounts to a little over nine million dollars. So that means that you are redistributing the aid between those governmental subdivisions and individuals only. You want to think carefully about some of those distributions or reductions that will occur. are a number of things in the A bill that are statutory. For example the law says that the governmental subdivision fund shall have 12.6 million dollars appropriated. Now if you cut the budget by 2½% I'm not sure that you can. . . .

PRESIDENT: One minute Senator Warner.

SENATOR WARNER: But, nevertheless that is a very practical problem. You cut some of these other programs which are by statute, such as special ed, wards of the court, homestead exemption, the veterinary contracts for students going out of the state. If you cut some of those all you will do is automatically provide a deficit next year cause the law states what will be funded by the state precisely. You do not make a reduction in any sense of the word. You have another problem where there are programs such as in aging where the federal requirement is for a 5% hard match, dollar match for a variety of the programs for the aging, primarily dealing with meals on wheels and similar programs. All that is in the budget is that minimum of 5%. You cut that and you automatically in those cases have the 95% reduction in the....85% reduction in the federal funds that are comparable to what that 5% would provide, 10% of it is raised in kind. I do not make these arguments to attempt to say that this is impossible or to create doubt in what Senator DeCamp is trying to do. I merely tell you that there are exceedingly complicated with across the board budgets. know that they sound well. I can well recall the senator who sat here in this body for a number of years and traditionally made that argument each session. It was always interesting to me that he always voted for every amendment to increase and he came in with his one or two percent as I recall across the board reduction and it was obvious. . . .

PRESIDENT: Time is up.

SENATOR WARNER: that purpose. But I would urge that the body does not accept this amendment because it does present far more complicated problems than what appears.

PRESIDENT: Before we go to the next speaker the Chair would like to introduce some 42 students and 6 adults from Senator Stoney's district from Christ the King in Omaha, Mr. Tom Bahl and Carole Classey, Mrs. Fat Jessy and Father Theodore Rischling. They are up here in the north balcony. Would you welcome Christ the King from Omaha. Then turn your eyes to the south balcony. From Senator Kahle's district we have 49 students and 7 adults from Superior Elementary School, Dave Berens and Laura Coreman teachers, here in the south balcony. Welcome to your Nebraska Unicameral Legislature. The Chair now recognizes Senator Dworak.

SENATOR DWORAK: Mr. President, fellow legislators, I'm really sorry that I missed the last two days. as I enjoy spending other peoples money watching the budget being busted by some 23 million dollars in a matter of two or three hours after the Appropriations Committee had spend literally four or five months anguishing over these decisions. You know it is not difficult, it is not difficult to pyramid, it is not hard, I'll vote for this if you vote for that and we will vote for everything. You know that is not difficult. That just adds. That just postpones the hard decisions of staying within perameters and the frame work of budgeting process. I suggest what we have before us right now is the DeCamp scam, it is a sham, it is a political flim-flam. What this is is the core amendment, cover our rear ends, that is what we are looking at right now. You know after we spent Monday adding expenditure upon expenditure upon expenditure which would trigger a tax increase and we all know how popular tax increases are and we all know what the mood of the Nebraska people are as far as spending and as far as taxes are concerned. you have forgotten the majority Reagan received running exclusively, solely on a fiscal conservative platform on a platform of cutting government spending you know why we need the core amendment, the cover our rear end amendment, because we rally don't want the people back home reading where we voted for two and 2.3 million dollars for water, a million six for aid to dependent children, 20 million for state aid. We want that banner headline reading, we want a flat across the board 25% budget cut. That is much better. That is much more palatable. That is much more

easy to run for that next political office. We all know These are tough decisions. I would venture an opinion that not one of the expenditures that was added Monday was a bad expenditure. You can't fault one of those expenditures. They are all worth while. Every request that we get in the Appropriations Committee, every request that you get as a legislator are legitimate requests. just one problem. There are more good things than we have money to buy them with. That is the problem. But this isn't a solution. This is political flimflam. grabbing a headline and trying to cloak ourselves in the robe of fiscal conservatism when what the real action, the real effect of our actions was the additional small individual expenditures that we all voted for Monday. is where the action was. This is a cover up to that action. I dare say I don't think the people of Nebraska are going to be flimflammed. I think they expect us to come down and item by item take a look at that budget, to look at each request and make a value judgment on those individual requests. They won't want a flat 25% cut. They don't want a flat 5% cut, they want responsible legislation. They want responsible budgeting. You can't budget your personal finances that way. Senator DeCamp brought out the. . . .

PRESIDENT: One minute, Senator Dworak.

PRESIDENT: Time, Senator. Chair recognizes Senator Fowler.

SENATOR FOWLER: Mr. President, as a member of the Appropriations Committee I'm glad that Senator Dworak with his moral fervor is back among us. We missed him Monday, I wish he had been here to give those speeches at that time. I would like to talk about budgeting and the handout perhaps Senator DeCamp handed out but with a slightly different look. Rather than

daddy's budget, mommy's budget, lets talk about Jerry's budget and Johnny's budget. Jerry starts out and says. not that there is a hundred dollars to spend but there is a \$110. Jerry and some of his committee members decide we are going to figure out how to spend a \$100 of that and we are going to leave \$10 of that for other priorities and floor discretion and so on. Now of that \$100, \$50 goes back to local subdivisons as property tax relief, as Medicaid, as school lunch programs, as state aid to education, as handicapped programs and a wide variety of The other half, the other \$50 of that \$100 goes things. for the operation of state government, the State Patrol, the Department of Corrections, the Regional Centers and for operation of higher education, the four state colleges, the University, the Medical Center and so on. That is how the \$100 is spend. But \$10 is left for Johnny's budget and anyone else who wants to add some things. Unfortunately \$25 was spenf rather than the \$10. Now Johnny has to come back in and find \$15 more dollars and he is going to try to cut into the \$100. The problem is the one that Senator Warner pointed out and that is that some of the things can not be cut. We can not cut the Medicaid amount in our budget by 21/2%. The law says that we have to fund a certain amount, that has to be in there. Senator DeCamp cuts it out 21/2% now, it will come back as a deficit that we will have to fund next year. In fact, what Senator DeCamp does with regards aid to subdivisions is that he increases school aid, to I guess he cuts the 20 million down to 10 million, he increases that 10 million but then he goes back into all of the other aid areas and cuts that 23% and the net property tax relief is zero. Now the schools get a little more aid but the public transit aid to the cities is cut 25%, the assistance to technical community colleges is 21/8, a wide variety of aid programs are cut 21/8 under Senator DeCamp's motion. The aid portion of our budget is about 370-380 million and you take that times 25% and that is about a 9 million dollar cut. So we add 10 million in state aid but we cut then with Senator DeCamp's motion 9 million in aid back to local subdivisions giving us a net property tax relief of one million dollars and we increase school aid, but we cut community college aid, we cut aid to counties through Medicaid and we cut a whole variety of things. So I'm afraid that Johnny's budgeting won't work. I would like to believe that you could rearrange all of those things so conveniently. But you can't. There are certain statutory obligations that we have that are built in the base budget. There are certain inflationary items that are in there. There are some new programs, there is an ag marketing program, there is a Spanish instructor at

Chadron State College, there are some things like that the committee did feel we should add. Those probably would have to be cut under the DeCamp motion to fund the increase in state aid. But the net increase in aid to all political subdivisions by the time we are done with the DeCamp motion is one million dollars.

PRESIDENT: One minute Senator.

SENATOR FOWLER: The counties, the cities, the community college's give up money, give a little more to the schools. I think that we ought to take the budget as it has been amended. I don't quite have the moral outrage that Senator Dworak does about the additions, because I think they were worth while. I think we ought to send the budget over to the Governor and let him exercise his constitutional prerogative to either sign the budget or veto it. Then if he vetoes it it will come back for us and we can consider those vetoes. But this flat 2½% across the board is not going to work. Nothing is going to be gained as far as property tax relief with Senator DeCamp's motion. For that reason I would oppose it.

PRESIDENT: Before we go on to the next speaker we have a couple more schools to welcome. From Senator Landis' district we have 21 third graders and three adults from Belmont School here in Lincoln. Chery Bayley is the teacher. Over here in the north balcony. Would you kind of wave to us and show us where you are. Welcome to your legislature. Over here in the south balcony we have 30 eight graders from Senator Cope's district, Grand Island District 38, Don Arrants and Carol Kroeger. They are up here in the south balcony. Would you welcome them. Would you wave to us so we know where you are. Welcome to your Legislature. Chair recognizes Senator Cope.

SENATOR COPE. Mr. President, members, I oppose of course Senator DeCamp's great compromise. I'm on the Appropriations Committee and I wonder sometimes why we have one. What does this mean, one of the many things? If I were an agency and by some chance Senator DeCamp's amendment should pass, if I were an agency next year I would certainly pad my budget by 3%, 5%, or whatever it could be assumed would be taken off at the end. You can't blame anybody for doing that. I think they are coming in with some pretty close budgets and even with that the Appropriations Committee had to cut 63 million dollars off. Now, it may not have been in the right place for everyone, I can assure you, it wasn't where I wanted some of it, it wasn't where other members

of the Appropriations Committee wanted it. But that I think is exactly I think what would happen. Senator DeCamp used the University of Nebraska as an example. Don't forget it senators, every agency is going to suffer, not just the University of Nebraska. Don't, I repeat don't forget that. Now it seems to me that if you voted Monday for additional appropriations then it is everyone's responsibility to bite the bullet, face the fact that it could raise the sales and income tax and stand up and be counted. Don't use the cop out like Senator DeCamp is offering, please.

PRESIDENT: Chair recognizes Senator Kahle. Senator Kahle.

SENATOR KAHLE: Mr. Speaker, members, I guess I have a question of Senator DeCamp.

PRESIDENT: Senator DeCamp will you respond.

SENATOR DeCAMP: Sure.

SENATOR KAHLE: It may have been covered, I have a feeling that your motion is premature and that we will probably add a lot more things to the A bills that are up there yet and are we just going to continue to diminish the total budget by percentage points until we are able to cover everything that might come up the last fifteen days of the session?

SENATOR DeCAMP: The A bills I think are a separate matter. I think that you could diminish them by the same amount. I think we have to look at total numbers, the money available and temper everything with that. I guess Senator Dworak and Senator Fowler and others say that this is all impossible and ridiculous but I think this is the way almost every family and companies and other budget and it does not seem such a hysterical idea to me.

SENATOR KAHLE: Was it your intent to cover all of those A bills that are up there?

SENATOR DeCAMP: I have each individual amendment to a bill. All we...like Senator Warner correctly stated we are discussing the philosophy or the concept here. You would have to adopt a number of amendments, I don't know a half a dozen or maybe more than that, whatever it is, and I am going to quite frankly withdraw them, if the first one doesn't go and quite frankly as I stated I know the lay of the land on the issue but I want to say this. For those of you who say there isn't precedent and say it

can't happen again I want to hearken back to 1975, this same motion was attempted on the floor and rejected and repudiated and laughed at. And, then what happened? A special session of the legislature had to be called when we ran out of money and you know what they adopted? The identical plan.

SENATOR KAHLE: I guess my way of thinking, I admire John for trying to get all the things across that we talked about without getting a veto from the Governor, but right now at the moment it looks more like scrambled eggs to me. Thank you.

PRESIDENT: Chair recognizes Senator Schmit.

Mr. President and members of the Legislature SENATOR SCHMIT: I rise in support of the concept of what Senator DeCamp is trying to do. I don't know if you can take the paring knife or scalpel and shave off that fine a line clear across the board. But, I want to remind you some of the things that I said on the floor when we first began the debates. was that as we proceeded through the process, that the budget committee would send to this floor approximately three-quarters of a billion dollars of spending recommendations. When they got all done with that then they would say well then there is about X millions of dollars or a few hundred thousand that you can spend the way you see fit. This instance we have chosen, by floor action, to spend a few extra dollars here and there in excess of what had been anticipated that would be spent. Now Senator Dworak after being away for two days comes back refreshed and talks about political flimflam and chicanery and all the rest of that. Let me point out to Senator Dworak that the big bulk of the money was spent, 750 million dollars and there were not as many people from the public at all of those budget committee hearings as are in this chamber at the present time. Almost without exception the agencies troop in and say we want X number of dollars and this is the way it has got to be and so they go back to what they had last year and they say we will add this in and take that out and we will come up with this. So, I'm not discounting the work of the committee. They have worked hard. They have exercised their judgment. every instance at least five people agreed upon what was to be done. But then when we come to this floor and 25 people or more agreed that there needs to be some further adjustment, we are categorized as the big spenders for having added a couple of million dollars for water, less than two million for water, less than two million for the children, some money for the schools and a variety, a 100

thousand for the patrol, parole board and a 100 thousand for the Crime Commission. \$25,000 that Senator Beutler tacked in there. A minuscule amount, but Senator Dworak would have you stand here and believe that we are the bad guys because we said in our collective judgment these few issues deserve a little additional attention. I'm not saving you can take it off across the board, but for those of you who say it can't be done I want to remind you that I was a member of this body the year that Governor Exon in the late month of December called his agency people in and said we will take 3% off every budget in the house and they all trooped in like the obedient people that they were and said, oh yes, we can live with it. When I ran that by Senator Warner in all fairness and honesty Senator Warner said, Well Loran I wasn't chairman of budget at that time and I don't suppose they had such a frugal budget and we all know that Governor Exon was more inclined to spend money so there was probably a little fat there." Now I would agree with a part of what he has said. The point is this. That I believe that if we take a look at the budget bills, we can easily find the area where we can reduce some of those expenditures to the degree necessary to keep within the overall spending limit. I'm going to ask, I would like to ask you, how many of you looked at those budget bills? When the bills moved off general file there wasn't enough discussion on there to amount to a darn. Nobody asked any questions, no one debated, we send 750 million dollars across the board like greased lightning. We did a lot of haggling around over a few hundred thousand. That is supposed to be the big deal.

PRESIDENT: One minute Senator.

SENATOR SCHMIT: Well I'm not afraid to go back to my district and debate and challenge Senator Dworak on who the big spender is. Not the 25 million, the first 750 million. I'm not saying that it wasn't well spend. But I'm saying that this body has a responsibility to review that budget much more carefully than we have this year or any year in the past. If we have got an overall limit, and I'm agreeable to taking a look at an overall limit and lets take a look at it, but lets not say that it was the million six for the children or the million seven and a half for water or the ten million for the schools or the hundred thousand for the parole board or the hundred thousand for the crime commission that broke the budget. That first 750 million had something to do with it and you have a hard time to justify every bundle of those dollars and I have some circles drawn around some of those figures that we can discuss if you really want to get into that. Because, I'm willing to debate that issue. I'm

willing to cut the budget below that final figure and I think that it can be done. Ladies and gentlemen, before you take all the blame for being big spenders, for having made a few additions to that budget on this floor, let's back up and take another look. Maybe we won't just shave that top 5% off like Senator DeCamp wants us to do so that we can take a nick or two out here and there and get down below the limits where we want to live.

PRESIDENT: Chair recognizes Senator Vard Johnson.

SENATOR VARD JOHNSON: Mr. Speaker, members of the body, I oppose the DeCamp amendment. It seems to me that one of the things that happens that we don't take full stock of is the effect that inflation has on our receipts. By reason of an inflationary impact on receipts, the state will always be in the position with constant income and sales tax rate of generating more receipts than we have committed expenses for. Now if you recall last year on April 29th, the State Board of Equalization met and reviewed the reviewed general fund balances. At that time they concluded that by the end of the fiscal year, which is only two months away, the general fund balance will be \$42,413,000. Now it turned out two months later, two months later, that the actual general fund balance was \$116,299,170. There was a tremendous over levy that was being generated. Now when that occurred, I said to myself, what is it that we as a legislature are doing that we are not fully aware of? What is the dynamic occurring? What is happening here? The more I looked at it the more I had to conclude the reason we were constantly coming up with significant over generation of revenues in light of what we had planned to spend was because we had not fully anticipated what kind of an effect inflation would have on incomes and as incomes go up, so too do income tax collections and what kind of an effect inflation would have on prices. As prices go up so too do sales tax collections. growth with a constant sales tax rate, the growth from 78 to 79 in sales tax collections was 9 million. From 79 to 80 with a constant sales tax rate the growth was 26 million. In income tax the growth from 78 to 79 in income tax collections with a constant rate of 18% was 34 million. The growth in income tax collections from 79 to 80 with a constant rate of 18% was 37 million dollars. In ther words we didn't change our tax rates one iota and yet we generated that many new dollars to the state treasury. Now, the kind of budget that has been brought to us by the Appropriations Committee essentially marrys us to a 7% spending concept. What with our actions on the floor in the last couple of days

we are going to go probably from a 7% to 9%. Is it out of line for the State of Nebraska to go 9% as opposed to 7%? I say not. We are living in a highly inflationary time when costs of government are going up dramatically and we have to recognize it. Unless you and I are prepared at this juncture to begin to prune programs, to begin to close down, for example, needless colleges, if they exist to begin to cut back on needless state aid programs, if they exist, to begin to cut out needless governmental operations, if they exist, and it seems to me the best way of handling the inflationary growth that exists is to continue to try to fund existing operations in accordance with their needs. Now the DeCamp amendment, what it does, it tries to keep us tied to a 7% this time balancing however state aid priority with university priority with state governmental operation priority and the like. That balance, in my opinion, is misplaced. It is misplaced so long as we are operating in an inflationary economy without our taking the steps to literally cut back, to literally cut back on governance. Now, when we begin the process of cutting back on governance then we can come within a 7% figure. But until such time I submit it is inappropriate for us to do so.

PRESIDENT: Before we go on to the next speaker, the Chair would like to introduce some guests of Senator Maresh, 20 third and fourth graders from Davenport, Nebraska, Janet Anderson and four mothers. They are up here in the north balcony. Would they wave to us. Welcome to your Legislature. Chair recognizes Senator Koch.

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

PRESIDENT: The question has been called for. Do I see five hands? I do. The question then is shall debate cease. All those in favor vote aye, opposed nay. Have you all voted? The question is shall debate cease. Record the vote.

CLERK: 26 ayes, 2 nays to cease debate, Mr. President.

PRESIDENT: Debate ceases. Senator DeCamp, you may close.

SENATOR DeCAMP: Mr. President, members, I want to tell you about the most powerful lobbyist in the State of Nebraska and the most sacred animal in the state. The most powerful lobbyist is a friend of mine, no not that one, this one is named Ron Roskens. Ron has a technique that I have found unequaled by anybody. Ron comes up, puts his hand over your shoulder and he says, John, Ron, Rex, Bernice,

whoever, we are in trouble and we need you. You say, golly Ron Roskens needs me. What is it? He says, well we expect a really big floor fight to save our budget and save the University this year and he says, we are kind of counting on you to be one of those that saves us, to get up and fight when it comes. You think, golly I have kind of been honored here, I've got to leave the fight to save the University of Nebraska, which is the sacredest cow, of course. I have been chosen, and we come and sit here and 49 of us are all geared up to leap up and save it because we all believe that we are the chosen one. As I say it is the most effective lobbying technique. I've watched it work successfully over the years. It is fantastic and I admire him for it. in addition to the University of Nebraska, there are other elements that are just as serious a responsibility of state government and they include your public school systems, primary and secondary. They really do. We have accepted the obligation of a good portion of the financing. If we don't keep that going at the same level as we do other things, we are cheating him. Senator Dworak uses words whenever he wants to fight me he likes flimflam, Shams, shenanigan, political maneuvers, I'm dead serious when I say I think that the priorities of water, of the ADC that they did the other day, of the state aid increase to match inflation are just as heavy a priority as the core, the 750 million in the budget. They are just as important. But, you want to eliminate the legislature's priorities always and the only sacred thing is the core set up the 750 million by the budget committee. All the rest of us are spenders if we have any idea. We are budget breakers. Budget breakers. Well as I say I know the lay of the land on this. But I made a prediction the last time we had a big budget fight and I said I think that there is between 60 and a 100 million dollars extra money. Senato Warner, my good, good friend, the Governor, the State Treasurer, the head of the tax office, Herrington, tells no, no, the money isn't there. Sure enough we went home, the money was discovered, we had a big tax cut the 100 million was returned. Now I'm going to give you another prediction, this one goes the opposite way. This time you ain't going to have the money and you are going to run short. That is why I'm trying to stay within the limits of the budget. I'm dead serious. I think you might see revenues continue to decline and you might just find yourself back here with a special session doing precisely what I'm talking about here. However, as I say, I know the lay of the land, and all we are talking here

is philosophy. But I do believe the Legislature as a whole has a right and an obligation maybe to have a little more participation in the spending of almost a billion dollars than we have had over the years. This is a chance to get involved to say the priorities we have established have just as much merit as the core budget and just because we happen to think slightly different 25 of us or 30, slightly different on a priority than maybe the Appropriations Committee doesn't mean that we are all crazy out here or we are all wild eved spenders or Senator Dworak. that we are all shenanigan pullers and just playing political games. I do believe the vetoes that will be coming won't be able to be overridden. Then those priorities that we have established have once again gone down the tube. Urge you to adopt the amendment and of course I know what is going to happen.

PRESIDENT: The question before the House then is the motion to return LB 557 to Select File for the DeCamp specific amendment. All those in favor vote aye, opposed nay. Have you all voted? Senator DeCamp, do you want me to call the vote or do you want to. . . .

SENATOR DeCAMP: Mr. President, I pride myself in being a slight realist. I'm not going to pressure the body on have roll calls or anything else. You know what it is:

PRESIDENT: Senator Dworak.

SENATOR DWORAK: (inaudible).

PRESIDENT: What is that? I didn't hear you.

SENATOR DWORAK: Request a record vote.

PRESIDENT: All right, a record vote has been requested. So, have a record vote, Mr. Clerk. Record the vote.

CLERK: Record vote. 12 ayes, 24 nays, 12 present and not voting, and 1 excused and not voting. Vote appears on page 1782 of the Legislative Journal.

PRESIDENT: Motion fails. The next bill is, do you have one on 558?

CLERK: I have one from Senator DeCamp, Mr. President.

having been complied with, the question is, shall LB 161 pass with the emergency clause attached? All those in favor vote aye, opposed nay. Record the vote.

CLERK: (Read the record vote as found on pages 1814 and 1815 of the Legislative Journal.) 44 ayes, 0 nays, 5 excused and not voting. Mr. President.

PRESIDENT: LB 161 passes with the emergency clause attached. The next bill on Final Reading, Mr. Clerk, is LB 232.

ASSISTANT CLERK: (Read LB 232 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 232 pass with the emergency clause attached? All those in favor vote aye, opposed nay. Record the vote.

CLERK: Senator Nichol voting aye. (Read the record vote as found on pages 1817 and 1813 of the Legislative Journal.)
43 ayes, 2 nays, 3 excused and not voting, 1 present and not voting, Mr. President.

PRESIDENT: LB 232 passes with the emergency clause attached. The next bill on Final Reading is LB 163.

CLERK: (Read LB 163 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 163 pass with the emergency clause attached? All those in favor vote aye, opposed nay. Record the vote.

CLERK: (Read the record vote as found on page 1818 of the Legislative Journal.) 45 ayes, 0 nays, 2 excused and not voting, 1 present and not voting. Mr. President.

PRESIDENT: LB 163 passes with the emergency clause attached. The next bill on Final Reading is LB 557.

CLERK: (Read LB 557 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 557 pass with the emergency clause attached? All those in favor vote aye, opposed nay. Record the vote.

CLERK: (Read the record vote as found on page 1819 of the Legislative Journal.) 47 ayes, 1 may, 1 excused and not voting, Mr. President. PRESIDENT: LB 557 passes with the emergency clause attached. The next bill on Final Reading will be LB 558, Mr. Clerk.

CLERK: (Read LB 558 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 558 pass with the emergency clause attached? All those in favor vote aye, opposed nay. Record the vote.

ASSISTANT CLERK: (Read the record vote as found on page 1820 of the Legislative Journal.) The vote is 47 ayes, 1 may, 1 excused and not voting, Mr. President.

PRESIDENT: LB 558 passes with the emergency clause attached. The next bill on Final Reading, Mr. Clerk, is LB 560.

ASSISTANT CLERK: (Read LB 560 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 560 pass with the emergency clause attached? All those in favor vote aye, opposed nay. Record the vote.

ASSISTANT CLERK: (Read the record vote as found on pages 1860 and 1861 of the Legislatice Journal.) The vote is 46 ayes, 0 nays, 2 present and not voting, 1 excused and not voting, Mr. President.

PRESIDENT: LB 560 passes with the emergency clause attached. Before we go on to LB 561, the Chair takes pleasure in introducing some guests, first of all some guests of Senator Beyer, five students from the American Political Behavior Class of Papillion High School, Steve McIntosh, Jim Hungerford, Rick Scherer, Aaron Schramm and Greg Noll. Would they be recognized, and welcome to your Legislature....greetings, welcome to your Legislature. We also have up here in the north balcony from Senator DeCamp's District, nine 8th Grade students and two adults from Inman Public Schools, Inman, Nebraska, Mr. Chuck Dziowgo (phonetic), teacher. Would they just stand and be recognized, or welcome to your Legislature. We also have from Senator Hoagland's District seven Seniors and two children and one teacher from Duchesne Academy in Omaha, Mrs. Ann Kemmy, teacher. They are up here in the north balcony. Would they wave to us and show us where they are. Back in that end. Welcome to your Legislature. And last but not least, we have from Senator Chronister's District eleven 12th Grade students and two adults from Snyder High School, Snyder, Nebraska, Mr. Alan

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be reviewed before anybody would receive any assistance under this program to ensure that some existing program can't take care of their needs. So all it is is an amendment to add educational programs to that other list to make sure that we don't provide assistance that can't otherwise be provided.

SPEAKER MARVEL: All those in favor of the adoption of the Wesely amendment, or the...yes, it's the Wesely amendment, isn't it....Wesely-Schmit amendment vote aye, opposed vote While we are waiting for your vote, from Senator Lowell Johnson's area it is my privilege to recognize thirtyfive 7th and 8th Graders from Trinity Lutheran School, Fremont, Nebraska, four teachers and Harold Bergt, in the north balcony. Will you hold up your hands so we can see where you are and welcome you to the Unicameral. From Senator Fenger's District ninety-seven 4th Graders, Belleaire School, Bellevue, Nebraska, Myrtle Bailey, Marge Mosier, Connie Franklin and Ray Nesbitt teachers, in the north balcony. Where are you located, please? Welcome to the Unicameral. And from Senator Beyer's District four Sophomores from Papillion High School, Corey Swanson, Laurie Thompson, Kathy Gothier and Michelle Buchard, all from Papillion, and they are a part of the American Political Behavior Class. Are you still up there? Okay. The record will indicate they were here. Record.

CLERK: 26 ayes, 0 nays, Mr. President, on adoption of the Wesely-Schmit amendment.

Mr. President, if I may before we proceed to the next amendments, Senator Dworak would like to offer explanation of votes. I have study resolutions from Senator Vickers, LR 117. The purpose of this study is to examine irrigation development in the Sandhills region of Nebraska. (See page 1824 of the Legislative Journal.) LR 118, by Senator Hoagland. The purpose of the resolution is to study the adequacy of existing laws in Nebraska regulating the sale and possession on handguns. (See page 1825 of the Legislative Journal.) That will be...both referred to the Executive Board, Mr. President.

Mr. President, budget bills 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 LB 160, 161, 163, 232, 557, 558, 559, 560, 561 and 562.

CLERK: Mr. President, the next amendment I have to LB 389 is offered by Senator Maresh. (Read the Maresh amendment

are related and as the interest rate goes up, unless you are going to drive up the price of land even higher, the interest rate goes up then the period of time which is set necessarily must be reduced. For that reason I move the three year provision.

SENATOR CLARK: Being that I was told to close at four o'clock, it is now eight minutes after four, we still have to read the Governor's message, we are going to break off right here and read the Governor's message. Then we will adjourn for the day.

CLERK: Mr. President, I have a series of things. The first obviously is the Message from the Governor addressed to Dear Mr. President and Senators: (Read letter as it appears on pages 2006-2008 of the Legislative Journal).

Mr. President, in conjunction with that I have a letter addressed to the Clerk, from the Governor, Engrossed Legislative Bills 160, 161, 163, 232, 557, 558, 533, 560 and 562 were received in my office on May 7th. These bills were signed by me on May 13th and delivered 40 the Secretary of State. Sincerely, (signed) Charles Thone, Governor.

Mr. President, Senator Wagner would like to print amendments to LB 302 in the Legislative Journal.

Your Enrolling Clerk has presented for the Governor his approval of bills that were read on Final Reading today, Mr. Presigent.

SENATOR CLARK: Senator Remmers, would you like to adjourn us until 9:00 a.m., tomorrow morning.

SENATOR REMMERS: Mr. Speaker, I move we adjourn until 9:00 a.m. Thursday morning.

SENATOR CLARK: You heard the motion. All in favor say aye, opposed, we are adjourned until 9:00 a.m., tomorrow morning.

Edited by S.m. Benuschek

L. M. Benischek