

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
February 07, 2011

[LB131 LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

The Committee on Appropriations met at 1:30 p.m. on Monday, February 7, 2011, in Room 1003 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB373, LB374, LB375, LB376, LB377, LB378, LB379, LB380, and LB131. Senators present: Lavon Heidemann, Chairperson; John Harms, Vice Chairperson; Danielle Conrad; Tony Fulton; Tom Hansen; Heath Mello; John Nelson; Jeremy Nordquist; and John Wightman. Senators absent: None.

SENATOR HEIDEMANN: Now that Senator Mello is here, we can start. Okay, we're going to go ahead and get started. Welcome to the Appropriations Committee. We'll start with self-introductions, starting right over there.

SENATOR NORDQUIST: All right. Jeremy Nordquist, District 7, downtown and south Omaha.

SENATOR HANSEN: I'm Tom Hansen, District 42, Lincoln County.

SENATOR CONRAD: Danielle Conrad, north Lincoln, 46th District.

SENATOR WIGHTMAN: John Wightman, District 36, most of Buffalo and Dawson County.

SENATOR HEIDEMANN: I'm Senator Lavon Heidemann, District 1, southeast Nebraska. To my right is Anne Fargen. She's the committee clerk. To my left will be Mike Calvert, one of the few times that we actually have him sitting in here...to my left actually. Excuse me, I caught that. And then to Mike's left is...

SENATOR HARMS: John Harms, represent the 48th Legislative District, Scottsbluff.

SENATOR HEIDEMANN: Sitting next to his left will be Senator John Nelson from Omaha, who is introducing bills, will join us later; and Senator Tony Fulton from Lincoln, who will also be joining us later. They got some bills they're introducing. And sitting next to their left, last but not least,...

SENATOR MELLO: Senator Heath Mello, District 5, south Omaha and Bellevue.

SENATOR HEIDEMANN: Our two pages for the day, if we need anything or if you need anything, are Emily and Amara. Did I say that right? At this time we would like to remind you, if you have cell phones, to please shut them off so as not to be disruptive later. Testifier sheets are on the table or near the back doors. We ask that you please fill them out completely and put them on the box when you testify. At the beginning of your testimony, for the transcribers that do this later on, we ask that you would please state

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
February 07, 2011

and spell your name. Nontestifier sheets near the back doors if you do not want to testify but would like to record your support or opposition, you only need to fill this out if you will not be publicly testifying. If you have printed materials to distribute, please give them to the page at the beginning of your testimony. We need 12 copies. Now we're going to go into something that you don't see the Appropriations Committee do very often. I think in the 2009 Special Session we actually had some time limits but this year, with all the budgetary stuff that we have going on, we're actually going to use the light system. In an effort to be fair to all that want to testify on the budget this year, the Appropriations Committee will be using the light system. The principal introducer or the principal agency representative will not have a time limit. We do urge you to keep your testimony though concise and on topic. All testifiers will be given three minutes on the light system. Sitting on your testifier table, you will notice a green light when you start your testimony. When you have one minute left, the yellow light will turn on. When the red light turns on, please complete your testimony. Following the principal introducer on bill hearings, we will then take testimony first from proponents, then opponents, and then in the neutral position. For agency budget hearings we'll take general comments on the agency budget proposal following the principal agency representative. With that, we are going to--get to the right sheet of paper here--open on the Governor's budget bills. We will start with LB373, also at the same time LB374, LB375, LB376, LB377, LB378, LB379, and LB380, all at the same time. So with that, I think I see Gerry in the crowd. Welcome.

GERRY OLIGMUELLER: (Exhibits 1 and 2) Good afternoon, Senator Heidemann and members of the Appropriations Committee. For the record, my name is Gerry Oligmueller. My name is spelled G-e-r-r-y O-l-i-g-m-u-e-l-l-e-r. I'm the State Budget Administrator and administrator of the DAS Budget Division. I'm appearing here today on behalf of Governor Heineman in support of LB373 through LB380, which constitute the major portion of the Governor's budget package. The funding for the operations of state government, state aid to individuals and other governments, and capital construction are contained in these legislative bills. The contents of this legislation have been summarized and presented to you in a publication entitled, "Executive Budget in Brief, 2011-2013 Biennium," and dated January 13, 2011. I've provided a copy of that printed publication along with my prepared remarks to the committee clerk for your record. In addition, we've posted a more comprehensive publication entitled, "Executive Budget, 2011-2013 Biennium," dated January 13, along with a complete copy of the individual state agency, board, and commissions' biennial budget requests on the state Budget Division Web site. An additional 15 legislative bills were introduced at the request of the Governor as part of his specific budget recommendations. These 15 legislative bills and another 14 legislative bills introduced by individual senators or committees were accounted for in the Governor's recommendations as noted in our January publication. Those 29 legislative bills have already been or will be subject to public hearings in other committees. The Governor's recommendations for adjustments to the current fiscal year, 2010-11, appropriations are contained in the first bill you

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
February 07, 2011

referenced, which is LB373, and represents a net reduction of \$24.7 million in current General Fund appropriations. Current 2011 General Fund reappropriations are also reduced by \$15.6 million. The Governor's recommendations for the upcoming biennium are contained in LB374 through LB377. These recommendations provide for a two-year average increase in General Fund appropriations of 2.2 percent. LB378 and LB379 contain specific provisions related to various funds and transfers necessary to administer and account for budget recommendations made by the Governor for the upcoming biennium. LB380 suspends the so-called LB1100 depreciation charges for both fiscal years '12 and '13. I know that the many state agency budget requests and the provisions of LB373 through LB380 have been the subject of your committee working sessions these past three weeks. In addition to this information, your upcoming preliminary recommendations will be the subject of your committee hearings for the next four weeks. Today I will not be duplicative by reviewing in detail the Governor's recommendations. Agency directors will be prepared to discuss specific recommendations related to their agencies during their upcoming budget hearings. The staff of the state Budget Division and I will be available throughout your committee process to assist as may be necessary in your further work on developing your recommendation for the 2011 through '13 biennium. This particular Appropriations Committee has served the state of Nebraska during a period of this nation's history that has experienced one of its greatest challenges--an economic period that has been characterized as the "great recession." For that I thank you. The consequent fiscal challenge to state government has required unprecedented fiscal discipline throughout the three branches of state government. With nearly two-thirds of the state budget consisting of state aid to individuals and local governments, this biennial budget process requires making a clear choice of priority among those seeking assistance from state government. The effects of this economic challenge and the consequent difficult fiscal choices are reflected in the Governor's recommendations, as will be the case for the recommendations made by this committee and other standing committees of the Legislature as you construct the next biennial budget. The 37 legislative bills noted in the Governor's recommendations, legislation emanating from the LR542 process in the Legislature's standing committees, and the development of your committee recommendations present a seemingly daunting challenge to the public budget and policy-setting process. But it is also a great opportunity to identify or affirm priorities during a period of serious fiscal limitations on both state government and its citizens. On behalf of Governor Heineman, I do want to share how much we appreciate the hard work of this committee. Thank you. Do you have any questions you'd like to ask today regarding LB373 through LB380? [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HEIDEMANN: Thanks, Gerry. I know it's been a busy fall. You probably haven't had to work on a budget quite like this before and I know some people down the hall and I know they've worked late evenings and over the noonhours and sometimes during the weekend, so we appreciate your hard work. Can't say it's a perfect budget

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
February 07, 2011

but it's a good budget and it was a great starting point, and I do want to note that. With that, are there any questions? Maybe it was a perfect budget. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

GERRY OLIGMUELLER: Well, we strive for perfection but I suspect we don't ever quite get there always so...but I appreciate the comments very much because there have been a lot of meetings, a lot of discussion, a lot of information perused, a lot of thought given to, you know, moving away from simply an across-the-board approach, which I still see occurring in a number of states as I read the media about what's going on across the country on budget development. So we're truly at that point I think where it's time to make some clear picks on priorities and that's what we try to do and I know that's the approach this committee has taken as well to your work. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HEIDEMANN: On LB380, which we've talked a little bit about in the committee, talking about the depreciation charges, and just thinking about how we're trying to somewhat reinvent government and do things different, was there actually talk about undoing the depreciation charges just not for two years but just totally undoing them? [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

GERRY OLIGMUELLER: I mean that thought I guess entered the discussion just briefly in the context of, when you're opening up that statute, whether or not you ought to consider elimination. But I don't know that we felt that was a decision necessarily that needed to be made this session, so we just held at that two-year adjustment. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HEIDEMANN: Senator Wightman. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR WIGHTMAN: Thank you, Gerry, for being here and for your insight into the problems that the Appropriations Committee has. I also would like to address LB380 because it seems to me that that fund was created, that depreciation, in that it provides a method of replacing buildings as they come up, and if we don't do that we kind of kick the can down the street and wait for some future generation to come up with all the replacement money, where there may be some through the depreciation factor. So could you comment on that? Is that a consideration? [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

GERRY OLIGMUELLER: Well, I mean in the context of the challenge that faced us in preparing our recommendations for the biennium, it came to a choice between your current operations, and your need to fund operations going forward in '12 and '13, and an ability to defer some but not all building repair and maintenance. There's essentially two or three different sources of funding going into building repair and maintenance of

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
February 07, 2011

state facilities. One comes off of the surcharge made against individual agencies that are renting space, if you will, from the Department of Administrative Services. It's a surcharge built into rent that goes toward building repair and maintenance. There's also a dedicated stream off of the cigarette tax which helps populate the fund that's used for building repair and maintenance. And then there is this third source, if you will, that represents a charge against newly built or acquired property. So we kept, I think, a significant investment in building repair and maintenance even with this deferral. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR WIGHTMAN: And I'm not questioning the two-year moratorium with regard to that, but I think it would come into play if you talked about making this a permanent adjustment because then even in good times we wouldn't take into account the necessity of replacing these facilities in the future. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

GERRY OLIGMUELLER: Yeah, I would say that's probably why we didn't feel that a decision to end it needed to be made this year simply because there's this continued recognition that you have to make the investment to maintain those properties. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR WIGHTMAN: Thank you. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HEIDEMANN: I tend to be on the other side of the issue for this on Senator Wightman because, to me, as we're looking here what we can do and what we cannot do and what we can do in the future, I almost think that this mirrors aid to counties, cities, and NRDs. Are we going to be able to do that again in two years? And my thought right now is no. And when I look at this issue, I think this is going to be year five and six suspension, is that correct, or at least... [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

GERRY OLIGMUELLER: Yeah, about that. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HEIDEMANN: ...I think five or six. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

GERRY OLIGMUELLER: Yeah, about that. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HEIDEMANN: So if we haven't did it for six years, are we going to do it in year seven and eight? [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
February 07, 2011

GERRY OLIGMUELLER: I think we did it one year at 1 percent out of those six years or two years out of those six years at 1 percent, so did it at a reduced level but made some investment nonetheless. LB1100 happens to be a program that impacts just a few agencies of state government and so, in some sense, it becomes a question of choice with regards to the university, Department of Corrections in particular, there may be one or two smaller contributors towards this assessment. And it really becomes a choice for them in some sense of where the priority lies in terms of future spending. So that...I guess the committee has the opportunity obviously go a different direction. We deferred it for two years. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HEIDEMANN: Any other questions? Seeing none, thanks, Gerry. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

GERRY OLIGMUELLER: Thank you. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HEIDEMANN: Is there any other proponent testimony on the bills before us, which would be LB373, LB374, LB375, LB376, LB377, LB378, LB379, and LB380? [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

CRAIG HEAD: (Exhibit 3) Good afternoon, Senator Heidemann and members of the committee. My name is Craig Head, that's C-r-a-i-g, and last name is H-e-a-d, and I'm the state director of government relations for the Nebraska Farm Bureau Federation and I'm here today on behalf of the organization to offer support to LB378, specifically the provisions that provide funding for the property tax credit program. That program has been of great importance to our members. We've been very appreciative of the Legislature and the Governor recognizing the need to provide property tax relief. We're very appreciative of the Governor including that in his proposal this time around and we would encourage the committee to continue down the track that's been set forth by the Legislature and continue to fund that program. And really, that would conclude my comments. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HEIDEMANN: Thanks, Craig, for coming in today. Are there any questions? Senator Conrad. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR CONRAD: Thank you so much for coming in and, in particular, bringing to attention this specific program which generates a lot of attention during our budgetary discussions. And I guess one of the questions that I have, obviously your membership and leadership has had an opportunity to look at this and examine the different arguments that surround it, and something that my office frequently hears about in relation to this program is sustainability, competitiveness, and I guess intellectual honesty, for lack of a better term. Of course, I think it can be confusing for citizens for the Legislature to insert itself into the property tax dynamic because we, of course, don't

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
February 07, 2011

levy the property tax on the state level, and as we look to the future I know the Governor talked about in his State of the State Address making sure that our revenue infrastructure is as competitive as it can be and so that working families and small businesses aren't paying the same tax rates as our wealthiest Nebraskans. And I'm wondering, do you think that as that debate evolved, these programs, including this property tax credit program, should be part of that comprehensive dialogue to ensure that we have a more sustainable approach to tax relief available? [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

CRAIG HEAD: I would just put it this way. The way we've always approached these issues is we look at everything that's on the table and we would continue to do that in the future. And so I would expect that if there's a different package to come out, I would tell you this program is very...of great interest to our members because of the property tax burden that we feel in rural Nebraska. And you look at valuations across the state right now. Agricultural land accounts for about 20 percent of our total valuation. But once you get out of our metropolitan areas and into the rural areas and you look at things like funding schools and funding local services, when I started in this job ten years ago that's one of the projects I did, was look at how much agricultural land is accounted for when we talk about funding schools, and that's a huge issue. At that time, over 200 school districts, agricultural land was accounting for more than 60 percent, in some cases 75 percent of that local support for schools. And so it's a big issue to our members. The one thing that's nice about it is direct property tax relief. They get to see it on the sheet when they get their property tax bill. But in terms of your question, yeah, I mean we are always interested in looking at programs and I know it's going to be an ongoing discussion and we'll continue to evaluate those issues. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR CONRAD: And you're absolutely right, and I think it's beyond argument that everyone at this table and every interest beyond that property tax burden is a significant priority and problem for the majority of Nebraska taxpayers. Of course, we all want to focus in on being as solution oriented as we can in providing relief for families and businesses in that regard, but I think that there are some legitimate questions surrounding how this program itself is structured. For example, it's a spending program really rather than a tax cut, which is something that a lot of people don't think about when they're thinking about this program. There's really no limitations on ensuring it goes to those who need it most and there's policy reasons why it was drafted that way of course. But when we made great changes in our revenue infrastructure over the past few years, which thank you for the Farm Bureau for being at the table during that process, one thing that I was really excited about is in some of the tax cuts that we're able to bring forward we're able to dramatically improve our competitive ranking in comparison to other states about our tax climate. And one thing that this property tax program doesn't do is really help us in that regard because it is a spending program. And so I just wanted to utilize the opportunity to visit about this a little bit because my

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
February 07, 2011

office does receive a lot of questions about this particularly as times are tight now and every dollar is subject to greater scrutiny, and I look forward to working with you and your membership in the future to make sure that we have a sustainable program that's equitable for all our taxpayers. Thank you. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

CRAIG HEAD: Well, thanks. I appreciate that. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HEIDEMANN: Other questions? Senator Hansen. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HANSEN: Thank you. Good to have you here today. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

CRAIG HEAD: Yeah, thank you. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HANSEN: I would have to join with Senator Conrad in saying, you know, in 2007 we talked almost for a week through the Revenue Department on how to spend that surplus and this is one that, when it came about, was at a surplus time. In two years we're not going to have a surplus. Whether it's called a property tax increase or whatever, this is not sustainable. Do your members...I mean, coming from you, do you remember when we talked about this in 2007... [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

CRAIG HEAD: Yeah. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HANSEN: ...being a spending program rather than a tax relief program? And it certainly is. Do you see it as being sustainable? [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

CRAIG HEAD: Well, obviously, I don't know. Your crystal ball would be as good as mine in terms of sustainability. Obviously, it doesn't look good right now. Hopefully things would look better in a few years. But I understand where you're going in terms of refining how we spend money in the state and looking at different ways to do that. And as a part of that I think when you talk about, again, I raise the school issue, how do we fund local government, and I recognize you don't have any control over what local governments spend and we fully recognize that. We have unique issues in agriculture obviously when it comes to some of those issues because we're 3 percent of the population when you talk about agricultural landowners, and so when it comes time to make decisions locally about some different issues, we do not have necessarily the sway to influence that like we would like to in some particular cases. So I don't know

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
February 07, 2011

about the sustainability issue. Obviously, we're all going to have to face that. Again, I could just offer the committee, we're going to be willing to continue conversations. If there's a better way to do this and still provide some property tax relief, we're going to be interested in having that conversation. So we would love to continue to involve...be engaged. I would just tell you today this is the best option for us on the table as it sits, and that's why we're here today. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HANSEN: Prior to 1967, we had a state property tax and that was not very popular at all. So we got rid of that, went to sales and income tax. That's the only income we have, sales and income tax and a few fees and fines that we collect, and I don't see any sustainability to this program at all, even though I know it affects my district and any other ag district in the state. But we're going to have to take a look at this some time. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

CRAIG HEAD: Yeah. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HANSEN: Thank you. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

CRAIG HEAD: Yeah, thank you. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HEIDEMANN: Senator Wightman. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR WIGHTMAN: Thank you, Senator Heidemann. Craig, I know that there have been bills introduced that would allow for a local option income tax and some states do have that. I think Iowa has a local option income tax that can support the schools or some part of the schools. And I introduced a bill a few years ago that would have allowed that to be used for funding of school improvements, school facilities. I think Farm Bureau supported those bills when they came out but do you see that down the road as being a possibility? Right now I think the tax climate is such it would not get even partway to first base... [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

CRAIG HEAD: Right. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR WIGHTMAN: ...let alone around back to home plate but... [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

CRAIG HEAD: (Laugh) Yeah, again I...there's obviously issues we're going to have to address in this state. It's clear. Populationwise, we need more people in this state if we're going to alleviate tax burden. That's my personal opinion. I don't say that from

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
February 07, 2011

Farm Bureau. But you look at the issues. Obviously, we've got a lot of things and I think the state has tried to move in a direction with some of the business development opportunities and things that are out there. But when you talk about our policy, it gets back to spreading that burden across a greater amount of people. And things like that in terms of the local option, those are things that again we would be interested in looking at. And I believe you are correct. If I remember, we were supportive of looking at some of those issues when you raised them previously. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR WIGHTMAN: Have you done some comparability with other states with regard to how our property tax compares to other states? It's my understanding that among neighboring states, almost every state is lower than Nebraska. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

CRAIG HEAD: Yeah. When you talk about agricultural land, yeah, there were some studies done back in 2005 and it was significantly different from our border states in terms of what Nebraska agricultural producers pay, which gets back to that competitive advantage issue. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR WIGHTMAN: I know I'm familiar with both Colorado and Kansas, in that we do some farm income tax returns, and there's little comparison between Nebraska and the two other states that I mentioned. I'm not as familiar with the others. South Dakota probably, they don't spend much money up in South Dakota, period, so... [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

CRAIG HEAD: Yeah. Well, they do it differently as well when it comes to agricultural land valuation. In Iowa, where I'm from, they use more of an income type approach. I know we've tried to have those conversations here in the state. Obviously, there's issues involved with making that type of change. Our membership has been supportive of trying to go to that type of an approach, which would affect the tax base as well. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR WIGHTMAN: Thank you. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

CRAIG HEAD: Yeah, thank you. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HEIDEMANN: Are there any other questions? Seeing none, thanks for coming in today, Craig. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

CRAIG HEAD: Yes, thank you. We appreciate all your work. Thank you. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
February 07, 2011

SENATOR HEIDEMANN: Is anyone else wishing to testify in support of the budget bills? Seeing none, are there any people wishing to testify in opposition of the budget bills, LB373 to LB380? [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

RICHARD HALVORSEN: My name is Richard Halvorsen. As a side, the property tax credit you can eliminate this year as far as I'm concerned. I get it but, since I'm a local owner, I can see where the taxes would go. I have a direct... [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HEIDEMANN: Could you spell your last name for us? [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

RICHARD HALVORSEN: Oh, okay, H-a-l-v-o-r-s-e-n. And like I say, if I was an absentee landlord, I suppose I'd have a different view, but again, as a local person, I'd say if you take that money away I can see where local government spends it and I have a say in it. But the main thing I came here for was LB377. I had some questions on some provisions of the bill. Unfortunately, everybody who can answer those questions is out to lunch or something but...because I couldn't find them before the hearing. But the main thing I had opposition was to the \$15 million appropriation for Innovation Campus in this budget bill. Now they're going to lay off 100 working Nebraskans and let like 1,000 inmates loose on the streets to meet the budget restrictions. Now even if there's a turnaround, I don't think any of those 100 Nebraskans are going to be hired back and you can't...you won't be able to undo any of the damage that some of those inmates that were released early are going to do. So I guess my...for the \$15 million, I would like you to see to lay this over and maybe have it another, well, the next budget biennium and, like I say, spend that \$15 million in maybe saving those jobs or some of the other programs we're going to cut. Thank you. That's it. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HEIDEMANN: Thanks for coming in today and voicing your opinion. Are there any questions? Seeing none, thank you. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

RICHARD HALVORSEN: Thank you. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

DAVE PANTOS: Good afternoon. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HEIDEMANN: Welcome. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
February 07, 2011

DAVE PANTOS: (Exhibits 4 and 5) Good afternoon, Mr. Chairman and members of the committee. My name is Dave Pantos, that's P-a-n-t-o-s. I'm the executive director of Legal Aid of Nebraska and I'm appearing today on behalf of that organization and our staff and our clients. I had originally intended to testify today in opposition to LB378, Sections 20 and 21, which would have proposed to transfer \$200,000 per year from the Legal Aid and Services Fund to the Violence Prevention Cash Fund. I have since received word that that transfer has been taken out of that language and, insofar as that's the case, I do appreciate it. But I did want to at least be here today and just kind of explain a couple things about legal aid funding and why it is very important to continue to support the Legal Aid and Services Fund, which Legal Aid of Nebraska is very dependent on for its revenue. Legal Aid is the largest recipient of funding from the Legal Aid and Services Fund. We receive 60 percent of those funds, so a \$200,000 cut would be about a \$120,000 cut to Legal Aid, which would mean that we would have to lay off at least two of our attorneys from our programs, which would result in at least 240 people that would not be represented by Legal Aid, and of course their families would also be affected. So we're doing a lot of work on behalf of returning veterans and their financial issues, victims of domestic violence, obviously the elderly, and special needs kids and their access to their entitled education services under IDEA and other programs too. And the chart that I've handed out kind of tracks our IOLTA losses, which I just wanted to highlight before I let you ask me any questions you may have. The Interest on Lawyers Trust Account is a fund that was created in the early '80s that comes from interest on lawyers' trust accounts. That fund is more than decimated. In 2007 we received almost a half a million dollars from that fund. It's going to be \$40,000 this year. We've already had to lay off staff because of the drop in this fund, as well as minor drops in the Legal Aid and Services Fund. That's why it's really important not to further reduce legal aid funding. We're doing a lot of important work for low-income Nebraskans and we need to keep what we've got because there are other aspects of our funding that are getting hit left and right. So that's it. If there's any questions, I'd be happy to answer them. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HEIDEMANN: Senator Harms. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HARMS: I have a couple questions. With the amount of money that we're removing, you said \$200,000, you'd have to lay off two people. How many actual attorneys do you have in Legal Aid of Nebraska? [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

DAVE PANTOS: Well, we have 28 staff attorneys right now. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HARMS: Okay. Now in the cases that you have, how much backlog do you actually have or do you have a backlog of cases that aren't being heard? [LB373 LB374

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
February 07, 2011

LB375 LB376 LB377 LB378 LB379 LB380]

DAVE PANTOS: Sure. Well, we turn away lots of folks who apply for our services that have cases in our priority areas, family law, consumer issues, debtor issues, entitlements, other things like that. So we're just basically saying to people we don't have the staff to help you. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HARMS: So you turn them away, but do you have any kind of statistics or data that shows us how many you turn away, how many you're actually serving and how much of a backlog you might have that are in that system now? [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

DAVE PANTOS: Sure. Well, for every person that applies for services and we accept and provide services for, there's at least one other person that gets turned away if not more. So more than half of the people that apply for our services that would be eligible for our services, they're poor and they have cases that fit within our priorities, we're turning away. In terms of backlog, once someone is accepted into Legal Aid of Nebraska, we're going to do their case, we do get on those cases right away. So we don't make people wait. Unfortunately, what we do is on the front end say, look, we don't have...we don't have the staff to help you. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HARMS: What I'm really interested in, Dave, if you can do it for us, you don't have to do it now, but if you could just give us the numbers. I'd like to see what the bottom line is,... [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

DAVE PANTOS: Sure. Okay. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HARMS: ...the actual numbers that you have. That's a lot more meaningful, because I don't know what half of, you know, what that means. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

DAVE PANTOS: Oh, I can give you the number. Last year we accepted 10,500 people where we provided some level of assistance, so we turned away about 11,000 people during that same time period. And that number has gone up because of the drop in the IOLTA funding. I think the number was more like 8,500 to 9,000 in 2009, so the number of people we're saying no to now is going up. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HARMS: How many do you actually successfully take through the process? [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

DAVE PANTOS: Last year was 10,500 people that we provided either extended legal

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
February 07, 2011

representation, you know, through a trial or an appeal, some kind of brief legal service, like writing a will, or legal advice where we just tell someone, you know, the basic amount of information they needed to be able to do what they had to do on their own. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HARMS: How many do you actually take through the actual court system and a trial? [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

DAVE PANTOS: Well, including administrative hearings and like Social Security or veterans, it was about 1,850 last year. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HARMS: Thank you very much. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HEIDEMANN: Senator Wightman. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR WIGHTMAN: Thank you for being here. I guess you evaluate each one of them that comes through, each potential client that comes through the door, and determine by some standard I guess who is entitled to legal services and who would not be. Is that correct? [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

DAVE PANTOS: That's...well, let me say this. We have an established set of priorities that have been drafted by our staff, first approved by me and then approved by our board of directors, and those priorities are reviewed every year by our board of directors and reapproved every year. So we do try to communicate as much as possible the kinds of cases that we take so we don't take...you know, if someone had a medical malpractice situation or a personal injury, you know, at the front end we'd say to that person, look, we don't do that kind of work at all. So we wouldn't even look at that. Workers' compensation is the same kind of thing. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR WIGHTMAN: So you have about 10,500 that you take every year but I think you said about 1,800 or something, 1,850 or something goes through the court system. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

DAVE PANTOS: That's right. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR WIGHTMAN: And that isn't necessarily to a trial, I assume, but... [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

DAVE PANTOS: Sure. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
February 07, 2011

SENATOR WIGHTMAN: ...may include a plea in some cases, may include something far short of a full trial. Is that correct? [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

DAVE PANTOS: Yeah, those cases can settle. We do a lot of family law and a lot of family law cases settle the day before the trial. We represent a lot of victims of domestic violence who sometimes reconcile with their abuser right before the divorce trial takes place, and then they end up our client six months later because the abuse occurred again. So it does include a lot of those kinds of situations as well, as well as administrative hearings. We may be representing a disabled person and then we're able to get them their disability benefits right before the administrative hearing because we were able to get the judge to do an on-the-record decision. So we do try to avoid as much as possible, if it's in our client's interest, the risk of a trial or a hearing. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR WIGHTMAN: Now you indicated that you take about 10,500. I know you do a lot of your work through volunteer attorneys that are not staff members. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

DAVE PANTOS: That's correct. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR WIGHTMAN: I think you said you have 28 attorneys on staff. Is that correct? [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

DAVE PANTOS: That's correct. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR WIGHTMAN: Percentagewise, how much of the work is performed by the staff attorneys as a part of the number of the cases and how much would be performed by volunteers? [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

DAVE PANTOS: Sure. The volunteers that you're talking about, it's what we call our private attorney involvement program. These are private attorneys who have agreed to take legal aid cases at a reduced fee of somewhere between \$60 and \$65 an hour, and those are typically cases that are extended representation cases, cases that we assume will probably go to some kind of trial or at least are on track to do so, your family law cases largely. And the network we have is anywhere between 150 and 170 attorneys statewide who have at least agreed to take some of those cases. Largely, that's how we provide services to parts of the state that are not within an hour's drive of our offices. So, example, we have a gentleman named Rob Coupland in Valentine, Nebraska, who takes cases up there, domestic violence cases, and kind of works in that way. So I'd say

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
February 07, 2011

at any given time we'll have maybe 125 to 150 cases placed in that private attorney involvement system. It's a great way to get the private bar involved in legal aid and...but it is to be distinguished from the volunteer lawyers project where, for the most part, those are attorneys that are not getting any kind of reimbursement for their services. So that's how that works. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR WIGHTMAN: In the course of a year, do you have...can you give us any kind of a figure as to how many would be handled by private attorneys and how many by...out of the 10,500, how many would be handled by volunteer attorneys? [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

DAVE PANTOS: Oh, sure. Well, it's... [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR WIGHTMAN: Or I should say your staff attorneys and the volunteer attorneys. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

DAVE PANTOS: Right. I'd say that any case that's been identified for extended representation, which again would be 1,800 to 1,850 a year, I'd say about 10 percent of those would be in that private attorney involvement range, so 150 to 180 per year depending on the year and the complexity of the case. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR WIGHTMAN: And then the 1,850 you represent, litigation type of matters I guess, criminal and civil both. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

DAVE PANTOS: Well, just civil. We don't do any criminal representation... [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR WIGHTMAN: You don't do any civil (sic). [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR CONRAD: No criminal. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

DAVE PANTOS: ...except occasionally in tribal courts. Yeah, we do a little bit of criminal work in tribal courts because we have separate funding to do that, but all of our work is in civil courts, again family law, public benefits like Social Security, bankruptcies, unemployment, landlord/tenant, those kinds of basic needs stuff that are hitting our families every day. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR WIGHTMAN: Thank you. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
February 07, 2011

SENATOR HEIDEMANN: Senator Harms. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HARMS: Dave, in regard to your caseload, how is that distributed from the east to the west, the north, the south? What does that look like if you actually put it on a chart? [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

DAVE PANTOS: Sure. Well, I think it...I've done some GIS mapping of our case distribution and kind of looked at it compared to the population of the state and it roughly breaks down proportionately to the population of the state. We have two attorneys in your district, Senator, two attorneys in North Platte who cover that area. We have ten staff attorneys in Omaha, we have nine in Lincoln, two in Grand Island, two in Norfolk, and we have an attorney in Bancroft, Nebraska. And so each attorney is expected to have kind of an active caseload of anywhere between 60 and 80 cases. Depending on the experience of the attorney, they may have more cases than that. You know, a new attorney might have less. We expect them to kind of run through their caseload twice a year so they'll handle anywhere between 120 and 160 cases a year. Some of those are knock-down-drag-out divorce cases involving domestic abuse. Some of those again will be bankruptcies or landlord/tenant or trying to secure a protection order for a victim of domestic violence and other kinds of cases. But the distribution is roughly along the population line. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HARMS: Do you have any difficulty serving rural Nebraska with your caseloads? [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

DAVE PANTOS: You know, I think there are certainly challenges, I think especially when you get into rural parts of the state. We meet some of those challenges through our PAI program, which is why we send most of that money to rural parts of the state, and I think we do a pretty good job in doing that. I think one area that, rural Nebraska, we have a big challenge in is...say two areas, one is domestic violence. I think there is domestic violence in rural parts of the state and it's harder to get some folks to come forward and testify against abusive spouses in rural parts of the state. I think it's hard everywhere but even more challenging in rural Nebraska and smaller communities. Two, we have...I think we're faced with more issues regarding special education in rural Nebraska. I think parents are less likely to know what their rights are and their kids' rights are. So working with those school districts to try to get benefits for kids who are in need is especially challenging in rural Nebraska. But again, we have lots of attorneys who have a real passion for doing work in our rural court system, so we make sure that they're adequately supported. And just as an example, up until four years ago we only had one attorney in Scottsbluff and in North Platte. Now we have two, so we're better staffed there now to do that work. So we do what we can. [LB373 LB374 LB375 LB376

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
February 07, 2011

LB377 LB378 LB379 LB380]

SENATOR HARMS: Because we find ourselves in kind of...with the kind of economy that we have now, are you seeing any more domestic violence cases than you have historically? [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

DAVE PANTOS: Yes. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HARMS: Particularly in rural Nebraska... [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

DAVE PANTOS: I think... [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HARMS: ...or all across the state? [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

DAVE PANTOS: ...statewide domestic violence is increasing and I think there are actual...actually, in some ways, more challenges facing victims now because, you know, every permanent restraining order gets a trial under changes to Nebraska law, which I think overall it's, you know, those changes were good, but it does provide an extra challenge for victims. But I think violence is definitely up. I think studies that have been released over the last couple of years, Mary Kay Cosmetics is...you know, they actually do a lot of work in domestic violence in providing support to anti-DV work. They did a study that showed a 12 to 15 percent increase in Midwestern domestic violence. That study included Nebraska. But we certainly see more and more calls than we did five years ago, so the need is really there, especially in tribal communities where we do some work. Yeah. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HARMS: Thank you. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

DAVE PANTOS: Thank you very much. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

JANE SCHOENIKE: Good afternoon, Mr. Chairman, members of the committee. My name is Jane Schoenike, that's spelled S-c-h-o-e-n-i-k-e, and I'm the executive director of the Nebraska State Bar Association and I appear today on its behalf. The Nebraska State Bar Association is testifying neutral on this bill but we do have concerns about Section 20 and 21, because those sections remove \$200,000 from the Legal Aid and Services Fund and transfers it to the Violence Prevention Fund. The Legal Aid and

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
February 07, 2011

Services Fund provides vital financial support for the provision of civil legal services to the poor in Nebraska. Currently, all of the providers in the state are meeting just a small percentage of the civil legal needs of indigent Nebraskans. At its best, all of the providers combined were able to serve a little less than 25 percent of the need. That number has dropped significantly as other sources of revenue have declined. The Nebraska State Bar Association thinks that violence prevention initiatives are good ones. We just don't think that the effort should come at the expense of maintaining family integrity. The clients who are served by the Nebraska State Bar Association, Nebraska Legal Aid, and other organizations are the poorest of the poor. They have no other resources to draw upon to handle their civil legal needs. The majority of our clients are assisted with problems in family law. The clients need help with obtaining child support, solving issues about visitation, keeping a roof over their head, and obtaining benefits that they are eligible for. Without the assistance of a staff lawyer at Legal Aid or a volunteer attorney through the Nebraska State Bar Association's volunteer lawyers project, they would be without legal assistance. The Legal Services and Aid Fund was created to bring resources to civil legal services through a filing fee surcharge. That surcharge was specifically designated to fund civil legal services. Since the creation of that fund, other sources of support have diminished. For example, IOLTA funds, that is the Interest on Lawyers Trust Accounts, has been reduced by approximately 75 percent. In the meantime, the Nebraska State Bar Association has been actively looking for other funds to support the volunteer lawyers project. We raise an average of \$150,000 annually from contributions from lawyers and grants other than the Legal Aid and Services Fund. This does not include the thousands of hours of free legal time donated by our members. The help of the Legal Aid and Services Fund is one of the major components of support. If that \$200,000 is removed, it will mean that each of the nonprofit organizations that provide civil legal services will be able to help fewer clients. Be happy to answer any questions. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HEIDEMANN: Thanks, Jane, for coming in today. We was asking for testimony in opposition to. You have stated that you came in, in a neutral position. Do you want yourself to be noted as neutral or in opposition to? [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

JANE SCHOENIKE: Please note us as neutral. Our concerns are really with just those two sections. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HEIDEMANN: All right. We'll try to note that then. Senator Harms. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HARMS: Jane, thank you very much. In regard to Legal Aid of Nebraska and the number of...and the increase in the number of people that are becoming more violent in families and abuse, do you believe or do you feel that the Nebraska Bar

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
February 07, 2011

Association will be willing to contribute more free time to assist us through this difficult time to make sure these people are covered, as that cycle comes back around where we can get back to funding Legal Aid maybe a little more appropriately? Where is the Nebraska Bar Association in regard to that particular issue? [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

JANE SCHOENIKE: Senator, I can't speak for each member individually but I will tell you, through our volunteer lawyers project, those cases that involve domestic abuse are the most difficult to place with a volunteer attorney. We have been able to get funding to handle divorces with domestic abuse and we pay only \$50 an hour to our private attorneys, and that really does represent a nearly volunteer commitment on their part. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HARMS: Well, let's move away from the violence portion of it, okay? [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

JANE SCHOENIKE: Uh-huh. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HARMS: I can understand that. Let's just say in general services where people who go to Legal Aid cannot now go to, we get backlogged, will the Nebraska Bar Association be willing to step up and help those individuals for a period of time? [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

JANE SCHOENIKE: Well, I think we've already tried to do that in the sense that we've developed other programs rather than direct representation. You may be aware or not that we have walk-in clinics at the courthouse in Lancaster, in Douglas County, and also in Grand Island. We have volunteer attorneys who staff those clinics at least three days a week. Grand Island is once a week. We have tried to work with pro se litigants, those are the ones who can't, and most of those individuals are still family law issues. It is our hope and desire that we can get more lawyers to participate and I think they all feel they have an ethical obligation to do so. But these are some of the toughest cases and some of the toughest clients. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HEIDEMANN: I shouldn't probably comment on this but you said that \$50 an hour is near volunteering. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

JANE SCHOENIKE: For some of these cases it is. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HEIDEMANN: That...well, okay, I appreciate you coming in and testifying today. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

JANE SCHOENIKE: Thank you very much. [LB373 LB374 LB375 LB376 LB377 LB378

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
February 07, 2011

LB379 LB380]

SENATOR HEIDEMANN: (See also Exhibit 6) There will be an opportunity for people to come up in the neutral position after we get done with testimony in opposition to. Is there anyone else wishing to testify in opposition of the budget bills? Seeing none, is there anyone wishing to testify in the neutral position on the budget bills? Seeing none, would Gerry like to close? Gerry waives closing. We will close the public hearing on LB373, LB374, LB375, LB376, LB377, LB378, LB379, and LB380. I will now turn it over to Senator Harms. [LB373 LB374 LB375 LB376 LB377 LB378 LB379 LB380]

SENATOR HARMS: We will now open the hearing on LB131. Senator Heidemann. [LB131]

SENATOR HEIDEMANN: Senator Harms and members of the Appropriations Committee, I am Senator Lavon Heidemann and you spell Heidemann H-e-i-d-e-m-a-n-n, representing District 1 in the southeast corner of the state. I'm here today to introduce LB131. LB131 strikes the obsolete language pertaining to completed transfers in section of the statute 84-612 that creates the Cash Reserve Fund. As Chairman of the Appropriations Committee, I introduced this bill in an effort to clean up obsolete language in our statutes. If you have any questions, I'd be happy to try to answer them. [LB131]

SENATOR HARMS: Are there any questions? Thank you, Senator Heidemann. Do we have anyone else who would like to testify in favor? Is there anyone here who would like to oppose? Anyone who would like to speak in terms of neutral? Then this...you don't want to close? Thank you very much, Senator. We'll close the session for LB131. [LB131]

SENATOR HEIDEMANN: That's it for today.