

JANUARY 25, 2001

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Transcriber's Office
FLOOR DEBATE

January 25, 2001 LB 111, 118, 131, 156, 275, 365

SENATOR CUDABACK PRESIDING

SENATOR CUDABACK: Welcome to the George W. Norris Legislative Chamber. Our chaplain this morning is Pastor Jarvis Hochstedler, from the Beemer Mennonite Church, and that's in Senator Connealy's District.

PASTOR HOCHSTEDLER: (Prayer offered.)

SENATOR CUDABACK: Thank you very much, Pastor, for being with us. Call the sixteenth day of the Ninety-Seventh Legislature, First Session, to order. Senators, please check in. Record, please, Mr. Clerk.

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

SENATOR CUDABACK: Corrections for the Journal?

CLERK: I have no corrections, Mr. President.

SENATOR CUDABACK: Messages, reports, or announcements?

CLERK: Mr. President, your Committee on Enrollment and Review reports LB 111, LB 131, LB 118, LB 156, LB 365, and LB 275 to Select File, some of those having Enrollment and Review amendments attached. Mr. President, a hearing notices from Urban Affairs Committee, signed by its Chairperson, Senator Hartnett, and a report, Mr. President, from the Nebraska Ethanol Board. That's all that I have this morning. (Legislative Journal pages 409-410.)

SENATOR CUDABACK: Thank you, Mr. Clerk. Next agenda item.

CLERK: Mr. President, I have a series of confirmation reports, I believe, this morning, offered by the Health and Human Services Committee.

SENATOR CUDABACK: Senator Jensen. Senator Jensen, you are recognized to open.

SENATOR JENSEN: Thank you, Mr. President. Good morning,

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members of the body. We have in the Health and Human Services Committee, we have 29 confirmations that come before this committee. Today before you there are 19. Typically, I would give a summary of each one of the individuals, but because of the number and because you can also find information on Journal page 365 to 366, we will shorten it somewhat, and then also I would like to help or enlist the aid of the Vice Chairman of the Health Committee. He will do some, and then I will do some, and then he will follow up with the rest of them. So with that, Mr. President, I'd like to first turn it over to the Vice Chair of the Health Committee, Senator Byars.

SENATOR CUDABACK: Senator Byars, you're recognized.

SENATOR BYARS: Thank you, Mr. Speaker. Our first appointment, I will ask for these to be taken separately because they are appointments to individual boards, and rather than grouping them together because of the different responsibilities, I will ask you to confirm these appointments individually. The first appointment is to the Child Abuse Prevention Board, that appointment made by the Governor was Mr. Michael C. Arnold. Mr. Arnold lives in Papillion. He is a case manager supervisor for Nova Therapeutic in Omaha, and I would ask the body's approval of Mr. Arnold to the Child Abuse Prevention Board.

SENATOR CUDABACK: Is there any further discussion? Senator Byars, do you wish to close? The motion is Mr. Arnold of the Child Abuse Prevention Board, right, Senator Byars?

SENATOR BYARS: Correct.

SENATOR CUDABACK: All in favor of the motion vote aye, opposed nay. Have you all voted who care to? Record, please, Mr. Clerk.

CLERK: (Record vote, Legislative Journal page 411.) 37 ayes, 0 nays, Mr. President, on the confirmation report involving Mr. Arnold.

SENATOR CUDABACK: The confirmation is approved. Senator Byars, you're recognized.

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SENATOR BYARS: Our next appointment is as the Governor's appointment to the Director of Finance and Support at the Health and Human Services Agency, Stephen B. Curtiss. Most recently Mr. Curtiss was the Executive Vice President and Chief Financial Officer of AuxilHealth Inc. Senator (sic) Curtiss lives in Senator Bruning's District, has been acting in this position on an interim basis for a number of months, and I would ask for the body's support of the appointment of Stephen B. Curtiss.

SENATOR CUDABACK: Any discussion? Seeing none, Senator Byars. He waives closing. The motion is the confirmation of Stephen B. Curtiss, Director of Finance and Support. All in favor of the motion vote aye, opposed nay. Have you all voted who care to? Record, please, Mr. Clerk.

CLERK: (Record vote, Legislative Journal pages 411-412.)
32 ayes, 0 nays, Mr. President, on the confirmation of Mr. Curtiss.

SENATOR CUDABACK: The confirmation is confirmed.

CLERK: Mr. President, the next three appointments involve appointments to the Nebraska Health Care Council.

SENATOR CUDABACK: Senator Byars, you are recognized to open.

SENATOR BYARS: Thank you, Senator Cudaback. The next three appointees we will take as a group as they are all appointed to the same council, the Nebraska Health Care Council. Janice Thayer, who is a new appointment to the council. She is the owner and board chair of a long-term care facility in Grand Island. Phil Harr, who is also a new appointment, an insurance agent from McCook. Daniel Worthing, who is a new appointment and is the former director of the Douglas County Health Department from Omaha. And, Senator Cudaback, I would make the motion that we approve these three appointees to the Nebraska Health Care Council.

SENATOR CUDABACK: Any discussion? Seeing none, Senator Byars, do you wish to close? The motion is for Janice Thayer, Phil

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Harr, and Daniel Worthing in the Nebraska Health Care Council. We will do this all in one motion. All in favor vote aye, opposed nay. Have you all voted who care to? Record, please, Mr. Clerk.

CLERK: (Record vote, Legislative Journal page 412.) 36 ayes, 0 nays, Mr. President, to confirm the appointees to the Health Care Council.

SENATOR CUDABACK: They are confirmed.

CLERK: Next series of appointments, Mr. President, offered by the Health Committee, Chaired by Senator Jensen, are to the State Board of Health.

SENATOR CUDABACK: Senator Jensen, to open on this.

SENATOR JENSEN: Thank you, Mr. President. All of these are to the State Board of Health. As you know, each member of the Board of Health represents a particular discipline or position and we have the following: Andrea Nelson, reappointed as a consumer representative to the board from Lincoln; Linda Heiden, who is a new appointee, unable to personally appear but Senator Schrock provided a letter to the committee on her behalf. She is an insurance agent and a farm manager from Bertrand. The next is Gary Bieganski, who is reappointed, president of Community Hospital in McCook, Nebraska, from Senator Baker's District. The next is Charles Ihle, that's a reappointment, a chiropractic physician from Kearney, Nebraska. The next is Robert Sandstrom, a new appointment, professor of Physical Therapy at Creighton University from Omaha. The next is Leslie Spry, a new appointment, a kidney specialist from right here in Lincoln, and the last is Steve Wooden, who is a reappointment and is the current Chair of the Board of Health. He is a nurse anesthetist from Broken Bow, which is Senator Jones's district. I would recommend appointment or confirmation of these individuals to the State Board of Health, Mr. President.

SENATOR CUDABACK: Any discussion? Seeing none, Senator Jensen, did you wish to close? Senator Jensen waives closing. The motion before the body is to confirm the said for the State

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Board of Health. All in favor vote aye, opposed nay. Have you all voted who care to? Record, please, Mr. Clerk.

CLERK: (Record vote, Legislative Journal pages 412-413.) 36 ayes, 0 nays, Mr. President, on the adoption of the report involving the appointees to the State Board of Health.

SENATOR CUDABACK: They are confirmed. Mr. Clerk, next item.

CLERK: Mr. President, Senator Byars, who is Vice Chair of the committee, would report on the appointments, a variety of appointments to the Board of Emergency Medical Services.

SENATOR CUDABACK: Senator Byars, to open.

SENATOR BYARS: Thank you, Senator Cudaback. Health and Human Services Committee recommends that the following appointments to the Board of Emergency Medical Services be approved by the Legislature. The first appointee, Alice L. Dalton, this is a reappointment to the board. Ms. Dalton is an EMS education coordinator for the city of Omaha Fire Department. The second appointee is Joel Cerny, spelled C-e-r-n-y. Mr. Cerny is a new appointment. He is a factory worker and a volunteer firefighter from Linwood. The third appointee is Doak Doolittle. Dr. Doolittle is a surgeon from Holdrege. He was unable to appear personally and Senator Schrock provided a letter to the committee on his behalf. The fourth appointee is Dan Hakel, spelled H-a-k-e-l. Mr. Hakel is a new appointment. He is a physician's assistant from West Point. Senator Connealy appeared on his behalf. The fifth appointment was Mr. Michael Miriovsky, a new appointment. He is an EMT coordinator and a paramedic from Lincoln. The sixth appointee is Mr. Earl Rudolph. This is also a new appointment. Mr. Rudolph is a firefighter and an EMT from Fremont. And our last recommendation to be approved by the Legislature to the Board of Emergency Medical Services is Val Snyder, who is a new appointment, and a service technician for KN Energy in Scottsbluff. And, Senator Cudaback, I would recommend that this legislative body confirm these appointments.

SENATOR CUDABACK: Thank you, Senator Byars. Open for

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discussion on the seven appointees. Seeing no discussion, Senator Byars, do you wish to close? The question before the body is, and we will do this as a group, the seven appointees to the Board of Medical Emergency. All in favor vote aye, opposed nay. Have you all voted who care to? Record, please, Mr. Clerk.

CLERK: (Record vote, Legislative Journal page 413.) 41 ayes, 0 nays, Mr. President, on adoption of the confirmation report.

SENATOR CUDABACK: The seven appointees are confirmed. Mr. Clerk, next agenda item.

CLERK: Mr. President, the next motion I have this morning is by Senator Dierks. Senator Dierks would move to withdraw LB 590. (Legislative Journal page 383.)

SENATOR CUDABACK: Senator Dierks, you are recognized to open on your motion to withdraw.

SENATOR DIERKS: Thank you, Mr. President and members of the Legislature. I've...I'm asking the body to help me to remove LB 590 from the process. We have found that there are two other bills that do the same thing essentially and those bills have already been heard, and they were in the Natural Resources Committee last week. So there is no need for this bill and we just...I just ask your approval to remove it. Thank you.

SENATOR CUDABACK: Thank you, Senator Dierks. Is there any discussion on the motion to withdraw LB 590? Seeing none, Senator Dierks, did you wish to close on your motion? Senator Dierks waives closing. The question before the body is to withdraw LB 590. All in favor of the motion vote aye, opposed nay. Record, please, Mr. Clerk.

CLERK: 36 ayes, 0 nays, Mr. President, on the motion to withdraw the bill.

SENATOR CUDABACK: LB 590 is withdrawn. Mr. Clerk, next agenda item.

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January 25, 2001 LB 168A

CLERK: Mr. President, new A bill, LB 168A, it's by Senator Wickersham. (Read title.) The bill was introduced on January 23, and placed on General File.)

SENATOR CUDABACK: Senator Wickersham, you're recognized to open on your motion.

SENATOR WICKERSHAM: Thank you, Mr. President. This is the bill, the A bill that I indicated was going to be forthcoming if we advanced LB 168, the bill that had been brought to us by the Motor Vehicle Fuels Division of the Department of Revenue. This is a little bit odd in some respects as it pertains to A bills. Usually we are seeing A bills because they spend money. This A bill does not spend money. This money...this A bill simply transfers money from a cash fund to the General Fund. So the next time you look at your General Fund status, you are going to see the General Fund status as \$712,000 better off than when you looked at it the last time. I hope Senator Wehrbein is happy about that. It doesn't change the overall position of the state. It simply moves monies, as I've indicated, from a cash fund to the General Fund. We're able to make that transfer because one of the provisions in LB 168 is simply the elimination of that cash fund. We're not going to use...have to use that in the future. That was the cash fund. That's the cash that results, if you recall, from the \$10 fees that are charged to persons who had to apply for the motor vehicle fuels refund program. So with that, LB 168 eliminates the cash fund; LB 168A transfers the monies in the cash fund to the General Fund.

PRESIDENT MAURSTAD PRESIDING

PRESIDENT MAURSTAD: Thank you, Senator Wickersham. Is there discussion on the advancement of LB 168A? Senator Wickersham, you're recognized to close. Senator Wickersham waives closing. The question is the advancement of LB 168A. Those in favor vote aye; those opposed vote nay. Mr. Clerk, please record.

CLERK: 31 ayes, 0 nays, Mr. President, on the advancement of LB 168A.

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PRESIDENT MAURSTAD: The bill is advanced. (Doctor of the day and visitors introduced.) Mr. Clerk, the next item.

CLERK: Mr. President, LB 128A by Senator Schrock. (Read title.) The bill was introduced on January 24, placed directly on General File.

PRESIDENT MAURSTAD: Thank you, Mr. Clerk. Senator Schrock, you're recognized to open on LB 128A.

SENATOR SCHROCK: Mr. President and members of the Legislature, LB 128A is not new money. It is a transfer of funds, so it has no impact on Senator Wehrbein's committee. It is for the Integrated Solid Waste Management Fund and it will allow them to use that for clean-up purposes. This follows the bill that we heard yesterday and advanced. If there is any questions, I'd be glad to answer.

PRESIDENT MAURSTAD: Thank you, Senator Schrock. Debate on the advancement of LB 128A? Senator Schrock, you are recognized to close. Senator Schrock waives closing. The question is the advancement of LB 128A. Those in favor vote aye; those opposed vote nay. Mr. Clerk, please record.

CLERK: 34 ayes, 0 nays, Mr. President, on the advancement of LB 128A.

PRESIDENT MAURSTAD: The bill is advanced. Mr. Clerk, Select File.

CLERK: Mr. President, on Select File, Senator Erdman, I have LB 1 in front of me. I do have E & R amendments, Senator. (AM7000, Legislative Journal page 354.)

PRESIDENT MAURSTAD: Thank you. Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the adoption of the E & R amendments to LB 1.

PRESIDENT MAURSTAD: The question is the adoption of the E & R amendments. Those in favor say aye. Opposed nay. The

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amendments are agreed to.

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

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Thank you, Mr. Lieutenant Governor. Mr. President, I move the advancement of LB 1 to E & R for engrossing.

PRESIDENT MAURSTAD: Thank you, Senator. The question is the advancement of LB 1 to E & R for engrossment. Those in favor say aye. Those opposed nay. The bill is advanced. Mr. Clerk.

CLERK: Senator Erdman, with LB 2, I have no amendments to that bill, Senator.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the advancement of LB 2 to E & R for engrossing.

PRESIDENT MAURSTAD: The question is the advancement of LB 2 to E & R. Those in favor say aye. Opposed nay. The bill is advanced. Mr. Clerk.

CLERK: LB 3, Senator, I have no amendments to that bill.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the advancement of LB 3 to E & R for engrossing.

PRESIDENT MAURSTAD: The question is the advancement of LB 3 to E & R. Those in favor say aye. Those opposed nay. The bill is advanced. Mr. Clerk.

CLERK: LB 4, Senator, no amendments to the bill.

PRESIDENT MAURSTAD: Senator Erdman.

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SENATOR ERDMAN: Mr. President, I move the advancement of LB 4 to E & R for engrossing.

PRESIDENT MAURSTAD: Thank you, Senator. The question is the advancement of LB 4 to E & R. Those in favor say aye. Those opposed nay. The bill is advanced.

CLERK: LB 5, Senator, no amendments to the bill.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the advancement of LB 5 to E & R for engrossing.

PRESIDENT MAURSTAD: Thank you, Senator. The question is the advancement of LB 5 to E & R. Those in favor say aye. Those opposed nay. The bill is advanced.

CLERK: LB 6, Senator, I have no amendments to the bill.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the advancement of LB 6 to E & R for engrossing.

PRESIDENT MAURSTAD: The question is the advancement of LB 6 to E & R. Those in favor say aye. Those opposed nay. The bill is advanced.

CLERK: LB 7, Senator, I do have Enrollment and Review amendments. (AM7002, Legislative Journal page 355.)

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the adoption of the E & R amendments to LB 7.

PRESIDENT MAURSTAD: Thank you, Senator. The question is the adoption of the E & R amendments to LB 7. Those in favor say aye. Those opposed nay. The amendments are agreed to.

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CLERK: I have nothing further on LB 7, Senator.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the advancement of LB 7 to E & R for engrossing.

PRESIDENT MAURSTAD: The question is the advancement of LB 7 to E & R for engrossment. Those in favor say aye. Those opposed nay. The bill is advanced.

CLERK: LB 8 does have E & R amendments, Senator. (AM7001, Legislative Journal page 355.)

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the adoption of the E & R amendments to LB 8.

PRESIDENT MAURSTAD: The question is the adoption of the E & R amendments to LB 8. Those in favor say aye. Those opposed nay. The amendments are agreed to.

CLERK: I have nothing further on the bill, Senator.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the advancement of LB 8 to E & R for engrossing.

PRESIDENT MAURSTAD: The question is the advancement of LB 8 to E & R. Those in favor say aye. Those opposed nay. The bill is advanced.

CLERK: LB 9, Senator, I have no amendments to that bill.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the advancement of LB 9 to E & R for engrossing.

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PRESIDENT MAURSTAD: Question is the advancement of LB 9 to E & R. Those in favor say aye. Those opposed nay. The bill is advanced.

CLERK: LB 177, Senator Erdman, I have E & R amendments, first of all. (AM7004, Legislative Journal page 371.)

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: I move the adoption of the E & R amendments to LB 177.

PRESIDENT MAURSTAD: Thank you, Senator. The question is the adoption of the E & R amendments to LB 177. Those in favor say aye. Those opposed nay. The amendments are agreed to.

CLERK: Senator Bourne would offer AM0052, Mr. President. (Legislative Journal page 398.)

PRESIDENT MAURSTAD: Senator Bourne, you're recognized to open on AM0052 to LB 177.

SENATOR BOURNE: Thank you, Mr. President and members. If you recall, from the other day, this bill basically removes the county treasurer as ex-officio treasurer for the utilities district. Upon Enrollment and Review, the bill drafters were reviewing this and discovered that we missed a couple references to the county treasurer as the ex-officio treasurer in another section, and we thought that it was a little bit more than an E & R amendment should handle, so we submitted an amendment. The bill still does nothing more than remove the county treasurer as the ex-officio treasurer for the utilities district, and I would ask for your advancement of this amendment. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Bourne. Is there discussion on the Bourne amendment to LB 177? Senator Bourne, you're recognized to close. Senator Bourne waives closing. The question is the adoption of AM0052 to LB 177. Those in favor vote aye; those opposed vote nay. Mr. Clerk, please record.

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CLERK: 35 ayes, 0 nays, Mr. President, on adoption of Senator Bourne's amendment.

PRESIDENT MAURSTAD: The amendment is adopted.

CLERK: Senator Erdman, I have nothing further on the bill.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the advancement of LB 177 to E & R for engrossing.

PRESIDENT MAURSTAD: The question is the advancement of LB 177. Those in favor say aye. Opposed nay. The bill is advanced. Mr. Clerk.

CLERK: Senator Erdman, LB 222, I have no amendments on that bill, Senator.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the advancement of LB 222 to E & R for engrossing.

PRESIDENT MAURSTAD: The question is the advancement of LB 222. Those in favor say aye. Those opposed nay. The bill is advanced.

CLERK: LB 49, Mr. President, Senator Erdman, I have no amendments to the bill.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the advancement of LB 49 to E & R for engrossing.

PRESIDENT MAURSTAD: Thank you, Senator. The question is the advancement of LB 49 to E & R for engrossment. Those in favor say aye. Those opposed nay. The bill is advanced.

CLERK: Senator Erdman, with respect to LB 54, the first item

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are Enrollment and Review amendments. (AM7006, Legislative Journal page 372.)

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the adoption of the E & R amendments to LB 54.

PRESIDENT MAURSTAD: The question is the adoption of the E & R amendments to LB 54. Those in favor say aye. Those opposed nay. The amendments are agreed to.

CLERK: Mr. President, Senator Beutler would move to amend. Senator, I have FA4 which would strike Section 6.

PRESIDENT MAURSTAD: Senator Beutler. Without objection, the amendment is withdrawn.

CLERK: Senator Beutler, AM0053. (Legislative Journal page 380.)

PRESIDENT MAURSTAD: Senator Beutler, you are recognized to open on AM0053.

SENATOR BEUTLER: Mr. President, members of the Legislature, this is an amendment by Senator Landis and myself. It refers back to a conversation we had on General File where you may recall by statute re...the statutes referring to the thresher's liens were simply inconsistent and created a trap for the farmer in the sense that it allows for the sale of grain to a co-op, but then it seems to allow the district attorney to penalize somebody criminally for selling to a co-op. So what we do is to strike the criminal provision to make the statutes consistent, to eliminate the trap for the farmer, and to allow it to flow more in accord with the civil procedures that are a part of the Uniform Commercial Code, generally, and, Senator Landis, if you wish to comment further, I'd give the rest of my time to you.

PRESIDENT MAURSTAD: Senator Landis.

SENATOR LANDIS: Thank you, Mr. Lieutenant Governor and Senator

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Beutler. I agree to the amendment. It makes good sense. This provision that we're striking is very old and to my knowledge not at all used but is, in fact, inconsistent and I think Senator Beutler's sharp-eyed analysis is appropriate. I accept the amendment and urge its adoption.

PRESIDENT MAURSTAD: Thank you, Senator Landis, Senator Beutler. Further debate on the Beutler amendment to LB 54? Senator Beutler, you're recognized to close. Senator Beutler waives closing. The question is the adoption of the Beutler amendment to LB 54. Those in favor vote aye; those opposed vote nay. Mr. Clerk, please record.

CLERK: 37 ayes, 0 nays, Mr. President, on the adoption of Senator Beutler's amendment.

PRESIDENT MAURSTAD: The amendment is agreed to.

CLERK: Senator Erdman, I have nothing further on the bill, Senator.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the advancement of LB 54 to E & R for engrossing.

PRESIDENT MAURSTAD: The question is the advancement of LB 54. Those in favor say aye. Those opposed nay. The bill is advanced. Members, we will be passing over LB 68. Mr. Clerk, LB 138.

CLERK: LB 138, Senator, I have no amendments to that bill.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the advancement of LB 138 to E & R for engrossing.

PRESIDENT MAURSTAD: The question is the advancement of LB 138. Those in favor say aye. Those opposed nay. The bill is advanced.

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CLERK: Senator, with respect to LB 36, I do have Enrollment and Review amendments. (AM7003, Legislative Journal page 372.)

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the adoption of the E & R amendments to LB 36.

PRESIDENT MAURSTAD: The question is the adoption of the E & R amendments to LB 36. Those in favor say aye. Those opposed nay. The amendments are agreed to.

CLERK: I have nothing further on the bill, Senator.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the advancement of LB 36 to E & R for engrossing.

PRESIDENT MAURSTAD: The question is the advancement of LB 36 to E & R. Those in favor say aye. Those opposed nay. The bill is advanced.

CLERK: LB 194, Senator, does have Enrollment and Review amendments. (AM7005, Legislative Journal page 372.)

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the adoption of the E & R amendments to LB 194.

PRESIDENT MAURSTAD: The question is the adoption of the E & R amendments to LB 194. Those in favor say aye. Opposed nay. The amendments are agreed to.

CLERK: I have nothing further on LB 194, Senator.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the advancement of LB 194

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to E & R for engrossing.

PRESIDENT MAURSTAD: Thank you, Senator. The question is the advancement of LB 194. Those in favor say aye. Those opposed nay. The bill is advanced.

CLERK: Senator, with respect to LB 197, I have no amendments to that bill.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the advancement of LB 197 to E & R for engrossing.

PRESIDENT MAURSTAD: Thank you, Senator. The question is the advancement of LB 197 to E & R. Those in favor say aye. Those opposed nay. The bill is advanced.

CLERK: LB 198, Senator, I do have E & R amendments to the bill. (AM7007, Legislative Journal page 373.)

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: I move the adoption of the E & R amendments to LB 198.

PRESIDENT MAURSTAD: Thank you, Senator. The question is the adoption of the E & R amendments to LB 198. Those in favor say aye. Those opposed nay. The amendments are agreed to.

CLERK: I have nothing further on the bill, Senator.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the advancement of LB 198 to E & R for engrossing.

PRESIDENT MAURSTAD: The question is the advancement of LB 198. Those in favor say aye. Those opposed nay. The bill is advanced.

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CLERK: LB 210, Senator, no amendments to that bill.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the advancement of LB 210 to E & R for engrossing.

PRESIDENT MAURSTAD: The question is the advancement of LB 210. Those in favor say aye. Those opposed nay. The bill is advanced.

CLERK: LB 122, Senator, I have no amendments to that bill.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the advancement of LB 122 to E & R for engrossing.

PRESIDENT MAURSTAD: The question is the advancement of LB 122 to E & R. Those in favor say aye. Those opposed nay. The bill is advanced.

CLERK: LB 169, Senator, I have no amendments to that bill.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the advancement of LB 169 to E & R for engrossing.

PRESIDENT MAURSTAD: The question is the advancement of LB 169 to E & R. Those in favor say aye. Those opposed nay. The bill is advanced.

CLERK: LB 168, Senator Erdman, does have Enrollment and Review amendments. (AM7011, Legislative Journal page 393.)

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the adoption of the E & R amendments to LB 168.

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PRESIDENT MAURSTAD: Thank you, Senator. The question is the adoption of the E & R amendments to LB 168. Those in favor say aye. Those opposed nay. The amendments are agreed to.

CLERK: I have nothing further on the bill, Senator.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the advancement of LB 168 to E & R for engrossing.

PRESIDENT MAURSTAD: The question is the advancement of LB 168 to E & R for engrossment. Those in favor say aye. Those opposed nay. The bill is advanced.

CLERK: LB 130, Senator, does have Enrollment and Review amendments pending. (AM7009, Legislative Journal page 393.)

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Thank you. I move the adoption of LB 130, or the amendments to LB 130.

PRESIDENT MAURSTAD: The question is the adoption of the E & R amendments to LB 130. Those in favor say aye. Those opposed nay. The amendments are agreed to.

CLERK: I have nothing further on LB 130, Senator.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the advancement of LB 130 to E & R for engrossing.

PRESIDENT MAURSTAD: Thank you, Senator. The question is the advancement of LB 130. Those in favor say aye. Those opposed nay. The bill is advanced.

CLERK: LB 134, Senator, has no amendments.

PRESIDENT MAURSTAD: Senator Erdman.

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SENATOR ERDMAN: Thank you, Mr. President. I move the advancement of LB 134 to E & R for engrossing.

PRESIDENT MAURSTAD: The question is the advancement of LB 134. Those in favor say aye. Those opposed nay. The bill is advanced.

CLERK: LB 136 does have Enrollment and Review amendments, Senator Erdman. (AM7013, Legislative Journal page 393.)

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the adoption of the E & R amendments to LB 136.

PRESIDENT MAURSTAD: Thank you, Senator. The question is the adoption of the E & R amendments to LB 136. Those in favor say aye. Those opposed nay. The amendments are agreed to.

CLERK: I have nothing further on LB 136, Senator.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Thank you. I move the advancement of LB 136 to E & R for engrossing.

PRESIDENT MAURSTAD: The question is the advancement of LB 136. Those in favor say aye. Those opposed nay. The bill is advanced.

CLERK: LB 137 has no amendments, Senator.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the advancement of LB 137 to E & R for engrossing.

PRESIDENT MAURSTAD: The question is the advancement of LB 137 to E & R. Those in favor say aye. Those opposed nay. The bill is advanced.

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CLERK: Senator Erdman, LB 135 does have Enrollment and Review amendments pending. (AM7012, Legislative Journal page 393.)

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Thank you, Mr. President. I move the adoption of the E & R amendments to LB 135.

PRESIDENT MAURSTAD: The question is the adoption of the E & R amendments to LB 135. Those in favor say aye. Those opposed nay. The amendments are agreed to.

CLERK: I have nothing further on LB 135, Senator.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Thank you. I move the advancement of LB 135 to E & R for engrossing.

PRESIDENT MAURSTAD: The question is the advancement of LB 135 to E & R. Those in favor say aye. Those opposed nay. The bill is advanced.

CLERK: Senator Erdman, LB 247 does have Enrollment and Review amendments, first of all. (AM7010, Legislative Journal page 394.)

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Thank you. I move the adoption of the E & R amendments to LB 247.

PRESIDENT MAURSTAD: The question is the adoption of the E & R amendments to LB 247. Those in favor say aye. Those opposed nay. The amendments are agreed to.

CLERK: Senator Beutler would move to amend with AM0079. (Legislative Journal page 390.)

PRESIDENT MAURSTAD: Senator Beutler, you are recognized to open

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on your amendment to LB 247.

SENATOR BEUTLER: Mr. President, members of the Legislature, Senator Bromm and I have discussed this amendment and I believe he is all right with it. What I'm simply trying to do is to put into place one of our standard management tools to help encourage people to charge fees that are as low as possible that go into cash funds. And what the provision says, basically, is the transfers from the fund to the General Fund, from this particular cash fund to the General Fund may be made at the discretion of the Legislature. The purpose of this is to encourage people to keep their cash balances as low as possible so that they are not charging citizens high fees but rather the lowest possible fees at any particular point in time. And this is a tool that we have with regard to a great many cash funds and seems to serve that purpose, and so I am just suggesting that it be applicable to this particular cash fund. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Beutler. For debate on the Beutler amendment to LB 247, Senator Bromm.

SENATOR BROMM: Thank you, Mr. President. Senator Beutler did explain this amendment to me yesterday and I certainly support the concept and was not aware that we had the opportunity or the need to do this in order to be in a position to transfer excessive cash funds that might be built up in particular accounts. But I think it is good, it's a good fiscal policy, and I certainly support the amendment and encourage the body to adopt it.

PRESIDENT MAURSTAD: Thank you, Senator Bromm. Further debate on AM0079 to LB 247? Senator Beutler, you are recognized to close. Senator Beutler waives closing. The question is the adoption of the Beutler amendment to LB 247. Those in favor vote aye; those opposed vote nay. Mr. Clerk, please record.

CLERK: 36 ayes, 0 nays, Mr. President, on the adoption of Senator Beutler's amendment.

PRESIDENT MAURSTAD: The amendment is adopted.

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CLERK: I have nothing further on the bill, Senator Erdman.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Thank you, Mr. Lieutenant Governor. I move the advancement of LB 247 to E & R for engrossing.

PRESIDENT MAURSTAD: The question is the advancement of LB 247. Those in favor say aye. Those opposed nay. The bill is advanced. Members, Senator Hartnett and his wife, Marge, would ask you all to join them in celebrating their fiftieth wedding anniversary, and enjoy the cinnamon rolls that are being passed out this morning. Senator Hartnett, Marge, congratulations. Mr. Clerk, General File.

CLERK: Mr. President, LB 313, a bill originally introduced by Senator Coordsen. (Read title.) The bill was introduced January 8, referred to Education, advanced to General File, and discussed yesterday. Committee amendments were adopted at that time. Mr. President, I do have amendments pending to the bill this morning.

PRESIDENT MAURSTAD: Thank you, Mr. Clerk. Senator Coordsen, would you like to take a moment or two and give a brief introduction of the bill?

SENATOR COORDSEN: Thank you, Mr. President. We were involved in an in-depth discussion of, and I'm sure that it will come to someone's mind, this morning of the name of the empress during the French Revolution who, when informed that the peasants had no bread, said let them eat cake, and I think someone will come to me with that...with that name right now. LB 313, Mr. President, was heard beginning yesterday morning and with the press of the day we adjourned before the completion of the debate on that was done. I would indicate to you that, first of all, I'm sure that the conversation is the reason that everyone understands that this is a bill that proposes to extend the drop-dead date for incentive payments to schools who are consolidating and affiliating. Yesterday, I distributed on the floor of the Legislature somewhat of an incomplete list of those schools who had...had been carrying on conversations with the

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State Department of Education, at least in the area of an interest in establishing guidelines for merging or affiliating. There is a new list on your desk that was provided to us by the Department of Education, and when you look at the talking about it side, there are a number of proposed or talked about mergers and affiliations that probably have already fallen by the wayside. So that's sort of an update and why there was a concern about...about LB 313 and the effect it might have on the General Fund revenues of the state of Nebraska. Now moving into, there are two disagreements and since they affect both provisions of this bill; this bill provides...proposes to extend the program from August 1, 2001 to August 1, 2004, and also to accomplish the full level of payment of affiliations that are already in place, and an estimated amount for those that might be accomplished between now and 2004. It proposes to increase the funding of \$5 million for next year, which will, in fact, allow the Department of Education to complete a number of incentive contract payments without having to adjust the amount of money, and to continue out into the future years those that are getting their base payment this year. They've already accomplished the reorganization. One percent of TEEOSA funds was the amount to be set aside in the original bill. This program has attracted so much interest that the mergers and affiliations that are being accomplished across Nebraska are quite larger in number from what had originally been predicted by those who promoted this bill. I would cite for you that in 1997-98 there were three mergers, one unification; '98-'99, one merger, two unifications; '99-2000, seven mergers and three unifications; and 2000-2001, the minimum, 20 mergers and affiliations. So you can see with that sort of response, if we are going to keep, we being the state of Nebraska, going to keep our word and encourage this sort of activity to continue into the future that we need to make some arrangements to continue the program. One of our members, and we will be getting to that in a moment, has taken some exception both, I think, to the continuation of the program and any amount of money being added to the program other than for the year 2000-2001, and we will get to that in a moment. The bill provides that the base year incentive program be increased from 2 million to 5 million dollars for 2001-2002; simply put that's because there will not be enough money to continue giving second- and third-year

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incentive payments to those schools that have already entered into the program. And then there provides...there is proposed to be a 5 million dollar appropriation in 2002 and 3, 3 and 4, and 4 and 5, which means that the increase in state aid would be about \$3 million for next year because of the sunseting and folding into the program of the Hardship Fund, and about \$5 million thereafter. One thing that we need to make perfectly clear is that no one knows with certainty what the expenditures will be. No one knows with certainty what the expenditures will be. If we assume that TEEOSA aid for 2003, projected out the growth that we have been growing at, is \$683.7 (sic \$6.837) million. With the amendment that's been added to the bill, the limiting factor of 2 percent on that would, in fact, be \$13.6 million, but that is totally, totally dependent upon what consolidations and unifications do occur. I do have some information that was provided to me by one of the more recent mergers in the state of two smaller districts into a larger district, and they received something like \$219 million...\$219 thousand, pardon me, per year for their base year, and then second and third year has been pro...that amount has been promised to them and they indicated that the efficiencies that they were able to discover in the merging of the two districts and the reducing of staff and a number of other things, a lot...a lot of little things that are involved, they have a...will have a total savings of \$354,000 with...with about...because of the merger. So with the \$219,000 incentive payment, you can see that the taxpayer, who is the ultimate payee of everything, is, in fact, advantaged by the merger and quite probably, other than the time spent in transportation, the merged school will be able to propose a broader spectrum of classes, a greater variety for the students which should result in a higher quality education for the people in that...in that area. So, Mr. President, with that, I will close. I understand there are a number of amendments on the bill. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Coordsen. Mr. Clerk.

CLERK: Mr. President, two announcements before, if I might; first of all, the Redistricting Committee will have...hold an executive session underneath the north balcony at ten, and Health and Human Services will hold an executive session at ten

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o'clock in Room 2022.

Mr. President, Senator Beutler, I have AMO112 before me this morning, Senator. (Legislative Journal pages 416-417.)

PRESIDENT MAURSTAD: Senator Beutler.

SENATOR BEUTLER: Mr. President, members of the Legislature, let me make a couple of preliminary comments. First of all, I want to indicate that the three or four amendments that I may run, if you have an interest, are not an attempt to filibuster the bill. I do believe in this program in some form. I think the question is, what is the appropriate form and the appropriate scale that we would like to see on this kind of a program? And I would also like to indulge...ask your indulgence for myself and I think probably for most others that will be discussing this this morning when it comes to the financial numbers. We're all in the process of getting a handle on those. I think, basically, there probably will be agreement on those numbers, but we will have to work through those I think fairly carefully in order for people to understand and get on the same level of understanding with regard to the payments. And I don't pretend to be an expert on this but I think between Senator Raikes and myself and Wickersham and the members of the committee and others that we can get to a common factual basis here upon which we can make a rational decision about what policy we want to put into place. The first amendment that I'm offering for your consideration does essentially this: It says that with regard to all school districts to whom we've made a commitment we will pay through that commitment in accordance with what the Legislature said. But the amendment also says that there will be no new base years, that is no new programs in 2002, 2003, and 2004. And it asks us to stop at this point, consider what we're doing and looking at some other things and ways of doing things, and I hope that discussion this morning will give you the opportunity to consider two or three ways of doing things and consider which of those ways makes sense in terms of the probability of our total commitments for A bills this year, and not just this year but, more importantly, next year and, more importantly than that, the year after and the year after. If...if we do nothing, if we do not adopt this amendment, this is where I think we're

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going financially in all probability. And I say in all probability, because I believe if you have a base year of \$5 million, and extend that out for three years, base year simply means the first of the three years of payments, and you extend that out for three years, the amount of money that you will be spending will be as I described to you, and the only question is whether enough school districts will apply to make those figures correct. And I suggest to you that they will because, remember, and this is a critical fact, critical fact, the levy limit is dropping from \$1.10 to \$1.00, incredible increased pressure will be upon the rural districts, and you will see the advantage maximized, I think, to the extent that this bill allows it. So with the committee amendment that you've adopted, here in rough figures is what I think we'll be spending the next three, four, five, six years out. In the year 2001 and 2002, the amount of money we will be spending on this program will be roughly in the neighborhood of about \$7 million. In the following year, and the year after that, and for all future years until, basically, the program runs out, that total will bump up to roughly \$13.5 million. It will do that because with the committee amendment you have, first of all, doubled the cap. We had a cap that was around 6 point something million dollars or around \$7 million. You now, with the committee amendments, double that cap. So the payments that I think will be forthcoming from this bill will result in, in fact, bumping up against that cap every year after next year. And I am assuming that you keep in place at least the \$5 million a year base payment that is in the bill currently. So the question is whether you want to commit right now to those kinds of payments in the future, because if you are sure that you do, fine. But if you are not sure and you're worried about how our economy may be in a couple, three years, and how much there may be for A bills generally in a couple, three years, committing now to these kinds of payments in the future is a big, big commitment, an enormous commitment. I mean, remember, that for A bills this year, we are anticipating somewhere in the neighborhood of \$15 million available. If 13 million is going to be taken out for two years, you can kind of get an idea that we're talking about, especially in a year of a declining economy should it happen in the next few years, there being little or no money for new programs for mental health, for childcare, for the juvenile

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justice system, for all of these different things that we're getting enormous pressure on this year and that pressure is likely to simply increase in future years. Senator Kremer indicated to me, you know, we really ought to keep our obligations. We ought not to prorate this down if we told the districts they should get the money. And for that reason, I'm not proposing to you that we cut back on any expenditures that would preclude districts who have already done this from getting the full allotment that we indicated that they should get. But by that same rationale, you should understand what kind of a commitment we would feel if, in the future, large numbers of districts applied to us for money and we didn't have enough money in the appropriation to pay them in accordance with...with the bill. The pressure then would be on, as its on this year, to raise that cap from 2 percent to 3 percent and increase the amount of money that's appropriated even more. You should not open the barn door until you know how many cows are in the barn. And whether you really mean to spend all of this money to take care of this problem for everybody. So...

PRESIDENT MAURSTAD: One minute.

SENATOR BEUTLER: ...that I think is the question for debate, and I'm simply suggesting to you a more conservative approach in the short term, an approach that makes the incentive real, not just a continuing program, and which makes the amount of money being authorized in this particular year at at least a level that's tolerable. I do not think you want to put yourself in the position of \$13 million a year expenditures two, three, and four years out. That's how I analyze it and I would be interested, in particular in the first instance, whether there is fairly general agreement on what's going to happen as far as the figures are concerned, and...

PRESIDENT MAURSTAD: Time.

SENATOR BEUTLER: ...then, of course, the discussion of philosophy. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Beutler. For the debate on the Beutler amendment to LB 313, Senator Coordsen.

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SENATOR COORDSEN: Thank you, Mr. President, members of the body. Editorial comment, I suppose, because I remember quite vividly several years ago rather intense conversations on the floor of the Legislature about there being too many school districts in the state of Nebraska. They were costing too much money and doing too little good, and some were so brash as to say they existed only as tax havens, which most certainly is not true. But to the case in point, Senator Beutler indicated to us what he believes to be a cost per year. I would suggest to you that the number of cows in the barn are well known and able to be counted when we put them in and when we take them out, and we've counted the cows in our herd of school districts and we know how many cows there are. Incentive payments are based on a three-year plan, and so when we look at many of the schools that have already consolidated and already been paid out, we found that they are down the road. A large number have already been loaded out of the barn and shipped off and we no longer have to feed them. But there are some left. We have two figures available to us; first are those schools who have qualified for the payment and will be either receiving their first payment in the base year 2000...the base year is 2000-2001, or will be receiving their second or third payment and are ready to go down the road. So this is not a program that grows to the extent that you might be led to believe that it grows. The 2 percent is a figure and that represents an estimated TEEOSA figure, state aid to education, for the primary funds that are included within that, and that's an estimated growth figure that may or may not be there and the 2 percent is an arbitrary figure. That would be the maximum that would be expended. The amount that actually could be expended is quite likely to be considerably less than that. And remember that this bill is only effective for this two years, this budget cycle, and that the appropriation would have to be made again for the out years. So there is a...there is a stop out there as Senator Beutler well knows for expenditures beyond the second year of this biennium. I would share with you that those schools that are getting their first year incentive payments...

PRESIDENT MAURSTAD: One minute.

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SENATOR COORDSEN: ...will be getting payments for the next two years, total, \$1,830,000, a far cry from the 7 million. Most of the schools that have applied so far have already went through their three-year cycle, some have not. So the figure is quite a lot less than that. But most interesting, in closing, is that we have a successful program, a program that is working, that is achieving the desired effect, and we say it's too successful. Thank you, Mr. President.

PRESIDENT MAURSTAD: Thank you, Senator Coordsen. Further debate on AM0112 to LB 313, Senator Raikes.

SENATOR RAIKES: Thank you, Mr. Lieutenant Governor and members. I rise to oppose the amendment, Senator Beutler's amendment. I think it has correctly been pointed out, this would basically strike the extension of the reorganization incentives, stop it right where it is now. As near as I can tell, it would fair'y accommodate people that have already begun the process, but it would make it, I think, virtually impossible for any reorganization attempt that was contemplated but not actually at the point of commencement to receive any reorganization incentives. This point has probably already been made, but I would like to reemphasize it. This is a performance-based program. You only get this money if you actually reorganize. In some of the comments that have been made, and I think quite appropriate ones about how much money it could cost. In a sense, it is sort of strange in that if you really think reorganization ought to happen, and in some cases it should, then the fact that this program would cost a lot of money is good news. It's sort of the opposite of a cigarette tax. You put a tax on cigarettes and hope you don't collect any. With this tax, you offer to pay and hope you pay a lot because really what you want to do is "incent" reorganization efforts. I think the argument has been made that the date or the threat of stopping this kind of a program is...is a vital part of the incentive itself, and it may well be, but there are other parts of that incentive. Certainly, the money is one, but even if this is extended as proposed by Senator Coordsen, there is always a possibility that it wouldn't be extended again or that there would be a change made that would be detrimental down the road, so I think that even though you keep the door open for

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this money that reorganization efforts are encouraged and brought along. Again, I would remind you that reorganization has been a longstanding goal. This program has been successful and, in fact, there is good evidence that it is, if anything, picking up speed at this point. There are real costs that school systems incur in reorganizing and I think it just makes good sense for the state to try to help covering costs in those situations. So I'm very interested in the discussion, but I oppose this amendment. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Raikes. Further debate, Senator Vrtiska.

SENATOR VRTISKA: Thank you, Senator or Lieutenant Governor Maurstad. I also rise in opposition to the amendment proposed by Senator Beutler. Many of the things that I would address, Senator Raikes did more eloquently than I can, but I just have to touch on the aspects of what I see happening and what a detriment this would be. It's kind of interesting because, you know, I don't know of any school district in the state that wanted to consolidate, and that's why it has never happened. They didn't want to consolidate for a number of reasons, primarily because they knew it would be detrimental to the community, to the children in that community, in their minds. But because we offered an incentive and because they knew that it was going to be difficult to continue to provide the kind of quality education that people expect, they found out that they had to face reality and start to work in this direction. And we, as legislators, decided that this would be a way that we could assist them in making...coming to a resolution of their problem. I'm...I'm somewhat amazed that Senator Beutler would try to detract from this because he, along with the many other senators, were the ones who continually insisted that we needed consolidation in this state. And, sure, it's fine to say, well, you need to consolidate but don't ask anybody to help you. The thing we have to remember, and I think it's important to remember is that when you have a unification/consolidation effort, there are costs that nobody anticipated or not many did. For example, I'm aware of the fact that when in my area we had some efforts, they are underway in the unification process and consolidation process, most schools had different books, and so

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they required them to buy books that are similar for all the students to use because it just doesn't work the other way. There are increased costs in busing and transportation, and all those things that come into being. And I guess what we're really saying is until you kind of get through those initial stages of this process, somebody is stepping forward and providing some assistance. And, you know, as I looked at this list that Senator Coordsen passed out, I'm sure that not all of these are going to happen. I think that's a foregone conclusion. Maybe it would be good if they could, but reality says that it's not going to happen because in looking at this list some of these school districts are a tremendous distance apart, and they have school districts in between them. And it's very doubtful, in my mind, that all of them are going to take place. But as Senator Raikes indicated to you, this is a proposition that we proposed to increase the value of education for our young people, and we, as legislators, decided that in order to accomplish that fact we needed to perhaps provide the incentive that would encourage people to move in that direction. You know, I could editorialize, as Senator Coordsen did, a little bit about the process that we've been through since I've been up here, and some of the discussions we've had about some of the small schools and the value they provided or the lack of value they provided that I don't always agree with, but one thing I do agree with and that is that we need to move in the direction we are moving and we need to provide the incentive that is put out there. I don't know if anybody can put an exact number on what it is going to cost. And I, along with Senator Raikes, agree that there is a stopgap in there that we'll address in a couple of years. So...

PRESIDENT MAURSTAD: One minute.

SENATOR VRTISKA: ...I would...I would urge the body to reject the Beutler amendment and to move ahead with LB 313 as it is now set up and continue to do everything we can to encourage these school districts, who are in a situation of trying to make the determination of what is best for the students and the kids in the districts that they serve. So with...it's going to be my goal to try to defeat the Beutler amendment and advance the bill. Thank you, Lieutenant Governor.

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PRESIDENT MAURSTAD: Thank you, Senator Vrtiska. Senator Dierks, on the Beutler amendment.

SENATOR DIERKS: Thank you, Mr. President and members of the Legislature, I also rise in opposition to the amendment that Senator Beutler has brought. The unification bill, as it passed, I think, three years ago was my priority bill that year, and there were three...four, actually, school districts in my legislative district that were the ones that started the first unified district and, actually, there were four that looked at it and three finally did it. And it was through mostly the effort of the superintendent of that unified district that this happened. And he came down to the Legislature and even gave us some taped presentations on what they were doing and how it was working. I had a long visit with him about, oh, two or three weeks before we came down here, just to get a progress report, and he tells me that it is going extremely well, better even than they thought it would, that the communities have accepted it in big style. That was Unified District 1; that's Clearwater, Orchard, and Verdigre. Now there are some others on this list that you see that you got from Senator Coordsen that are also in my district, and I've visited with the superintendents involved with that one, with those. There is...the big one right now that they are talking about is between Spencer, Naper, Stuart and Butte. I have had some conversations with people in Knox County that think they want to do a unified district over there and Ewing, my home, was involved with the first unified district but decided not to unify. Now they are looking at the possibility of joining that district or even the possibility of joining another one. They indicate here on this chart from Senator Coordsen that Elgin, Ewing, Chambers, and Wheeler Central are interested. This was done, I think, in an effort to provide continuity and programs, educational programs across the state of Nebraska, to allow communities who wanted to not be forced into a merger but to be able to participate in a larger system and do it by way of unification. Like I said, the one, the number one unified...Unified District 1 is, at this point is a great success. The people that are involved with it, not only the people in education, but the citizens of the communities are

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very pleased with it. It has saved them some money from the standpoint of transportation. It has saved them some money from the standpoint of the number of administrators they have to have. So they are in a money-saving mode, and it will do that same thing for everybody else, I think. The point I want to make is that it's working and more people want to do it. We've provided incentives for the first group. We need to provide the incentives for the next group at the same level. At this point in time, rural Nebraska is in a world of hurt. The small communities out there are really hurting because we're losing population, agriculture production is real sketchy, not doing too well mostly, and it's hard to keep people on the farm. It's hard to keep you young people involved. We need to do every thing we can to help keep these people there and make these farm communities profitable. And by taking away their educational facility or reducing their ability to educate their children isn't the way to go. So I would urge you not to accept this amendment of Senator Beutler's and vote the bill as it's been presented to you. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Dierks. Further debate on the Beutler amendment to LB 313, Senator Bromm.

SENATOR BROMM: Thank you, Mr. President. I rise to oppose this amendment as well, and I'm going to maybe not address the specifics of the amendment as much as a little bit of discussion, I think, about the intent of the legislation that was the forerunner to LB 313. I think this Legislature made some decisions a number of years ago before most of us, maybe not Senator Chambers, or maybe not Senator Beutler, but before most of us were in this Legislature, that they were not going to embark upon an approach to school reorganization of setting up the school districts at the size that the Legislature determined to be the right size. They weren't going to throw the gauntlet down and give the ultimatum to school districts and say that we will have X number of school districts, and to some extent maybe I am also speaking a little bit against Senator Janssen's bill that he introduced which calls for one district per county, but I think this Legislature decided that that wasn't right for the state. It might be right for Kansas; it might be right for Iowa. It might be right for some states but it isn't right for

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Nebraska. With that in mind, I think then the Legislature, we got into all of the...the discussion with LB 806, and LB 806 did away with the tier system of acknowledging that it does cost somewhat more usually to educate students when you have fewer numbers. You don't have the economies of scale, but we did away with the tier system, and as part of that whole process, and as an aftermath to LB 806, this Legislature decided to take a different approach, rather than do nothing, but to provide some positive incentives for schools to look at themselves and say, would there be advantages for reorganization. There is always a cost to reorganization. There is always a cost. Whether it be the consulting help, whether it be the administrative expenses that have to occur, there always is a cost. Beyond that, the communities all perceive this as a cost to the community, because if reorganization leads to the loss of an attendance center in their particular community, that is a cost. There will be some jobs. There will be some business activity, but I think always education should be considered as the primary...as the primary focus in those decisions. This incentive approach allows schools to look at it from what is educationally sound and gives them a temporary financial cushion to do so. And I think we would be...I think if we were to not continue with this and continue with Senator Coordsen's approach, we would be saying we are going to pull the rug out from under the philosophy that this Legislature has and the course that this Legislature has taken on this issue, not just for the last year or two but for many years, and I would hope that we would...

PRESIDENT MAURSTAD: One minute.

SENATOR BROMM: ...I would hope that we wouldn't do that, and I agree with the analysis of Senator Raikes that we hope that this money is used. If it is educationally sound, if it's the right thing to do, we hope that it's done and that the money is used. And I think it would benefit the students, it would benefit us all. So I hope that we would resist this amendment, and I haven't read all of those that follow, but I hope that we can retain the intent and integrity of LB 313.

PRESIDENT MAURSTAD: Thank you, Senator Bromm. Senator Beutler, on your amendment to LB 313.

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SENATOR BEUTLER: First of all, let me reemphasize that with the drop of the levy from \$1.10 to \$1.00, I think that it is essentially correct that these payments will go up to the neighborhood of \$13 million a year, and I think that the Education Committee's action in raising the cap from 1 percent to 2 percent recognized that because that meant that what was a cap and what was our policy of a cap of 1 percent of state aid, we've now changed that policy with the committee amendment to make it 2 percent and, therefore, allowing the payments to go up as high as that \$13 million that I was talking about. If we're interested in continuing present policy, then perhaps what we should do is simply strike the committee amendment which would put a cap of about \$6.8 million on the payments that could go out every year. If more school districts apply than can get the money, it would be prorated, but it would be prorated with the understanding that we are paying a portion of the cost, we are not paying all of the cost or in accordance with any particular formula. Senator Raikes, let me ask you the question, in order to have some sort of what I would call fiscal responsibility in terms of anticipating costs and controlling costs, would you be interested in or have any interest in going back and striking the committee amendment so that at least we all know what the score is going to be in future years rather than leaving that to just letting it happen?

PRESIDENT MAURSTAD: Senator Raikes.

SENATOR RAIKES: Yes, I will respond. Senator Beutler, I wouldn't be in favor of that because, as I tried to...to make clear before, this is money that I hope we do spend. This is money that will only be spent to the extent that we achieve progress toward the goal we've set. I would also point out that there is a problem in the program with having the cap too low. If the cap is too low, you hit it every year and then it becomes a crap shoot, so to speak, or every school system gets a prorated amount for their reorganization efforts so that they really don't know what they can plan on. If you set the cap high, then two benefits accrue. One is that there is the lack of that uncertainty. And the second thing is that hopefully you will hit the cap which will mean, or come close to the cap,

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which will mean you have a lot school systems that have decided to take advantage of reorganization which is what our goal is here.

SENATOR BEUTLER: Senator, let me, let me go back and start to explore. I mean one avenue of gaining compromise on this is to return to the former cap. Let me explore another area with you so we all have a better understanding of it, and that is how the incentive payment is calculated under the bill right now. And if everybody looks at their bill, they will see a big long chart that says if you go from a certain daily average to another daily average, then you will get an incentive payment per student. Tell me this, Senator, when that calculation is made under the current formula, is that, generally speaking, paying districts for the total cost of their reorganization or a portion of it or more than it cost them to reorganize? Is there, first of all, is there any...

PRESIDENT MAURSTAD: One minute.

SENATOR BEUTLER: ...is there any direct connection between the cost of reorganization and the payment of this money? Is it...is it at all matched to the cost of reorganization?

SENATOR RAIKES: I can't really answer that but I can make a couple of points which I will try to do. There is an historical connection there going back to actually the days before I believe LB 806 was passed, and the amounts specified had to do with the reduction in cost per student as you went from one tier to the next tier in the old LB 1059. So to the extent that those costs were based on actual school averages, they were reflective of costs at that time. Now another...

SENATOR BEUTLER: But...

SENATOR RAIKES: ...point to make is that those values have not changed. They have not been indexed. So the...

PRESIDENT MAURSTAD: Time. Thank you, Senator Raikes and Senator Beutler. Further debate, Senator Cudaback.

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SENATOR CUDABACK: Mr. President, members, somebody once said they weren't sure what they were opposed to but they know what they are for. In this case here, I am for LB 313. Now if we have measures to remove it or to change it or modify it, then I guess I'm opposed to that if this is what the Beutler amendment does. I am not sure what it does, but I am for LB 313. And the list that was handed out from Senator Coordsen, I'm not sure I want to even read it. I don't think maybe it's good policy to make bills saying it's going to benefit Jim Cudaback or going to benefit whomever. But it's good policy to allow incentives to do what we're after. There is a word like "attrition" comes in here and we all say that but this is going to happen down the road; there will be fewer districts, there will be fewer this, there will be fewer this. And how do we achieve that? You know, through attrition perhaps but then you allow incentives and if they want to take advantage of that, fine. And if they don't, like unification, I mean this is what it is all about. It's simply, in my viewpoint, maybe I'm wrong, maybe Senator Coordsen will set me straight here, but this does that. Nothing mandates it particularly but it is just good policy. It is not good policy because it benefits Jim Cudaback or whomever in this room, I won't mention all the names because maybe it will hinder some, maybe it will help some, but it's good policy for the state of Nebraska, and I think this is one measure. And somebody comes up with a better idea, so be it. Senator Coordsen will say, hey, yeah, this is a bad idea, yours is better. But right now, you know, this is the best dessert on the table so I think I'll eat it. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Cudaback. Senator Coordsen, on the Beutler amendment followed by Senators Kremer, Landis, Beutler, Stahr and Brown.

SENATOR COORDSEN: This is a shocking world we live in, Mr. President. Every time each of us come, I think we need to run a ground cord from our carpet to outside of the Capitol. With having observed that, first of all, the chart in the bill, if you take a look at it, really "incent" schools to create districts, if they are going to reorganize, to create districts that provide what was believed to be at the time of the creation of the formula those that provided the most economical size for

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a given area. And one of the issues we haven't brought up is one that is again unpredictable, certainly, as is almost everything when you talk about people. But there are a lot of, a lot of forces out there that may or may not encourage districts to begin to talk to one another. One of the things that came to my mind while Senator Beutler or someone else was visiting with us was the rapidity of the depopulation of outstate Nebraska. One of my superintendents of schools just quite recently, late last year, shared with me he did not know what he was going to do because he was going to graduate this year 43 seniors. And his students, according to the district census, that were coming in into kindergarten would be 23. And the reason I mentioned that is that there are problems that are incumbent within redistricting and that is that if a district...the fundamental aid of the state aid distribution is based upon the valuation per student, that is as Senator Raikes would say, needs minus resource equals aid. And I'm sure that the disincentive in a number of cases is that when districts do join they suddenly become entitled to less state aid because of growing. There is...there is a...if you had, if you were a larger school district and had a lower valuation per student and that qualified you for whatever the amount of aid that you were qualified for under that, and someone who perhaps was a nonequalized district that had a low population, there needs to be some way to get those folks to talk to one another because the resulting efficiency would benefit both. But as is true and most certainly true since levy caps and budget growth limitations and those other things we've done, we have created, in some cases, disincentives to create larger districts in areas where there is significant valuation compared to the number of people. It is still my belief that the cost of LB 313 will not be as some of the projections would have us believe. When we look at what has happened in the past,...

SENATOR CUDABACK PRESIDING

SENATOR CUDABACK: One minute.

SENATOR COORDSEN: ...in '98-'99, the total of first year incentive and base year totaled \$1,800,000 approximately; '99 and 2000, a little over \$3 million; 2000-2001 is 4.7-plus

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millions of dollars. And in saying that, a number of those schools, 2000-2001, a matter of fact, 2000-2001 is probably for quite a number of those schools the last year of incentive payments under their...under their merger plan. So you have to consider that schools enter in on a three-year...

SENATOR CUDABACK: Time.

SENATOR COORDSEN: ...have three-year division and they drop off each year, and if you add on, you add on. It's not predictable. The 2 percent, by the way, was a suggestion from...

SENATOR CUDABACK: Time, Senator Coordsen.

SENATOR COORDSEN: ...those who work in this area.

SENATOR CUDABACK: Thank you, Senator Coordsen. We're debating the AM0112, Beutler amendment to LB 313. Those wishing to speak on the amendment are Senators Kremer, Landis, Beutler, Stuhr, Bromm and Janssen. Senator Kremer.

SENATOR KREMER: Thank you, Mr. President, members of the body. I will not take my full time and I think probably everything has been said once, and maybe we should go on and vote on this but I, too, would oppose the amendment. In the last couple of years I've heard so many times that we have too many school districts. And there has been all kinds of suggestions. I think there is one bill this year to only have one district per county. So the goal has been to consolidate schools, to get some of the smaller schools to be more efficient, to save money in the long run. So I ask, is our goal the same today as it was then? And I think it is, and there is two ways we can do it. We could force schools to consolidate. If we would force it and try to decide who was going to consolidate, and how it was going to be done, I think we'd see a lot of chaos and a lot of unhappy people. And the other way to do it is to put out incentives for people to do it, and many of these schools have spent a couple of years deciding what was the best for their kids and how they could educate them the best. Out of the top six here that have already done it in '99 and 2000, three of them are from my district. And you go on down, there is two others from my

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district that are thinking about it. One thing it's...I'd like to just call your attention, I think we need to do this early because a lot of the schools are forming their budgets right now, and they need to know whether this money is going to be available or not. And it may make a difference whether they go ahead and consolidate. If the money is not available, I think a lot of this in the category that they are talking about it would drop out, and that would be going the opposite direction of what we talk like we would want to happen. Some place there is going to be a saturation point, so it's not going to go on forever, that those that want to consolidate will have already done it. Another thing to consider is, and then I've heard from many of my schools and I had a call just yesterday from a school board member, that they are trying to find out what is going to happen when the levy drops to \$1. When they see what is going to happen, I know there is more state aid goes but many times it does not make up for the difference of what they are shorted in the...in their tax levy. And I think when they see the effects of dropping to \$1, there may be a lot more added to this list too. One other point as far as if we put so much money in there and it is prorated out, I think that has just as much uncertainty as not having anything there at all, because if you don't know what it is going to be, they are not very apt to go ahead and consolidate. I think they know...need to know for sure what it is going to benefit them to consolidate as far as incentive money and to know that they are going to get it so that they can go ahead with their plans. And I think the incentive method is one of the best that there is. With that, I will turn the rest of my time back. Thank you.

SENATOR CUDABACK: Thank you, Senator Kremer. Senator Landis, you're recognized. The question has been called, do I see five hands? I do. All those in favor of debate ceasing on AM0112 to LB 313 vote aye, opposed nay. We are voting on ceasing debate. Have you all voted? Record, please, Mr. Clerk.

ASSISTANT CLERK: 27 ayes, 1 nay to cease debate, Mr. President.

SENATOR CUDABACK: Debate does cease. Senator Beutler, you're recognized to close on your amendment.

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SENATOR BEUTLER: Mr. Speaker, members of the Legislature, once again what the amendment does so that we're all clear is not to curtail in any way any of the payments that we've obligated ourselves to make or indicated that we would make to any school districts or persons who relied upon that. But it does ask us to pause at this point in time, to step back and not authorize further incentive payments in the future until we have a chance to analyze the situation in more detail, to look possibly at other methods of dealing with this situation, and to construct something that perhaps, in my opinion, is on a doable level instead of allocating this very large amount of money, and I want to say for the third time it will be \$13 million in two years, to that one particular state aid project. I think that we all would acknowledge that government by incentives generally is the most expensive form of government, because instead of saying to people do what this body has determined as representatives of the people is the good policy, just do it, we say to people we'll give you money if you'll do it and you do it if you want to. Well, if you start using that form of government on a large scale, then your government becomes overburdened and you can't do all the things that you are supposed to do. We need \$100 million for mental health, state responsibility. University is not nearly up to its peer group. Juvenile health system needs tens of millions of dollars. All of these state responsibilities, are we really wanting to pour tens of millions into incentive programs to encourage the subdivisions of government, whatever it might be, to do that which is most efficient and that which they should do? We have said yes to that, for example, as far as water pollution is concerned. Instead of saying just with regulatory authority don't do this or don't do that because it would help keep the water clean, we say, no, we'll do incentive programs and we pay out huge amounts of state money in order to encourage people to do what they should be doing anyway. That's all right. I'm not against that altogether, but I would argue with you, there is a balance there. You can't keep taking away from the legitimate functions of state government and pouring money into these things called incentive payments to get people to do what they, in all good faith, should do. Senator Bromm argued the history of this matter, and that our history has been to have incentive payments. And I would say to the contrary, that has not been

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our history. This Legislature in, I think, 1982 mandated consolidation in this state, and in the process of doing that increased the sales tax. And by initiative, that was overthrown just barely by the people. That was the policy of the Legislature.

SENATOR CUDABACK: One minute.

SENATOR BEUTLER: Then we went to a state aid formula and the policy behind the state aid formula was not to reward districts in any way that were high-cost districts, and that was what we were going to be following, and that's what we've followed for at least a decade. And now two or three years ago for the first time, we had a new policy and that new policy was to give another form of state aid to facilitate the progress of consolidation. That's the new policy, and today you're being asked to, basically, double the money that is being put into that policy, and I think that that is a very serious question in the context of our abilities to pay for things, and a very serious philosophic question...

SENATOR CUDABACK: Time, Senator Beutler.

SENATOR BEUTLER: ...in terms of what is the appropriate relationship in terms of incentive payments generally. Thank you.

SENATOR CUDABACK: You've heard the closing on the Beutler amendment to LB 313. The question before the body is, shall AMO112 be adopted to LB 313? All in favor vote aye, opposed nay. We are voting on the Beutler amendment to LB 313. Have you all voted? Have you all voted who care to? Record, please, Mr. Clerk.

CLERK: 14 ayes, 21 nays on the amendment, Mr. President.

SENATOR CUDABACK: The Beutler amendment is not agreed to. Items for the record, Mr. Clerk.

CLERK: Mr. President, hearing notices from Judiciary Committee, signed by Senator Brashear as Chair; the Agriculture Committee,

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signed by Senator Dierks. Your Committee on Transportation reports LB 166, LB 244, LB 245, LB 375, LB 376, LB 387 to General File, LB 165 General File with amendments, LB 43 indefinitely postponed, and LB 167 indefinitely postponed. Judiciary reports LB 155 and LB 163 to General File. Natural Resources reports LB 129 to General File, LB 472 to General File. And Banking reports LB 55 to General File with amendments.

Mr. President, Enrollment and Review reports LB 209, LB 214, LB 151, LB 128 to Select File, some of those having Enrollment and Review amendments. And a new A bill, LB 278A by Senator Janssen, or by the General Affairs Committee actually. (Read by title for the first time.) (Legislative Journal pages 417-420.)

Mr. President, next amendment, Senator Beutler, AM0113. (Legislative Journal pages 420-422.)

SENATOR CUDABACK: Senator Beutler, you are recognized to open on your amendment.

SENATOR BEUTLER: Mr. President and members of the Legislature, let me proceed with this amendment to describe for you a way of looking at things and a way of handling things that could be built into this process and which might make sense, I think, in a number of ways. What this amendment does is to recommend the establishment of a School Structure Task Force, and the objective of this task force would be to accumulate and put together objective information with regard to the structure of our school system, to put together a group of people who could fairly look at the system statewide, and take a look at what made sense for all of us, not necessarily what one little school district might want to do in this part of the state, which may or may not fit with the adjoining school districts and what they needed to do, get rid of rivalries with regard to towns, or who has the oldest superintendent, or rivalry of sports teams, all of those factors that don't have to do with economy and with the education of students, look at all districts side by side and give us some good information. We are engaged here in an incentive program involving state sales and income tax money, obviously, and whoever applies for it can get it. And I think

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one case already, we've already had the same school district apply twice because there were two different consolidations. In the future as our population declines in certain areas of the state, which it is projected to do, you may well see, if we change nothing, a series of successive consolidations involving some of the same school districts, and then we would be paying incentive money not just once but twice and maybe three times over a not too long period of time for those consolidations. Maybe it would make some sense to look at configurations that looked at the state as a whole. This task force which is being set up is designed to be as fair as possible in terms of representing all different kinds of people. The Chairperson of the Education Committee would be a part of it, two other members of the Education Committee, two more members of the Legislature, one representative of a teachers' organization, one representative of school administrators, one of school boards. Get a superintendent on it who has had some experience with consolidation, get a representative from small school districts, midsize school districts, get a representative from the business community with some experience in finance, and a number of a variety of people. And then take those people and ask them to do...to do two things; in Phase I of the study, ask them to determine and gather the information needed to assess the number and configuration of school districts in the standard cost grouping which would most efficiently and most fairly maximize the educational benefits to all the students of such districts considering the current resources available to the system as a whole. And to identify the fiscal resources that are necessary to do that kind of analysis and to make any detailed plan that they might see fit and determine to be appropriate. And then in Phase II of the study, simply have them ask the question of whether reduction or reconfiguration in any direction of existing districts in the standard group, standard cost group is advisable and, if so, to recommend to the Legislature a plan to reconfigure the school districts in a way that maximizes the benefits for everybody so that you are looking not just at Districts 1 and 2 side by side, but Districts 3 and 4 to the north, and 5 and 6 to the south and 7 or 8 to the east, all of the districts, and which way the configurations ultimately are going to make sense. What we have now is a haphazard process which may or may not make sense when that piece of the puzzle is

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fit in altogether, and may lead to more sparse and very sparse districts than we actually need. And, in fact, I think we will have a discussion before this debate is over on the fact that it appears that some school districts are actually reconfiguring now so as to create sparse and very sparse districts. So that what's happening under the current incentive program is that not only do they get the incentive to redistrict but they then benefit from the advantages of being in a scarce...a sparse versus very sparse district, and that's something certainly nobody would intend. But if you could get this kind of detailed plan in hand, then you could start looking at this question in a really meaningful way rather than encouraging with state money a process that by its very nature is uncoordinated and has to be haphazard and, therefore, considerably more expensive than would otherwise be the case. It's working at the problem from different directions, but I think it's important that we have in front of us information that comes to us giving us a picture of the thing as a whole, and not just giving us the picture piece by piece through the lens and filter of a particular group or person who is in this part of the state or that part of the state. And maybe we ought to look, this is not a part of this amendment, but you will also then have the option of looking at incentives for certain types of consolidations but not for others. Do you think there should be incentives for all consolidations regardless of their results? I'm not sure if you looked at the detail at different specific situations that you would want to say that. At any rate, it would be of great advantage to all, I think, to have objective information put together for the very first time; for the very first time in the history of the state we could get some objective information of a group of people who represented everybody...

SENATOR CUDABACK: One minute.

SENATOR BEUTLER: ...on what made sense in this area. And then, at least I, for one, would feel a lot more comfortable encouraging incentives of one type or another. Thank you.

SENATOR CUDABACK: Thank you, Senator Beutler. (Visitors introduced.) On the debate on the Beutler amendment to LB 313, Senator Brown, did you wish to...I do not see Senator Brown.

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Senator Raikes.

SENATOR RAIKES: Thank you, Mr. President and members. I rise to oppose this amendment at this time. I would not comment too much other than I believe the essentials of this amendment are introduced as...have been introduced as LB 431, and this bill will be heard before the Education Committee on March 6th. A hearing has been scheduled. So I would...I would prefer that we use that process rather than attempting an amendment at this time. So with that, again I oppose it. Thank you.

SENATOR CUDABACK: Thank you, Senator Raikes. Senator Coordsen, on the Beutler amendment. Senator Coordsen waives. Any further discussion on the Beutler amendment? Seeing none, Senator Beutler, do you wish to close?

SENATOR BEUTLER: Mr. Speaker, members of the Legislature, this piece, I think, is a very good companion piece to this bill. It surprises me that a bill of this nature and size has hit the floor of the Legislature in the first week of real debate because I think it makes it difficult to put things together that should go together. Perhaps what I should do is simply make a motion to put this bill off until the hearing on the bill, if that's...if that's the reason that we don't want to talk about this amendment right now. Nobody wants to talk about it and I guess we just want to go quickly and vote. And if there is no desire for further discussion, I guess that's what we will do. But it saddens me that there seems to be no area for discussion here in any way other than move forward with doubled incentives without further consideration of how we do this and when we do it and why we do it in a body that should be deliberative and on questions that are large in size and which limit our prerogatives in the future in a very significant way. And yet we don't seem to want to even talk about how we get better information or how we maybe further encourage districts to get together. Maybe it would be helpful to local districts if an objective committee actually outlined some things that could be done. Maybe they would take a great interest. I don't think you have to view this or should view this particular amendment as being adverse to small school districts at all. There is a lot that can be done here, but we seem to have come

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to the point where we are happy with what we are doing perhaps, and that always forces one into the position of saying they are happy, okay, and stop talking or to get feistier about it. (Laughter) But I will just be quiet for the moment. Thank you.

SENATOR CUDABACK: You've heard the closing on the Beutler amendment to LB 313. All in favor of the Beutler amendment vote aye, opposed nay. We are voting on the Beutler AM0113 to LB 313. Have you all voted? Record, please, Mr. Clerk.

CLERK: 13 ayes, 19 nays, Mr. President, on the adoption of the amendment.

SENATOR CUDABACK: The amendment is not adopted. Mr. Clerk, next item.

CLERK: Senator Beutler would offer AM0114, Mr. President. (Legislative Journal page 422.)

SENATOR CUDABACK: Senator Beutler, to open on AM0114.

SENATOR BEUTLER: Mr. Speaker, members of the Legislature, this amendment would do simply one thing. I would say that there should not be incentive payments to consolidations or unifications which result in a district which is in the sparse or very sparse cost category. As you all are aware, we have two special categories that are favored in terms of state aid treatment, and if the schools are reorganizing in order simply to take advantage of that, not necessarily what makes sense in terms of the best education of the students, that they will gain an advantage, a great advantage from the reorganization anyway, and that we ought not to be encouraging that kind of activity and so I simply put before you the proposition that if it has that result, then they've gained a greater advantage certainly, and they don't need the incentive payments as do other districts that are reorganizing in the standard cost group. Thank you.

SENATOR CUDABACK: Thank you, Senator Beutler. You've heard the opening on AM0114 to LB 313. Open for discussion on that amendment, Senator Coordsen, followed by Senator Raikes. Senator Coordsen.

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SENATOR COORDSEN: Thank you, Mr. President, members of the body. It's unfortunate, I suppose, that Senator Beutler viewed the lack of discussion on the previous amendment as one of stonewalling or something like that. The plain, I had my light on, and the plain truth of the matter, after Senator Raikes asked his question relative to this being, the previous amendment being a bill yet to be heard before us, it didn't seem to be appropriate to go into that discussion any further. Now having said that, this amendment that is before us today again is certainly a proposition that is not unlike the previous amendment in that it proposes an idea that would make major changes in the unification incentive program that we have. It certainly would be a proper topic for a bill to be heard. I rather think the ramifications of it are such that we would be well-advised not to accept this idea as an amendment on the 25th day of January to a bill that other than funding and extending a drop-dead date doesn't change any of the other provisions of the incentives program underlying statutes. This amendment, in fact, without a public hearing does make significant structural changes in a program that was put into effect by this body several years ago after a full hearing and after the three stages of debate. Certainly, the members of the Legislature will make their position known but, in my case, I cannot support the Beutler amendment. And further I would indicate to you that it's quite interesting to me how much easier it is to decide where schools are to be when it's not a...will not affect those that you represent. I recall quite vividly a friend of mine 20 years ago, her name was Karen Mattson, and she was Chairperson on the Montana Wheat and Barley Commission. She and her husband, and her husband's brother farm in the plains of eastern Montana, 40 miles from a K-12 school. I think the last time I talked to Karen face to face she was quite incensed because in the capital city they'd enacted a reorganization plan that would put the nearest school 200 miles, 200 miles from where they lived. Now I think it's a concept that's very difficult for many on the floor of this Legislature to imagine that the location of schools is a major social demographic factor across the state of Nebraska, and it is not possible for me to determine where a school should be located in Lancaster County, or where a school should be located in Douglas County,

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or any of the other of our populous areas. That is something that need best be determined by those who live in those areas. I think the same concern and care ought to be afforded to those...

SENATOR CUDABACK: One minute.

SENATOR COORDSEN: ...who are, in fact, across the lesser populated areas and are, in fact, forced with determining areas of interest and where to merge to. Thank you.

SENATOR CUDABACK: Thank you, Senator Coordsen. Senator Raikes, followed by Senator Jones. Senator Raikes.

SENATOR RAIKES: Thank you, Mr. President and members. I am going to oppose this amendment but I would like to, I guess, comment about a couple of things. One is I think in this amendment Senator Beutler raises an important issue and that deals with the differences in cost group costs between the three cost groups in our state aid formula, standard, sparse, and very sparse. That, at least in my opinion, that...those differentials have sort of spiraled to a point that is not well connected with what seems reasonable. This bill would address that problem through reorganization incentives. My point is I don't think that's the best way to address this problem. The best way to address the problem is directly through the state aid formula and, in fact, there are a couple of bills that have been introduced this year and will be...are scheduled for hearing which do it that way. I think that's the way the problem ought to be approached. In fact, doing it this way creates a couple of problems. One of them is that there may well be instances when the only logical reorganization of school systems involves creating a sparse system from one or more standard and sparse systems to begin with. In that case, I don't think you should punish or attempt to punish them or discourage, I should prefer to say, discourage them from entering that sort of a reorganization agreement. The other thing is more of a technical issue. With the way this amendment is drafted, sparse and...or systems that are going to end up sparse and have already begun the process would have payments cut off midstream. I doubt that that was an intent of Senator

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Beutler, but I think the way the amendment is written right now that would be a problem. So, again, I commend Senator Beutler for raising the issue because I think it is an important one. It's just this is the wrong place and the wrong way to address it, so I oppose the amendment. Thank you.

SENATOR CUDABACK: Thank you, Senator Raikes. Senator Jones, you are recognized.

SENATOR JONES: Mr. President, and members of the body, I just want to stand up in opposition to this amendment. I haven't talked on this yet, this bill, but I think a lot of mine are down to just one district per county now and, in fact, I've got a lot of towns that's just got one town and one district in the whole county. So it's a concern of mine because of the miles and the location if you're going to try to decide where the location is going to be. That would be a disaster in mine because the one particular one I am thinking about right now is Taylor, setting right in the corner of the county and a lot closer to other counties. So I don't think that would be very good because they would lose their only communication and they have them, that's kind of the center of that whole county and that whole town for the school situation. So, and they are doing real good, too. One of the...that Taylor is the one that won one of the prizes yesterday on the tobacco settlement and I was over there for that so they are doing real good out there the way they are. So, but anyway, with the unification, I think we should leave the bill like it is because a lot of this is just in the talking stage. We don't know how far this is going to go and what's going to happen yet. So I know I've got one group in my area, we're talking about Gordon, and Rushville, and Hayes Center (sic-Hay Springs) are talking right now but we don't know where it's going to go and it might be just a lot of actually going to talk about it and not do anything. So I think it's kind of a guessing game right now as to how far we're going to go and how much money you're going to spend. But I still think we need to leave that carrot out there for them to look at and hopefully they can work out something and really help the expenses between these small towns that's out across the state right now. So I'm going to, again, rise in opposition to this amendment. Thank you.

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SENATOR CUDABACK: Thank you, Senator Jones. The body is discussing the Beutler amendment, AMO114, to LB 313. Senator Wickersham, on that amendment.

SENATOR WICKERSHAM: Mr. President and members, I would concur in part with comments by Senator Raikes, and I hope it is clear after a little bit of discussion the part that I concur in. I don't fully concur with him. But the subject that Senator Beutler is raising does, indeed, call for or would have as its underpinning a call for an examination of the state aid formula as it is currently constituted because, remember, we direct extra state aid to schools in the sparse and very sparse categories because we believe, and I think it's a correct belief, they have higher costs. And the fact that they have those higher costs isn't something that they can affect through the normal efficiencies or economies that we would suggest for other schools, not at least without impairing the quality of education in those schools. Now if you reorganize and you have higher costs, I don't think that should astonish anybody. That has typically what has happened, at least in my understanding, of reorganizations. Those costs are incurred for a variety of reasons. It is not unusual, for example, to see out of a reorganization enhanced curriculum for the resulting school. It is not unusual to see increased transportation costs, for example. It is not unusual to see enhanced extracurricular activities because you have a larger student body. It is not unusual to see extra costs for education of students as a result of a reorganization. Now I have never objected on that basis because ultimately those things are directed at improving the quality of education for the students. Now if that's the result and it costs a little bit more money, that's all right. So I do think that aside from drawing into this debate about reorganization incentives, that kind of underlying philosophy or that underlying principle of the state aid formula, that it would be much better to take that issue up, as Senator Raikes has suggested, directly so that we can have the appropriate discussion with the appropriate focus on that issue because it is...it's based in the fundamental principles of the state aid formula and only tangentially related, in my view, to the reorganization incentives.

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SENATOR CUDABACK: Thank you, Senator Wickersham. Further discussion on the Beutler amendment to LB 313? Seeing none, Senator Beutler, did you wish to close on your amendment?

SENATOR BEUTLER: Mr. Speaker, members of the Legislature, I think the amendment is a good amendment. I think there is no reason why there needs to be a kind of double-dipping, so to speak, in this process. I think it's fair to all districts. I think it makes more sense to spend the money on districts that are consolidating or unifying in the standard cost group because they are the ones that will need the incentive money more than the groups that are consolidating and creating sparse or very sparse districts. They will get their money back in short order. So whether you think about it, however you think about it, I would think that you would prefer to allocate the money to those districts that are consolidating in the standard cost group, and I would continue to recommend the amendment to you. Thank you.

SENATOR CUDABACK: Thank you, Senator Beutler. You've heard the closing on AM0114 to LB 313. The question before the body is, shall that AM0114 be adopted to LB 313? All in favor vote aye, opposed nay. We are voting on the Beutler amendment, AM0114, to LB 313. Have you all voted to care to? Record, please, Mr. Clerk.

CLERK: 6 ayes, 23 nays, Mr. President.

SENATOR CUDABACK: The amendment is not agreed to. Mr. Clerk, next item.

CLERK: Mr. President, Senator Beutler offers AM0108.

SENATOR CUDABACK: Senator Beutler, to open on AM0108.

SENATOR BEUTLER: Mr. President, I'd withdraw that one.

SENATOR CUDABACK: It is withdrawn. Mr. Clerk, next item.

CLERK: Senator Beutler, AM0107. (Legislative Journal

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page 422.)

SENATOR CUDABACK: Senator Beutler, to open on your amendment.

SENATOR BEUTLER: Mr. President, members of the Legislature, I'm, at this point, simply willing to let those pass from General File since discussion on the important issues no longer seems appropriate at this point. This last amendment that's up in front of you is what I call a deadwood amendment. It was just in reviewing the statutes I ran across one that's really a revisor's deletion or a revisor's bill kind of amendment that deletes a provision that is outdated and no longer necessary; doesn't really pertain to our debate, but it is just one of those things I'd get rid of as we pass through if you are willing. Thank you.

SENATOR CUDABACK: Any discussion on the amendment? Seeing none, the question before the body is, shall AM0107 be adopted to LB 313? All in favor vote aye, opposed nay. Senator Raikes, did you wish to...I am sorry, I did not see your light.

SENATOR RAIKES: Thank you, Mr. President and members. I am happy to rise in support of this amendment. Thank you.

SENATOR CUDABACK: Thank you, Senator Raikes. Sorry, about that. Seeing no further lights, the question before the body is adoption of AM0107 to LB 313. All in favor vote aye, opposed nay. Have you all voted who care to? Record, please, Mr. Clerk.

CLERK: 38 ayes, 0 nays, Mr. President, on the adoption of Senator Beutler's amendment.

SENATOR CUDABACK: The amendment is agreed to.

CLERK: I have nothing further on the bill at this time, Mr. President.

SENATOR CUDABACK: We are open for discussion on advancement of LB 313 to E & R Initial. Seeing no lights, Senator Coordsen, did you wish to close?

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SENATOR COORDSEN: One of the phrases we use quite often that precedes a fifteen minute dissertation is very briefly, Mr. President, and I suppose that would be appropriate to put this in. We have, as a matter of fact, discussed the issue before us very thoroughly so, in closing, I would only indicate to you that this bill has really two points to it, or three points. One is to ensure that there is sufficient funding available in this fiscal year and the next one to carry out the funding for those incentive agreements that have already been agreed to, signed, sealed, delivered, and that we won't be forced into, the State Department of Education won't be forced into a situation of recomputing and reducing the amounts for those districts that have already qualified. And the other part of LB 313 is extending the deadline and providing a pool of resources that would be determined only by the number of qualifiers under the provisions that have not been changed, that exist in statute today, to qualify two or more districts for a merger or consolidation. With that, Mr. President, I would move for the advancement. Oh, one more thing, that is that because this bill will, in fact, take an A bill, that ultimately it will have to sit in line and be measured along with all of the other appropriations measures that we seek to enact this year after the adoption of the mainline budget bill. With that, Mr. President, I would move for the advancement of LB 313 to E & R Initial.

SENATOR CUDABACK: Thank you, Senator Coordsen. You've heard the closing on the advancement of LB 313. The question before the body is, shall LB 313 be advanced to E & R Initial? All in favor vote aye, opposed nay. We're voting on advancement of LB 313. Have you all voted who care to? Record, please, Mr. Clerk.

CLERK: 28 ayes, 6 nays, Mr. President, on the advancement of LB 313.

SENATOR CUDABACK: LB 313 does advance. Mr. Clerk, next item.

CLERK: Mr. President, LB 268, a bill by Senator Baker. (Read title.) Introduced on January 5 of this year, referred to

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General Affairs Committee. The bill was advanced to General File. I do have committee amendments, Mr. President. (AM0073, Legislative Journal page 391.)

SENATOR CUDABACK: Senator Baker, you are recognized to open on LB 238, LB 268, excuse me.

SENATOR BAKER: Thank you, Mr. President, and members of the body. This bill seeks to change some guidelines by the nonprofit organization who wishes to conduct a special event bingo event. Right now, they are restricted to a four-day duration bingo event, and what we're referring to in this bill, specifically, is the State Fair. For a nonprofit organization to conduct bingo at the State Fair, they would have to move their tent in order to qualify for using the same license to conduct bingo through the duration of the State Fair, which I believe is 12 days. So what we've done with this bill is increased the duration from four days to 14 days, so that it thereby covers the State Fair, and I believe there is going to be an amendment offered by Senator Janssen on this. The Department of Revenue had some question about raising it to three special events per calendar year for a nonprofit organization. After reviewing the printout they've provided me, I think we may have to do more for them to even get them to survive than what we're doing here. It's amazing how many nonprofit charitable gaming groups are losing money. They have brackets around their bottom line, net profit. There isn't any. It is a loss. So with that, I would urge advancement of this bill, and I will not oppose the amendment I believe is coming up here. With that, I will return the rest of my time to the Chair. Thank you.

SENATOR CUDABACK: Thank you, Senator Baker. Senator Janssen, Chairman of the General Affairs Committee, you're recognized to open on your committee amendments.

SENATOR JANSSEN: Thank you, Senator Cudaback, and members of the Legislature. The committee amendments do a few different things. On page 2, line 13, it strikes "three" and inserts "one". The reason for this is that we're afraid that more...the Department of Revenue was afraid that more organizations would

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be getting special event license rather than a regular license. And on page 2, line 13, it also strikes "three" and inserts "one, and strikes "bingos" on page 4, line 16, and inserts "bingo" because it is only one. We were afraid that they would circumvent this by using, getting more of these kind of licenses rather than the regular license. So that's the only changes that this makes. It strikes the two...or strikes "three" and inserts "one". This bill was brought to us last year and the problem was that when you had to move locations, it meant just picking that tent up and moving it four feet, and that kind of seems kind of silly to do something like that. So it's just the committee amendments I believe are sound and I hope that you will vote in the affirmative on this because it does, it takes care of a lot of problems that could arise. Thank you.

SENATOR CUDABACK: Thank you, Senator Janssen. You've heard the opening on the committee amendments to LB 268. Open for discussion. Seeing no lights on, Senator Janssen, do you wish to close?

SENATOR JANSSEN: I will waive closing.

SENATOR CUDABACK: Senator Janssen waives closing. The question before the body is, shall the committee amendments to LB 268 be adopted? All in favor vote aye, opposed nay. We're voting on the committee amendments to LB 268. Have you all voted who care to? Record, please, Mr. Clerk.

CLERK: 33 ayes, 0 nays, Mr. President, on the adoption of the committee amendments.

SENATOR CUDABACK: The committee amendments are adopted.

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

SENATOR CUDABACK: We're open for discussion on advancement to E & R Initial. Senator Chambers, on advancement.

SENATOR CHAMBERS: Mr. President, members of the Legislature, people, even if they are not familiar with what the period is, have probably heard of the Victorian period. That's when Queen

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Victoria was occupying the throne. That is the period when people think of the coming forth of the bluenoses, those meddlesome people who pretend to be righteous. They want to impose their particular brand of morality, if you want to call it that, on others. Well, that's the kind of society that I feel I'm living in now when I consider some of the types of issues we have before us and churches get so deeply involved. And some members on this floor represent the Catholic Church more than they represent the state and their constituents. Bingo is something I'd like to ask Senator Baker a question or two about.

SENATOR CUDABACK: Senator Baker, will you yield to a question?

SENATOR BAKER: Yes, I would.

SENATOR CHAMBERS: Senator Baker, the committee amendment did reduce these special occasions to one, isn't that correct?

SENATOR BAKER: That's correct.

SENATOR CHAMBERS: Which groups are the ones eligible to request this special consideration?

SENATOR BAKER: Nonprofit organizations.

SENATOR CHAMBERS: Would that include churches?

SENATOR BAKER: Yes.

SENATOR CHAMBERS: Is nonprofit the same as worthless?

SENATOR BAKER: No.

SENATOR CHAMBERS: Okay, so you can have something that makes no profit but it still has worth?

SENATOR BAKER: Certainly you may.

SENATOR CHAMBERS: I just wanted that clarification, and I am not going to engage you in a long discussion because I know your

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view and how your mind is set like concrete permanently fixed and it's not going to change. I don't want to bring out my jackhammer and try to crush it today because this isn't a bill of that magnitude. But whenever these types of bills come before us, I need to take the opportunity to remind people that when they stand on this floor later on down the line and start talking about what their church believes and wants them to do, I want them to know why I have no respect for their church. I don't believe in gambling. I'd like to ask Senator Baker one other question for clarification.

SENATOR CUDABACK: Senator Baker.

SENATOR BAKER: Yes.

SENATOR CHAMBERS: Senator Baker, is there any age limit below which a person cannot legally participate in bingo in Nebraska?

SENATOR BAKER: Yes, there is.

SENATOR CHAMBERS: What is that age?

SENATOR BAKER: Depending on who is running the program, it's 18.

SENATOR CHAMBERS: And might there be a lower age for somebody else or is that the minimum for everybody?

SENATOR BAKER: No, that's not the minimum for everyone. I believe that depending on if it's nonprofit and they are simply running it for basically recreation, there is no age restriction.

SENATOR CHAMBERS: And that means you don't win any money, you are just playing for the fun of it?

SENATOR BAKER: I think, and I'm not an expert on this. I think there may be some prizes or something, nonmonetary restrictions or something like that.

SENATOR CHAMBERS: Okay, thank you. Members of the Legislature,

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people do this gambling they say to help the church and to help the schools. Now with the battles that are constantly waged on this floor against children, wanting to treat them as adults, create new crimes that only young people can commit, but if the same act is done by an adult, who ought to be an example, it's not a crime. Then come in with something and the argument often is made that it's for a good cause. Well, the Catholics are the ones, and so you all who are Catholic who wonder why I do this, I was...I got a Jesuit education and I pitched them a fit because in the same way I read these bills, some of these bad bills, I read all those books that they assigned to us. When they came recruiting at Tech High, they said at Creighton, although it's a Catholic school, there will be no proselytizing. I took a course called philosophy of life, then philosophy of man, and these are not supposed to be religious. They were theological courses. We had to read treatises, lengthy excerpts by individuals known as Fathers of the Church. And it was only in that Catholic context...

SENATOR CUDABACK: One minute.

SENATOR CHAMBERS: ...that I run across these ridiculous titles, such as, The Angelic Doctor, the Seraphic Doctor, the Cherubic Doctor, and calling a human being His Holiness. And even priests would tinge with crimson when I would raise these issues on the floor. Now that's a little background so I know whereof I speak. These people want to emphasize in the Catholic faith that the end does not justify the means. If we talk about fetal tissue, they are going to say even if the end result is good the means we find morally reprehensible so we have to be against it. That's the way I feel about gambling, especially bingo, but I've got my light on so I won't go over my allotted time. Thank you, Mr. President.

SENATOR CUDABACK: Senator Chambers, your light is next. You may continue if you wish.

SENATOR CHAMBERS: Thank you, and I do wish, and I am turning it on again. People who are new to this Legislature need to realize that this is not how to influence people and win friends. We are floating here. Things are not really on fire,

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but they are when these hard issues come up and I am going to be right in the middle of them. I'm a nice guy, the easiest one in the world to get along with if you let me. You cannot be nicer to me than I will be to you. You cannot be more respectful of me than I will be of you. You cannot be more friendly toward me than I will be towards you. But you're not going to smile at me and by a smile get me to back away from my position when you are going to wear your religion on your sleeve and try to get your religious doctrine into the law. Now for those new people here, and my colleagues who have been here awhile just have to hear it again and it doesn't hurt to have good things repeated. Why when I was a child and used to go to church and would go to these lectures at Creighton whether it's theology and not philosophy, I could almost mimic as the preacher in church was preaching or as the priest was laying out what was supposed to be philosophy what was the next thing to be said because they repeated it, repeated it, repeated it, over and over and over ad nauseam, and I listened to them. The end does not justify the means. I would drive past these Catholic churches and see in these great big letters, taller than I am, Bingo. I thought that was the name of a Catholic saint because that's where I always saw it. And in the church I was reared in, they didn't believe in gambling. Catholics believe in gambling. They believe in a lot of other things. They used to burn people at the stake. The Pope just got around, a couple of years ago, to apologizing to Galileo for putting him on the wheel. The church has always been against the advance of knowledge, always, and they didn't just argue as I am going to do on the floor, they would tie you to a stake and pile up all this wood and set you on fire for what you supposedly believed. The church burned philosophers, but philosophers did not burn the church people. So when I judge by conduct, I'm more inclined to be in the camp of the philosophers than those who burn people alive. Now I didn't do it. You all on this floor didn't do it but it's a part of history, and I'm not going to let it be forgotten because it tells the nature of religion. When they have a point they want to make to somebody else, they tell you the end does not justify the means. But on the other hand, we have an activity which is so detrimental and harmful that anybody below the age of 18 years old cannot participate in it but it is to benefit those people. Yeah, it's not good for them. It's not

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teaching those moral values that we want these children to have so they cannot participate, but their mother and father can; grandma and grandpa can; the priest can; the butcher, the baker, not you, Senator Baker, but you could, the butcher, the baker, the candlestick maker; all of them can gamble, but not the children, but it is to benefit the children. So here I come along and I say I've seen sicknesses, I've seen brain destroying disorders, I have known people and watched them deteriorate, and if there is any way that those ailments and diseases can be eradicated through research, I am in favor of the research in the same way that Senator Baker...

SENATOR CUDABACK: One minute.

SENATOR CHAMBERS: ...is in favor of gambling. You all are not going to condemn him for standing on this floor and saying let us have more means and more opportunities to gamble. But here is poor, poor pitiful Ernie who, because he is not a Christian, can sympathize with people in pain, can sympathize with people who can be conscious and aware of the fact that they are sinking into a condition where they won't know where they are. They won't know who they are. They won't even know what things are that are being presented to them. You have a former president whom most of you probably said that you loved and you might love even more now who is slipping away into that fog from which he will never emerge, but there are other ailments which will always be fatal. If you get that disease, you are going to die. We all have to...

SENATOR CUDABACK: Time.

SENATOR CHAMBERS: ...die at some point but you will die from these brain ailments. I can only put my light on one more time.

SENATOR CUDABACK: But you may cont...but you may continue this time, Senator Chambers. This would be your third time.

SENATOR CHAMBERS: Right, we have three times to speak, brothers and sisters, unless we decide to offer an amendment, which I am not going to do on Senator Baker's bill because I'm not really fighting against his bill. The battle on bingo has been fought

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and that's a thing of the past, but it gives me an opportunity to moralize, to moralize. And I just love to be the one who these Christians refer to as a heathen, a pagan, a nonbeliever, one of the lost. Well, I would rather have lost souls, such as myself, dealing with me than the Christians who would take a person afflicted with leprosy and demand that that person, who is suffering already, take himself or herself to the depths of humiliation and degradation by crying out whenever anybody approached near, unclean, unclean. I'm not a human being, I am a thing. I am a diseased thing and I have to warn you, but that God that you all claim to worship has had these people write who you claim were divinely inspired. Men look on the outer appearance, but this God looks at the heart which would suggest if you mean that and believe it that somebody could have these sores that are oozing, that are suppurating, that look like that creature in "The Picture of Dorian Gray" on the outside, but inside there is something that equals the quality of anybody walking in shoe leather. So when we get to these other issues, we're going to have a good time and I'm going to ask these Christians, as they wear their religion on their sleeve, how can you benefit from the cutting up of corpses which was deemed to be immoral, which would get a person hanged, which was condemned by the church, but the benefits that have resulted from those immoral condemned actions are being used today by these self-righteous Christians. They will let their child be vaccinated with polio vaccine, which was developed through the very type of research that they want to ban now. I'm so glad I don't deal with any organization that demands abject submission from me, that will make me crawl and grovel. You know what those kind of people's slogan is: We came, we heard, we grovel. And they do grovel. I've got friends on this floor, I use the term advisedly, so pro-life that I think at that time they can't see anything else and they were called by these organizations who put the whip to them, pro-abortion, and I am wondering, well, if all these people are pro-abortion, who are those people I've been fighting against when I try to protect the woman's right to an abortion. That's the kind of idiotic organizations these individuals hook up with. And we're going to have some very interesting battles this session, and I shall be in the thick of them. And as for the "Silver Fox", he's back there talking now so I won't say what I was going to say.

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SENATOR CUDABACK: One minute.

SENATOR CHAMBERS: I have had the opportunity to speak my piece on this bill and I talked about something that may seem far afield but I don't see it as being far afield. These things are related. The end justifies the means. When religious people see that they can get some cash, they are going to find a way to manipulate their morals so that they can do that thing. I've said what I have said, and before the session is over, I will say it and I will say it again. I am going to vote against Senator Baker's bill because I don't vote in favor of these gambling bills but the rest of you are free to follow your moral persuasions.

SENATOR CUDABACK: Thank you, Senator Chambers. Further discussion on LB 268? Seeing none, Senator Baker, did you wish to close?

SENATOR BAKER: Yes, sir, I do. Thank you, Senator Cudaback, and members. Let me tell you where some of that cash goes that we raise. In the first place, it looks to me like some of these nonprofit charities probably better take a class in economics because their net profit has brackets around it. They are losing it, and there is quite a lot of them. There is 52 on this printout I have. I didn't count how many are showing losses but they are generating no cash which suggests to me that these religious organizations in particular losing money are doing it as a social program, simply a means to get people together for entertainment. There is a couple of them here that definitely are not doing it for profit because their gross prizes are more, are higher than their gross receipts. Several of them are. I'd never really looked at this till Senator Chambers gave me the opportunity there to look this over. Also, there is only 10 out of this 52, fewer than 20 percent of them, are religious organizations. The rest of them are veterans and VFW Posts, American Legions. Senior citizen centers run a lot of them and those are going back to the pantry, food pantries in my area, the ones that I am familiar with here. So this cash they are raising, the ones that aren't doing this as a social gathering, are raising this cash and, of course, they are

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nonprofit charities, going back to eyeglasses, food pantries, and in our case that I am familiar with, scholarships and such. So I'd hardly call this a sin situation here. With that, I believe that I will simply close and asking that you support this bill and advance it to Select File. Thank you.

SENATOR CUDABACK: Thank you, Senator Baker. You've heard the closing on LB 268. All in favor of advancement to E & R Initial vote aye, opposed nay. We are voting on advancement of LB 268 to E & R Initial. Have you all voted who care to? Have you all voted? Record, please, Mr. Clerk.

CLERK: 25 ayes, 3 nays, Mr. President, on the advancement of LB 268.

SENATOR CUDABACK: LB 268 does advance. Mr. Clerk, items for the record.

CLERK: Mr. President, thank you. Your committee on Banking, Commerce and Insurance reports LB 146 to General File; LB 183 and LB 257 are reported to General File by the Government Committee. Business and Labor reports LB 418 to General File, LB 192 to General File with amendments, and LB 193 to General File with amendments. Amendments to be printed, Senator Schrock to LB 111; Senator Chambers to LB 225. I have a motion to withdraw by Senator Brashear LB 76. That will be laid over. I have a lobby report, Mr. President, for this past week, and a confirmation report from Business and Labor. And, finally, Senator Coordsen, who is Chair of the Redistricting Committee announces that Senator Schimek has been selected as Vice Chair. And the last item, Mr. President, adds; Senator Aguilar to add his name to LB 154, Senator Dwite Pedersen to LB 401, Senator Coordsen, LB 479. That's all that I have, Mr. President. (Legislative Journal pages 423-427.)

SENATOR CUDABACK: Thank you, Mr. Clerk. Senator Kristensen, did you wish to...

SPEAKER KRISTENSEN: Thank you, Mr. President. I assume we've concluded and we are at a stopping point at this point in time. I would move that we adjourn until Monday morning at 9:00 a.m.

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SENATOR CUDABACK: You've heard the motion to adjourn until Monday morning at 9:00 p.m. All in favor say aye. Opposed nay. That was a.m. Opposed nay. We are adjourned.

Proofed by: Kathleen Higley