

**MARCH 23, 2005**

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March 23, 2005      LB 10, 76, 94, 98, 139, 169, 198, 236, 238  
243, 243A, 244, 246, 262, 264, 284, 298, 355  
441, 533, 664

SENATOR CUDABACK PRESIDING

SENATOR CUDABACK:      Good morning.      Welcome to the George W. Norris Legislative Chamber. Our chaplain of the day is Reverend Bill Arnold, United Methodist Church, chaplain at the Saint Elizabeth Regional Center and Dialysis Center. Reverend.

PASTOR ARMOLD:      (Prayer offered.)

SENATOR CUDABACK:      Thank you, Reverend.      And the Reverend is from the 38th District and that is Senator Schrock's district. Call the forty-ninth day of the Ninety-Ninth Legislature, First Session, to order. Senators, please record your presence.

SENATOR JANSSEN PRESIDING

SENATOR JANSSEN:      Record, Mr. Clerk.

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

SENATOR JANSSEN:      Any corrections to the Journal, Mr. Clerk?

ASSISTANT CLERK:      There are no corrections this morning.

SENATOR JANSSEN:      Messages, reports, or announcements?

ASSISTANT CLERK:      One item, Mr. President: LB 10, LB 76, LB 94, LB 98, LB 139, LB 169, LB 198, LB 236, LB 238, LB 243, LB 243A, LB 244, LB 246, LB 262, LB 264, LB 284, LB 298, LB 355, LB 441, and LB 533 have been signed by the Governor and delivered to the Secretary of State. (Legislative Journal pages 985-986.)

SENATOR JANSSEN:      Thank you, Mr. Clerk. We will now proceed to General File, 2005 Speaker priority bills. The first bill on the agenda is LB 664. Senator Cudaback. Oh, Mr. Clerk.

ASSISTANT CLERK:      Mr. President, LB 664. (Read title.) The bill was read for the first time on January 19, referred to the Health and Human Services Committee. That committee reports the bill to General File with committee amendments attached. (AM0602, Legislative Journal page 626.)

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SENATOR JANSSEN: Senator Cudaback, to open on LB 664.

SENATOR CUDABACK: Thank you, Mr. President. Mr. President and members, LB 664 is a bill that's kind of been here before, but not really in this form. LB 664 redefines a facility licensed as a critical access hospital, one that shall have no more than 25 acute care, inpatient beds, and in doing so it allows two eligible, small rural hospitals--Lexington and Broken Bow--to convert to critical access status. Only four other community hospitals are eligible for conversion in Nebraska. They have provided written documents that they do not intend to do so. The federal critical access hospital program allows a small rural hospital to leave a payment system designed for much larger urban hospitals for a payment system that meets their needs. The medical payment system for a critical access hospital is based on what Medicare defines as allowable reasonable costs. That is the key word. Instead of the fixed-fee schedule based on a diagnosis related to groups, a fixed and fee schedule for outpatient services. In order to qualify for critical access hospitals, the limit of service is to a 96-hour hospital stay, be located in rural areas, and be over 35 miles to the nearest hospital, and to form a partnership with at least one critical access hospital and one larger hospital, and have agreements with a larger hospital for referral and transfer, transportation, communications, accreditation, and professionals, and quality assurance. It's critical that we pass LB 664 this year because there is a new federal requirement effective January 1, 2006, that removes the state's ability to waive the requirement critical access hospitals be 35 miles apart. Critical access hospitals designed before January 1, 2006, are allowable when at least 25 miles apart. So without the 35-mile waiver, the passage of LB 664 this session, Lexington and Broken Bow will not be...qualify. And Senator Fischer, Senator Byars will also share this time of opening. And, Senator Fischer, you may have my time. Then you turn it over to Senator Byars when you finish your statement. Thank you.

SENATOR JANSSEN: Senator Fischer.

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SENATOR FISCHER: Okay. Thank you, Mr. President. Thank you, Senator Cudaback. I am here to speak in support of LB 664. As Senator Cudaback stated, this is a bill that basically affects only two communities in our state--Lexington and Broken Bow--and allows them to meet the requirements to become critical access centers and become part of the critical access hospital program. I'm here to urge you to take action because of a critical deadline that requires legislation be passed this session. After January 1, 2006, the federal waiver related to the qualification for critical access hospitals will expire. After this date, the necessary provider waiver will no longer be available to waive the 35-mile distance requirement under the federal critical access hospital program. Because there is one other hospital within the 35-mile radius of the Jennie M. Melham Medical Center in Broken Bow, this might be the last chance for this facility to qualify for the critical access hospital program before the federal waiver expires. Under current regulation, it will be impossible for our facility to ever become a critical access hospital after January 1, 2006. The Jennie M. Melham Medical Center is the only hospital in the 43rd District that is not a critical access hospital. The time has come for it to convert. Broken Bow depends on its hospital to provide accessible, high-quality care, and to provide employment opportunities for over 200 people in this community. In effect, not passing LB 664 at this time will allow the continuation of a public policy decision that could cause future problems for the Jennie M. Melham Medical Center in Broken Bow. Nebraska has been a leader in the national effort to convert small rural hospitals to the critical access hospital program, and we currently have over 60 critical access hospitals in Nebraska. I believe all of you should have a handout at your desk showing those. This model fits rural Nebraska hospitals. It works because there is cooperation among the various health entities. A federal Flex grant has provided over \$4 million in technical assistance. Sixteen hospital networks have formed as a result of the program where common services become a part of a shared network from which Nebraska's "telehealthcare" system can develop to electronically link all Nebraska hospitals. LB 664 helps two hospitals in central Nebraska to better provide accessible healthcare to the people in their communities and their service areas. Therefore, I urge you to advance LB 664.

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And I would turn the rest of my time back to Senator Cudaback.

SENATOR JANSSEN: The Chair recognizes Senator Byars, I believe.

SENATOR BYARS: Thank you, Mr. President. This...I'm standing in support of LB 664. It actually came about because of legislation that I introduced last year to...in behalf of the department, and then a stand-alone bill that I introduced to try to deal with those hospitals who didn't wish to be critical access hospitals in the state, to allow the critical access hospitals to increase the number of beds in compliance with federal law. And, quite honestly, we did not deal with those hospitals that could be on the bubble, like we're seeing now with Broken Bow and Lexington, that would choose to become critical access hospitals. Under our current state statutes, they are not able to do so. So this really is quite simple. It keeps our rural hospitals vibrant and alive and gives them some choice in the case of Broken Bow and Lexington, and certainly, as this was my legislation originally last year, I'm very supportive of what Senator Cudaback and Senator Fischer are doing, and would encourage you to support LB 664.

SENATOR JANSSEN: Thank you, Senator Byars. There are committee amendments. Mr. Clerk.

ASSISTANT CLERK: Mr. President, I do have committee amendments offered by the Health and Human Services Committee.

SENATOR JANSSEN: Senator Jensen, to open on the committee amendments.

SENATOR JENSEN: Thank you, Senator Janssen and members of the Legislature. The committee amendment, all it does is add the E clause to this bill. It's very important that this be enacted quickly because of the time restraints that the federal government has put upon us. It must be done by the 1st of January, and so the committee felt that, to ensure that, we should put the E clause onto that. So that's all the committee amendment does. I would like to comment that if it wasn't for the critical access hospitals and the federal government's participation in this, we probably here in Nebraska would have

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lost a fairly significant number of hospitals throughout Nebraska, but because of this critical access hospital portion, those hospitals are able to stay in existence, maintain a viability financially, and so we're able to give care to citizens across this state. So it is a very important segment in the care of all of our citizens in the state, and this is just one portion. We had a few hospitals that were on a bubble, as Senator Byars mentioned, and of the six that were on that bubble, these two feel that they can become critical access care hospitals; very important to those communities. As you know, they're in some rural areas, somewhat...whether you call it sparse or not, but without those hospitals being there, people would have to travel greater distances for those cares...for that care. Also, a critical access care hospital has another hub hospital of their choosing to go to because there's a 96-hour requirement that they, if somebody is to stay there longer than that, they must be transferred to a larger facility. So it's very important to the community, it's very important to the state of Nebraska, and I would also urge for the adoption of the amendment and of LB 664. Thank you, Senator Janssen.

SENATOR JANSSEN: Thank you, Senator Jensen. Those wishing to speak on the committee amendment, Senator Johnson.

SENATOR JOHNSON: Mr. President and members of the Legislature, first of all, I do want to support the E clause amendment. This is very important. It may look like the deadline is the 1st of January of next year. In reality, it is the 1st of September this year, so that you could accomplish the things that need to be accomplished in order to qualify. So I think in this case the E clause is particularly important. I think the other thing that we want to do is to compliment the six hospitals that were on the so-called bubble here. Four of these hospitals have chosen to go in a different direction, as it is good for them and good for their communities. In these two instances, Lexington and Broken Bow, what they have done is evaluated their demographics, how their population is shifting and these type of things, and they came down with the predictions that they are at the line now of the critical access category and will easily fit into this in the coming years. So I think all of these six are to be complimented for working out what is best for their

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communities. One last thing: Not only is the funding critical for these two hospitals, but with the whole critical access hospital system that has been created I think you would be hard-pressed to find a better stabilizing effect on economic development in rural communities. So I think this is especially important and would urge that you support both the committee amendment and the bill.

SENATOR JANSSEN: Thank you, Senator Johnson. Senator Kruse, on the committee amendments.

SENATOR KRUSE: Thank you, Mr. President and members. I rise in support of the amendment and the bill, and simply want...and the good things about it have been said. I simply want to add that this is a part of an ongoing thing, ongoing for 30 years. I can document it because I was there when the Broken Bow community agreed to a remarkable alliance with the Med Center. In fact, it was the requirement of building that hospital that the Med Center develop the specs for that hospital and that they would do it that way. So we're not talking about upgrading what used to be our hospital in Broken Bow, kind of a rinky-dink outfit. We're talking about a heads-up operation, looking ahead and ongoing progress, and I'm very proud of what Senator Cudaback and those who join him are doing. Thank you.

SENATOR JANSSEN: Thank you, Senator Kruse. Senator Stuthman.

SENATOR STUTHMAN: Thank you, Mr. President, members of the body. I'm also in very much support of the amendment and of the bill. One of the things that I do have a question about, and I would like to probably ask the question of Senator Cudaback, if he'd respond, please.

SENATOR JANSSEN: Senator Cudaback, will you respond?

SENATOR CUDABACK: I will.

SENATOR STUTHMAN: Senator Cudaback, on this information that was placed on our desk and it has the eligible hospitals for this critical access, and there's Holdrege and Broken...and McCook, they're not part of this, or can they be a part of it?

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SENATOR CUDABACK:      They could be, but they have given letters that they are not going to submit for...apply for the same benefits that Lexington and Broken Bow. They are not going to.

SENATOR STUTHMAN:      But they could.

SENATOR CUDABACK:      They could have.

SENATOR STUTHMAN:      They could if they wanted to, or wanted to take that direction.

SENATOR CUDABACK:      They could have, yes.

SENATOR STUTHMAN:      Okay. So that...thank you, Senator Cudaback. So, realistically, you know, there are those extra hospitals that are eligible but, probably because of the boards and the situations that they are, that they're not going to make an application for this at this time. But I think...I think we need to, you know, to do this with the E clause, you know, in respect to those hospitals that want to be critical access hospitals. So, with that, I'll return the balance of my time to the Chair. Thank you.

SENATOR CUDABACK:      Thank you, Senator Stuthman. Senator Combs.

SENATOR COMBS:      Thank you, Mr. President. Members of the body, I, too, am in favor of this amendment and the bill, and I wanted to tell my colleagues, that might not be familiar with exactly what critical access is, just very briefly why it is so important. It does not refer solely to location as far as critical access, which we all know in a rural Nebraska location is very important. It also applies to the type of funding we receive in critical access hospitals. Classically, Medicare used to be a fee-for-service program, which meant that we turned in receipts for what we spent, and we were reimbursed accordingly. Several years ago, we went from fee-for-service to what's called DRGs, diagnosis-related groups, which when you take care of an elderly person under Medicare you are given a flat amount to take care of that patient and that's it. So if you spend any more or any less, you know, the care that may

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involve more, you don't have as broad of a patient base to spread that cost out over. That was why critical access hospitals were developed. The funding mechanism would be to allow the rural hospitals to utilize the fee-for-service mechanism, which means that we get paid for the care that we have to provide. So I just wanted to clarify a little bit more about why this is important. It isn't just location. It has to do with the funding mechanism, and the E clause is necessary so that we can pick up on the money under the fee-for-service program in a more expeditious way and get money that's there to take care of our people that need it the most. Thank you.

SENATOR JANSSEN: Thank you, Senator Combs. Senator Chambers.

SENATOR CHAMBERS: Thank you. I was...Mr. President, members of the Legislature, I was in my office listening to this, and then I decided I might could get up here in time to ask a question because I need to have something explained to me. So I will ask Senator Cudaback the question, since it's his bill. And I wouldn't object to him receiving assistance from anybody else who's interested in the bill. But, before I start, I had paid a trip to Broken "Bone" many years ago, and I gave a talk at a school out there and it was a very interesting experience. Some time I'll share it. Senator Cudaback, would you feel free to answer a question?

SENATOR CUDABACK: I will.

SENATOR CHAMBERS: I'm looking at the fiscal note and I heard you say something about a difference in what amount is charged under Medicaid, with reference to this. Could you just run through that briefly for me on what...how Medicaid payments are impacted by this bill?

SENATOR CUDABACK: You mean the Medicaid as in...

SENATOR CHAMBERS: To people who would go there. When people go there. You said something about Medicaid and this bill talks about...

SENATOR CUDABACK: When you're, Senator Chambers, if you're in

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with a larger system, then it is prorated and so on, as far as I understand it. I'm not a professional on this, you understand. I'm not a...I'm a layman, as you might say. But...

SENATOR CHAMBERS: Well, do you want me to ask Senator Byars then?

SENATOR CUDABACK: You are charged...

SENATOR CHAMBERS: Because he might have worked in that area.

SENATOR CUDABACK: Yes.

SENATOR CHAMBERS: Okay.

SENATOR CUDABACK: Senator Byars is probably more...Senator Byars.

SENATOR CHAMBERS: Thank you. And before my time runs out, Senator Byars, what are the implications for Medicare and Medicaid, if any?

SENATOR BYARS: There are definitely implications, Senator Chambers. Thank you for asking the question. It's a good question. If you are not a critical access hospital or a large enough hospital to receive different reimbursements, critical access is reimbursed on actual cost, where you find the hospitals now that are applying for this status in Broken Bow and Lexington are part of what's now called the demonstration project that was just done in the new Medicare bill this last year by Congress, which increases their reimbursements. It is much to the advantage of their communities to be reimbursed at actual cost of doing business so that they can be whole and provide those services to their community.

SENATOR CHAMBERS: Thank you. Is Senator Smith in the Chamber? I'd like to ask Senator Smith a question.

SENATOR JANSSEN: Senator Smith, will you respond, please?

SENATOR CHAMBERS: Senator Smith, I don't believe McCook or

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Broken "Bone" is as far west as Scottsbluff. Is that true?

SENATOR SMITH: That is correct.

SENATOR CHAMBERS: Are they out there far enough to be considered a part of western Nebraska?

SENATOR SMITH: Well, I'd like to think of western Nebraska as that part of Nebraska in the Mountain Time zone.

SENATOR CHAMBERS: Well, is...from Valentine westward you said?

SENATOR SMITH: That's close enough.

SENATOR CHAMBERS: Okay. Is this considered a part of western Nebraska? That was my question, and...

SENATOR SMITH: Yes.

SENATOR CHAMBERS: ...I didn't really hear your response.

SENATOR SMITH: Yes.

SENATOR CHAMBERS: Okay. Do you remember we were talking about a different bill the other day and you were wondering why people on the eastern side of the state would profess or purport to know what might be best for people way on the western side of the state? Do you remember making a statement or an observation of that kind on another bill we were discussing...

SENATOR SMITH: Yes.

SENATOR CHAMBERS: ...on another day?

SENATOR SMITH: Yes.

SENATOR CHAMBERS: Do you recall?

SENATOR SMITH: Yes, yes, yes.

SENATOR CHAMBERS: Okay. Why should I, on this side of the

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state, have any interest in seeing that this is done in western Nebraska?

SENATOR SMITH: Because everyone else has spoken favorably about it.

SENATOR CHAMBERS: So then it should be a popularity contest or an opinion poll, and if enough people speak for something then we should support it? Is that the principle you're laying down today, Senator Smith?

SENATOR SMITH: Perhaps.

SENATOR CHAMBERS: No, I want something more. Oh, that's right, you're running for Congress. Thank you. I guess "perhaps" is about as solid an answer as I can get. But, in listening to what has been said,...

SENATOR JANSSEN: One minute.

SENATOR CHAMBERS: ...it does seem that this is a worthwhile project. And despite the fact that I live on the eastern side of Nebraska, I do take a very keen interest in what happens to people all over this state and in other parts of the country, as I might make plain before the morning is over, but not on this particular bill. I'm looking over at Senator Fischer and I want to say she looks might spiffy this morning. And watching her on the screen is what really made me come up here to say I'll support this bill. (Laughter)

SENATOR JANSSEN: Thank you, Senator Chambers. Senator Don Pederson, please.

SENATOR D. PEDERSON: Mr. President, members of the Legislature, in the Appropriations Committee, we are just starting now to go through what I might call a prioritization of the various proposals for spending this year. Believe me, there are a limited number of dollars to be spent. And I'm not opposed to this bill at all. I'm just saying that we have to consider this in conjunction with all of the other proposals that we are going to have to consider. And this is a million dollars, and we

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aren't going to have a lot of million dollars to work with this year. I think this is a very important bill. I think it's a significant bill, but I just want you to bear in mind that we are going to have to prioritize and you in the Legislature are going to have to prioritize what is important. And I'm just calling your attention to the fact there is a substantial fiscal note with this bill. Thank you. Senator Byars.

SENATOR JANSSEN: Thank you, Senator Pederson. Did you wish to give the rest of your time to Senator Byars? You want to ask him a question?

SENATOR D. PEDERSON: Yes.

SENATOR JANSSEN: Senator Byars.

SENATOR BYARS: Thank you very much. I think Senator Cudaback, in his fiscal, Senator Pederson, will make the body aware. That fiscal was done assuming that all of the demo project hospitals were going to become critical access, and that is not the case. We have letters from all of them saying they aren't. That fiscal note is not even close to a million dollars, so I want everybody to make certain that they're aware of that. Thank you, Senator.

SENATOR JANSSEN: Thank you, Senator Byars. Thank you, Senator Pederson. Seeing no further lights on, Senator Jensen, would you like to close on the committee amendments?

SENATOR JENSEN: Thank you, Senator Janssen. Actually, the fiscal note should be about \$97,000 this year, and then the following year it will be about \$200,000. And, of course, I think there's...if you want to look at it, we could possibly get reimbursement because of the activity that will be done within those communities. So I want you to be aware of that. The amendment, all it does is add the E clause. It is very important. I'd just ask for the adoption of AM0602. Thank you, Senator.

SENATOR JANSSEN: Thank you, Senator Jensen. You've heard the closing on the committee amendments. Those in favor of the

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committee amendments vote aye; those opposed, nay. Record, Mr. Clerk.

ASSISTANT CLERK: 36 ayes, 0 nays on the adoption of committee amendments.

SENATOR JANSSEN: Committee amendments have been adopted. Now on the bill, Senator Cudaback.

SENATOR CUDABACK: Are there any other lights on, Mr. President?

SENATOR JANSSEN: No, there aren't.

SENATOR CUDABACK: I will take this...I will close then.

SENATOR JANSSEN: This will be your closing?

SENATOR CUDABACK: I will close.

SENATOR JANSSEN: All right.

SENATOR CUDABACK: I appreciate all the talk on this. All I can say is that it's a critical bill to pass, as well as critical access. So I appreciate your concern and just let's pass the bill. Thank you.

SENATOR JANSSEN: You've heard the closing. All those in favor of the bill vote aye; those opposed, nay. Record, Mr. Clerk.

ASSISTANT CLERK: 38 ayes, 0 nays on the motion to advance the bill, Mr. President.

SENATOR JANSSEN: Mr. Clerk, I believe there is an A bill.

ASSISTANT CLERK: Mr. President, LB 664A. (Read title.)

SENATOR JANSSEN: Senator Cudaback, to open on the A bill.

SENATOR CUDABACK: Thank you, Mr. President, members. As been stated by the Appropriations Chairman and by Senator Byars and by Senator Jensen, there are dollars to go along with this, but

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we are refunded by 60 percent of the...from the feds, and the total would be \$119,000. It would be \$58,000 for 2004 and '05 and '06. So the million dollars is for if all the hospitals would qualify, but they have said they would not. So that's the way it stands. Thank you.

SENATOR JANSSEN: You've heard the opening on the A bill. Thank you, Senator Cudaback. I see no further lights on so, Senator Cudaback, would...he waives closing on the A bill. All those in favor of the A bill, LB 664A, vote aye; those opposed, nay. Record, Mr. Clerk.

ASSISTANT CLERK: 34 ayes, 0 nays on the motion to advance the bill, Mr. President.

SENATOR JANSSEN: Thank you, Mr. Clerk.

SPEAKER BRASHEAR PRESIDING

SPEAKER BRASHEAR: Mr. Clerk.

ASSISTANT CLERK: Next bill, Mr. President, is LB 566, a bill introduced by Senator Schimek. (Read title.) Bill was read for the first time on January 18, referred to the Government Committee. That committee reports the bill directly to General File with no committee amendments.

SPEAKER BRASHEAR: Thank you. Senator Schimek, you're recognized to open.

SENATOR SCHIMEK: Thank you, Mr. President and members. Let me say at the outset regarding this bill that this is the committee's first priority bill and it is not substantive, if I might use that word. The committee's second priority bill, which is Senator Fischer's election bill that has a number of other bills incorporated into it is the one that has substantive changes. But having said that, I want to say that many of the changes that are contained in this bill are a result of the federal Help America Vote Act and they were actually adopted by this Legislature in 2003. There is a committee statement, which is rather more lengthy than the ones that we usually provide,

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which has the provisions of the bill outlined in it. I'm going to not go through all of those, but I am going to go through several sections that committee counsel and the Secretary of State's Office, Neal Erickson, think aren't quite as boring and perhaps a little bit more important than some of the other sections. So I want to start with Section 4, which allows the Secretary of State to adopt rules and regs regarding all aspects of elections. And right now, the Secretary of State has authority only in specific areas. Sections 10 through 12 deal with the registration application forms, and current language regarding registration application form is eliminated and rewritten to include several items that should appear on the form. There are two new sections. One requires the applicants have...or the applications have sufficient information to determine if and where the applicant is entitled to vote, and the other new section specifically lists items required for a complete application. Section 13 clarifies that voter registration application is not rejected solely because of the lack of a driver's license or the last four digits of the Social Security number if the number is found when checked against a database. Section 19 allows a clerk to request a new signature card if the signature does not appear on the registration record due to fading, damaging...damage, loss, or other circumstances. Section 22 clarifies that the Secretary of State provides registration forms to military recruitment offices in Nebraska only. Section 27 eliminates the abbreviated transfer of registration forms for changes in the voter's name, party affiliation, or address. The voter will now be required to register again or update his or her registration information when these changes occur. The bill also eliminates the change of address and change of name forms. Section 32 clarifies language regarding what constitutes a valid vote for manually counted ballots and ballots counted by optical scanner. On a ballot that is manually counted, making a cross or other discernible mark in the square constitutes a valid vote. On a ballot which is counted by optical scanner, a mark in the oval or provided space that is discernible by the scanner constitutes a valid vote. Section 40, providing that any person waiting in line to vote when the polling site closes will be allowed to vote, previous language used the term "registered voters" instead of "person." This change is to accommodate provisional

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voting. In other words, if they aren't registered, they will be able to register provisionally. So that's the reason for the change. It also allows the voter ten minutes in a voting booth rather than, I think it was, five. Section 47 moves the deadline for mailing application, to someone who requests absentee but is not registered, to the third Friday before the election. This change provides consistency in the voter registration deadlines. Section 50 rewrites and expands information contained in the absentee voters list, including dates of request, mail, and received, as well as information on the specific type of ballot issued. Fifty-four modifies provisional balloting procedures and provides certain specific instances where the ballot is either counted or not. And Section 55 clarifies the procedure used by absentee ballot counting board in processing these ballots. In most cases, absentee ballot counting boards are already following these provisions, but this section provides clear guidelines for these boards. The Government Committee reported this bill out unanimously, 8 to 0. There were no opponents to the bill, and I would be happy to try to answer any questions that you might have. Thank you, Mr. President.

SENATOR CUDABACK PRESIDING

SENATOR CUDABACK: Thank you, Senator Smith. You've heard the opening. (Visitors introduced.) On with discussion, advancement of LB 566. Senator Chambers.

SENATOR CHAMBERS: Mr. President, members of the Legislature, the first thing I want to acknowledge before I ask Senator Schimek some questions on her bill is the fact that a note was slipped under my office door by the Governor's Office, and I'm sure everybody knows it now, that this DeLiberty fellow, who wanted to extend a job to a person who had been convicted in Rwanda of murdering Dian Fossey and misrepresented his status on his application, resigned. And I'm sure he didn't resign just because he wanted to. Since I have been critical of the Governor for not having taken stringent action to see that this man DeLiberty was removed, not just for making a bad decision in offering the job but in going directly contrary to the directions of the director of the Health and Human Services

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System and violating a standing departmental employment policy, he should have been gone. Well, he is gone now and I want to acknowledge that the Governor did see that appropriate action was taken. Now I want to ask Senator Schimek a question about something that I don't have any information about. When is a person who is registering to vote required to produce a driver's license and a Social Security number?

SENATOR CUDABACK: Senator Schimek, would you yield?

SENATOR SCHIMEK: Senator Chambers, at the time they register to vote, in person or by mail, they need to produce that information.

SENATOR CHAMBERS: Who sees the voter registration record of each individual?

SENATOR SCHIMEK: It's a public record, Senator.

SENATOR CHAMBERS: So, if your Social Security number is on there, then everybody sees it.

SENATOR SCHIMEK: It's only the last four numbers, Senator Chambers.

SENATOR CHAMBERS: I wouldn't want any numbers. Why do we require a person to provide a Social Security number to register? It's been so long ago since I registered, I didn't even realize that I had been required to do that.

SENATOR SCHIMEK: Well, the fact of the matter is we've been requiring it for a long time and I think that maybe once upon a time the entire number was on there, but it isn't anymore. And at present time I believe it is required by the federal act.

SENATOR CHAMBERS: Who sees...well, let me ask this question a different way. Which document related to a specific person does contain the entire Social Security number?

SENATOR SCHIMEK: I don't know that any document does, but I can check on that, Senator Chambers.

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SENATOR CHAMBERS: So if I were going to register today, I just give them four numbers and tell them these are the last four digits of my Social Security number?

SENATOR SCHIMEK: No, they would, as I understand it, they would want to see your Social Security number, but the only record that would be made is of those last four numbers. But again, I want to check that for certainty.

SENATOR CHAMBERS: Would I have to produce a Social Security card to satisfy them?

SENATOR SCHIMEK: Or a driver's license.

SENATOR CHAMBERS: Which doesn't have the Social Security number.

SENATOR SCHIMEK: No.

SENATOR CHAMBERS: Oh, either one.

SENATOR SCHIMEK: Yes.

SENATOR CHAMBERS: So, if I produced a driver's license, I don't have to worry about my Social Security number?

SENATOR SCHIMEK: That's...hang on just a minute.

SENATOR CHAMBERS: Okay.

SENATOR SCHIMEK: Yes, that's right, and counsel has just informed me that you do not actually have to produce a Social Security card. All you have to do is give the last four numbers, so I suppose, yes, you could...

SENATOR CHAMBERS: So I could give...I could give any four numbers that I want to, in effect.

SENATOR SCHIMEK: I suppose.

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SENATOR CUDABACK: One minute.

SENATOR CHAMBERS: Okay. I just want to be...

SENATOR SCHIMEK: Oh, it's checked with the data...

SENATOR CHAMBERS: That's okay, because I can make my comment...

SENATOR SCHIMEK: Senator, it is checked against a database, and this would be, I'm assuming, the driver's...the motor vehicles database.

SENATOR CHAMBERS: To see if the Social Security...

SENATOR SCHIMEK: Yeah.

SENATOR CHAMBERS: ...if the last four digits...

SENATOR SCHIMEK: Yes.

SENATOR CHAMBERS: ...are actually what they purport to be?

SENATOR SCHIMEK: That's correct.

SENATOR CHAMBERS: Okay. That's all I would have at this point, but I'm going to look at this large bill between now and the time it comes up again on Select, and if I have questions I can talk to you either before then or when we get here. That's all I would have. Thank you, Mr. President.

SENATOR CUDABACK: Thank you, Senator Chambers. Senator Engel.

SENATOR ENGEL: Mr. President, members of the body, I have a question also for Senator Schimek, if she has time. Do you have time?

SENATOR CUDABACK: Senator Schimek, would you yield?

SENATOR SCHIMEK: Yes.

SENATOR ENGEL: I have a question. I know it says show a valid

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driver's license, last four digits of your Social Security number, but if they don't have those, what do they use?

SENATOR SCHIMEK: The Secretary of State, Senator, in that case will assign what is called a unique number.

SENATOR ENGEL: And how does he come up with that? I mean, I don't want to get to pin you down here, but I'm curious to where he gets the information for that unique number. And what I'm getting at is verifying that they're eligible to vote in this country, is what I'm more (inaudible).

SENATOR SCHIMEK: It's a made-up number, I mean.

SENATOR ENGEL: It's a made-up number,...

SENATOR SCHIMEK: Right.

SENATOR ENGEL: ...but how can you have...

SENATOR SCHIMEK: And I assume, I assume that they're done in chronological order so that the next person who comes in, who doesn't need...or doesn't have either of those first two numbers, would be assigned the next number in chronological order.

SENATOR ENGEL: Do they have to show any proof of citizenship?

SENATOR SCHIMEK: Yes.

SENATOR ENGEL: And the Secretary of State defines that? I mean, he verifies that?

SENATOR SCHIMEK: When you sign the voter registration card, you have to affirm that you are a citizen.

SENATOR ENGEL: Well, do...

SENATOR SCHIMEK: And, of course, a violation of that, if you give inaccurate information, it is a Class IV felony, I believe.

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SENATOR ENGEL: What if they say they have to affirm that, but I mean how is that affirmed? I mean, I guess anyone can come up and say I'm eligible to vote, always taking a chance that they could be breaking the law and still voting, and of course that's not always caught. I just wondered how, if there's any verification they have to show, any documentation they have to show that they are actually citizens. That's my question, so.

SENATOR SCHIMEK: No, they do not.

SENATOR ENGEL: Pardon?

SENATOR SCHIMEK: No, they do not have to show that.

SENATOR ENGEL: Oh, I would think that would be necessary.  
(Laugh)

SENATOR SCHIMEK: Well, Senator, you are...you're putting yourself in danger of being arrested for a crime if you fill out the information falsely.

SENATOR ENGEL: Well, that's true too, I guess. But anyhow, that's my problem with it. Thank you.

SENATOR CUDABACK: Thank you, Senator Engel. Further discussion on the advancement of LB 566? Senator Schimek, there are no further lights on. You're recognized to close, if you care to.

SENATOR SCHIMEK: Thank you, Senator. I'd just like to say that this is a fairly lengthy bill and I think the questions that you have are perfectly appropriate. And if any others do arise between now and Select, we'd be happy to try to answer them to your satisfaction. And with that, Mr. President, I would just move the advancement of the bill.

SENATOR CUDABACK: Thank you, Senator Schimek. You've heard the closing on advancement of LB 566. The question before the body is, shall LB 566 advance to E & R Initial? All in favor vote aye; those opposed, nay. The question before the body is advancement of LB 566. Have you all voted on the question who care to? Record please, Mr. Clerk.

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                             LR 53-58

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

SENATOR CUDABACK:    LB 566 advances.

SPEAKER BRASHEAR PRESIDING

SPEAKER BRASHEAR:    Members, while the Legislature is in session and capable of transacting business, I propose to sign and do sign LR 53, LR 54, LR 55, LR 56, LR 57, and LR 58. Thank you.

SENATOR CUDABACK PRESIDING

SENATOR CUDABACK:    Mr. Clerk, LB 274.

ASSISTANT CLERK:    Mr. President, LB 274 was introduced by the Transportation and Telecommunications Committee. (Read title.) The bill was read for the first time on January 10 of this year, referred to the Transportation and Telecommunications Committee. That committee reports the bill to General File with committee amendments attached. (AM0244, Legislative Journal page 435.)

SENATOR CUDABACK:    Thank you, Mr. Clerk. Senator Baker, as Chairman of the Transportation and Telecommunications Committee, you're recognized to open on LB 274.

SENATOR BAKER:      Thank you. Thank you, Senator Cudaback and members. I'm going to struggle through this. I don't have a real good voice today. But Senator Schimek wants to know what a long bill. Hers is fairly long. This is a long bill. This is 200 and, how many pages long, 67 pages, 286 sections. I'm not going to go through it section by section. This is known as the Motor Vehicle Registration Act. If you will recall, past years we have recodified various sections of statutes. Our particular committee recodified telecommunications statutes a few years ago when Senator Bromm was chairing the committee. It's our turn now to recodify the Department of Motor Vehicle's registration statutes, which is what LB 274 does. We're handing out a piece of paper here that has the sections and how we've changed them around, what's in each one of these sections, old section

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description, and so on. I'm going to simply open it up for questions. I...with...actually, the committee amendment is the bill, so, Senator Cudaback, I believe what I'll do is stop now on the bill, LB 274, and open on the committee amendments. Would that be fine?

SENATOR CUDABACK: You may do so. So you are now recognized to open on AM0244, the Transportation and Telecommunications Committee amendments.

SENATOR BAKER: Okay. We're talking now AM0244. That's the amendment, committee amendment, 267 pages of amendment. And I have to tell you, I want to publicly thank my legal counsel, the committee's legal counsel, for all the work that she has done. And if you look at the committee statement, you'll see that some of the people that worked on this also testified in favor of the bill at the committee hearing. It would have been Beverly Neth, director of Department of Motor Vehicles; Nebraska Bankers; Nebraska New Car and Truck Dealers Association; the Nebraska Association of County Officials. In addition, through this whole work process, Nebraska State Patrol was involved, NACO, Omaha Police Department, Motor Industry Licensing Board, Nebraska trucking, County Attorneys Association, League of Municipalities, Nebraska County Sheriffs Association, independent auto dealers, and automobile industry, insurance industry. Those are participants in the recodification of the registration statutes. I have asked and people have obliged not to put amendments on this. It obviously opens up all the sections and statutes. We will have a trailer bill following along this, LB 275, which makes substantive changes to these. But LB 274 does not make substantive changes. It clarifies, it organizes, moves definitions around and so on to where they should be. And if, those of you, have been here long at all will simply be able to say, yes, I know that's how it works. We amend statutes with a bill. It's stuck in one section, maybe it should be in another one; or it's in several sections. What we've done here is try and, to the best of all these people's ability, get this thing organized. And I believe it's been over 50 years since registration statutes have been recodified, so we were overdue, and simply took on the project. Felt it was time to do it. I'm not sure that we had the time. Legal counsel and

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all these participants made the time. And, as I said, if there's any questions on this, you can refer first to the handout you have, and even the handout is long and detailed. But if there are questions here, be glad to answer them. Might not get an answer immediately, but this is one of those bills where I'd say you're going to have to trust us, and I say "us." It's not just me. It's legal counsel and all these people that participated in the recodification process. And the trailer bill, as I said, that makes substantive changes after we get the statutes recodified is LB 275, and that will be coming along forthwith. After we get this particular bill passed, then we can come back with a trailer bill and make the substantive changes we need to make. I'd be glad to answer any questions. I see a lot of perplexed faces out there or, I guess, saying I hope they trust us, what we've done. It's been a real ordeal to do this. There's been weeks put in on this process. This is the product we have. We think it's complete and clear and concise and what we need to do. But, with that, I'd be glad to answer any questions. Thank you, Senator Cudaback.

SENATOR CUDABACK: Thank you, Senator Baker. You've heard the opening on the committee...Transportation Committee amendments. Open for discussion. Senator Baker, there are no lights on, so you're recognized to close on the committee amendments, if you care to.

SENATOR BAKER: Thank you, Senator Cudaback. I missed someone, the Bill Drafters, Revisors up there. They have done herculean work on this. And, as we've all admitted time and time again, these things wouldn't happen without the support and help, encouragement and fine-tuning of a recodification of this size. The Bill Drafters also played a very large part in this. With that, I...that would be my closing. If there are questions, perhaps maybe people want to look things over. It's been on the agenda, this bill, for several days, but it's no substantive changes but I'd like to go ahead and adopt the amendments and then move the base bill to Select File. And if somebody has some questions or something off the floor, I'd be glad to answer them at that time. Thank you.

SENATOR CUDABACK: Thank you, Senator Baker. You've heard the

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closing on AM0244. The question before the body is, shall the committee amendments be adopted? All in favor vote aye; opposed, nay. Voting on the adoption of the Transportation, Telecommunications Committee amendments to LB 274. Have you all voted on the question who care to? Record please, Mr. Clerk.

ASSISTANT CLERK: 32 ayes, 0 nays on the adoption of committee amendments.

SENATOR CUDABACK: Committee amendments are adopted. Anything further on the bill, Mr. Clerk?

ASSISTANT CLERK: Nothing further, Mr. President.

SENATOR CUDABACK: Back to discussion of the advancement of LB 274. Senator Baker, there are no lights on, so you're recognized to close on the advancement of LB 274.

SENATOR BAKER: Thank you, Senator Cudaback. Very briefly, I will repeat what I said earlier. If someone, by chance, has questions on this, it's obviously technical and we've moved a lot of sections around, I'd be glad to answer questions off the floor between now and Select File. And with that, I would urge advancement of LB 274 to Select File. Thank you.

SENATOR CUDABACK: Thank you, Senator Baker. The question before the body is, shall LB 274 advance to E & R Initial? All in favor of the motion vote aye; those opposed, nay. We're voting on the advancement of LB 274. Record please, Mr. Clerk.

ASSISTANT CLERK: 36 ayes, 0 nays on the motion to advance, Mr. President.

SENATOR CUDABACK: LB 274 does advance. Mr. Clerk, items for the record, please?

ASSISTANT CLERK: Mr. President, I have a series of reports on gubernatorial appointments from the Business and Labor Committee. Those will be inserted in the Journal. In addition, Business and Labor reports LB 257 to General File; LB 489, General File; and LB 736 indefinitely postponed. (Legislative

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Journal page 987.)

SENATOR CUDABACK:      Thank you, Mr. Clerk.      Next agenda item is General File, 2005 senator priority bills.      Mr. Clerk, LB 111.

ASSISTANT CLERK:      LB 111 was introduced by Senator Bourne. (Read title.)      The bill was read for the first time on January 6, referred to the Judiciary Committee.      That committee reports the bill to General File.      There are no committee amendments.

SENATOR CUDABACK:      Thank you, Mr. Clerk.      Senator Bourne, to open on LB 111.

SENATOR BOURNE:      Thank you, Mr. President and members.      LB 111 is a bill that I've introduced several times and is my priority bill this year.      I didn't try to pass the bill in years past because, even though it's a very small fiscal note, there is a fiscal note and I didn't think it appropriate to add to the state's budget woes through passage of the bill.      I do think it's a very important bill.      It was brought to me by a constituent of mine, the Jolkowski family, as on June 12 of 2001 they had a son who was 17 or 18 years old at the time and he went off to work and was never seen again.      And since then, my constituent has researched the missing persons statutes in other states and has become very involved in creating and increasing awareness regarding missing people.      And this bill is designed to match the other 38 states in our country that have such clearinghouses in order to find individuals who are missing.      And basically what the bill does is that when a report of a missing person has been received by a law enforcement agency there sets forth...the bill sets forth a number of duties then that that agency has to do.      So when they receive a report by a law enforcement agency having appropriate jurisdiction, that agency then notifies the Missing Persons Information Clearinghouse, which is maintained in the State Patrol.      Then the State Patrol has several obligations as it relates to taking this information.      Namely, they collect, process, maintain, and disseminate information about missing persons in Nebraska through hard copy or electronic means.      The State Patrol will then also have to develop training programs for law enforcement

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agencies concerning the appropriate procedures to report missing persons to the clearinghouse. The patrol would have to cooperate with other states and the National Crime Information Center in the exchange of information on missing persons. They would have to maintain a statewide toll-free telephone line 24 hours a day to receive and disseminate information relating to missing persons. They would have to maintain an Internet web site accessible to law enforcement agencies and to the public with information on missing persons, and with information about resources available through the clearinghouse. They would have to develop training programs to assist in the prevention of kidnapping, because some of these missing people are, indeed, kidnapped. They would maintain a registry of prevention and education materials, and programs regarding missing and runaway minors through hard copy or electronic means. They would distribute, through hard copy or electronic means, monthly missing persons bulletins to law enforcement agencies and to other interested individuals and media outlets that request the information. So basically, what it is, is it's a repository for information on those individuals that are missing, something that our state lacks. I think that statistics show that education and public awareness is absolutely vital in locating these missing individuals. Just to give you some statistics: every 37 seconds a child disappears in our country; 103,768 active missing cases are now listed with the FBI. And again, as I mentioned, 38 states have a clearinghouse similar to what I'm proposing here. Again, it's a centralized repository that resides with the State Patrol. It's designed to create awareness and to provide information to law enforcement agencies to, one, prevent people from becoming missing, and to locate them once they are. With that, I would be happy to answer any questions or comments or concerns. Be happy to address any of those. But I would appreciate your support. Thank you.

SENATOR CUDABACK: Thank you, Senator Bourne. You've heard the opening on LB 111. Mr. Clerk, motion on the desk.

ASSISTANT CLERK: Mr. President, there are no committee amendments. I do have an amendment from Senator Stuhr. This is FA105. (Legislative Journal page 883.)

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SENATOR CUDABACK:    Senator Stuhr, you're recognized to open on FA105.

SENATOR STUHR:    Yes, thank you, Mr. President and members of the body.    First, I want to commend Senator Bourne for introducing the bill, because I think this is certainly an area that we're all interested in, and the more public awareness that we can have the more that it will address this issue of missing children in our society.    My amendment is a very simple amendment.    If you'll look on page 4, and on lines 15 and 16, it talks about developing a training program to assist in the prevention of kidnapping.    I think that from when I read the bill, I thought that this was a bit unclear.    First of all, it does not say who the program is for.    I assume, Senator Bourne, that it is for law enforcement agencies.    But it was my concern that do they want to add another program, another training program in this area, because I don't think that that is the main point of the bill.    What I would prefer and I hope that would happen is in the following section it says maintain a registry of prevention and education materials, and I think the whole kidnapping issue could very well be handled by additional education materials in this area rather than going through another training program.    Also, I thought it was unclear, what would they do with the program after they had this program on kidnapping?    Would they then have to go to the schools or whatever?    How would it be carried out?    So that's why I am proposing to eliminate lines 15 and 16, and hopefully there would still be education provided, but my concern was the additional time and the financial resources that it would take to carry out another training program.    With that, I would give the rest of my time to Senator Bourne, if he would like to respond.    And I have visited with him about this issue.    Thank you.

SENATOR CUDABACK:    Senator Bourne, would you like to respond?

SENATOR BOURNE:    Thank you, Mr. President, members.    Thank you, Senator Stuhr.    Senator Stuhr and I did visit regarding this amendment and I'm indifferent.    I will probably vote no, Senator Stuhr, on the amendment, and it doesn't really matter.    I guess just to offer a couple thoughts, the language that Senator Stuhr

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is concerned about, she feels, and I don't think I'm putting words into her mouth, she feels is too broad, is found on page 4, lines 15 and 16. And among the obligations that the missing...this bill would create upon the State Patrol is one that would develop training programs to assist in the prevention of kidnapping, and Senator Stuhr feels that's too broad. And again, if that's what...if that's the price of advancing the bill, I'll...that's okay with me. I do want to note that I don't understand why we would not require the State Patrol to offer training programs to assist in the prevention of kidnapping. I think anything that we can do to protect our children is a good thing to do. There's a modest fiscal note. I think it's \$20,000 or \$30,000 a year on the...or for the bill. I don't...or I shouldn't say for a year. I think the fiscal note...well, we'll discuss that on the next bill. But, again, the language that Senator Stuhr is seeking to strike is that which requires the State Patrol to offer some sort of training programs to assist in the prevention of kidnapping. I have a number of brochures here that are put out by the State Patrol regarding putting on seat belts, or how to keep your home secure from burglaries, or how to prevent yourself from being robbed or your purse snatched, and that's what's contemplated here. I don't really see it as an additional obligation that is particularly onerous on the State Patrol, and I think anything we can do to protect our kids we should do. Everybody that reads the newspaper is basically barraged with information regarding missing kids. Every 37 seconds a child in our country disappears. Now, I'm not saying they're all kidnapped, but some of them are, and what I'm suggesting is that the State Patrol should be able to help parents prevent their children from being kidnapped. I'll give you some statistics. There's an estimated 797,000 children were reported missing, according to NISMART-2 research program, and that was in the year 1999. Fifty-eight thousand two hundred of those children were abducted by nonfamily members. That's what's called kidnapping. An abduction is a kidnapping. And what I am advocating in this bill, that the State Patrol develop a training program to prevent 58,200 children from being abducted every year. A hundred and fifteen children were victims of the most serious long-term nonfamily abductions, called stereotypical kidnappings, and then there were 203,900 children in 1999 were

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the victims of family abductions. So again, what I'm saying is that the State Patrol should develop training programs to assist in the prevention of kidnapping, and that could be they could go to a school and hand out a brochure that kids could bring home to their parents. It just seems to make sense. If we can do something minimally to help make sure or ensure that children aren't kidnapped, I think we should do that. With that, if the body feels they want to adopt Senator Stuhr's amendment, I certainly would hope that the bill could go forward. I intend to vote no because I do think it's a modest thing to ask the State Patrol to do to help protect our children. Thank you.

SENATOR CUDABACK: Thank you, Senator Bourne. Senator Stuhr, there are three minutes remaining, if you'd care...did you care to use the rest of your opening?

SENATOR STUHR: Yes, thank you, Mr. President and members of the body. Again, I have no objection to providing informational materials and educational materials, but I guess what I'm concerned is with the language that is stated, as it is stated in the bill, to develop training programs, that, to me, is much more in-depth than it is just to say that you are going to provide information and additional materials. I believe Senator Bourne referred to that he had brochures on using seat belts and whatever, and that certainly wouldn't be any objection, I don't believe, from law enforcement agencies to provide those materials. But when it states develop a training program to assist in the prevention of kidnapping, to me, that goes much more in-depth than what we're talking about is just in providing educational materials. Again, I feel that we, you know, should do all that we can, but to me the time...the time and also the financial resources to develop a program, a specific program which...as it is stated, and that's why I just feel that we could strike that provision and still maintain the original intent of the bill, which is to try to identify and help in finding missing children. With that, I hope that we do not spend a great deal amount of time on the issue, but those are the reasons that I feel that it does involve all law enforcement agencies, not just the State Patrol. Thank you.

SENATOR CUDABACK: Thank you, Senator Stuhr. (Visitors

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introduced.)      On with discussion of the Stuhr amendment. Senator Smith, followed by Senator Stuhr, Stuthman, Thompson, and Bourne. Senator Smith.

SENATOR SMITH: Thank you, Mr. President and members. I rise in support of LB 111, Senator Bourne's efforts relating to the abduction of children, primarily, but I think it would apply to folks of all ages. If Senator Bourne would yield to some questions for clarification.

SENATOR CUDABACK: Senator Bourne, would you yield?

SENATOR BOURNE: Certainly.

SENATOR SMITH: Senator Bourne, you mentioned prevention of abduction. I would speculate that the thrust of the bill is more reactive than proactive relating to prevention. In terms of setting up the clearinghouse of information, you've determined apparently that such items are missing or lacking within state government right now. Is that accurate?

SENATOR BOURNE: Absolutely accurate. Thirty-eight states have clearinghouses similar to what I'm proposing here. And you are exactly right, it is reactive. After a person or an individual is missing, this...the studies show that the more information put out in front of the public the more likely that individual is to be recovered or discovered. The one thing that is prospective, if you will, is the line that Senator Stuhr is asking to take out, and that is the developing training programs to assist in the prevention of kidnapping. So you're right, it is reactive. There is one small element that tries to prevent it and that, again, is what Senator Stuhr is trying to take out.

SENATOR SMITH: And you mentioned 58,200 children missing or abducted. Was that in Nebraska?

SENATOR BOURNE: No, that's nationwide. Every 30...the statistics I have, every 37 seconds a child disappears. There was a study done, and I don't, Senator Smith, I could tell you, I just put my paperwork down, it's called the NISMART-2 study that was done in 1999, and that's the most recent statistics we

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have, and there was, in that year, there was almost 800,000 individuals reported missing, and there were 58,200 that were abducted by nonfamily members. A lot of times when a person is abducted, quite honestly, it's a divorce situation and somebody, the noncustodial parent perhaps, runs off with the child. And what I'm saying is that there was almost 800,000 people reported missing, according to the study, 58,200 of which were abducted by nonfamily members.

SENATOR SMITH: Right. Okay. And I was looking at the fiscal note and it does cost some funds, taxpayers funds, roughly \$25,000 a year. Is that accurate?

SENATOR BOURNE: That is, Senator Smith, and I'll tell you that, again, I've introduced this bill, I think this is the second or third time. And, you know, I know this is modest, and I'm trying to think if I've ever introduced a bill that had such a fiscal note on it. I realize it adds to the state problems, the state's budget problems; however, I just...I truly feel that more...

SENATOR SMITH: No, no, there's no need to get defensive. I...

SENATOR BOURNE: No, I'm not defensive.

SENATOR SMITH: I won't...

SENATOR BOURNE: I just...I'm struggling with I just think that the good far outweighs the modest \$25,000 cost.

SENATOR SMITH: I appreciate that comment immensely. Now the \$25,000 a year, I mean, that's not even enough for one employee, is it?

SENATOR BOURNE: Senator Smith, I believe that when I approached the State Patrol regarding this, they thought they needed to have...I don't even know if it was a quarter FTE, but they needed additional manpower. I think pretty much all of our agencies are pretty lean right now and they felt they couldn't do this. One thing I do want to say if you give me just a couple seconds, I had talked to Governor Johanns and he was

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contemplating putting this in his budget request so that we wouldn't need the bill, and then of course he moved on and I was unable to get with Governor Heineman to ask him to include it. But, Senator...or, excuse me, Governor Johanns did express an interest in putting this into his package last year...

SENATOR CUDABACK: One minute.

SENATOR BOURNE: ...and I believe he would have done that if he had stayed.

SENATOR SMITH: And what is it with current statute that prevents the clearinghouse from forming without the bill? I'm curious.

SENATOR BOURNE: Nothing. Nothing would prevent them. I'm sure that the State Patrol, and I've visited with them, they like the idea. They just feel they can't do it with the staff they have. I'm sure they're just busy doing other things, Senator Smith, and you know how we all are. We're trying to keep up with what we have rather than adding new duties. But, no, there would be nothing to prevent them from doing this.

SENATOR SMITH: Okay. Thank you, Senator Bourne. And I, again, I support you and I hope that you would never be accused of making government larger. Thank you.

SENATOR CUDABACK: On with discussion of the Stuhr amendment. Senator Stuhr.

SENATOR STUHR: Thank you, Mr. President and members the body. While we're discussing the bill, I do have a number of questions that I would like to address to Senator Bourne.

SENATOR CUDABACK: Senator Bourne.

SENATOR STUHR: Senator Bourne, on page 3, lines 26, 27, and 28 talks about developing the training programs for law enforcement agencies concerning the procedures to report missing persons. What happens if the law enforcement agencies don't do the training?

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SENATOR BOURNE:      There's no penalty provision in the bill, Senator Stuhr. It's not customary to. Generally, we don't penalize the police officers for not doing something they're required to do, but we could certainly add a penalty.

SENATOR STUHR:      Okay. And when does the training need to be completed?

SENATOR BOURNE:      It doesn't say, Senator Stuhr.

SENATOR STUHR:      And how would the training be done?

SENATOR BOURNE:      It's deliberately drafted broadly so that the law enforcement agencies would have flexibility regarding the training. I know that we have several facilities here in the state that train police officers. I would assume that it would be, you know, could very easily be incorporated in there. There's nothing, again, that says it has to be ten hours of training or two hours or any minimum.

SENATOR STUHR:      Do you expect that some of that will be covered in the rules and the regs?

SENATOR BOURNE:      I would hope not.

SENATOR STUHR:      You would hope not. Then...

SENATOR BOURNE:      Right. I mean, it's simply, Senator Stuhr, it's...

SENATOR STUHR:      Yes.

SENATOR BOURNE:      ...it's develop a training program for law enforcement agencies concerning the appropriate procedures to report missing persons. I would assume that it would be an e-mail...okay, Omaha Police Department, please send information to the clearinghouse via e-mail in a PDF format, or I mean, you know, it could be a conversation to a clerk. I mean, I mean, again, it's deliberately drafted very broadly so as to allow the State Patrol to have flexibility in articulating to the agencies

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how they want the information disseminated to them. I don't think it rises to the level that would require adoption of a rule or reg to implement a procedure.

SENATOR STUHR: I see. I just want...I wanted your comments, and particularly for the record I think it's important to have your thoughts regarding the development of these training programs. Again, I'm very much in support of the bill because I think it is something that we need to do in this state. Another question, Senator Bourne. In regards to on page 4, (d), lines 4, 5, and 6, when it talks about maintaining a toll-free telephone line 24 hours a day. Does this in any way conflict with the Amber Alert number that...and that program? Would you comment on that?

SENATOR BOURNE: No, I don't see how it would, Senator Stuhr. You had mentioned that to me and I'm still trying to figure out how it would implicate or...this bill really, while there might be some...obviously, the Amber Alert is, you know, a function of a missing...or is a response to a missing individual as well, but this is separate and distinct from the Amber Alert. And, quite honestly, I don't think that...I would imagine the State Patrol has...I would imagine they work 24 hours a day, you know, through various shifts, and I would assume that they already have a statewide toll-free telephone line that's manned or, you know, staffed 24 hours a day. So I really don't see this as creating an additional obligation on the state.

SENATOR STUHR: Okay. And it is probably your hope that that number will be circulated in some way to educate and inform the public that there is a number that can be used.

SENATOR BOURNE: I would. I would think that. I mean, that's the purpose of it, is, you know, I'll give you some statistics later. I'll go through my file. But the more we can get these missing people's faces out in front of the public,...

SENATOR CUDABACK: One minute.

SENATOR BOURNE: ...the more we...the more avenues we can offer for individuals or citizens to offer tips on, you know, there

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was a siting of a particular missing individual, I think the better off we are and the more people we will recover.

SENATOR STUHR: Right. Again, just going back to my amendment, I am hoping that the State Patrol would offer educational materials as there is going to be a clearinghouse. They also have the opportunity, but at this time I think that it makes the bill a little bit clearer and more to the point of what this Missing Persons Information Clearinghouse will do without providing training programs. So I would hope that...

SENATOR CUDABACK: Time.

SENATOR STUHR: ...you would support the amendment. Thank you.

SENATOR CUDABACK: Thank you, Senator Stuhr. On with discussion of the Stuhr amendment. Senator Stuthman, followed by Senators Thompson, Bourne, and Smith. Senator Stuthman.

SENATOR STUTHMAN: Thank you, Mr. President and members of the body. I'm in complete support of this bill, but I would like to probably engage in a little bit discussion with Senator Bourne. I've got some concerns, you know, of issues that lead up to the missing persons report.

SENATOR CUDABACK: Senator Bourne, would you yield?

SENATOR BOURNE: Certainly.

SENATOR STUTHMAN: I feel that there is a problem in the area of the time involved when someone reports a missing person as to when it is passed on. I know a lot of people probably just throw up a red flag when their...when their child is not home maybe after several hours when they should be home, or maybe a half of a day. I've had individuals say, you know, I did call the law enforcement and they say, well, you know, everybody, everybody calls in when their kid isn't home and we can't do anything until a certain amount of time. Is there any time frame in the statute as far as when the individual that has been missing, reported by a parent or someone else, that after that time that they have to take action, or what is their time frame?

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SENATOR BOURNE: Senator Stuthman, that's a great question. I didn't know the answer to that until I started looking into this area. And the reality is, is there is no time limit. So if your child was supposed to be home at 5:00 and doesn't come home at 5:30 and that's totally out of character, there is no requirement in the law that says you have to wait 24 hours before you report it. And I'll tell you, your question is particularly relevant as it relates to Senator Stuhr's amendment because the type of training program that would correct that misinformation that you have would be incorporated in the language that Senator Stuhr is trying to take out. So what...the language Senator Stuhr is trying to take out says develop training programs to assist in the prevention of kidnapping. Senator Stuthman has a great example here that he's under the impression you have to wait 24 hours before you can report someone missing. A training program that the State Patrol would do, as contemplated in this bill, would help to dispel that misinformation and maybe we could help kids from becoming...help parents help their children from being...prevent them from being kidnapped.

SENATOR STUTHMAN: Okay. Thank you, Senator Bourne. This is a situation, you know, that it was brought to my attention, you know, several years back. Individual said, you know, my child has been missing; we don't know where it's at. They call law enforcement. They say, well, you know, we get a lot of these calls and we're not going to take any action for a certain amount of time; and, you know, maybe the individual is going to come back, so why bother us with something that is immaterial or irrelevant to the missing person? But a lot of times, in my opinion, that individual, you know, could be one state away by the time, you know, the action is taken on this. So that is a concern and I really appreciate the comments from Senator Bourne, because with this part of it then, you know, with that training, I'm sure those...the State Patrol will realize, you know, is this something that really sounds legitimate? You know, should we be doing action immediately? Or does it sound like it's something that we need to take a little bit more time, maybe another half hour, get some more information and then release it? So I think this is the right direction to go. And,

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with that, I'll return the balance of my time to the Chair.  
Thank you.

SENATOR CUDABACK: Thank you, Senator Stuthman. Senator Thompson, on the Stuhr amendment. Is Senator Thompson...yes, she is. Sorry.

SENATOR THOMPSON: Thank you, Mr. Chairman, members of the body. A few years back, the Legislature passed a bill requiring a study of the Nebraska State Patrol and its mission-related duties, its administrative structure, things dealing with the tremendous additional burdens that have been put on the patrol over the last 20 years without the subsequent funding for them. And so I'm hearing Senator Stuhr's remarks for the first time, and I certainly commend Senator Bourne for bringing this issue before us, but I feel some obligation, from having been through all those meetings and worked with the university on that particular issue, to perhaps comment on this training issue. And I would be...and I've been trying to find out this morning what kind of training already happens for the law enforcement officers at the Grand Island Training Center. Having worked on some other issues that required training over the years, domestic violence and other things, it's always difficult to add new training into the overall training for law enforcement because of the time it takes that from the coursework at Grand Island, which adds to the length of the course and so everything is very carefully considered there, and additional training would need additional troopers to do. I believe you would have to pass a fiscal note. I think the fiscal note is probably...it's...Senator Bourne, is it still 49 or did it get changed? I'm looking at the...I heard 25 and I heard 15. Forty-nine is what the gadget says.

SENATOR BOURNE: As far as I know, it is what it states in the...in the...on your gadget there. I don't know that it's been changed.

SENATOR THOMPSON: Okay. I would...and I think most of that is for the clearinghouse setup and some of it is for training. Would that be correct?

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SENATOR BOURNE: Well, yes and no. I mean, can I expand on that?

SENATOR THOMPSON: Sure.

SENATOR BOURNE: Okay. What you're suggesting is that they would have to develop additional training programs at the academy.

SENATOR THOMPSON: No. No, I'm just...

SENATOR BOURNE: Okay.

SENATOR THOMPSON: ...kind of curious as what kind of training you're thinking about.

SENATOR BOURNE: Well, if...and, again, I...you know, I don't...I'm really kind of indifferent towards Senator Stuhr's amendment. I mean, it doesn't hurt the bill. I just don't understand why we would want to prevent training parents, which is what it says, training parents to assist in the prevention of kidnapping. This doesn't require an additional class at the academy. It simply says that the State Patrol shall develop training programs to assist in the prevention of kidnapping. It could be, you know, pamphlets or brochures. I know the State Patrol, at least when I was a kid, they come to your classroom all the time. I mean, this does not require a class at the academy. It would not...the State Patrol has looked at this and has assured me that it's less than a half of a person to set up the web site and get it going. There's really, I mean, I just...I don't want you to take it out of context in that it's simply a method to educate people, parents, teachers on how to prevent kidnapping. It's not an additional class at the academy. So I feel...

SENATOR THOMPSON: Senator Bourne, just one additional question, because I guess I'm backing up a step. And I'm not sure. I'm just thinking this through, because I'm on the Appropriations Committee and the State Patrol has asked for an additional 21 troopers just to keep up with their current workload. So that, I mean, I'm kind of coming at it from two angles, and also from

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having sat through the meetings. I guess my feeling would be you have to train the trainers also, and so how would that...that...

SENATOR BOURNE: Okay. Let me, if I can,...

SENATOR THOMPSON: Sure.

SENATOR BOURNE: ...here's a perfect example. You have taken interest in the past on organ transplantation.

SENATOR CUDABACK: One minute.

SENATOR BOURNE: Correct?

SENATOR THOMPSON: Correct.

SENATOR BOURNE: Okay. And have you gone to have your car licensed or replace your driver's license and at the DMV there's a poster there that talks about organ transplantation?

SENATOR THOMPSON: Correct.

SENATOR BOURNE: The training program could be that simple as having the poster...

SENATOR THOMPSON: Okay. Well, then...

SENATOR BOURNE: ...there in a school or handing out a pamphlet. I mean, it does not require an additional officer to conduct a training program.

SENATOR THOMPSON: Okay. I'm just trying to...I guess I've leaned toward worrying about it because of sitting through the hundred other things that they've had to take on, and wondering what that form is going to be and kind of hearing Senator Stuhr's concerns, and I'm just trying to clarify in my own mind and maybe what we're asking the patrol to do, how they're going to convey that to local law enforcement, because I believe the training starts at the patrol level. Is that correct?

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SENATOR CUDABACK: Time, Senator Thompson.

SENATOR THOMPSON: Thank you.

SENATOR CUDABACK: Senator Bourne, you may continue.

SENATOR BOURNE: Thank you. Thank you, Mr. President, members. Senator Thompson, did you need additional time?

SENATOR THOMPSON: I'm going to think for a minute. Thank you.

SENATOR BOURNE: Okay. I just...again I'll yield the balance of my time to Senator Thompson when I'm done because I won't speak on it again. But again, I just rise in indifference, really, and no disrespect intended. I just...I don't think it's going to hurt the bill if Senator Stuhr's amendment is adopted, but I just don't see the need to do it. I don't think it's overly broad. One thing I do want to point out, my legislative aide...the reason I pushed my button again to speak is because my legislative aide handed me the transcripts from the introduction on the bill, or from the testimony that we had on LB 111. And in that transcript, one of the testifiers says you might...here's the quote, "You might also recall the tragic case of Heather Guerrero of Gering, who was murdered by her abductor." And then this testifier goes on to say, "Perhaps if Jason's law had been in place, because it has a clause for training of law enforcement in kidnapping situations, there could have been a different end to her story." And now that is what we're trying to...that's what we're talking about. This young...if you remember her, she was 15 years old. She was a newspaper carrier in western Nebraska, was raped and murdered, and one of the testifiers on this bill said perhaps if this clause that Senator Stuhr is trying to take out had been there, the outcome could have been different. I don't know, but again I'm saying that it does not require a class at the academy. It simply requires some education. It could be a trooper, when they go to talk to your child's class, leaving a pamphlet for that kid to take home to you, to say...to offer tips on how to prevent that youngster from being kidnapping...or kidnapped. So again, if you...I'm going to vote no on the Stuhr amendment, but if the body feels that it's too broad, that's okay. I would

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just hope the bill could go forward. But again, I don't understand why we would take out something so nebulous and so broad and so flexible that would encourage the State Patrol to protect our kids. That's where I'm coming from. And with that, if Senator Thompson would like the balance of time?

SENATOR CUDABACK: Senator Thompson, would you like to use the 2, 40?

SENATOR THOMPSON: I guess I just want to...I'd only comment. I'm...my computer locked up and so sometimes technology isn't quite as good as we think it is. But I'm trying to get back to the actual text of what you're saying versus what the bill says. And so, I guess as I read it, it is...would be part of a project of some sort, is what you're saying, to go out and do the training and so forth, which I just want...I think it's narrower than what...your vision is narrower than what the bill may be saying. But I can't get back...I'm going to just stop talking and I'll put my light on again so that I can reread it and think it through. Thank you.

SENATOR CUDABACK: Thank you, Senator Bourne and Senator Thompson. Senator Smith, on the Stuhr amendment. Is Senator Smith present? I do not see Senator Smith. We'll pass over him. Senator Janssen.

SENATOR JANSSEN: Thank you, Senator Cudaback, members of the Legislature. Sitting, listening to the discussion, I didn't really think much about the content of this bill until Senator Stuhr put her amendment to the bill, FA105, you know. And I...it made me start thinking about missing persons and I wonder how many cases of missing persons result from the act of kidnapping. I would think that the two would go hand in hand. I don't believe I'm going to support Senator Stuhr's amendment because I believe it's imperative that this be in there. There's nothing more heinous, in my estimation, as someone who snatches someone away from their environment as the result of a kidnapping. That, to me, is one of the worst things that could ever happen to anyone's family or to that child or adult, to be kidnapped. So I'm going to listen to some more of the discussion, but I don't believe I'm going to support FA105. I

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think the two should work together. It was put in there for a reason, and I think it's important. I think it's an important statement that we make about kidnapping. It's a terrible thing. So with that, I would either give the rest of my time to Senator Bourne or Senator Stuhr, whichever one would like that time.

SENATOR CUDABACK: Which one would you prefer? Senator Bourne, would you like to utilize his...he waives the opportunity. Senator Stuhr, did you wish to?

SENATOR STUHR: Yes, thank you, Mr. President and members of the body. Again, I do not have any problem with Senator Bourne saying that they are going to offer educational materials. But I just do not feel that this is written properly and clear, and that's why I'm asking to have it struck. And if he sees a need to have that rewritten, we could certainly do that before Select File; because actually as it states, it says develop training programs to assist in the prevention of kidnapping. Who is going to have those...have access to those training programs? I just feel that it is not clearly written for the intent that Senator Bourne is wishing to accomplish. I do believe that kidnapping...that we need information, that actually parents need training in regards to how they should teach their children about kidnapping. So again, it does not say for who the development of the training programs are to be, and it does say in the prevention of kidnapping. So again, I hope that we could move on, and I would hope that you would support this amendment merely to clarify the bill. I'm very much in support of the bill, but I feel that this would help clarify the language. Thank you.

SENATOR CUDABACK: Thank you, Senator Stuhr. Senator Smith. I thought he returned. I guess he did not. Senator Stuhr. The senator waives the opportunity. Senator Thompson.

SENATOR THOMPSON: Thank you, Mr. Chairman. I'm not going to take too much time. I think the legislative intent will be clarified. I now realize, having had the floor discussion, that when it says develop training programs to assist in the prevention of kidnapping, we're not talking about law enforcement training and we're not talking, apparently, about a

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State Patrol-run course or the Crime Commission's course for preliminary law enforcement training, or going out to train trainers. This is more public awareness training. And for that reason, I'm probably not going to support Senator Stuhr's amendment because I have a clearer vision of what this is about. I don't know if you need to change it here in the statute to make it clear that it's public awareness and not law enforcement training. I might be the only person who was reading it that way. But I think, because of the discussion we had here this morning, it's been made clear that it is not part...it is not law enforcement training. It is public awareness training, which is a much lower price tag thing and doesn't...isn't something that we're going to have to sort out and throw something else out of the training because there isn't time, or have to set up an extensive program to put in place. So that's the only comment I have to make. I think, in my mind, it's been straightened out by the remarks on the record. But I do think it was important that we clarify that. Thank you.

SENATOR CUDABACK:      Thank you, Senator Thompson. There are no further lights on. Senator Stuhr, you're recognized to close.

SENATOR STUHR:      Thank you, Mr. President and members of the body. I guess I disagree with Senator Thompson in the fact that I don't think it has been clarified. Senator Bourne stood up and said that it was training for law enforcement agencies in the area of trying to prevent kidnapping, and that this could be done by disseminating information and educational materials. So I do not think that this is clear from the discussion that we have had this morning. When you look at the language and it says develop training programs, it clearly, when I think of a training program, I think of something that was referred to on the previous page: develop training programs for law enforcement agencies concerning the appropriate procedures in reporting. So this is basically what the bill actually has to do, and the bill primarily deals with the Nebraska State Patrol in developing the procedures for the bill. So I'm asking for you to support this amendment merely to clarify, I believe, which is not clear at this time. Thank you.

SENATOR CUDABACK:      You've heard the closing on FA105. The

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question before the body is, shall FA105 be adopted to LB 111? All in favor vote aye; those opposed, nay. We've voting on the adoption of the Stuhr amendment, FA105. Have you all voted on the question who care to? Have you all voted who care to? Record please, Madam Clerk.

ASSISTANT CLERK:    4 ayes, 15 nays on adoption of the Stuhr amendment, Mr. President.

SENATOR CUDABACK:    The motion was not successful. FA105 has not been adopted. Madam Clerk, anything further on the bill?

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

SENATOR CUDABACK:    The advancement of LB 111 to E & R Initial, open for discussion. Senator Bourne, there are no lights on. You're recognized to close, if you care to.

SENATOR BOURNE:    Thank you, Mr. President and members. I'd like to thank Senator Stuhr for bringing that amendment. I do think the discussion is valuable and I think any time that we can discuss an issue such as this, I think it helps. And I don't think it's broad or overly broad, but if Senator Stuhr would like to visit regarding this...visit more regarding this, as well as Senator Thompson, I'd be happy to entertain any suggestions. I do think the bill is worthwhile. I think it puts us in place with the other 38 states that has such a measure, and I think maybe it will help to locate some of these missing folks. So I would...I appreciate your support, and thank you very much for the discussion.

SENATOR CUDABACK:    Thank you, Senator Bourne. You've heard the closing on advancement of LB 111. The question before the body is, shall LB 111 advance? All in favor vote aye; those opposed, nay. The question before the body is advancement of LB 111. Have you all voted on the question who care to? Record please, Madam Clerk.

ASSISTANT CLERK:    37 ayes, 0 nays on advancement of LB 111, Mr. President.

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SENATOR CUDABACK: LB 111 advances. Madam Clerk, LB 111A.

ASSISTANT CLERK: Mr. President, LB 111A, introduced by Senator Bourne. (Read title.)

SENATOR CUDABACK: Senator Bourne, to open on LB 111A.

SENATOR BOURNE: Thank you, Mr. President and members. This is simply the fiscal note that the State Patrol feels they need an extra...I don't know if it's a half person or a full person to implement to web site and the other requirements of the bill. Thank you.

SENATOR CUDABACK: Thank you, Senator Bourne. You've heard the opening on LB 111A. Open for discussion. Senator Wehrbein.

SENATOR WEHRBEIN: Mr. President and members, could I ask Senator Bourne a question?

SENATOR CUDABACK: Senator Bourne, would you yield to a question from Senator Wehrbein?

SENATOR BOURNE: Certainly.

SENATOR WEHRBEIN: I am not clear or else I missed something that...I notice the A bill is \$49,200 both years. You mentioned \$25,000. Is there an updated version or are you going by this, or...

SENATOR BOURNE: Well, actually the amount...the \$25,000 number I think was mentioned by Senator Smith, so I think the fiscal note is \$49,200. Yes.

SENATOR WEHRBEIN: I would agree. That's what this bill says and I wondered where that came from, and I wondered...

SENATOR BOURNE: That may be. He...

SENATOR WEHRBEIN: ...if I had not had an updated version.

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SENATOR BOURNE: I think Senator Smith thought it was over two years, so it would half of \$50,000, but it is \$49,200.

SENATOR WEHRBEIN: Per year.

SENATOR BOURNE: Yes, sir.

SENATOR WEHRBEIN: That's just clarification. Thank you.

SENATOR CUDABACK: Thank you, Senator Wehrbein. Further discussion on the A Bill to LB 111. Senator Bourne, there are no further lights on. He waives closing. The question before the body is, shall LB 111A advance to E & R Initial? All in favor vote aye; opposed, nay. Have you all voted who wish to? Record please, Mr. Clerk.

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

SENATOR CUDABACK: LB 111A advances. Mr. Clerk, we now go to LB 273.

ASSISTANT CLERK: Mr. President, LB 273 was introduced by Senator Cunningham and others. (Read title.) The bill was read for the first time on January 10, referred to the Government, Military and Veterans Affairs Committee. That committee reports the bill to General File with committee amendments attached. (AM0639, Legislative Journal page 654.)

SENATOR CUDABACK: Thank you, Mr. Clerk. Senator Cunningham, to open on LB 273.

SENATOR CUNNINGHAM: Thank you, Senator Cudaback and members. LB 273 would adopt the Building Entrepreneurial Communities Act. The purpose of this act is to support economically depressed rural areas of Nebraska by providing grants for entrepreneurial development. The act will provide education, technical assistance to energize small business development and entrepreneurship, to facilitate small business transfer, to build community capacity and leadership programs, to generate opportunities to attract and retain young people, to provide

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education about charitable donations and intergenerational transfers of wealth, and build community endowments to support such activities. The Rural Development Commission, with assistance from the Department of Economic Development, is to establish a process to provide grants to two or more political subdivisions that are collaborating on a project. Priority will be given to projects where at least one of the political subdivisions is experiencing chronic economic distress which is defined as a higher unemployment rate or a lower per capita income than the statewide average, or a population loss of at least 10 percent over a 20-year period. Grants will not exceed \$75,000 and will require dollar-for-dollar matching funds or in-kind contributions. Grant recipients would have five years to expend the funds. As introduced, LB 273 appropriated \$1 million for each of the next two fiscal years to carry out the act. The committee amendments that you will hear later reduce the appropriation to \$200,000 per year for the two-year period. While political subdivisions may be eligible for up to \$75,000 in funds for one project, a more typical project for a partnership may be in the neighborhood of \$10,000 to \$20,000, as the money must be matched by local contributions. If this were the case over the two-year period, using the \$200,000, I would envision possibly 20 to 40 local, regional partnership projects that could be funded through this. LB 273 would allow local, regional collaborating partners to access other state and local programs; for example, the EDGE fund, or Enhancing, Developing and Growing Entrepreneurs program, may cost \$10,000 which would be cost-prohibitive for many local communities without LB 273 support. Cosponsors of LB 273 include rural and urban senators. Although the bill is targeted at small rural communities, it is not limited geographically. I've always been a strong supporter of incentives for businesses. Some have asked me, as a representative of a small business in a rural area, why I support LB 775 benefits and similar programs. But I tell them that I realize in my mind how important those programs are for the whole state to be economically viable. Our larger cities and our state as a whole have to be healthy if our rural areas are to survive and prosper. However, as a representative of a rural area...representatives of rural areas, we can't sit back, and can't just watch all of the incentives go to the urban areas and down the interstate areas. We must tailor programs to help

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all of our rural areas, and I feel that LB 273 does just that. Of Nebraska's 532 cities, municipalities and villages, 499 of those have fewer than 5,000 residents. Of those 499, 483 have fewer than 2,500 residents. Two years ago, annual wages in metropolitan Nebraska were \$32,609 per year compared with \$22,233 in rural Nebraska. More critical yet, the average wage in the central Sandhills region was \$11,714. In order for our rural life to be sustainable, we must be innovative and we must take risks. We must try new ventures, we must encourage entrepreneurs. Research has shown that providing educational and technical assistance is of utmost importance in developing businesses in rural communities. LB 273 would provide funding for educational and technical assistance, a key factor in helping our rural areas with development. Under the bill, the grants would be given to those areas with the most needs. Leadership development is a critical ingredient in communities being successful and growing. One of the functions of this bill is to help promote leadership skills for adults, both male and female, and our youth. One critical issue rural areas are facing is the transfer of businesses to new owners. It is a challenge to ensure that a business continue in operation with the retirement of the previous owner. This bill will also assist in that aspect. Community colleges in Nebraska are very interested in stepping up and filling a void in local economic and community development projects by providing leadership, training and entrepreneurial workshops, exactly the type of programs and collaborative efforts that this bill is designed for. I'm sure you've heard me mention many times how a few jobs in a rural area are equivalent to hundreds of jobs in urban areas. A few jobs can be the difference between a strong and prosperous community and...than the one that's battling to survive. More than 80 of Nebraska's 93 counties lost population in the last census. In many counties, retaining just 10 to 12 high school graduates each year would actually lead to population growth. South Dakota, Kansas, Colorado and Wyoming are all ranked ahead of Nebraska on a recent list of top states to start a small business. Nebraska ranked 44th. LB 273 could help Nebraska progress by assisting communities in supporting entrepreneurs, which can lead to the creation of new small businesses. I realize this bill will cost some money. However, I believe that these incentives will provide much needed

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economic opportunities and the outcomes will outweigh the costs. The vitality of rural Nebraska is of great importance to our way of life. Thank you, Senator Cudaback.

SENATOR CUDABACK: Thank you, Senator Cunningham. You've heard the opening. As stated by the Clerk, there are committee amendments. Chairperson Schimek of the Government, Military and Veterans Affairs Committee, you're recognized to open on those amendments.

SENATOR SCHIMEK: Thank you, Senator Cudaback and members of the Legislature. The amendment is pretty simple, and Senator Cunningham already mentioned to you, the amount mentioned to be appropriated in fiscal years 2005-06 and 2006-07 are reduced from \$1 million to \$200,000. I have to tell you that the committee did struggle with this bill, and one of the things that we struggled with, of course, was the cost of it, recognizing that the \$1 million probably wouldn't fly this year in this body. But we also struggled with some other aspects of it, and I hope that some of the other committee members will talk about it because I think it's something we need to talk about as a body. This is a good bill. I mean, it is a good bill, if you stand it alone on its own. But when you look at the fact that we have a lot of other programs out there to help local communities, then you have to start asking yourself if there's some better way that we could and should organize all of these different programs to provide these kinds of grants and assistance to local communities. I personally think that we need to encourage our local communities, and we have many of them that are really hurting right now. We do an awful lot in this state to help businesses, big businesses, and we've spent a lot of money doing that. It seems to me that we should have a good development act for rural communities. But I hope that we have a chance to discuss the...perhaps the way we do things on all of these variety of acts that we have out there. So anyway, back to the amendment. The amendment just simply lowers the total from \$1 million to \$200,000. Thank you, Mr. President.

SENATOR CUDABACK: Senator Schimek. (Visitors introduced.)  
Mr. Clerk, a motion.

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ASSISTANT CLERK:    Mr. President, Senator Synowiecki would move to amend the committee amendments with AM0845.    (Legislative Journal page 910.)

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

SENATOR SYNOWIECKI:    Thank you, Senator Cudaback, members. As Senator Cunningham indicated during his opening, LB 273 is to provide entrepreneurial support for economically depressed rural areas of our state. And I very much appreciate Senator Cunningham bringing this bill forward. I'd like to note that the Legislature has established a history of linking rural economic development interest with our established enterprise zones in our state. This includes providing incentives for federally recognized enterprise zones within the scope of rural development legislation. In 2003, the Legislature passed LB 608, the Rural Employment and Investment Incentive Act. The act applied to both rural counties with populations of less than 25,000 people, and state and federal enterprise zones. Members, we have two federally recognized enterprise zones. Essentially, they exist in northeast and southeast Omaha. The criteria for these enterprise zones are as follows. The area is one of pervasive poverty, unemployment and general distress. The area is located wholly within the jurisdiction of a local government that is eligible for federal assistance under Section 5318 of this title, as in effect on October 28, 1992. The unemployment rate, as determined by the appropriate available data, was not less than 1.5 times the national unemployment for that period. The poverty rate for each populous census tract within the area was not less than 20 percent for the period to which such data relate, and the areas meet at least one of the following criteria: Not less than 70 percent of the households living in the area have incomes below 80 percent of the medium income of households of the local government, or the population of the area decreased by 20 percent or more between 1970 and 1980. I think you'll agree that the criteria as outlined under federal guidelines, the criteria set out for our enterprise zones, kind of fits nicely and is a unique fit for the underlying intents of Senator Cunningham's LB 273. The amendment that I have put forward, AM0845, essentially does three things. It expands the

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scope of LB 273 to make federal enterprise zones eligible for the grants provided for in the legislation. The amendment provides that the Department of Economic Development administer the program with the assistance from the Rural Development Commission, which is...kind of switches the roles from the green copy version of the bill. And finally, and I know this last point will probably give the Chairman, my Chairman, of the Appropriations Committee a little bit of heartburn, it strikes the committee amendment, keeping the grant program funding at \$1 million. In consultation with Senator Cunningham and the cosponsors of the legislation under LB 273, it became apparent to me that I would not garner much support for the inclusion of the enterprise zones unless we elevated the amount available for the program. And I submit the amendment, AM0845, with the entire understanding that the amount afforded to the program will be an issue for the processes of this debate, and it is something I believe will be negotiated out as we undertake debate on the underlying bill. I would just want to emphasize what I think is a unique fit with the...if you look at the criteria of our enterprise zones, how it fits uniquely with the underlying intents of LB 273, and I would hope that the members of the Legislature would move to adopt my amendment. Thank you, Senator Cudaback.

SENATOR CUDABACK: Thank you, Senator Cudaback. You've heard the opening on AM0845, which is an amendment to the committee amendments. Open for discussion on that amendment. Senator Don Pederson.

SENATOR D. PEDERSON: Mr. President, members of the Legislature, Synowiecki is absolutely right. (Laugh) This does give me heartburn. But I'll tell you, I...this is initially a good bill, the one that Senator Cunningham has. And we do have areas of our state that are really in trouble and they're deteriorating, and we need to help them in some way. And Senator Synowiecki is right in that enterprise zones have a place. But my big concern with all of this is that we are kind of jumping on our horse and riding off in about five different directions, and I think that this is a poor way to approach economic concerns of this state. We do have serious economic concerns. We need to work on development, but I think we need a

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cohesive policy to do this. I think we need to structure; hopefully, the Revenue Committee will come out with a package that will include economic development, and there needs to be a place within that economic development that includes the rural areas of our state. I do not believe that this is an appropriate way to attack the problem. I understand, and Senator Cunningham knows where I'm coming from on this. It's a concern about a total picture. We are now in the process, and I alluded to this when I talked about the Nebraska critical access hospitals. I don't have any objection to the funding for that. I think it's a needed thing. But at some point, we need to have a picture of where we are trying to go as a state. And I do not believe that this parceling method of determining economic development is a way that we should be doing. We're going to consider very shortly in our Appropriations Committee, economic development through the DED of the state. We need to have a central clearinghouse for all of these development policies, and certainly we have Rural Development Commission concerns. We did not initially fund the Rural Development Commission this year. What's been happening, however, is that rural development has been paid for out of DED's budget, and they've been accomplishing the same thing. They probably can't keep doing that. But we do need...we do need rural economic development. We need to move our state forward, but is this the way to do it? I think that we should not take this one at a time. I'm very interested in the bill that Senator Stuhr has that talks about creating a fund and then a grant process. But how many of these programs can we go into? We're just not approaching this right, in my mind. I think we should consider, certainly, what Senator Stuhr has in mind and see if we could do that. But please, let's look at the fact that we do not have endless numbers of dollars to work with in this state, and we need to use those dollars in the most effective manner. I think economic development is essential to our state. We know that we're losing some of the real movers and shakers in our state to other states because of job opportunities, and that's part of it. I know we're losing population in the rural portions of our state because there are not...there are not opportunities for them economically. But we need to approach this in a more cohesive manner than taking it one bill at a time. And for that reason, not that these are bad ideas, but I...we simply can't afford to

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approach economic development for the state in this manner. So for that reason, I can't support these bills, so...or with the amendment. Thank you.

SENATOR CUDABACK: Thank you, Senator Don Pederson. Senator Chambers, on the Synowiecki amendment.

SENATOR CHAMBERS: Mr. President, members of the Legislature, friends all, piecemealing assistance to any depressed area of the state makes no economic or pragmatic political sense. If these grants can total no more than \$75,000 and can be spent over a five-year period, what kind of incompetent political subdivision do you have which is going to spend only \$15,000 a year from a \$75,000 grant to develop economic development or a program of it? It sounds nice on the surface. I have been critical of my rural colleagues for not insisting on more of the pie, but this is not what I'm talking about, not where you get mere crumbs which cannot achieve anything. It's like having three, five, ten hungry hyenas, and each is mated to another hyena, because you got to have at least two political subdivisions here. All of them are ravaged by hunger. And you take one Oscar Mayer wiener and you throw it among all of them. What you wind up with probably is a lot of bloodshed among those hyenas, trying to get at it. But if one gets all of it, it's not enough to satisfy hunger. It might stimulate greater hunger, more hostility, and aggression. If all of them get a little taste, it's not enough to accomplish anything of value, and whoever was cruel enough to drop that Oscar Mayer wiener among those hyenas is the one who ought to be slain and dropped among the hyenas. On bills like this, acknowledgments are made by my rural colleagues which they don't want to make when they're talking about giving away the state to these big business enterprises. Yesterday, talking about a labor bill, I pointed out how the population base of the state as a whole is not growing appreciably. Yet, as the population base remains stagnant and in some places diminishes, you all are going to give business more handouts which will require the remaining population to pay more in taxes, which makes no sense, but business will have its way. Then you want to disconnect that reality from a bill such as this and pretend that it's doing something to alleviate severe economic depression. It's not

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going to do anything of consequence. It builds the false notion that the Legislature is addressing rural problems, and that is inappropriate. There should be no language in the bill that talks about appropriating money because you don't appropriate money in a piece of substantive legislation. It's done by way of one of these salmon-colored A bills. And you got an A bill attached. That bill, LB 273, is poorly drafted. We need to stop putting that kind of language in the bill, and here's the language I'm talking about specifically, on page 3 of the green copy: The Legislature shall appropriate \$1 million for each of fiscal years 2005-06 and 2006-07 to carry out the act. You can't appropriate money through this bill. You appropriate money through this A bill, and it has to be appropriated from...

SENATOR CUDABACK: One...

SENATOR CHAMBERS: ...a specific pot of money.

SENATOR CUDABACK: One minute.

SENATOR CHAMBERS: So the bill is improperly drafted. It is not even a binding commitment or promise, but it can mislead people who would read the statute book and think that this money is there. And the Appropriations Committee, exercising sound judgment, will not appropriate anything for a bill like this or a program like this. Then it looks like the Legislature has not kept faith with the people. What it will mean is the Legislature has not kept faith with sound bill drafting principles. I'm going to put my light on again, but there's no way I could support this bill. Thank you.

SENATOR CUDABACK: Thank you, Senator Chambers. Senator Landis, followed by Senators Wehrbein, Cunningham, Mines, Stuhr, Engel, Jensen, Loudon and Chambers. Senator Landis, please.

SENATOR LANDIS: Mr. Speaker, members of the Legislature, I want to distinguish some of the pieces I want to talk about between Senator Synowiecki and Senator Cunningham's agendas. Senator Synowiecki brought a bill to the Revenue Committee to redesignate state enterprise zone areas, and it didn't succeed. But there are two sources of enterprise zones, one state, one

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federal. And in fact, the federal enterprise zones have some power to them. And this amendment is addressed to federal enterprise zones, and for that sense, what I was originally going to say I was concerned about, I'm not concerned. A federal enterprise zone designation area is a legitimate tool to use, and there is some power behind it from the federal tax code and regulation, and it is a good tool. Our state enterprise zones have not proven to be effective, and even though I'm a big supporter of them, originally, in fact it was my original bill, I've come to see that they're not effective. But this amendment is on the line of the federal enterprise zone, which is an appropriate designation to make. It's the right structure. Well, what about the underlying bill? There are six purposes for which the money is to be spent. One of them is technical assistance to energize small business--great goal. We do have, in fact, LB 608 that's designed to get a tax incentive for that. That's on the books. We do have a microenterprise program that's on the books and operating. We've got a \$2 million microenterprise tax credit bill that Senator Connealy has in the Revenue Committee, which is now in the package that I expect the Revenue Committee to produce. So there are some tools there. Small business transfer, the second topic, we've got a federal Small Business Administration that's supposed to assist with that. We have the depart...we have Kearney State...not, let me get that right, University of Nebraska at Kearney, who has a small business administration program that Gene out there has been doing for a number of years, and it does this kind of work. A third purpose is community capacity and leadership programs. Well, if there's any money in the CDBG program, that was for community capacity if it's there. We have a Main Street program in our Department of Economic Development. We have community college programs. Our planning school goes out and assists small towns with their free services as part of the planning education. The Heartland Institute, a private institute but is, nonetheless, doing a great deal of work on leadership, is out there trying to call people together for leadership programs. The League of Municipalities does the same. There are many suppliers. The fourth purpose is to attract young people and families, and there, by the way, I think opportunity is the key. I would agree to that. I'm not sure it's going to be in \$75,000 grants. If it is, it's going to be in places like a

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microenterprise program like Senator Connealy has, that builds opportunity one job at a time or, in the alternative, the idea of using "telework"; not necessarily telemarketers, but people who are able to live on their own with a fax machine, cable and connection, can live in rural Nebraska and be connected to a large enterprise. That's part of the current economic development package that the Revenue Committee is now looking at, to get that kind of worker a chance. Fifth is philanthropy and intergenerational transfers of wealth, and sixth is building community endowments. Don't we have a \$5 million bill that's now on Select File that's supposed to do those two procedures? And aren't they there as a kind of tax credit for exactly that purpose? And that one is on Select File. In other words, as Senator Pederson has told us, it is the lack of coordination so that you can get bang for buck, so that you can get focused, so that you can get resources in sufficient amount to make a difference. And the problem with this bill, as hugely well-intentioned and as appropriately aimed at a genuine problem,...

SENATOR CUDABACK: One minute.

SENATOR LANDIS: ...is that it lacks that sense of priority. I must say that it's a fault of us for our thinking. Senator Burling has a bill in, in the Revenue Committee, about calling for the Revenue Committee to oversee a tax study. Better, from my perspective, would be a private-public partnership focusing our development strategies. That, to me, would be a place where priority really could be achieved, and we would profit immensely by a come...the advice of the private sector to the public sector on how to focus and get the most results for the limited state resources we bring to the table for these things. If push comes to shove, I'll vote for the underlying amendment, although not the money in the Synowiecki amendment, but I got to tell you, although I'll try to do something for rural Nebraska, I am hard pressed to think that this is that bill. Better is the microenterprise piece by Senator Connealy, from my perspective.

SENATOR CUDABACK: Time, Senator.

SENATOR LANDIS: Thank you.

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SENATOR CUDABACK: Thank you, Senator Landis. Senator Wehrbein, followed by Senator Cunningham and others.

SENATOR WEHRBEIN: Thank you, Mr. President and members of the body. Well, Senator Cunningham knows that I have had trouble with this bill, and if you notice, I'm the only one that voted against it out of committee. It isn't that my heart isn't with them, and I have much the same reservations as already been expressed. I will say I've got a list here that, and it's probably a partial list: LB 273, LB 28, LB 71, LB 309, LB 404, LB 543, and there's probably other bills that are all in the hopper somewhere. Some have been killed, some still have life, and some are priorities that we're going to be taking up. Been working, a few of us, over the last few weeks, recognizing the fact that for rural development, or just economic development alone, we're not going to be able to get all that we want. We're going to have to focus, if we get anything. Many of us are waiting anxiously, frankly, for what the Revenue Committee is going to be putting out in terms of what their focus will be and how that's going to relate to LB 775 or a son of LB 775, if that's what it's to be. I'm not clear yet as to what's coming out. But this particular bill I...just, to me, just doesn't fit the bill as to where we ought to go. In fact, we talked in committee about having a study, much the same that Senator Landis mentioned, of a way to try to focus and do...get at all the organizations out there, some to them being federal, which is...one of them has been defunded as of this point. The conservation...oh, I can't recall, RCDC, research, conservation and development organizations that are now across the state. We have regional development economic districts. We have many, many others. The list goes on and on of the things we do. Some of the money here was going to be asked to support the EDGE program which is a business plan oriented...a business development situation. We've had the Nebraska Business Development Centers that have been across the state at various locations. We have many, many of these enterprises out there, and I think we are using a shotgun when we should be starting to use more of a rifle. So I don't really appreciate having to throw some cold water on Senator Cunningham's parade. He knew I had reservations about it. The only...I haven't decided what

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I'll do with this bill. I may advance it once just to keep it alive, but right now I don't intend to. But I think there's some other bills, in my mind, that will serve the purpose better. LB 71, for example, which we're not on today, is one that has been tried and worked pretty well. And I think all of us interested in rural development, which probably includes all 49 in many cases--some of us are more interested than others--are going to have to decide over the next six weeks what we are going to focus on and agree. Maybe agriculture can get together and actually decide what we're going to focus on and decide what best fits the areas that we're weak in and what we're not, and where we want to be, and put emphasis. I'm not clear if I could ask...if I have any time left, I'd like to ask Senator Synowiecki a question, if I could, Mr. Speaker, Mr. President. Senator Synowiecki.

SENATOR CUDABACK: Senator Synowiecki.

SENATOR SYNOWIECKI: Yes.

SENATOR CUDABACK: Would you respond?

SENATOR WEHRBEIN: On the enterprise zones that you're talking about, is there any funding coming from the feds into that or are those mostly incentives? I'm not clear on how they work.

SENATOR SYNOWIECKI: Quite frankly, Senator Wehrbein, I don't know. I know that, from time to time, there will be federal grant monies will come to the state with a specific designation that it needs to go to...

SENATOR CUDABACK: One minute.

SENATOR SYNOWIECKI: ...needs to go to enterprise zone areas, but I don't know.

SENATOR WEHRBEIN: Your intent was, if this was to go, to simply make them eligible for grants coming from...flowing from this source...

SENATOR SYNOWIECKI: Exact...

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SENATOR WEHRBEIN:      ...to do some business development within those particular northeast and southeast Omaha, if I heard you correctly.

SENATOR SYNOWIECKI:    You're exactly right, Senator Wehrbein, and we...as I mentioned, we have a history of linking rural interests with the interests, economic interests, of our enterprise zones.

SENATOR WEHRBEIN:      Okay.      Thank you.      Well, anyway at this point, I'm going to listen to some more debate.      I am reluctantly not going to vote to move this bill forward because I think there are others.      Admittedly, we're going to windrowing...winnowing, whichever term you want to use--I use a windrower--to narrow down the focuses that we're headed for.      Maybe it's too early to do it General File, but certainly we're going to have to start focusing on what we think is going to best serve the future of Nebraska over the next eight or ten years at least, and where we ought to concentrate our resources.

SENATOR CUDABACK:      Time, Senator.

SENATOR WEHRBEIN:      Thank you.

SENATOR CUDABACK:      Thank you, Senator Wehrbein.      Senator Cunningham.

SENATOR CUNNINGHAM:    Thank you, Senator Cudaback and members.      I appreciate the chance to be up here again today.      It looks like there's a lot of negative.      I seem to bring that out.      But, Senator Synowiecki, you and I talked a couple days ago about your amendment, and I agreed to that if we could get more money in the bill, because there just simply...the bill was cut quite a lot the way it was, by committee amendment, so I couldn't support it if we didn't increase the money.      So I still stand on that.      I'll support the amendment if the money holds in there, but otherwise I'll have to oppose that.      Senator Pederson, I definitely understand why he needs to take the stance he does, as Chair of the Appropriations Committee.      I just have to tell you that I feel we need to do more for rural Nebraska.      We need

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to understand that we need to have rural Nebraska help us get out of the financial problems we are in here in Nebraska, and I think that some of the programs like this will help do that. Senator Chambers mentioned that it's not enough money, we need to have more money. And I would love to have more money for rural Nebraska if we could, but it just isn't there. But maybe we, as rural senators, need to stand up and demand rural money. But this, the grants in this program are a maximum of \$75,000, but in rural Nebraska small communities, if you get a grant of \$10,000 or \$15,000 or many times \$5,000, and then you have the matching funds that go along with that, that can go a long ways for leadership programs and educational programs. So we need to consider that. It can...if it goes down to the \$200,000, we don't have the \$1 million that's in your bill, Senator Synowiecki; at \$200,000, even though it's not what I would like, we can do a lot of programs to help build rural Nebraska. LB 71, Senator Stuhr's bill, the value-added ag bill, I heavily support that bill. It's been a bill that was introduced several years ago, and it was eliminated during budget cuts, and it did a good job. It really accomplished things in rural Nebraska. But that is for agriculture only. The bill that I'm introducing would be all across the board. Senator Landis talked about technology and we need to improve technological jobs in rural Nebraska. You all remember a few years ago when Senator Bourne had the amendment that put the child support call center in Wausa, Nebraska. The state Child Support Call Center is in a community of 600 people. Every call across the state about child support goes to Wausa, Nebraska. We can do those things in rural Nebraska, but we need to develop leaders. That's a big, big part of this. In Verdigre, Nebraska, this summer I had the privilege of...I was doing some economic development things, and I met two individuals there, one of them working out of an office, that works for Boeing Airlines. Another young lady was selling some type of an educational product to some of the area schools, but her parent company was in London. So they're...but they're working out of a home-type of an office. And I would contend to you that I went to the Chairs' meeting the other day and I saw the report, you know, the numbers from the Fiscal Office and where we're headed in Nebraska, and I would contend that bills like this are going to help us fix those problems, not hinder that. Thank you, Senator Cudaback.

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SENATOR CUDABACK:      Thank you, Senator Cunningham.      Senator Mines.

SENATOR MINES:      Thank you, Mr. President, colleagues.      I'm not going to tell you anything new today; however, I just for the record wanted to state that I did vote to amend the bill in the Government Committee and reduce the dollar amount from \$1 million to \$200,000.      Frankly, Nebraska can't afford that kind of an incentive right now, \$1 million.      I'm a little hesitant about a \$200,000 commitment at this time.      But I did vote for both the amendment and the bill because there's a principle in that bill that makes sense to me.      And what makes sense is the dollar-for-dollar match between local government agencies or local government organizations and the state of Nebraska.      This isn't a 100 percent giveaway program.      And that was different and new, and I thought that merited the discussion on the floor, and with your consideration may merit passage on to Select File.      More importantly I think, the \$75,000 that we've discussed, if you include the match, \$150,000 is created and could be spent over a five-year period.      Thirty thousand dollars a year to a community the size of most of our small friends, small communities, is a big deal.      You can make some significant impact with \$30,000 a year.      Now whether or not it works and creates jobs and creates economic growth is up to the local community.      And I think ultimately it's about the local community determining what's best for them, not the state of Nebraska.      Unfortunately, they don't have the money on their own to do that many times.      More from a larger picture, Senator Landis indicated, of the six agenda items that are included in the bill, five of them are...would be competing against existing programs and/or funding mechanisms.      Obviously, that is not competent spending on our part, that's just not the way we ought to approach this.      And if we look at this completely from the outside, which I think we had better start doing, we have an economic development overall plan for Nebraska that is very similar to a Chinese fire drill.      Most people, I would venture to say even those in the Department of Economic Development, can't get their arms around all the plans, all the programs, all the funding opportunities for what we tend to call economic development.      We as a state, we as a Legislature, need to

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determine and identify public policy: what constitutes the right spending, what constitutes the right economic development for our state--not just for certain segments, not for rural areas or for enterprise zones, or for municipalities or counties--what's right for the state of Nebraska. And between now and next year, that's going to be a priority for me, to determine what kind of economic development programs are there, and what's the best direction for the state. And then we have full discussion, rather than bits and pieces. I do support the amendment. I support the bill, principally because it's a new idea, because it engages local governments, local entities, and forces them to participate, whether it's in-kind or with direct funding, participate in the process rather than taking the money and spending it with no obligation, no outcome demanded from them. So with that, Mr. President, thank you.

SENATOR CUDABACK: Thank you, Senator Mines. Senator Stuhr, on AM0845.

SENATOR STUHR: Thank you, Mr. President and members of the body. I do come before you in support of the bill and also the amendment. Before this session, the Rural Development Committee (sic) selected some of the priorities that they really wanted to work on this year, and this was one of those bills that we selected. Since the commission has been formed, there's been an ongoing dialogue about the future of rural Nebraska and the communities in rural Nebraska and what might be done to be able to assist these communities to grow and to prosper. Much discussion has occurred about the out-migration of the best and the brightest of our state and how we might find ways to keep these young adults and young families in our communities. We in the rural community and also in other communities are struggling to find ways to help our economic depressed areas. And I'm not only talking about the rural areas but also, as Senator Synowiecki has pointed out, there are a couple areas in the Omaha area. Just a couple statistics: Between 1980 and 1990, all but 10 of Nebraska's 93 counties lost population, and that was primarily when the farm crisis occurred. A study was done in April of 2003 by the Opportunity for Postsecondary Education and found that Nebraska ranks 40th nationally in keeping its college graduates. A study done by the University of Nebraska

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maintains that one-third of UNL graduates leave the state. Although the Rural Development Commission recognizes that bringing jobs to an area could be part of the solution, entrepreneurship appears to be one of the things that could create jobs in the local level. The federal Bureau of Economic Analysis reports that seven out of ten new jobs in rural areas are being created by entrepreneurs, and that's really what this bill is about. Another statistic that I found: Nearly 17 percent of all the private nonfarm jobs in the United States come from microenterprises, and over one in five private nonfarm jobs are attributable to microenterprises in the most rural states in the nation. And I know there's been a lot of talk this morning about trying to figure out what we want to do. But as Senator Cunningham says, I believe most of us feel it's very important that we do something, and so that's why we have brought a number of bills before the Legislature this year, in an attempt to try to help our communities in whatever way that we can. Senator Chambers made the remark that \$15,000 or \$5,000 doesn't make a difference, but let me tell you it does for someone that is interested in looking at a new idea or trying to start a new program, and that's really what this bill is about. Yes, I think we will have to set some priorities. There's been some mention of LB 71, which was really the top priority for the Rural Development Commission, but also this bill was also another top priority. So I would hope that at least we could pass this on to Select File. As Senator Pederson said, there are concerns. We know we have a limited...

SENATOR CUDABACK: One minute.

SENATOR STUHR: ...amount of money, but...and we want to put that to the best use that we can, but we really feel that these are some programs that will be very helpful in the overall picture. Thank you, Mr. President.

SENATOR CUDABACK: Thank you, Senator Stuhr. (Visitors introduced.) On with discussion of AM0845 to the committee amendments to LB 273, Senator Jensen.

SENATOR JENSEN: Thank you, Mr. President, members of the Legislature. I've been listening to the debate which I think

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has been very good, and I also have been thinking about what Senator Pederson said. There's been very few economic development bills that I haven't supported. I think it's very important that the state put its best foot forward and to try to encourage economic development. However, I also look at the number of committees where we have had bills. In the Banking Committee on which I serve, we have a bill that's got about a \$2 million figure on it; this one here, whether it be \$1 million or \$200,000; certainly we have also had in the Revenue Committee; the Ag Committee; we've had also more economic development bills. I think it is time that we bring all these together and look at them together and decide which way that we want to go. I certainly would encourage development in the rural areas particularly. I think we can get some money's worth there. But whether Senator Beutler in his Performance Audit Committee ought to take a look at all of these together, to look and see where the outcomes are coming from and if we're getting really the best bang for our dollar, or how we determine this. But to to this piecemeal effort of many different programs out there I don't believe is working. And without a doubt, I'm thoroughly convinced that anytime we enter into a new program...and, yes, there is a surplus of dollars short-term, but long-term we have some real, real problems ahead of us. And so anytime that we enter into a new program in 2005, where are we going to be in 2008? And I think we need to be very cognizant of that. I don't know whether this is the bill that we should move forward, but I certainly am convinced that before we vote on too many of these, we should gather every...all of them together and determine which is the best direction to go. And I'm not sure that this is one, whether the one that we moved out of the Banking Committee was the right one to move on, but I don't like what we're doing. I don't like this piecemeal effort of funding many different programs without real direction on where we want to go and are we achieving the outcomes that we want. At this point in time, I'm not sure that I can vote for this bill or any others that are coming forward without some kind of coordination of all of those. Like I said, whether Senator Beutler's committee is the one to take a look at those or whether it be Government Committee or the Revenue Committee, I certainly think that we need to wrap our arms around all of these before we move ahead and commit to programs that later on

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we can't fund. So I will sit back and look at this, but at this point in time, I don't know that I will vote for this bill until we do, like I said, bring some kind of coordination to all of our economic development, to ensure that what we're doing has some return back to our state on. With that, I'll return the rest of my time back to the Chair. Thank you.

SENATOR CUDABACK: Thank you, Senator Jensen. Senator Louden.

SENATOR LOUDEN: Thank you, Mr. President and members of the body. I'm certainly not opposed to economic rural development or, for that matter, any kind of rural development, whether it's urban or rural or small towns or areas, whatever. I guess the questions I have with when we're doing these things piecemeal, as I've worked through different projects through the office, I've found out we were usually able to find grants and money that are already out there to get some of these projects started in different areas. When I look at this bill and they talk about economic development, the first thing I see is about 70,000 bucks to hire somebody to implement that. Now, if I could put that person with those wages out there in Ellsworth or someplace like that, I'm sure that would help that economic development for that area. I have a problem with some of these bills and these, such as these, that the first thing we have to do is hire some people to implement them. We already have a rural economic development agency that's doing quite well, and they've done a lot of work in western Nebraska and in the district that I have. Whenever we have questions, they've been more than willing to help us work along with some of the projects going out there. I'm sure Senator Cunningham has a very good idea here by trying to help out. I think Senator Stuhr says that we...these areas need help and we have to do something, but I don't know if we should do something even if it's wrong. And that's where I have the problem is this...if this is the right thing that we're doing at the present time. I hate to see our funds squandered a little bit at a time in various agencies and areas and not have anything to show for it afterwards. When you have a cap of \$75,000 on there, there'll probably be times when I don't know if that's enough money to do any good. When you have these small funds like this, there's areas where people can do some good but many a times there's

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about that much money and it's done for a study. By then you're getting into kind of a high dollar study and the money is gone. And when you're talking getting into the \$75,000 range, then that's a sizeable check if you do that very many times. So I hate to be one that say that I don't support rural economic development and that sort of thing, because I certainly do, but I don't know if this is the right mechanism at the present time to carry on with. So at the present time, I don't know as I can support this bill and, of course, the amendment of Senator Synowiecki's is...I probably wouldn't support that either if I can't support the bill. Thank you, Mr. President.

SENATOR CUDABACK: Thank you, Senator Louden. On with discussion of AM0845. Senator Chambers.

SENATOR CHAMBERS: Mr. President, members of the Legislature, every now and then Senator Landis will speak and remind me of why I have always thought so much of him, and then he does something foolish like that Cabela bill and it reminds me of a statement, I don't know if Jonathan Swift was the one who said it, but he indicated that if you give 1 bad reason in your argument, you wipe out 100 other good reasons that you may have provided. So here Senator Landis is just talking and I'm just going back to the old days when he was really more focused and I'm saying, "Uh-huh, go, Dave, go." And if I was with the kids, you know how you make those moves to emphasize it with gestures. He was talking about the need to focus, to kind of corral all these different programs, come up with a large enough amount if we're going to expend some money, so that something will be produced from that expenditure, an impact will be made. It will be possible to look at what the situation was at point A and consider what it is at point Z, and look at the steps in between to see if anything was achieved. But certainly, you want there to have been an improvement by the time you get to point Z over what it was at point A. He's laying all that out. And then something reminded me that I've got a bone to pick with David Landis and what is it, and Cabela jumped up and started erasing all those good things he was saying. But they were so good, I pushed Cabela aside. And his articulation of what we're facing and the approach we ought to take I think is worthy of a prudent Chairperson of the Revenue Committee, would that he always were

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so prudent. Others have commented about the scattergun, unfocused approach. My view is that there's not enough in this bill to amount to a hill of beans. I had sketched out something which you can't see from you are, but I asked Senator Connealy to tell me what it was, and he said it's exactly what the rural people ask for and what they usually get. It's a peanut, and trying to salvage something he said, but you could make peanut butter out of it. And my rejoinder was, but it would not be enough to cover one-quarter of a graham cracker. Not enough is being sought to do anything. If we put all of these programs on the books, a penny here, a nickel there, and as a result you have a string of failed enterprises, failed attempts, these are not the things that inspire or encourage people. They entrench and worsen the feeling of hopelessness and despair. Old Man Rockefeller, when a dime, Senator Loudon, was worth something, would take handfuls of dimes, and when he saw the unwashed masses out in the street, threw those dimes out there. He enjoyed watching people scramble to get those dimes. I don't want to see the rural community put in that situation. I'm not going to support this bill. I don't think it ought to be supported, but we will see what we shall see. I would describe it...

SENATOR CUDABACK: One minute.

SENATOR CHAMBERS: ...as an attempt to give aid to political subdivisions. The bill is drafted so loosely that when you give this money to the subdivisions...remember, you're not giving it to individuals by way of a grant...they could spend it for anything they wanted to. Wherever they had a budget shortfall, they could spend it for that purpose. This is not a wise bit of public policy. I hope the bill does not go anywhere. Thank you, Mr. President.

SENATOR CUDABACK: Thank you, Senator Chambers. On with discussion, Senator Stuthman.

SENATOR STUTHMAN: Thank you, Mr. President and members of the body. I've been listening very close to this bill having to do with, you know, economic development in rural areas and everything like that. I think this is a good idea, but I think

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it should be utilized as a complement to something else that we already have here in the state of Nebraska. What have we got here in the state of Nebraska? We have agriculture, we've got animal agriculture. What is happening to the rural areas? Animal agriculture is being driven out of communities by special interest groups. I'll just give you a for instance of what is realistically happening in the communities. We are farrowing as many sows as we did in 1994, but a lot of those pigs are leaving the state. They are leaving the state. They are not being fed here. They're going to another state. They're utilizing the crops that we raise in another state. So why, why don't we work on something and utilize the natural resources that we have here in the state to build economic development? Value-added agriculture, the best value-added agriculture is adding value to the corn. This is done through livestock production. And I'm going to give you a couple of the numbers that I've just kind of calculated, and I know these are not even close to the realistic numbers but it's going to give you a little of an idea as what could happen. There's over 2 million hogs that are leaving the state of Nebraska that are farrowed here. The farrowing units are doing all the work there, but, as an Isowean pig, they leave the state of Nebraska. Someone else's corn is being utilized for those. Someone else's labor is being utilized to raise these hogs. We talk about the rural communities leaving. People are leaving it. Young people are leaving the farms, leaving the rural communities. You know, if we could expand the operations of these pork production units and utilize facilities that would raise these hogs that are leaving the state of Nebraska, we would add over a billion, over \$1 billion of valuation to communities. And you know what \$1 billion adds to valuation of communities. That brings income to school districts, to counties, to communities. But I think this bill, you know, would complement that. If we could keep the younger people on, in agriculture, their spouses could probably work in something that would be available in a community that would be assisted by this bill. So I think, you know, I think realistically we should take a very serious look as to the resources that we have available to us, and try to add value there, bring tax dollars, create jobs. I have not had the time to calculate how many jobs, you know, these 2 million hogs a year would create. And those people would be the younger

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people. They would have an opportunity to stay in the communities. Because I have a one community that's in my district where 60 percent of that community works in livestock operations, and that community is very viable. Those individuals, you know, have the younger children and they support the schools. So I think this bill, and I'm going to support this bill, but I think we should be looking further ahead as to what we have, what we should be doing with what we have here today. So with that, I'll return the balance of my time to the Chair. Thank you.

SENATOR CUDABACK: Thank you, Senator Stuthman. Senator Connealy, on AM0845.

SENATOR CONNEALY: Thank you, Mr. President and members. We've heard a lot of discussion this morning, and I appreciate what the Chairman of the Revenue Committee said about how we have different approaches going this year, and some of those are mine. And we have heard about we need to get a rifle shot instead of a shotgun, and narrow down to one project or one group that works, and I think that that misses what happens in rural communities and small business development. What we need is different approaches, multiple tools, and to some extent we are offering maybe too meager of proposals, small proposals that will not work everywhere. What works in Decatur does not actually work in Deshler or Beemer and Benkelman. You have to tailor things to fit those communities and those efforts. Multiple tools, small tools I think are what's needed, I believe, as we redo economic development here in the state, and we're going to do an awful lot of it this session. These kind of programs have to be part of that mix. We've left small business and we've left rural development way down on the totem pole of what we do. We've been focusing mainly on big box and big projects, and we need those, but I think we also need to have small programs that help develop jobs in microenterprise areas and in rural areas, and so I'm going to support the Synowiecki amendment, and I'm going to support the bill. I believe that we need all these tools, even though there are a lot of them and a lot to get our arms around, as Senator Mines mentioned, but I think that we have to have all these different weapons in our quiver or we're not going to get the job done

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everywhere in the state. Thank you.

SENATOR CUDABACK: Thank you, Senator Connealy. Senator Engel.

SENATOR ENGEL: Call the question, please.

SENATOR CUDABACK: The question has been called. Do I see five hands? I do see five hands. The question before the body is, shall debate cease on AM0845? All in favor vote aye; opposed, nay. The question before the body is, shall debate cease? Have you all voted who care to? Record please, Mr. Clerk.

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

SENATOR CUDABACK: Debate does cease, Senator Synowiecki, you're recognized to close.

SENATOR SYNOWIECKI: Thank you, Senator Cudaback, members. I appreciate very much the remarks by members and I thought it was a very good and enlightening debate. I essentially agree with many of the remarks relative to the need to streamline and have more collaboration, more focus perhaps in what we do in the area of economic development programming, particularly as it relates to the rural areas of the state. What I'd ask, though, is that for purposes of my amendment, that you differentiate between your position on that issue and the underlying merits of my amendment, which is simply to incorporate within the bill the very similar eligibility criteria between the green copy of the bill and the criteria that is set out as eligibility as a federal enterprise zone. As I noted in the opening, this body has a history of linking the economic development interests of both the depressed rural areas and our two federally recognized enterprise zones, as was embodied in the passage of LB 608 in 2003. Essentially, the amendment does three things. It expands the scope of LB 273 to include federal enterprise zones for the grants that are eligible under the legislation. It, secondly, provides that the Department of Economic Development administer the program rather than the Rural Development Commission, but the Rural Development Commission assist in the development of the program. And finally, it strikes the committee amendment

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and maintains the \$1 million funding for the program, noting that that will be open to further debate and further processes within this body. I want to thank the members for your attention. Again, I appreciate the debate. I would ask that you incorporate our federal enterprise zones into the underlying bill, LB 273. Thank you for your support.

SENATOR CUDABACK: Thank you, Senator Synowiecki. You've heard the closing on AM0845 to the Government, Military and Veterans Affairs Committee amendment. All in favor of the amendment vote aye; those opposed, nay. We're voting on the Synowiecki amendment, AM0845, to the Government, Military and Veterans Affairs Committee amendments to LB 273. Have you all voted on the amendment who care to? Senator Synowiecki, for what purpose to you rise?

SENATOR SYNOWIECKI: Senator Cudaback, I'd request a call of the house, please.

SENATOR CUDABACK: A request for a call of the house. All in favor of the house going under call, vote aye; those opposed, nay. Record please, Mr. Clerk.

ASSISTANT CLERK:      24 ayes, 0 nays    to    go    under    call,  
Mr. President.

SENATOR CUDABACK:      The house is under call. All unauthorized personnel please leave the floor, unexcused senators please report to the Chamber. The house is under call. Senator Foley, Senator Friend, Senator Chambers, Senator Beutler, Senator Thompson, the house is under call. Senator Friend. Senator Thompson, Senator Chambers. The house is under call. Unexcused senators, please report to the Chamber. Senator Thompson and Senator Friend. Senator Thompson, please report to the Chamber. Senator Synowiecki, Senator Thompson has left the building. How did you wish to proceed, Senator?

SENATOR SYNOWIECKI: Board vote.

SENATOR CUDABACK: You already have had a board vote, so you have two options: roll call or call-ins.

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SENATOR SYNOWIECKI: Call-in votes, please, Senator.

SENATOR CUDABACK: Senator Synowiecki has accepted call-in votes. Anyone wishing to vote on the subject may do so now. Senator Synowiecki has accepted call-in votes.

ASSISTANT CLERK: Senator Erdman voting yes. Senator Bourne voting yes. Senator Janssen voting yes. Senator Stuthman voting yes. Senator Schrock voting yes. Senator Howard voting yes. Senator Cornett, had voted yes, Senator. Senator Pahls voting yes. Senator Louden voting yes. Senator Langemeier voting yes. Senator Foley voting yes. Senator Aguilar voting yes.

SENATOR CUDABACK: Record please, Mr. Clerk.

ASSISTANT CLERK: 25 ayes, 6 nays on the adoption of Senator Synowiecki's amendment.

SENATOR CUDABACK: The amendment has been agreed to. (Visitors introduced.) I do raise the call. Items for the record, Mr. Clerk.

ASSISTANT CLERK: Mr. President, new A bills. (Read LB 288A, LB 65A and LB 438A by title for the first time.) Amendments to be printed to LB 273 by Senators Beutler and Chambers; an amendment to be printed by Senator Louden to LB 121; Senator Chambers has an amendment to LB 739; Senator Friend to LB 361. New resolution by Senator Byars, LR 65, requesting Congress to ensure a stable, high-quality direct support work force for individuals with mental retardation; and a letter from Senator Brashear referring that resolution to the Reference Committee for referral to an appropriate standing committee. An announcement from Senator Landis that the Revenue Committee will meet in Executive Session today at 1:30; that's Revenue at 1:30, Room 1524. Senator Mines (sic) would like to add his name to LB 273; Senator Stuthman to LB 273; Senator Chambers to LB 361. (Legislative Journal pages 988-993.)

Finally, a priority motion: Senator Stuthman would move to

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adjourn until Thursday, March 24, at 9:00 a.m.

SENATOR CUDABACK: Thank you, Mr. Clerk. Motion on the desk, motion is to adjourn till tomorrow morning at 9:00 a.m. All in favor say aye. Opposed, nay. We are adjourned.

Proofed by: J. Hurlbut