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Floor Debate
May 08, 2013

[LB44 LB68 LB69 LB104 LB194 LB195 LB196 LB197 LB198 LB200 LB205 LB234
LB240 LB362 LB405 LB406 LB407 LB423 LB487 LB497 LB517 LB583 LB585 LB589
LB595A LB595 LB613 LB629 LB646 LR155 LR173 LR174]

SENATOR GLOOR PRESIDING

SENATOR GLOOR: Good morning, ladies and gentlemen, and welcome to the George W. Norris Legislative Chamber for the seventy-third day of the One Hundred Third Legislature, First Session. Our chaplain for today is Pastor Tim Wiebe of the Brookside Church in Papillion, Nebraska, who is a guest today of Senators Smith and Lathrop. Please rise.

TIM WIEBE: (Prayer offered.)

SENATOR GLOOR: Thank you, Pastor Wiebe. I call to order the seventy-third day of the One Hundred Third Legislature, First Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

CLERK: I have quorum present, Mr. President.

SENATOR GLOOR: Thank you, Mr. Clerk. Are there any corrections for the Journal?

CLERK: I have no corrections, Mr. President.

SENATOR GLOOR: Thank you. Are there any messages, reports, or announcements?

CLERK: I have neither messages or reports nor announcements at this time.

SENATOR GLOOR: Thank you, Mr. Clerk. We'll now proceed to the first item on the agenda.

CLERK: Mr. President, LB195, a bill by the Speaker at the request of the Governor. It's the mainline appropriations bill discussed yesterday. Pending are the Appropriations Committee amendments, as well as an amendment by Senator Mello to those committee amendments, Senator Mello AM1229. (Legislative Journal page 1209.)
[LB195]

SENATOR GLOOR: Thank you, Mr. Clerk. As the Clerk stated, we've had the openings on LB195 and AM656, as well as Mello's amendment, AM1229, before we adjourned yesterday. Senator Mello, would you start the day with a quick review of where we stand on the bill and the amendments? [LB195]

SENATOR MELLO: Thank you, Mr. President. Members of the Legislature, where we're

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

Floor Debate
May 08, 2013

currently at is the mainline budget bill, LB195, with the white copy, AM656, which essentially is the Appropriations Committee recommendation for the mainline budget bill. As we discussed yesterday, AM1229 is a change in the TEEOSA appropriation, due to the compromise that was reached on LB407 on General File. That compromise ultimately lowered the General Fund appropriation for TEEOSA by roughly \$8.6 million from where we currently had projected when the Appropriations Committee passed our budget out of committee and, ultimately, what you see in the blue budget books. So with the adoption of AM1229, we are reducing the TEEOSA appropriation by \$8.6 million. And if you look at your green sheet, that \$8.6 million has already been accounted for in the minimal reserve amount, which is roughly \$50 million, give or take, for the bottom line, for other A bills, or other tax expenditure or tax-related pieces of legislation. So with that, I'd urge the body, obviously, to adopt AM1229, AM656, and the underlying bill, LB195. For a couple points of clarification and some questions that were asked yesterday, Senator McCoy asked a question in regards to the Health Care Cash Fund, in relationship to the Health and Human Services Committee receiving an appropriation to use for studies over the interim for their committee's purposes and for the Legislature's purposes. Senator Campbell provided more feedback on what that money may have been used for, LR37 being the most recent big study that that funding was used for. The Fiscal Office informed me that with the creation of the Health Care Cash Fund, the Health and Human Services Committee started receiving funding immediately, roughly starting at \$500,000 a year out of the Health Care Cash Fund. And that amount, over a period of a decade, has dwindled down now to what you see in the budget of \$75,000 for the Health and Human Services Committee to be able to use. So more of a point of clarification in Senator McCoy's question, as well as Senator Campbell asked a question in relationship to the Affordable Care Act changes in the funding that's in our budget for, essentially, the mandated components of the Affordable Care Act. And I, mistakenly, said that the administration components that we are funding was on a 90 to 10, federal-to-state split. Actually, that 90 to 10, federal-to-state split is for the information technology components of our proposed budget for the Department of Health and Human Services in relationship to the Affordable Care Act appropriation. The administration component that Senator Campbell was asking about is actually a 50 percent-50 percent, federal-to-state match/split. So I wanted to clarify that for the record. And with that, I'd urge the body to adopt AM1229. Thank you, Mr. President. [LB195 LB407]

SENATOR GLOOR: Thank you, Senator Mello. We now move...return to floor debate. Senator McCoy, you are recognized. [LB195]

SENATOR McCOY: Thank you, Mr. President, and good morning, members. I want to leave off...or start where I left off. And I appreciate Senator Mello answering a few of the questions that were brought, that I brought yesterday. I'll have more as we go along. But I did want to go back to a point that we were at yesterday in regards to TEEOSA and state aid to schools, talked a little bit about that because that's where we are in this

Floor Debate
May 08, 2013

budget. I want to thank Senator Sullivan who, I know, has worked very, very hard, through a very difficult time period, and along with the Education Committee and the staff that have been involved in this issue. I think this is something that, in now my fifth session, regular session of the Legislature, it's the biggest piece of our budget. It's probably one of the most important things that we can talk about in the Legislature as it pertains to the budget and otherwise, something that affects us all. It affects all of our constituents, whether they have children or not, because they are contributing to educating our children, which is a constitutional obligation that we have here in the Legislature, as we all know. I'm not sure what's going on with any amendments that may be coming on this. I appreciate what Senator Sullivan has done, along with the committee. I support it. I hope it remains as it is. It's a fragile compromise. Probably, all parties aren't entirely happy. That's the nature of compromise. And I'm disappointed that we may be venturing into other paths as we...when we get back to LB407. But I think it's appropriate to mention that this morning in light of what we're talking about, and to reiterate, again, my support for what the Education Committee has done and has put together for us as a Legislature, and I thank them again for their hard work. Thank you, Mr. President. [LB195 LB407]

SENATOR GLOOR: Thank you, Senator McCoy. Senator Campbell, you are recognized. [LB195]

SENATOR CAMPBELL: Thank you, Mr. President and members of the Legislature. Having spent some time this weekend looking at the budget document that we have in front of us, I've developed a number of questions. And not necessarily am I proposing any changes to it but, for the record, I think we need to clarify and have some understanding of the information behind the decisions made. And so if Senator Mello would entertain some questions. [LB195]

SENATOR GLOOR: Senator Mello, would you yield? [LB195]

SENATOR MELLO: Yes. [LB195]

SENATOR CAMPBELL: Senator Mello, we had a short discussion, off the mike, yesterday afternoon. But I think it's important for us to look in the budget book on page 135. And in that, where I'm looking is...I'd like us to talk a little bit about what is going to happen with the MMIS system because you are putting in a replacement of it and we are also putting a number of ACA IT dollars into it. I have to tell you that when I was on the Medicaid Reform Council, the director of Medicaid told me that a number one priority was to get the MMIS system repaired and whatever it needed because, and this is my words, I think the thing is held together by bubble gum and baling wire. Can you, kind of, give me some background as to how the Appropriations Committee put those two items in the budget? [LB195]

Floor Debate
May 08, 2013

SENATOR MELLO: I will do my best, Senator Campbell. And in relationship to the ACA IT changes, that has been an issue that both, I think, some of the returning members of the Appropriations Committee and members of the Health and Human Services Committee, we had learned about that over the last couple of years as the Affordable Care Act was passed and started to be implemented, that the IT component changes were going to have to happen for every state. And so when the department brought that request in, that was something that, for the most part, we realized that was something that has to be done because every state, essentially, has to do some kind of information technology changes to be able to comply with the new federal law and regulations. The other component, as part of our budget in AM656, has been an ongoing dialogue, ultimately, that started, I think, my first year or, I should say, our first year in the Legislature, my first year on the Appropriations Committee, in the sense that the department, ultimately, conducted a study back in, roughly, 2004 that showed that they needed to replace the MMIS system. They ultimately went and contracted out with a vendor to do that replacement in, I think, 2006, 2007. And in 2009, ultimately, our first year in the Legislature, the department came back to us and said they were, essentially, canceling the contract with that provider or that consultant because they couldn't, ultimately, build an MMIS system that the department felt the state needed. That has, kind of, raised some, I think, internal concerns with members of the Appropriations Committee over the last four years of, we had appropriated this money and it was a 90 to 10, federal-to-state match/split, in which the department hadn't moved on that over the last four years. And so with that issue being brought forward as part of their budget request, while it was not incorporated into the Governor's budget recommendations, it's something that a number of members, in regards...in talking with various healthcare providers and various healthcare associations, had reiterated to members that, if we don't consider making an overall change to our MMIS system now, while we're going to look to invest, roughly, \$50 million of IT investment to comply with the ACA,... [LB195]

SENATOR GLOOR: One minute. [LB195]

SENATOR MELLO: ...are we really cutting our nose to spite our face of trying to add money to an antiquated system? So we've had internal dialogue with the committee. And while, ultimately, we can't mandate the department to look to rebuild or contract to build a new entire MMIS system, we felt it was appropriate to provide them the appropriation that we felt is necessary for them to consider moving forward, that if we're going to spend \$45 million to upgrade an antiquated, 30-year-old system now, why not appropriate the money that has been appropriated over the last four years that they just haven't used, to try to build an entirely new system with, roughly, give or take, about \$90 million in federal and state funds? So it's, you know, from the Nebraska Hospital Association, the Nebraska Medical Association, provided very specific information in regards to the impact that this antiquated system has on our healthcare system, primarily in regards to the inefficiencies and the costs that are coming. [LB195]

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

Floor Debate
May 08, 2013

SENATOR GLOOR: Time, Senators. [LB195]

SENATOR MELLO: Thank you, Mr. President. [LB195]

SENATOR GLOOR: Thank you, Senator Mello. Thank you, Senator Campbell. Senator Dubas, you are recognized. [LB195]

SENATOR DUBAS: Thank you, Mr. President. Good morning, colleagues. Excuse me. Good morning, colleagues. I've been working with the Health Committee, as well as other interested senators, for the past several years on ACCESSNebraska issues. And we know that was supposed to be a program put in place that was supposed to streamline and modernize and make application process easier for those who are looking for...seeking public assistance. And we have ran into considerable amount of problems with the implementation and how the program itself is working. And again, I know the Health Committee has been spending a lot of time looking at this. I've attended briefings that they've held with the department, making sure that these problems are being addressed and we get this program...this on track and working the way it was intended to work. And, you know, I passed along with this body, LB825 in order to help address some of those problems with putting more caseworkers in place so that there are actual live bodies that people are talking to. Also, it wasn't a suggestion. It was for the department to work with community-based organizations who could also help consumers go through the process, apply for these benefits. And it's a been slow and, at some times seems reluctant process in getting the department to go along with what's going on. But I do have some questions in regards to some things dealing with ACCESS(Nebraska) that are in the budget. Would Senator Mello yield to a question or two, please? [LB195]

SENATOR GLOOR: Senator Mello, would you yield to questions from Senator Dubas? [LB195]

SENATOR MELLO: Yes. [LB195]

SENATOR DUBAS: Senator Mello, I'll start my question as you get back to the mike. On page 136 in our budget book, there is a deficit to cover communications expenses for ACCESSNebraska--it's just for this 2012-13 year--of \$2.1 million. Could you give me a few more details about that? [LB195]

SENATOR MELLO: I will do my best, Senator Dubas. The issue was brought forward, essentially, in the agency hearing, the Department of Health and Human Services agency hearing in which Director Pristow was asked in regards to, what is this actual deficit request since it's extremely unique that the department has not brought forward a deficit request on the ACCESSNebraska program in the previous two biennial budgets? And if I can paraphrase, essentially, what Director Pristow said, it was simply, we don't

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

Floor Debate
May 08, 2013

have enough money to do what we need. And, essentially, part of what they're saying is that the communication costs associated with the call centers cost more than they originally had thought. And while they did originally come in with a \$3.1 million deficit request, there was some savings that they were able to accumulate with the local telephone provider here in Lincoln--I believe, Windstream--who was able to work or negotiated something on their telecommunications contract that reduced that deficit request by a million dollars. But the underlying premise of the request was that ACCESSNebraska needed more money to be able to operate for this current year. Now I know, ultimately, Senator Conrad, I'd argue, in the Appropriations Committee has been, I would say, kind of the watchdog over this program in bringing some of the issues regarding staffing, costs associated with it over the last four years. And I know the bill you're referencing, last year, that we passed that dealt with ACCESSNebraska. As far as I'm...my understanding is this specific request though, deals exclusively with their operations at the call centers more than anything else. I don't believe it had anything to do with any field office staff or any staff outside of those call centers. It's purely an ACCESSNebraska call center deficit request. [LB195]

SENATOR DUBAS: Did they give you any particulars about the problems that they ran into as far as the implementation of the call centers, and why...you know, what is this money going to address? [LB195]

SENATOR MELLO: Senator Dubas, there wasn't...my recollection was that there wasn't an extensive dialogue of, ultimately, all of the problems that they were encountering with ACCESSNebraska, of why they needed the request. It was simply, we don't have enough money to move forward with our day-to-day operations for one reason or another. [LB195]

SENATOR GLOOR: Thirty seconds. [LB195]

SENATOR MELLO: And if we don't fund this deficit request, either, one, they'll have to...they won't have enough staff to cover, ultimately, the call center, thus, it would extend wait times, which we already know is already lengthy already on the ACCESSNebraska program, as well as other management issues that they felt would cause more harm to Nebraskans trying to access these benefits through the system. [LB195]

SENATOR DUBAS: I do have some further questions, but I will press my light and follow up with you further. Thank you, Senator Mello. [LB195]

SENATOR GLOOR: Thank you, Senator Dubas. Members in the queue: Krist, Carlson, Schumacher, Adams, and Dubas. Senator Krist, you are recognized. [LB195]

SENATOR KRIST: Thank you, Mr. President. Good morning, colleagues, and good

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

Floor Debate
May 08, 2013

morning, Nebraska. I've had some conversation off the mike with Senator Sullivan, and I heard Senator McCoy's comments this morning. I'm refiling another amendment that I had on LB407, which will bring up the discussion about the common levy across the state. And I support the efforts, as they came out of a super committee, if you will, with the Speaker's help. It has nothing to do with that. It has to do with educated people having a discussion about what TEEOSA is and what TEEOSA is not. I have a district that is at the top of their cap. Both of my districts are at the top of their cap. And when we start negotiating with people and we look at those, quote, unquote, lobbyists, here's a...this is a mind-boggling fact, I think, for most of you. It was for me. There are people behind that glass that understand the TEEOSA formula better than most of us. Now is that dangerous? Absolutely. But what's the definition of a lobbyist? That's a person who represents a group of people who have a common interest. So we can villainize them if we want to and we can say that we are influenced by them at certain times, and Senator Chambers does well to remind us that there is a line to be drawn. I'm doing this because I want to have the discussion about the TEEOSA formula, about what goes into it, and the kind of decisions that we'll make. I don't ever intend to go eight hours on something. It would be frivolous. And these are honest amendments that will create some discussion amongst educated people and levelheaded people. We can have that discussion and we can move on. I still support the efforts that came out, but I think there was a certain contingent--and those are the business managers--who brought this to me and said, "Yeah, but." Well, that's my obligation, to represent the "yeah, but." That's all of our obligations. So we're going to have the discussion, either with or without the amendments. I'm sorry that people have taken offense to the amendments. I, too, have had amendments dropped on things that I care about, and we'll have that discussion as well. But to be quite frank, I believe that Senator Hadley and Senator Ken Haar did great work, in terms of representing those parts and pieces that we negotiated and agreed to. But there is yet one piece of that, that is not, and we'll have that discussion. The other part of it was an amendment that I put on, and it's common levy. And if you have a levy out there in your districts that's at 46 cents and you look at other districts that are \$1.05 and \$1.10 and bumping right up against the top of that cap, you understand. You understand that if you come to the table and use the TEEOSA formula or you get any aid from the state of Nebraska...and, folks, every school district out there gets some kind of aid. So if you're getting aid from the state of Nebraska, do you think you should be doing as much as you can for yourself? That's a discussion we're going to have, not sarcastically, not vindictively, but we'll have a discussion and we'll move on. We always do. Thank you, Mr. President. [LB195 LB407]

SENATOR GLOOR: Thank you, Senator Krist. Chair recognizes Senator Carlson.
[LB195]

SENATOR CARLSON: Thank you, Mr. President and members of the Legislature. I've had some thoughts concerning our debate here and how we're progressing on the budget and determining the outcome that sets agenda for the next two years in the state

Floor Debate
May 08, 2013

of Nebraska. And some of you will be a little uncomfortable in what I'm going to say, and I'm not trying to make it that way. And I'm a little uncomfortable in what I'm going to say, so bear with me. Of the 49 people, we have a group--it's, maybe, not a large group, but it's a group--that really calls themselves fiscal conservatives. And I'm fairly close to that group, but I'm not in the group that I'm talking about right now. But this group wants lower taxes. I'm okay with that. Some of this group wants absolutely no more spending. Some of this group wants to cut existing programs and, sometimes, that's appropriate. This group would like to eliminate what they would call nonfunctional divisions of government. If that's truly what they are, I'm okay with that. This group will oppose almost all new spending unless it happens to be something that they really want and think is important. And this group would really say, I think, down deep, that, if we have new spending, it should have a strict harness on it to control how it's spent. And I'm not necessarily opposed to that. But when we think in terms of a strict harness on new spending, in order to see that that's how it's done that really involves an expansion of government, and several of us don't like that idea. So we're starting...and we would call this group "on the far right." Now I'm going to talk about the far left. And some of you will be uncomfortable with this because I don't know that anybody really wants to be defined as far, far right or far, far left. But we have a group of people, really good intentions, that I would say are social liberals. They've got a sincere desire to help people, more people. And this group will endorse new programs of spending, with good intent, and this group will say, we need more new dollars to spend than just the cost of living to keep up with existing programs. Some of this group will give up spending on new bills that don't serve a social purpose to provide more dollars for expansion of existing or new social programs. So there's a group of people that fit into that category, and they're not bad people. There's a group of people that fit into the conservative right, and they're not bad people. And then we have, I think, a little bigger group that's somewhere in the middle. I don't like to be called "in the middle," but I think I'm middle right. [LB195]

SENATOR GLOOR: One minute. [LB195]

SENATOR CARLSON: There are some of you middle left. But we are the group that controls the vote. And so, members, we're at serious business. And I want to make a vote that I think is right for the most people in Nebraska, that's on the fiscal conservative end. Those of you on the left side, but not far left, you want to make votes that are good for the state of Nebraska. And I think that group of us decides the vote, and that's what makes this whole thing uncomfortable. It's uncomfortable discussion because we come from two ends, but it's good discussion. And it's good that this is our system, and it's good that this is the way we make decisions because they're not all one-sided. And so we have a real important function, and let's do it right. Thank you, Mr. President. [LB195]

SENATOR GLOOR: Thank you, Senator Carlson. Senator Schumacher, you are recognized. [LB195]

Floor Debate
May 08, 2013

SENATOR SCHUMACHER: Thank you, Mr. President, members of the body. Always good words of wisdom from "Parson" Carlson. I enjoyed his comments. I rise today because of a little-known procedure that was implemented or revived or resurrected this year in which the revenue forecasts, according to the rules, have got to be signed off on by the Appropriations Committee and the Revenue Committee. And in that process of signing off, you have to cast a vote, whether you think the revenue forecasts are reasonable or not. On its face, I don't think the revenue forecasts are reasonable. But they are made reasonable enough for me to sign off on if we put all the extra change in the reserve. When you don't have the revenue, all this talk of spending is not in the real world. And if you look at our revenue and our state's gross state product or gross domestic product by state, from about 1997 on to now, our...right now, we have about 1.8 to 1.9 times the GDP that we had in '97, and our revenue is running somewhere about 1.8 to--excuse me--1.7 to 1.8 of the revenue we had in '97. So they're close enough for government work in paralleling each other. That means that we are assuming that our state's nominal GDP--that's real growth, plus inflation--is going to hang in somewhere around 5 percent into the foreseeable future. I don't think that's realistic. In 2011, our GDP real growth was about 0.1 percent, not 1 percent, 0.1 percent. Numbers aren't out completely for 2012 yet. We have a little inflation on top of that, running about 2 percent. That's 3 percent. That's way below the 5 percent national economy, and there's no reason to think ours is going to be very much different than it. We've had a little "disparagement" because we're an agricultural economy and we're in a position to have some high commodity prices and a very basic economy when the more sophisticated financial economies were having great difficulty. But it doesn't look like we're going to be able to expect anything out of the 2 to 3 percent range for real GDP growth. If we assume that the fed can hold the inflation rate at 2 percent, then that would mean in order for us to have 5 percent growth, we would have to have 3 percent real growth and 2 percent inflation. There is no way that we're going to have 3 percent real growth. And to the extent we rely upon inflation to inflate our revenues because of increased sales or income, our expenses are going to inflate, too, so there is going to be a canceling effect. If we are off by just 1 percent and we only do 4 percent instead of 5 percent, then I think by '16 to '17, 2016 to 2017, there will be a spread there of nearly \$200 million-a-year shortage. If we are off from 3 percent to the 5 percent, which that's within the realm of possibilities, there will be \$365 million-a-year shortage. So that leads me to the underlying heartburn that I have with this budget. Once you start spending, you can't pull it back very easily. [LB195]

SENATOR GLOOR: One minute. [LB195]

SENATOR SCHUMACHER: And this sense that suddenly we have got money, when that money is due to an aberration of people being afraid that Obama was going to take their capital gains or take their guns or take their ammo or whatever he was going to take, but that aberration produced \$125 million, plus some extraordinary commodity

Floor Debate
May 08, 2013

prices throwing in there for...and some other tax maneuvering generating some more revenue. We aren't rich. And what's going to be really, really hard for that middle group that Senator Carlson was talking about is trying to figure out where to cut off the spending, where to cut off the growth, and trying still to be...meet our responsibilities as a state. But, folks, if we think we're rich right now or we think we're rolling in cash, we're sorrily mistaken. And we need to tuck away every bit into that reserve because we're going to need it. Thank you. [LB195]

SENATOR GLOOR: Thank you, Senator Schumacher. (Doctor of the day introduced.) Senators in the speaking queue: Adams, Dubas, Campbell, and Lathrop. Speaker Adams, you are recognized. [LB195]

SPEAKER ADAMS: Thank you, Mr. President. Members, I'm not going to take my full five minutes, but I want to draw your attention to something. And I'm not going to put in any amendments to make any adjustments to it this session, but it's something that I want to draw your attention to. And I ask, particularly, the Appropriations Committee to hear me out. First of all, let me say, I think that they've done good work here. And I've heard it said from many of you, there's always something in the budget that we can find that we don't like. And we're going to have that discussion today and tomorrow, if necessary, and whatever it takes, and we're all just fine with that. But I want you to think about something else for just a moment. When you look at the Department of Ed's overall budget, you see a pretty big number there. But when you dig down into that, what you'll find out...that much of that is the implementation of federal programs and that, when it comes to...and I'm going to pick out one thing particularly. When it comes to school finance, there is, really, very little money devoted in the department to that. There are good people there, but not very many of them, and there are huge demands on them--answering the phone every day from 249 business managers and superintendents about questions with school finance, reporting, auditing all the reports on poverty plans, and all of these different things. So what happens...my point is, what happens, they do all that they can do for us. It doesn't always happen as quickly as we'd like it to, but they do all that they can. But I think we have a void, and it's nobody's fault, but it's something that we as the Legislature have to think about. We have a void in, what I would call, analysis. We...our department really has very little time or resource to devote somebody to step back and say, I'm going to analyze the various elements of the formula to see how they're working, to see where we're really at. And as a result, where does the analysis lie? On some very knowledgeable, dedicated folks--one of them in Senator Sullivan's office, Tammy Barry, who does a great job, but she's got a million other things to do--or individual school districts who will sit down at their computers and try to analyze. And there's knowledgeable people in all of those school districts, and they do a pretty good job. But their job isn't to look from the 50,000-foot view of school finance and be as concerned about Sioux County as OPS. Their job, obviously, is to look at the grand scheme of things and how their school district fits into that. And they don't have all of the information. So if somebody says, let's analyze how

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

Floor Debate
May 08, 2013

averaging adjustment is working, let's analyze how poverty...LEP is working in the formula, let's analyze how much gap we're getting between low spenders and high spenders, where do you go? And in the smaller school districts, there's nobody there to analyze data. The superintendent is filling out the forms, hiring and firing, driving the bus, coaching track. The bigger school districts have those people, and they're good. But is it enough for the state? I know, in my time as Chair, I struggled because if I wanted to know how an element was working, Tammy Barry could help me, Russ Inbody could help me. [LB195]

SENATOR GLOOR: One minute. [LB195]

SPEAKER ADAMS: But I never thought it was as complete as we, as a Legislature...an objective analysis of how these various things are working. At some point, we, as a Legislature, are going to have to say, we're not going to rely on the various school districts to tell us how our formula is working. We're going to have to spend a little bit of money--I don't know what it would take--to put somebody in place that can be doing this ongoing analysis and inform us, as a body, inform the Education Committee, about how things are working, so we don't have to rely on quick predictions, quick estimations, here's what I think. Think about that. Maybe not this year but next, or in the next biennium. I think it would help us when we come out on the floor to talk about TEEOSA, if we had that objective analysis, rather than, well, my school district is telling me this and my other school district is telling me that. [LB195]

SENATOR GLOOR: Time, Senator. [LB195]

SPEAKER ADAMS: Thank you. [LB195]

SENATOR GLOOR: Thank you, Speaker Adams. Senator Dubas, you are recognized. [LB195]

SENATOR DUBAS: Thank you, Mr. President. I would like to continue my conversation with Senator Mello, if he would yield. [LB195]

SENATOR GLOOR: Senator Mello, would you yield? [LB195]

SENATOR DUBAS: Well, I don't see Senator Mello. [LB195]

SENATOR GLOOR: He's approaching, Senator. [LB195]

SENATOR DUBAS: Oh, okay. [LB195]

SENATOR MELLO: Yes. [LB195]

Floor Debate
May 08, 2013

SENATOR DUBAS: Thank you, Senator Mello. I know there are a lot of demands on you as we have this budget debate, so I appreciate your willingness to take my question. And I would like to just pick up where we left off, as far as ACCESSNebraska. You know, these are significant dollars that we are giving to the program. And I know I attended the most recent briefing that the Health Committee had with the department on this program, and they talked about problems. They kind of made it sound like the problems were with the actual phone company or the phone delivery. But I followed up with PSC to make sure there wasn't anything going on that needed to be addressed through their end as far as how the phones were working, and through their research, they concluded it wasn't, it's just the way the system has been developed. And so, I guess, I'm asking, probably asking you to answer a question you may not be able to give me much detail to. But if we're giving them this \$2.1 million, are we assured that it's going to address the problems that they say they have encountered through this ACCESS(Nebraska) call center system. [LB195]

SENATOR MELLO: I'll try to give you a short answer and, maybe, some more information on the previous question you asked, Senator Dubas, if I can do that. The short answer is no, because this, once again, is a deficit appropriation request, so it's one-time funding that they're asking for to go into this current fiscal year, which is...it's part of the actual deficit bill. The other issue in talking with the Fiscal Office a little bit further, is that the Department of Health and Human Services over a number of years with ACCESSNebraska had an appropriation amount that they never requested an increase in for communications. Ultimately, the way they were able to pay that overage, that overrun, so to speak, of that communication cost is they were taking money from other areas of the program to continue to pay those communication expenses. They finally got to the point where this year that they needed to come in and make a request which was, as I said, unique in its own right that they've never come in, one, acknowledging that they've made a mistake with ACCESSNebraska and/or saying that they need more money for it. This year was the first year they did both, and the reality is because, if they didn't get this request, ultimately, they would have to take money from other areas, further than what they've already done, to cover the communications expense. And the likelihood is they would have to lay off employees at the call center and people associated with ACCESSNebraska to pick up the costs of their overage on their communications expenses. So I wanted to clarify that. It was something that the Fiscal Office was able to provide, I think, a much more...a longer-term perspective in regards to how we got to this point of them putting that deficit request in. But even by appropriating this \$2.1 million in the deficit request bill, it doesn't guarantee, ultimately, some of the issues that have been ongoing with the call centers are going to be resolved with this budget request. [LB195]

SENATOR DUBAS: I...thank you, Senator Mello, and I think I would agree with your assessment that this is an ongoing issue. I've been working with Senator Conrad and the Health Committee trying to address these concerns. It's...it appears we're dealing

Floor Debate
May 08, 2013

with a similar situation in how this call center is set up and the technology that's being used, as we are with the MMIS. It appears, although the MMIS system is something very different and it's outdated, it's the importance of that technology and having it work the way it needs to work and be set up the way it needs to be set up. And that's why it appears we are running into this problem... [LB195]

SENATOR GLOOR: One minute. [LB195]

SENATOR DUBAS: Thank you, Mr. President...with the ACCESSNebraska and the call centers that are an integral part of making ACCESSNebraska work. And from the very beginning, concerns were raised about how this program was really going to be able to work, and looking at what other states who had implemented programs like this ahead of us, and it seemed like we weren't willing to learn from their mistakes. We just wanted to follow along in the same path. So this certainly is an issue I will continue to monitor and be a part of. I will be spending some time this summer looking at the call centers and how they're set up and the problems that we've encountered because I certainly would not like to see us continuing to pump money into something that appears to not be going in the right direction or not being...not getting the problems that are evident at this moment corrected and have the call centers work the way they were intended. So thank you, Senator Mello, for the answers to my questions. [LB195]

SENATOR GLOOR: Thank you, Senator Dubas. Senator Campbell, you are recognized. [LB195]

SENATOR CAMPBELL: Thank you, Mr. President and members of the body. You know, I think, for a long time, we all make a comment, one or two things about an issue that's on the floor. But I have to admit to the fact that I love budgets. I love reading them. I love looking at them. It comes, probably, from 16 years of trying to figure out where we're spending county dollars. But budgets are important. They are extremely important because when that budget is passed, it reflects our priorities--there's where they are; they're in that blue book--because how you spend your money and how you plan for how to spend that money is where you set your priorities as a state. And I wanted to follow up with my comment to Senator Mello and our discussion on the MMIS system. I want to say amen and thank you to the Appropriations Committee for putting in the money. Policymakers are only as good as the data they have before them. And I think that the department, in the Medicaid division, has struggled at times in trying to look at what that data is and because of that system. They try hard but if you don't have a good data system, you can't make good policy decisions. And I want to also comment on Speaker Adams' remarks to us. Analysis: We could say the same situation exists when we look at HHS. Where and what are we seeing in the data that we get from them? And where do we want to go, based on what we're seeing in that data? Having spent all the time--and many people in this Chamber spending time on LR37--that was part of the issue. What are the figures? What is the data telling us? How do you analyze it? How

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

Floor Debate
May 08, 2013

do you make decisions? And Speaker Adams questioned whether, perhaps, we should start putting some money into it. I would like to think that, perhaps, over the next year, we ask the Legislative Council to take a look at, perhaps, putting staff behind the oomph of the Planning Committee. Senator Harms and that committee has done a remarkable job with a lot of help from UNO. But, perhaps, it's time for us to say, we need to spend some money on some people that can help us analyze and say, where should we go with the data we have in front of us? We see, firsthand, the expert work that is done by the Performance Audit staff--again, under the good direction of Senator Harms--but, perhaps, we need to beef up that part of how we look at issues, from education to HHS and on and on, because it's the analysis that will help us best spend our money. Thank you, Mr. President. [LB195]

SENATOR GLOOR: Thank you, Senator Campbell. Are there other senators wishing to be recognized? Seeing none, Senator Mello, you are recognized to close on your amendment to the committee amendment. [LB195]

SENATOR MELLO: Thank you, Mr. President. Members of the Legislature, AM1229 reduces the appropriations request for the K-12 funding formula, better known as TEEOSA, by \$8.6 million, due to the compromise or, I should say, in light of the compromise that Senator Sullivan, members of the Education Committee, and others worked on, on LB407 or for General File. That \$8.6 million ultimately lapses down to, I would say, the bottom line or the amount above the minimal reserve and which is accounted for, actually, already on the green sheet, which brings our amount above the minimal reserve, roughly, to about \$50 million. So with that, this was an action taken on behalf of the entire Appropriations Committee. It was voted and supported on by the whole committee. It was just done after, obviously, the budget book was done and we passed out our final budget. And ultimately, it happened, I would say, in a vacuum, shortly after LB407 compromise was worked out and the new modeling showed what that cost savings would be to the General Fund in light of the changes that Senator Sullivan and the Education Committee ultimately made. So with that, I'd urge the body to adopt AM1229. Thank you, Mr. President. [LB195 LB407]

SENATOR GLOOR: Thank you, Senator Mello. Members, the question before us is, shall the amendment to the committee amendment to LB195 be adopted? Those in favor vote aye; those opposed vote nay. Record, Mr. Clerk. [LB195]

CLERK: 37 ayes, 0 nays, Mr. President, on the adoption of Senator Mello's amendment to the committee amendments. [LB195]

SENATOR GLOOR: The amendment is adopted. Mr. Clerk. [LB195]

CLERK: Mr. President, Senator Krist would move to amend the committee amendments with AM1303. (Legislative Journal page 1267.) [LB195]

Floor Debate
May 08, 2013

SENATOR GLOOR: Senator Krist, you are recognized to open on your amendment to the committee amendment. [LB195]

SENATOR KRIST: Thank you, Mr. President and members of the Legislature. And good morning again, Nebraska. This is a pretty simple amendment. It requires...remember, within the actual language of our appropriations bills, we can't do anything to bind past this biennium, in terms of money spent. We can amend the dollars up or down. So this is further intent language that the Legislature...it is the Legislature's intent that the Department of Aeronautics would put into play both a preventative replacement fund and a maintenance fund. If there's one area that I understand well, because of my full-time occupation, it is buying and selling airplanes and managing airplanes and managing the programs. I became interested in this when I saw that we were buying a...attempting to buy a 12-year-old airplane that the foundation owned, and that we had committed to dry leasing that airplane for \$10,000 a month--\$10,000 a month for dry lease. Now let me explain what a dry lease is. That means that you're responsible for all the upkeep on the airplane. You are responsible for the fuel. You are responsible for the safekeeping of the people on board. A dry lease is \$10,000 a month, plus everything that you would spend. That money, of course, was going to be credited towards or would go towards a final purchase, and you can see the final purchase. It's \$2.2 (million), and it is well above--let me say that again--it is well above what I think the...if there was such a thing as a blue book price on airplanes, it's above the actual price of what the airplane could bring on the open market. But the argument was made by the Department of Aeronautics that it was an airplane that they trusted, that they knew, that they loved, and that's what they wanted. They took that \$10,000 a month out of another fund that was a preventative maintenance fund for the Cheyenne. If they keep the Cheyenne, that preventative maintenance fund would have given them a fund in order to fix the engines which will have issues coming up. Their intent, again, was to sell it. So my concern, in the last sentence of this amendment, is to make sure that the Department of Aeronautics does not rob Peter to pay Paul out of a fund. If there is a maintenance fund set aside and if people who are riding on that airplane, who are paying for that airplane, are paying into a preventative maintenance fund for the King Air, which is the airplane that we're talking about--the registration number is November 4NU--then that money stays with that airplane, both in terms of maintenance and, my addition, in terms of a replacement fund. Now the argument has been made, both by the administration and, I'm sure, by folks in here, that if we make it so expensive to fly that airplane, no one is going to fly it. Seriously. Who is covering the cost of the airplane if the people who are using the airplane are not covering the cost? In my job, we have two kinds of categories that we fly a government airplane. One is, is it in the taxpayers' best interest to fly this airplane? That is, is it cheaper than sending all these people out commercial? Then we roll the wheels, we take off, and we support them. If we don't, then we don't. Two people at Denver can fly cheaper than riding on the Metro 23, which is a 12-passenger airplane, the airplane that I fly for a living. So there has to be a cost

Floor Debate
May 08, 2013

analysis there in terms of supporting it. The other category, which is paid for by the United States government in civil funds, is an emergency category. Now I have no, no issue with this state needing air travel. We've had enough emergencies. We need to get enough people into place. There is a justification for it there. But to say that on a normal, daily basis we're not paying in for a maintenance fund and a preventative maintenance fund...let me give you an example. We ran a fund from 1971 until 2000 against another airplane. That airplane, in a 30-year cycle, was about at its life end. We wanted to sell that airplane and buy another airplane. When we reach back into what they call a PRIP fund, which is a plant replacement investment program, we had \$1.7 million accumulated over 30 years. We bought a new airplane for \$2.6 million. I think you see the benefit in it. We had less than a million dollars to spend on a new airplane because we'd been paying in the whole time. The other thing that this does...now that's the replacement side of it. On the maintenance side of it, engines require an incredible amount of upgrade or maintenance on a periodic basis. Sometimes it's hours; sometimes it's calendar events. But it has to be done. If you don't do it, then the engine dies. Ninety percent of the value of an airplane is in its engines and its avionics. Department of Aeronautics also came to the committee and asked them for an upgrade of the avionics. And although that's not required today, in 2009...I'm sorry, in 2019, there will be a substantial AD, or airworthiness directive, that will be required on that airplane, same AD that I have required on the airplane that I fly. It's going to cost in the neighborhood of \$20,000 to \$25,000. If you have a preventative maintenance fund, that's accumulated and you take the money out of it. The department estimates that the engines on this airplane will come due for major maintenance, for major maintenance, in approximately ten years. That, conceivably, with propellers and engine maintenance, could be a half a million dollars an engine. That's a million dollars. So if you've paid into the maintenance fund, that money is sitting there, ready to go, as long as you don't touch it and find a use for it someplace else. So there's three critical parts of this intent language. Number one, you set up a maintenance fund so that you can pay for forecast, not unforeseen, but forecast needs. The second part of it is you set up a preventative maintenance...a preventative replacement fund, which means, at some point down the road, you will have accumulated savings in order to reinvest. That is a good savings to the taxpayer. That's the right thing to do. And the third part of it is you don't use the money for anything else. You put it in the savings fund against November 4NU and you only spend it for that airplane. That's my idea to make this a much better way to go. Now I'll go on record as saying this: I would have much rather had the study done because I can do the math. I can tell you that spending another \$1.4 million for a brand-new airplane that's under warranty for three years, that has a life-cycle cost or a life-cycle expectancy of 30 years would have been a better investment than a 12-year-old airplane at \$2.2 (million). But that decision has been made. We need to make sure, because it's been made, that we are, again, protecting the taxpayers' dollars, and I think this is the right thing to do. One other thing: When they forecast out the cost of a flying unit, they call it miles. I'm going to pass around for you a copy of a flight plan that I ran on our airplane so that you can take a look at it. It's approximately

Floor Debate
May 08, 2013

300 miles to Scottsbluff. If you have the wind in your face, it can take an hour and 40 minutes; if you have the wind at your back, it can take as little as an hour, 9 (minutes). So to forecast out by miles is deceiving in terms of the total cost of the airplane. It is...it needs to be measured and monitored in terms of hours flown, because those hours weigh against the cycles, the hours weigh against the maintenance that needs to be done--again, a smart thing to do--make sure that the hourly cost is forecast and that we're covering that cost on a routine basis. Remember, I'm not saying in an emergency that the Governor doesn't need to get someplace, that Al Berndt doesn't need to get someplace. That's not the issue. The issue is, on a regular basis we need to recoup and save and make sure the taxpayers' dollars are there. One other point I will make. We are entering a world of high dollars, high expenses. If a boat is a hole in the water in which to throw money,... [LB195]

SENATOR GLOOR: One minute. [LB195]

SENATOR KRIST: ...an airplane is a hole in the air in which to throw money. And when it needs to be done, it needs to be done. We have a fixed cost for our pilots--that's salary, benefits, and retirement--and we're going to pay that whether they fly the airplane or not. The university was picking up part of that bill. We're now going to have to pick that all up by ourselves. The cost of an airplane is always dictated by the number of hours flown, and the more hours you fly it, within reason, it brings the cost per flying hour down. We're going to go from a hundred...we're going to go from 400 hours a year to 180 hours a year, and the foundation does not intend to help with the program. I will answer any questions you have. I think this amendment is a good amendment. Thank you, Mr. President. [LB195]

SENATOR GLOOR: Thank you, Senator Krist. Senator Larson, you are recognized. [LB195]

SENATOR LARSON: Thank you, Mr. President. In reading through Senator Krist's amendment, I understand what he's trying to do. We talked about this in the committee, and I think he actually came and talked to the committee about it. So it's very interesting. I read through the amendment and I go look at the committee amendment, and I have a question for Senator Krist, if he'd yield. [LB195]

SENATOR GLOOR: Senator Krist, would you yield? [LB195]

SENATOR KRIST: Yes. [LB195]

SENATOR LARSON: Senator Krist, when I read the amendment, and you are just adding intent language, but then you are putting in the Department of Aeronautics, Agency 17, and, specifically, it appears to me, in Program 596, which is the state-owned aircraft program. You are directing them to create these funds, but you aren't increasing

Floor Debate
May 08, 2013

their appropriation. Or that's a cash-funded agency, but you're not even increasing what they can spend in terms of their cash funds to put into these funds. Is there a reason? Or are you just expecting them, inside Program 596, to use the \$939,146 for fiscal year '13-14 and \$659,994 in fiscal year '14-15 to take that out of the...what we are giving them right now and use that in these funds? Or why didn't you increase their cash fund authority to put money into this fund? [LB195]

SENATOR KRIST: Every person that rides on the airplane whether it's the Governor, an agency head, or anybody else that would use the airplane pays, right now, a cost per mile. A preventative maintenance fund already exists for the airplane. They already are doing that. I'm putting it in intent language that they should add not only the maintenance fund, which they're already doing, but the replacement fund, which means you put a few more cents per flying mile into that fund. There's no additional appropriations needed. What happens is the user who flies the airplane pays in a couple percent more in order to put that in the fund and offset the expenditure for maintenance and for replacement at the end of the day. [LB195]

SENATOR LARSON: I get that but, right now, we're only giving them the authority to spend so much. Maybe Senator Mello would be a better person to ask this question to. Senator Mello,... [LB195]

SENATOR GLOOR: Senator Mello, would you yield? [LB195]

SENATOR MELLO: Yes. [LB195]

SENATOR LARSON: Senator Mello, as I understand Senator Krist, this would...they'd...the Department of Aeronautics would just charge whichever agency had a little more to be able to put into this, if they already had the preventative maintenance fund, and then add intent language for a replacement aircraft fund. Do we, as an Appropriations Committee...would they just have to do it, under the cash fund appropriations that we gave them? Or if they're charging more cents or a few more percent, do we need to up their cash fund authority to be able to do that? [LB195]

SENATOR MELLO: Actually, Senator Larson, I think, in the sense of each agency budget, no doubt, has some kind of travel budget--which, granted, our committee process doesn't go through line item by line item of each agency's, I would say, administration operations budget--anyone who would choose to use a state aircraft would, ultimately, pick up the cost out of their travel budget as they, ultimately, have to pay or reimburse the Department of Aeronautics through DAS or directly to the department when they reimburse for the mileage that they accumulate. [LB195]

SENATOR LARSON: I understand that. But do we need to give the Department of Aeronautics more cash fund authority, I guess, is my question, when we create this

Floor Debate
May 08, 2013

fund, to spend money out of that fund? I get that it won't have an effect of the people that are...whether it's the Governor's Office or Secretary of State, they pay a few percent more. We don't have to give them any more cash fund authority because they have that travel budget. Do we need to give the Department of Aeronautics more cash fund authority to spend, to have this fund? [LB195]

SENATOR GLOOR: One minute. [LB195]

SENATOR LARSON: Or are they just operating this fund within what we already appropriated them? Do you get what I'm trying to say? [LB195]

SENATOR MELLO: I do, and I...as you may remember, Senator Larson, in the committee, we ultimately provided authority both for the avionics cash fund authority, as well as the engine replacement cash fund authority to the Department of Aeronautics now, even though they may not use that authority for a couple of years until that engine replacement occurs. So let's say, yes, in maybe five to six years, when they actually have to spend that money for the engine replacement, at that moment in time we may have to revisit this issue of giving them more cash fund authority, if Senator Krist's amendment would be adopted. But with the authority we've already given them, right now, until they actually replace the engine, they could live with Senator Krist's amendment, so to speak, within their existing authority. [LB195]

SENATOR LARSON: All right, thank you, Senator Mello. I was just double-checking because I didn't want to have to add the fund and then them have to put... [LB195]

SENATOR GLOOR: Time, Senators. [LB195]

SENATOR LARSON: Thank you. [LB195]

SENATOR GLOOR: Thank you, Senator Larson and Senator Mello. (Visitors introduced.) Returning to discussion, senators in the queue: McCoy, Conrad, Nordquist, Mello, Campbell, Wallman, and others. Senator McCoy, you are recognized. [LB195]

SENATOR McCOY: Thank you, Mr. President and members. Would Senator Krist yield, please? [LB195]

SENATOR GLOOR: Senator Krist. [LB195]

SENATOR KRIST: Surely. [LB195]

SENATOR McCOY: Thank you, Senator. Looking at your amendment and where it falls within AM656, could you describe to me the process? I think you had talked earlier this session, I think, to the media and others about a study--and you just, kind of, mentioned

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

Floor Debate
May 08, 2013

it, I believe--on purchasing this airplane that we're speaking of, the King Air, or, potentially, a new airplane. What type of a study would that be? [LB195]

SENATOR KRIST: I don't want to use up all of your time, so stop me if I'm rambling on too much. But there is a standard in the commercial and the corporate system, and there are several companies. The most reputable of those companies is the one that I recommended to the committee. That company is largely used both as a check and balance for congressional staffers and by the federal government. If they want to ask a question about whether you need an airplane, whether you're flying it effectively or economically, they'll go to this company and ask for this study to be done. Each agency within the federal government that wants to buy an airplane goes to them and says, here are my requirements, I want to haul ten people, I want to get into short fields, I want to do this, that, whatever. And they do a study and say, the type of airplane you should be looking for is this, or, you shouldn't be looking for an airplane at all because you don't fly enough miles, or, you have an emergency requirement that would take you to this level and then you can fund it this way. If the full-blown study was done, it would have cost us about \$9,000 to \$10,000. If we've already decided on the type of aircraft and where we're going to fly it in terms of range, it could have been as low as \$2,000 or \$3,000. But this is the same company--again, I'll emphasize--the same company that congressional staffers, when they start questioning things, they go to them for their advice about the use of an airplane. [LB195]

SENATOR McCOY: I would presume, if they are advising and consulting with Congress in D.C., that this is probably...is this a Nebraska-based company? Is this based somewhere else? [LB195]

SENATOR KRIST: I think their corporate headquarters now is in Atlanta. They have several offices in...they have one in Dallas. So it's not a Nebraska company. I've taken their template that they did for us, for our airplane buy, in 2000. And I've run their numbers. Anybody can do it once you understand the concept. But I felt personally conflicted by doing those numbers myself, although I shared them with the Appropriations Committee, and it really led to time of airplane life and investment that we probably should have looked at buying new. [LB195]

SENATOR McCOY: And is that something that this study that you're speaking of, that you talked to the Appropriations Committee about, Senator Krist, is that...is this a study that the Department of Aeronautics could do on their own, with their staff expertise? [LB195]

SENATOR KRIST: Yeah, and I offered to Director Mitchell to do that with him and work through the process and gave him all the information that I had. And I believe, Senator McCoy, the answer is they're not interested. They wanted this airplane. And I think I can quote them, and you can ask the Appropriations Committee, they weren't interested in a

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

Floor Debate
May 08, 2013

study, so we stopped there. [LB195]

SENATOR McCOY: Well, I would continue with the questions and, I think, Senator Mello maybe mentioned a few of them, Senator Larson did, as members of the Appropriations Committee. I guess I find concern with this amendment, maybe not conceptually, just in that I'm not sure how, if your amendment were to advance, procedure-wise, with our budget process, with Legislative Fiscal Office, in conversations that I've had and questions that I've asked, procedurally, Senator Krist, I'm just not sure how this would work because, essentially, you're creating a fund or intent language, so to speak, without finishing the process. [LB195]

SENATOR GLOOR: One minute. [LB195]

SENATOR McCOY: And I'm just not sure...we've encountered this a couple of times in my time here in the Legislature that I can recall. And you get into a sticky area of how do you exactly proceed. So I would think that, maybe, we're missing a step here. Do you believe that to be true? Or do you think this is a full and complete process, that this takes care of all those issues about funding the fund and finding a way? I'm just not sure, when you're talking about this amount money. [LB195]

SENATOR KRIST: Yeah, Senator, I have my light on, and I'd be happy to talk to that on my time and yield you a question, if you'd like to. [LB195]

SENATOR McCOY: Well, I would appreciate that, Senator, because I think this is a fairly substantive discussion, clearly, and involves perhaps maybe more than what may meet the eye. Thank you, Mr. President. [LB195]

SENATOR GLOOR: Thank you, Senator McCoy and Senator Krist. (Visitors introduced.) Returning to discussion, Senator Conrad, you are recognized. [LB195]

SENATOR CONRAD: Thank you. Good morning, colleagues. I rise to, number one, thank my friend and colleague, Senator Krist, for providing his considerable expertise to the Appropriations Committee on this topic and others. As, I think, we can all agree, Senator Krist has a considerable level of knowledge when it comes to all things aeronautics, I guess I'll describe it as. And he definitely took time from his schedule to provide advice and insight to the committee as we deliberated upon this topic and has continued to bring forward his ideas through this amendment. That being said, I think it's probably a good point to, kind of, circle back on, on process and, particularly, how we work uniquely, as members of the Appropriations Committee. This is a great example of an issue that I had a lot of heartburn over and fought very hard against in committee. I didn't want this included in the budget for a variety of reasons. One, I was disappointed with the request overall. Two, I was disappointed that the administration and the Department of Aeronautics refused to do a comprehensive study on this topic so that

Floor Debate
May 08, 2013

we could evaluate other alternatives. But that being said, I lost. I lost at the committee level. The votes swung the other way, and it became part of our package. And what we do...I think it's important to remember no one is entitled to any line item in this budget, whether it's the Governor, whether it's committee members, whether it's other senators who don't serve on the committee, whether it's folks in the lobby, whether it's state agencies, or whether it's citizens. No one is entitled to any budget items. What they have to do, what it is their obligation and responsibility to do is to bring forward an idea and get five votes to get it in the budget or to get 25 votes here on the floor. And that's what happened in this regard. There was a support from the majority of committee members to move forward on this topic. So because I believe in our process, because I believe in our unity, because I believe in this budget, I am going to support the budget, and I'm not going to be voting for this amendment. But I do look forward to working with Senator Krist and others who have an interest in this topic, over the interim period, to figure out an innovative way to plan and provide for resources to ensure we can meet the travel needs of the state in an emergency or other official capacity into the future. So with that, I did want to make sure to do a review of the committee process for all members because this is a good educational opportunity in that regard. And I do want to thank Senator Krist for sharing his insight and expertise on this topic. And I think, regardless of how this amendment comes out, rest assured, this shouldn't be the end of the dialogue when it comes to creating innovative solutions as to ensuring the state has the resources it needs to fully serve citizens in every corner of our state. Thank you, Mr. President. [LB195]

SENATOR GLOOR: Thank you, Senator Conrad. Senator Nordquist, you're recognized. [LB195]

SENATOR NORDQUIST: Thank you, Mr. President and members. I largely will echo Senator Conrad's comments about the process, my great concern over, initially, and continued concern over the purchase of this specific aircraft, and the process of how we got to the purchase of this aircraft. But like Senator Conrad, I, too, at this time, won't support any amendments because I am sticking with the budget package as it has come out of the committee. You know, I believe the Governor and agencies of our state do need air travel on occasion. There are times that necessitate air travel. But the questions that kept coming up and were never firmly answered were: Do we need to own a plane to get that air travel? Do we need to own this plane? What type of plane do we need? We have very little...at least, it wasn't provided at the committee level, the number of passengers that we take up. Do we need an eight-passenger plane up in the air all the time? And I was very disappointed, too, in the Department of Aeronautics refusing to move forward with a comprehensive study. And then they did bring some data back to us, and it showed that the difference between chartering a flight, versus...to Omaha or Lincoln, to Scottsbluff and back, and then they also did Lincoln to Kearney and back, I believe, the difference of cost of chartering the flight versus flying our own aircraft. And it was about a \$2,000 to \$2,500 per flight, round trip, difference. Well, you

Floor Debate
May 08, 2013

can make over 1,000 of those trips for what we're putting up, up-front here, in this initial investment of buying a plane. And then we have...as has been discussed, it costs to rebuild the engines--in a couple years, another \$700,000, and a couple hundred thousand dollars for upgrades of instruments, instrumentation. So when you add all that together, you're talking, you know, probably, 1,500 flights across the state and back, round trip, on charter. And you don't have, you know, any unexpected--those are just expected costs--any unexpected costs of owning that airplane. There are also...Senator Krist brought to the committee, that should be studied, the idea of, kind of, a timeshare arrangement, which is popular for a lot of corporations, where they buy, you know, a certain share of the plane to use at certain times. All of these questions were posed and were never answered. And that's why, you know, I'm opposed to purchasing this plane right now because, essentially, this deal came together with a call from someone at the University Foundation to the Governor's Office, saying, will you guys buy our plane? That's not how we should be doing business in the state of Nebraska. And as Senator Krist said, we're probably overpaying for this. I do know/understand that there's some value in flying a plane that we know. But how much are we overpaying, compared to the market value? I don't even know that we have that information before us. Also, I fear that, if we have a plane sitting there...right now, this plane is used over 50 percent of the time. If you look at the sheet Senator Krist sent, the King Air, on top, over 50 percent of the time by the University Foundation, the University of Nebraska, UNL, the Med Center. Combined, they're over 50 percent of the time. It's my understanding that they have very...intentions not to use this plane even as a state agency now. So what are we going to do with this plane? How are we going to fill that additional 50 percent utilization? Are we going to have agencies now or the Governor or any state agency, for that matter, kind of, feeling the need to take a plane up when they don't need to? If you have it sitting there, you're going to use it. If you charter, you're much less likely to overuse air travel. These were all questions that we tried to get answers to and, unfortunately, we didn't get answers to. So I... [LB195]

SENATOR GLOOR: One minute. [LB195]

SENATOR NORDQUIST: You know, I'm going to support the budget package as it is. As Senator Conrad said, we win, we lose, in committee. Five votes will get this in. It's in there now. It's part of the package. We did...I did push for intent language and it was supported I think by most of the committee members to say specifically this will only be used...solely be used for state business. No other side trips, hops, skips, and jumps. Solely for state business. And we also are requiring as an itemization of all the passengers that are riding, an itemization of all purposes for any utilization, to make sure, much like we would with the state car. We're not going to let people use this plane for anything other than the people's work. Thank you, Mr. President. [LB195]

SENATOR GLOOR: Thank you, Senator Nordquist. Members in the queue: Mello, Campbell, Wallman, Price, Krist, Schumacher, Dubas, and others. Senator Mello, you

Floor Debate
May 08, 2013

are recognized. [LB195]

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. I kind of want to provide I guess a perspective right now on what we're discussing: AM1303. It is intent language for the Department of Aeronautics. If you're interested in having, I think to some extent, a more fully engaged debate on whether or not the state should ultimately provide the deficit appropriation request to purchase a new state aircraft from the University Foundation for a state use, that is actually in the deficit bill. I just was speaking with Senator Dubas. I don't want to steer conversation away from what's in the mainline budget, but ultimately the appropriation is in another bill at the very end of our budget bill train, so to speak. So I want to make sure everyone is clear in regards to as we're talking about whether or not we purchase a state aircraft or why the committee ultimately did what it did. That's at the last bill we will discuss in LB194, the deficit appropriation bill. I appreciate Senator Krist in regards to the assistance he did provide the committee early on when this request was discussed in the committee in regards to whether or not it was a more fiscally prudent approach to consider chartering aircraft or purchasing a used aircraft that the state currently uses through the University Foundation. What ultimately his amendment does is it creates a preventative replacement fund in conjunction with what we already currently have in the Department of Aeronautics, which is a preventative maintenance fund. That maintenance fund, ultimately there's funds that are put into that cash fund to help do maintenance on existing state-owned aircraft. And what Senator Krist would like to see in AM1303 is to create essentially a subaccount of that which would put funds from the usage of the aircraft into that replacement fund. In theory and in public policy concept, I don't think that's such a bad concept for the Legislature to consider. But as I explained to Senator Krist, I think for us to do this as intent language on the budget at this moment in time, it may be a little premature, because we probably need to have, I think, a little bit more in-depth conversation with the Department of Aeronautics in regards to what would be that specific amount that would be charged in extra per mile for an agency to utilize the state-owned aircraft and for that to go into this preventative replacement fund. I think ultimately it's something that, as Senator Krist mentioned, it's used at the federal level, which has been used I think with some success to replace aircraft. But the reality is, is without being able to sit down, I think, with the executive branch, primarily the Department of Aeronautics, and to some extent seeing what other agencies may use the state-owned aircraft moving forward. I think it would be a little premature for us to do this only because the concern is let's say that without any guidance, so to speak, a more specific guidance in statute from the Legislature, the Department of Aeronautics may, for an example, double the rate, so to speak, of what they're charging per mile to use the state-owned aircraft, and thus, ultimately no one utilizes the state-owned aircraft and ultimately we're put in a position of purchasing an aircraft that ultimately is never used, which I think defeats the purpose of trying to provide the state ultimately reliable transportation across the state with what is currently being proposed in the Appropriations Committee deficit appropriations bill. So I do appreciate Senator Krist

Floor Debate
May 08, 2013

bringing the concept, the idea. I think it probably is a better focus maybe of bringing this amendment or turning it into maybe an interim study and having the Appropriations Committee consider this as an interim study over the interim, assuming our appropriations bills, as is, moves forward. But ultimately, right now, as I said, it's a little premature in the sense of us not being able to flesh out ultimately the total costs of what would have to be added per mile to agencies to utilize the state-owned aircraft. [LB195 LB194]

SENATOR GLOOR: One minute. [LB195]

SENATOR MELLO: You'd be able to put that amount in this preventative replacement fund. So with that being said, I hope to some extent, I know there's a lot of senators have a lot of lights on that want to discuss the purchase of a state aircraft from the University Foundation. If we want to have that debate now on AM1303, we can. But I'd like to remind the body the actual components of that purchase is in LB194, which is the last budget bill we will discuss. It's not in the mainline budget bill. And so if we want to continue to dialogue on this, we can do it on this bill; but I'd recommend we maybe hold off and try to direct that conversation and dialogue to the deficit bill where everyone ultimately wants to discuss the airline or the aircraft purchase, which is in that bill and where it's located, not under the Department of Aeronautics' mainline budget request. Thank you, Mr. President. [LB195 LB194]

SENATOR GLOOR: Thank you, Senator Mello. (Visitors introduced.) Returning to floor debate, Senator Wallman, you are recognized. [LB195]

SENATOR WALLMAN: Thank you, Mr. President and members of the body. Would Senator Mello be open to a question? [LB195]

SENATOR GLOOR: Senator Mello, would you yield? [LB195]

SENATOR MELLO: Yes. [LB195]

SENATOR WALLMAN: Thank you, Senator. On this foundation monies, are these planes bought with tax-free dollars, you think? [LB195]

SENATOR MELLO: Well, Senator Wallman, the University of Nebraska Foundation purchased the King Air back in 2001, I believe, with foundation dollars. So that would be private charitable money that they had raised. And in the last decade, that plane and that aircraft has been housed in the Department of Aeronautics, in which the University Foundation has been gracious enough to allow the state to utilize that aircraft as long as we paid and reimbursed for the miles that we used...or the flight hours, I'm sorry, that we used. [LB195]

Floor Debate
May 08, 2013

SENATOR WALLMAN: And...thank you. And is the university open to using this new plane as well? Are they just...are they going to be that much more busy with this new plane, or what's the deal? [LB195]

SENATOR MELLO: Well, that's a good question, Senator Wallman, and I'll do my best to provide a little feedback. Right now, and I think Senator Krist passed out a document, the Appropriations Committee received as well, in regards to the usage of the University Foundation's King Air aircraft, in which the University Foundation utilized it roughly 41 percent of the time. Now with the plane being transferred or being purchased by the state, away from the University Foundation, in theory the University Foundation won't be able to utilize the plane because they're not a state agency. Now the university and the various campuses could still continue to utilize the aircraft, which in my conversation with the university, they fully intend to be a customer if the state chooses to purchase the foundation's plane. The university system intends to be a customer and be able to utilize that aircraft when they need it. But ultimately, the University Foundation would not be able to utilize it because it's a separate 501(c)(3). And as Senator Nordquist mentioned, the committee put I think some very necessary and transparent intent language which says that it can only be used for state business; thus, the University Foundation wouldn't be able to utilize it. [LB195]

SENATOR WALLMAN: Thank you. Thank you, Mr. President. [LB195]

SENATOR GLOOR: Thank you, Senator Wallman. Senator Price, you are recognized. [LB195]

SENATOR PRICE: Thank you, Mr. President and members of the body. I rise in support of the concept of what we're doing here. In listening to Senator Krist, obviously he and I share a similar background in acquisitions. And the idea of planning for the future in the maintenance of an aircraft or the maintenance of heavy road equipment and maintenance of roads, or dare I say even when we talk in other areas when we talk about the maintenance of our education system. If you would, if you would take the time to just consider that we have a policy decision, first and foremost, on the aircraft in and of itself. If we decide to go that route, then it would be more than appropriate...it would be an act of leadership to understand that there is a maintenance cost which, generally speaking, is higher than the initial cost of the item being secured, but that we should undertake making sure that we can maintain it in a proper manner, and that when we talk about these things, they come across sometimes maybe a little dry, a little bit mind-numbing--but it's only mind-numbing until you have something occur that's undesirable. It isn't always just a crash--I don't like to use the word--but it could be any one of a number of things: a maintenance failure. So if we're going to have the debate at some point in time on the plane in and of itself, that's one concept. But if we're going to do this, this is a prudent and judicious planning mechanism, and that I would support; and I would encourage, colleagues, that we do this, because the last thing that we want

Floor Debate
May 08, 2013

to do is have someone come up to us later on and say, we have a need for another engine because we didn't do the maintenance in a proper schedule or we didn't have the time or that we robbed Peter to pay Paul. I know we would never do that in state government. I know the federal government never does it, moves money around. But in the odd chance...I mean, Senator Schumacher spent some good amount of time speaking to the tenuous nature of a forecast model that states, if the returns aren't exactly what people are hoping for, if we hit some snag in the road as far as revenue streams--a code word for taxes--if we hit a snag there, we still have the reality of maintaining our infrastructure. And that infrastructure, whether it's roads or education, the communications, telecommunications, architecture for the various things. We heard Senator Dubas talking earlier on the previous effort where we are dealing with IT systems and architecture for Health and Human Services. When you talk about the maintenance tale for something and acquisitions as a general body of discussion, it is something that we have already agreed that we do in a lot of different areas and we need to continue to do so in this one, because it makes a difference that when that aircraft is in the air, when you need that aircraft and you turn it over and you've got people on board, it has to work. And that work starts long before there's ever a takeoff, before you ever break traction, before anything ever happens, and the phased maintenance and scheduled maintenance to the typical daily maintenance that would be done in and around the occurrence of a flight. So colleagues, one debate is to have or not to have the aircraft. The other debate really shouldn't be too difficult to grasp if we're going to have it. Maintain it and make it less painful for the inevitable maintenance that will have to occur. Thank you, Mr. President. [LB195]

SENATOR GLOOR: Thank you, Senator Price. Senator Krist, you're recognized. [LB195]

SENATOR KRIST: Thank you, Mr. President and colleagues. And hello again, Nebraska. I'm going to answer a few of Senator McCoy's questions. I know that he's listening, wherever he is. Is it appropriate to put AM1303 here at this place, at this time, and what is its purpose? I believe it's appropriate to put some language in this appropriations bill, dovetailing on what Senator Price just said, if we've made the decision to buy an airplane, and it looks like the Appropriations Committee has said that that's what they want to do, if we want to buy the airplane, then we need to make sure that the airplane is maintained and flown correctly. And it is the Legislature's intent to have both a preventative maintenance and a preventative replacement fund in place so that in 15 years when there's 49 people sitting in here, they're not going to go through the same thing we did and look at a \$2.2 million expenditure on an airplane, used or new. They'll have some money to reinvest in a new airplane, and potentially, to increase the value or increase the capability of said airplane. Maybe it's a hovercraft in 15 years, I don't know. My point is that it is appropriate I think to have the intent language at this point and to speak to the issue of having an airplane. At the present, the foundation is responsible for the airplane. We are simply a person, an entity that leases the airplane

Floor Debate
May 08, 2013

when we fly it, and we pay into the fund--except we own the pilots. So the fixed costs for the pilots--the salary, the benefits, retirement if there is such--at \$66 an hour for two pilots sitting at the controls of the airplane, that comes out of whoever flies the airplane. And you've seen the statistics. If you remove 40 percent of the business, who's paying for the pilots? So my question is, are we taking on more responsibility? Senator McCoy wanted to know and Senator Larson both: Have we done our homework here, have we done our study? Do we know how much that is going to add to anybody's appropriations or to anybody's travel budget? Senator Mello's comments are well taken. It could. But let me tell you, to me, an insane argument for not doing this. My goodness, if we make it too expensive to fly the airplane, nobody will fly it. Seriously, if we make it too expensive to fly the airplane, then no one will fly it. Why don't we just say, carte blanche, the airplane program is straight out of the General Fund and we'll just throw in, I don't know, \$4 million a year, and if we need more for air travel we'll do that too. That's not the way you manage an airplane program. Some of you buy combines. You buy equipment. You reinvest in your plant. It's no different. You have to look at long range, when am I going to replace it? How much money am I putting in the bank to replace it? Because unlike very, very wealthy people, and maybe this is not even the case in that situation, you have to program for or you have to borrow money to go out and buy it. And sometimes that's not in your best interest. Now let me tell you what most concerns me about this perspective of moving forward. When the question was asked, how many pilots will fly the airplane, the foundation had it insured to have two pilots at the controls, and the state now intends, as I understand it, to potentially fly it sometimes with one pilot at the controls. [LB195]

SENATOR GLOOR: One minute. [LB195]

SENATOR KRIST: If you have the opportunity to fly this airplane, spend the extra \$33 an hour to have another pilot sitting next to him. In the '60s, the federal government said anytime there's a federal employee flying on any airplane, there will be two pilots, two sets of controls, two sets of instrumentation, because it's twice as safe. You're always increasing your safety margin with a crew airplane with the duality that is needed to maintain safety. I will be available for questions any time, obviously; and I will take my next time on the mike to explain the funding mechanism that I think needs to be in place for this airplane. [LB195]

SENATOR GLOOR: Thank you, Senator Krist. The Chair recognizes Senator Schumacher. [LB195]

SENATOR SCHUMACHER: Thank you, Mr. President and members of the body. I'll start out with a comment. You know, what I think I heard is at least two members of the Appropriations Committee say that they have misgivings about this whole airplane deal. And I guess I didn't realize the way the system worked, that if you have had, what, five votes on the Appropriations Committee, it came out, everybody threw their weight

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

Floor Debate
May 08, 2013

behind it and somehow those five votes determined what we were going to spend here on the floor. I think that we probably all have an obligation to become part of this budget process rather than ceding that obligation to potentially five people in the body. I do have some questions for Senator Krist, if he would yield. [LB195]

SENATOR GLOOR: Senator Krist, would you yield for questions? [LB195]

SENATOR KRIST: Yes, of course. [LB195]

SENATOR SCHUMACHER: Senator Krist, just some questions regarding these particular aircraft so that we have that information in our heads as we get to the bill that deals with whether we should buy one or not. The King Air, how many passengers, that aircraft? [LB195]

SENATOR KRIST: Depending upon the model, 8 to 12. This particular airplane is comfortably eight. [LB195]

SENATOR SCHUMACHER: Comfortably. And uncomfortably can you get another one or two in there? [LB195]

SENATOR KRIST: Oh, there's only eight seats, but it gets cramped when you get eight people on the airplane. [LB195]

SENATOR SCHUMACHER: Okay. And that's eight plus the pilot and copilot? [LB195]

SENATOR KRIST: Two pilots up front. [LB195]

SENATOR SCHUMACHER: So ten people on the plane. [LB195]

SENATOR KRIST: Right. [LB195]

SENATOR SCHUMACHER: Okay. And do we know from these statistics how many times this plane is full with essential personnel that people would have to fly rather than just going along to be along? [LB195]

SENATOR KRIST: You're talking about load capacity and whether you're maximizing the load capacity. There is a flight log that will tell you how many passengers rode on the airplane. I don't believe that that document exists for our perusal. But I can tell you that that's part, in my area, in my profession, that's part of what we run in terms of a cost-per-hour basis. The more people we fly, the more cost-effective it is to move those people across the country. [LB195]

SENATOR SCHUMACHER: And then we have an aircraft called a Cheyenne. Is that a

Floor Debate
May 08, 2013

two-engine aircraft? [LB195]

SENATOR KRIST: Twin engine. Yes, sir. [LB195]

SENATOR SCHUMACHER: And what's its passenger capacity? [LB195]

SENATOR KRIST: Anytime you get over about five people in a Cheyenne, it's uncomfortable. But I believe this one is equipped for six. [LB195]

SENATOR SCHUMACHER: So six plus a pilot and a copilot. [LB195]

SENATOR KRIST: Right. [LB195]

SENATOR SCHUMACHER: Okay. And then we have a Navajo. What's the capacity of that? [LB195]

SENATOR KRIST: I have never seen the Navajo, but the Navajo that we used to own as a business had the capacity for six passengers plus the two pilots. I have no reason to suspect that's not the configuration of this one. [LB195]

SENATOR SCHUMACHER: Okay. I know the Navajo we had, had five passengers and two pilots. Are all these airplanes fully equipped I assume for winterized flying: ice, boots, and things like that? [LB195]

SENATOR KRIST: The King Air is probably the most capable all-weather airplane, and then down the line. Flying into known icing, I believe, is a restriction in the Navajo flight manual. You have to avoid icing in that airplane. [LB195]

SENATOR SCHUMACHER: If we were confining our flying to intrastate, is there any real reason that we need something bigger than the Cheyenne or the Navajo to get a Governor and a security team and another party to a point in this state? [LB195]

SENATOR KRIST: Senator Schumacher, good question. And my personal pilot opinion is this: Anytime I can get up over the weather and avoid the kind of things that are low altitude, I want that capability. And when you're flying the Governor of the state of Nebraska or elected officials, and getting someplace, you may not have an option to wait for the weather to clear. You may have to get him there. [LB195]

SENATOR GLOOR: One minute. [LB195]

SENATOR KRIST: So I say, yes, the King Air is probably an optimum choice to get people from one end of the state to the other. [LB195]

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

Floor Debate
May 08, 2013

SENATOR SCHUMACHER: Optimal. But then we've got to put in costs. You can get up to 14,000, 15,000 feet with a Navajo, can't you? [LB195]

SENATOR KRIST: You can. And you know, from flying around the state, you can get 25,000-, 26,000-foot buildups in the summertime in a New York minute--and taller, I might add. [LB195]

SENATOR SCHUMACHER: And if you've got some radar, you can just fly around those things. [LB195]

SENATOR KRIST: That's right. You can circumnavigate. Although I'll tell you, the last time I tried to circumnavigate a big storm I ended up in Atlanta, coming back to Omaha from Denver, so. [LB195]

SENATOR SCHUMACHER: Thank you, Senator Krist. That information was very valuable. Thank you. [LB195]

SENATOR KRIST: You bet. [LB195]

SENATOR GLOOR: Thank you, Senator Schumacher and Senator Krist. (Visitors introduced.) Senator Dubas, you are recognized. [LB195]

SENATOR DUBAS: Thank you, Mr. President. I know we're going to have, as Senator Mello said, some more opportunities to talk about this issue when we get to the deficit appropriation bill. But I'd like some more information. If Senator Krist would yield to some questions, I'd appreciate it. [LB195]

SENATOR GLOOR: Senator Krist, would you yield to questions from Senator Dubas? [LB195]

SENATOR KRIST: Sure. [LB195]

SENATOR DUBAS: Thank you, Senator Krist. And you talked in one of your earlier times at the mike about studies that are available and what those studies could do. And I think you even referenced some costs, so I'm probably asking you to repeat yourself. But could you give that information again about what this study would entail and what we would get from it? [LB195]

SENATOR KRIST: The company that I suggested to the Appropriations Committee is a nationally known company that does studies for the federal government and for congressional staffers, that question whether or not people should actually have airplanes and how they should employ them. And as you can tell both from the Congress and from the staffers, there's an incredible scrutiny and there's been many

Floor Debate
May 08, 2013

cuts lately. So you have to defend your airplane and it has to make sense. This company would ask you: How many people are you going to fly? Where do you want to go, what's the range you want to go? Where are the fields you want to go: short field, long field, landing capability? Do you want all-weather or do you really need all-weather? Is there a sense of urgency? Do you have an emergency mission? What's your budget? What can you afford to pay in terms of an airplane? The requirement of speed would also be looked at. It's my professional pilot opinion that a twin engine turboprop such as this King Air is the right choice for the state of Nebraska. Not this airplane, but the right choice of equipment for the state of Nebraska. I think there are other alternatives out there that would have come forward with the study. But if one had decided to buy an airplane for the state of Nebraska, then this is the right brand; this is the right model. [LB195]

SENATOR DUBAS: And about how much would a study like that cost? [LB195]

SENATOR KRIST: Full-up study, about \$10,000 to do all of the parameters, and that's from beginning to end. Now, if you've already made your mind up that some of those things are a necessity, it could cost as little as a couple thousand dollars. And that's an independent consultant. As I said on the mike earlier, I'd be happy to run the numbers. I have the blueprint of the way that they do business. And I think the Department of Aeronautics could also do the study. But when they were asked if they wanted to do the study, they said, no, we've made our decision and that's where we're going to be. [LB195]

SENATOR DUBAS: Thank you, Senator Krist. I don't...you know, I certainly don't dispute the fact that we need to make sure that, you know, our executive branch especially has access to good, reliable transportation. But I think there's been a lot more questions raised than answers given as far as making this decision to buy this particular plane. You know, when Senator Krist was talking about how you look at planes...you know, when you buy a car, you look at mileage. When you buy tractors and combines, you look at hours. And I picked that up when he said when you're looking at airplanes, that's what you're looking at too. Those are accurate descriptions that give you a picture about the usage and where you're at. And, you know, oftentimes the easiest thing to do is buy the piece of equipment. It's everything that comes after you buy the piece of equipment that starts to add up to significant dollars, especially if you are buying things that are used. And so you certainly have to weigh those. Is it worth buying the used, and am I willing to put the additional repairs or maintenance into it? Or is it better off to go out and buy something new where I have a warranty and all those other things? These are all questions that I think are very valid and need to be weighed. Would Senator Mello yield to a question, please? [LB195]

SENATOR GLOOR: Senator Mello, would you yield? One minute, Senator. [LB195]

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

Floor Debate
May 08, 2013

SENATOR DUBAS: Thank you, Mr. President. [LB195]

SENATOR MELLO: Yes. [LB195]

SENATOR DUBAS: Senator Mello, it's been referenced about a request being made about doing a study, but the department said, no, they didn't want to do a study. Is there a reason why you as an Appropriations Committee said, well, we want the study done anyway? [LB195]

SENATOR MELLO: Good question, Senator Dubas. When this deficit request was brought to us when we were doing the preliminary budget, it was...we had brought in Senator Krist as well as the director of the Department of Aeronautics, Director Ronnie Mitchell, and had a conversation about this request. Got some different feedback and their perspectives. And ultimately, the committee felt that maybe it would be a better use to get an independent study of seeing what options were available for the state in consideration to chartering flights, to renting an aircraft, or purchasing this specific aircraft. So I sent a letter on behalf of the committee to the department requesting this independent study. They politely sent a letter back saying, no, we felt that this is the best option; that's why we requested it. And ultimately that was reiterated when the Department of Aeronautics came in for their agency hearing, and... [LB195]

SENATOR GLOOR: Time, Senators. Thank you, Senator Dubas. Senator Nelson, you are recognized. [LB195]

SENATOR NELSON: Thank you, Mr. President and members of the body. I'd like to speak to the purchase or lease of an airplane here as we're talking about...and I appreciate the candid factual information that Senator Krist is giving. Inasmuch as a decision is that we are going to buy a plane, then the type of plane we should have, the King Air that we've currently been leasing. And the question, I guess, becomes...well, let me back up and say the implication is here that we didn't have any information from the Department of Aeronautics. That is not correct. I have a whole folder of information and every member of the committee did. And the letter from the Department of Aeronautics, in reply to Senator Mello, gave us eight or nine pages of information which I think is very good and which substantiated the decision that we made. May I ask Senator Krist a question, if he will yield? [LB195]

SENATOR GLOOR: Senator Krist, would you yield to a question from Senator Nelson? [LB195]

SENATOR KRIST: Surely. [LB195]

SENATOR NELSON: In the information that we were given, Senator Krist...thank you. The option was either to purchase this used plane or purchase a new one or a

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

Floor Debate
May 08, 2013

comparable one of the same plane with the two engines, the one that you feel is safe that will carry seven or eight passengers and two pilots, what we need here in Nebraska. The cost of that, according to the information we were given, was about \$5.7 million. And someone said we could probably get it for \$5.1 million. Now that was an important factor. If we felt that the state of Nebraska and the Governor needed a plane, then we would want to pay out that kind of money. You have given us a figure I think of \$3.1 million. That could not be the same plane... [LB195]

SENATOR KRIST: \$3.7 million. [LB195]

SENATOR NELSON: What? [LB195]

SENATOR KRIST: \$3.7 million. [LB195]

SENATOR NELSON: Three one seven. All right. That would have to be a smaller plane. Is that correct? [LB195]

SENATOR KRIST: The \$5 million figure was for a King Air 350, and the 350 is a larger airplane with 11-seat capacity. The 200 and the 250 are the comparable....King Air 200 and 250 are the comparable models here. And I'm saying that for less than \$2 million more, we could be looking at a new airplane. If those numbers are wrong, they're wrong. But I think the study would certainly have told us. [LB195]

SENATOR NELSON: Well, frankly, I think they're wrong, because the Beechcraft King Air B200, a new one, model aircraft price, \$5.7 million. And that was compared with a used aircraft price for the same plane that was owned by the foundation of \$2.1 million. That was an important consideration. Thank you, Senator Krist. Another thing we looked at is the possibility of chartering. And I think Senator Krist thinks maybe it would be cheaper to do that. But with the information that we were given here, with the current King Air going from Lincoln to Kearney and back to Lincoln, we're talking about a cost of \$1,530. To charter that from Duncan Aviation was \$5,300; from Jet Linx fractional ownership, \$4,000; UltraAir, \$4,000. Three times as much to charter. So then the question becomes do we want to use the plane less for those figures with the understanding that the Governor is just not going to travel that much, because there's only a certain amount that he has allocated for transportation. And we also, the same thing that Senator Krist put out here, when we're talking about the cost of operating the airplane, let's keep in mind that the annual operating cost is information given to us by the department... [LB195]

SENATOR GLOOR: One minute. [LB195]

SENATOR NELSON: Thank you, Mr. President...is \$198,900 at 150 hours. And if someone else is going to be using the plane, such as the University of Nebraska, they

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Floor Debate
May 08, 2013

pay \$5 an hour per mile...I'm sorry, 5 per mile. And the estimate was that we would recover about \$179,000 on that. So for operating the plane that the state owns, we're short about \$20,000, and that's a manageable figure that can come out of the Governor's budget. So with regard to the amendment, let me ask Senator Krist again, what do you...if he will yield? [LB195]

SENATOR KRIST: Sure. [LB195]

SENATOR NELSON: Thank you, Senator. Do you have a cost factor as to how much we would have to set aside, or the department would, to do the maintenance fund and the replacement fund on an annual basis? How much would we have to... [LB195]

SENATOR KRIST: Senator, as you know, the maintenance fund is already in place... [LB195]

SENATOR NELSON: All right. [LB195]

SENATOR KRIST: ...and they have a cost estimate that... [LB195]

SENATOR GLOOR: Time, Senators. [LB195]

SENATOR NELSON: Thank you, Mr. President. Thank you,... [LB195]

SENATOR GLOOR: Thank you, Senator Nelson and Senator Krist. Senators remaining in the queue: Karpisek, McCoy, Schilz, Pirsch, and Krist. Senator Karpisek, you are recognized. [LB195]

SENATOR KARPISEK: Thank you, Mr. President and members of the body. I had hit my light because I didn't want to miss out on an opportunity to speak on the plane, but...since Senator Mello had told us that that is in a later bill. But I want everybody to make sure to hear that. So could Senator Mello yield, please? [LB195]

SENATOR GLOOR: Senator Mello, would you yield? [LB195]

SENATOR MELLO: Of course. [LB195]

SENATOR KARPISEK: Thank you, Senator Mello. Would you please repeat the part about that the actual expenditure for the plane is not right here? [LB195]

SENATOR MELLO: Yes, Senator Karpisek. Ultimately this is intent language, AM1303, that goes in the mainline budget bill of the Department of Aeronautics. Once again, if someone is interested in wanting to address the deficit request which was made to purchase the state aircraft, that would be located in LB194, the deficit appropriations

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

Floor Debate
May 08, 2013

bill. And ultimately, to some extent, the Cash Reserve transfer bill, LB200...or LB200, which transfers money from the Cash Reserve to the General Fund to pay for the aircraft. [LB195 LB194 LB200]

SENATOR KARPISEK: Great. Thank you, Senator Mello. That's all. And would Senator Krist yield, please? [LB195]

SENATOR GLOOR: Senator Krist, would you yield? [LB195]

SENATOR KRIST: Yes. [LB195]

SENATOR KARPISEK: Thank you, Senator Krist. I'm just trying to get to the bottom of...let's just get to the common denominator here, what this is about. Your amendment would just say, let's put some money away for maintenance of the airplane and a replacement, if we were to get one. Is that correct? [LB195]

SENATOR KRIST: That's correct. [LB195]

SENATOR KARPISEK: Thank you, Senator Krist. So many times we talk about different parts of a bill or different bills altogether, and I'm glad to hear that I think that someone is filing a motion on the plane. And I would like Senator Chambers to yield, please. [LB195]

SENATOR GLOOR: Senator Chambers, would you yield? [LB195]

SENATOR CHAMBERS: Yes, I will. [LB195]

SENATOR KARPISEK: Senator Chambers, this is almost like giving you my time but instead I'll not give it to you but I'll ask you a question about the airplane. How's that? [LB195]

SENATOR CHAMBERS: That's fine. [LB195]

SENATOR KARPISEK: What about the airplane, Senator? (Laughter) [LB195]

SENATOR CHAMBERS: Senator Karpisek, I think it is a very unwise decision to purchase this specific plane. So I'm having an amendment drafted to strike the plane. And since you asked the question "open-endedly," I had mentioned with some degree of pride and boasting that I have 504,000 miles on my car. I have maintained it. I took care of it. It's taken care of me. But now it's at a point where even though to the eye it looks the same, but now there's a sound that indicates I might have to have some transmission work done. And it's due, perhaps some axle work. And to make a long story short, this car, as much as it has meant to me, and it even told me when I got into

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

Floor Debate
May 08, 2013

it the other day, after talking to a new car dealer: Ernie, I'll be good. I said: You've been good for 500,000 miles; there's no more you can do. So I'm giving up that car and I'm going to purchase a new car. But I did some comparison shopping first. And if I would do that with a car--and I'm a private citizen--as the stewards of the public's money, we have an obligation not to take what could be a white elephant or a pink elephant off the hands of an operation, and we don't have a clear and detailed idea of what may have been done with that plane, where it has gone, what it has been through. And I think there is no problem when we have somebody with expertise on the floor suggesting that a study be undertaken; there is nothing wrong with our having such a study done. So my amendment on the bill that will come up is going to be to strike that airplane from that bill. And Senator Karpisek,... [LB195]

SENATOR GLOOR: One minute. [LB195]

SENATOR CHAMBERS: ...if that doesn't adequately answer the question you put to me, I'm available for additional tweaking, to use that word that people use around here. [LB195]

SENATOR KARPISEK: Thank you, Senator Chambers. I think that does. And I just want to say that...well, I guess I'd ask Senator Chambers, did you at some point anticipate that you would have to replace this car and maybe put some money back to put money into the old car and maybe for the new car? [LB195]

SENATOR CHAMBERS: Senator Karpisek, when I was a lad just 3'3", my mother said very important things to me. One of them was: If you get a dime, save two pennies. At the time I purchased this car, I started saving to buy a new car. And I've had this car 14 years or thereabouts. [LB195]

SENATOR KARPISEK: I would sure like to go with you when you go talking to car dealers to buy a new car, Senator. I think that would be a lot of fun. Thank you, Mr. President. [LB195]

SENATOR GLOOR: Thank you, Senator Karpisek and Senator Chambers. Senator McCoy, you're recognized. [LB195]

SENATOR McCOY: Thank you, Mr. President and members. Would Senator Krist yield, please? [LB195]

SENATOR GLOOR: Senator Krist, would you yield? [LB195]

SENATOR KRIST: Yes. [LB195]

SENATOR McCOY: Now, it's my understanding, now Hawker Beechcraft, as I believe

Floor Debate
May 08, 2013

Beechcraft was bought out by Hawker at some point along the line, the only other...you had said earlier, and I want to make sure I understood you correctly, that you felt that the Beechcraft King Air in one form, either the 200 or the 300, or I guess now there's even a 400 class unless I'm mistaken, that that was an optimal...you thought that was an optimal plane for the state of Nebraska. Is that...did I hear you correct, earlier? [LB195]

SENATOR KRIST: You did. That would be, to me, one of three that would be...that would fit into the category of an optimum plane for the state of Nebraska. [LB195]

SENATOR McCOY: Now, it's my understanding that part of the reason that might be an optimal plane is that it's really the only aircraft of its class other than the Piaggio P.180 Avanti, an Italian-made aircraft that is really the only even somewhat similar aircraft. Is that correct? [LB195]

SENATOR KRIST: No, that's not correct. The Piaggio is a foreign-made airplane--a lot of parts problems. And there's two other airplanes out there. There's the Metro 23, and there's the Merlin III, Merlin IV that are also capable of doing it. In fact, the Metro 23 is a more capable airplane. Same length, field, takeoff, and landing. Not in production anymore; but there's fine used airplanes out there for the same money or less. [LB195]

SENATOR McCOY: Why then would...and perhaps I just missed what you said. But why then would you think that the King Air is the optimal airplane? I think maybe Senator Schumacher asked the question about the weather. But I assume all of these aircraft that you're speaking of have complicated avionics systems for instrument-rated pilots. What makes the King Air an optimal aircraft? [LB195]

SENATOR KRIST: Well, if we would have done the study, the company that I was talking about would have taken into factor or into consideration the experience of the pilots. If you have to completely retrain the pilots to fly a different airplane, that is a cost-prohibitive item--if you can stay with the same equipment. So why would you move into a different piece of equipment when it's going to cost you \$100,000-plus to retrain the pilots? [LB195]

SENATOR McCOY: So in other words, meaning the Department of Aeronautics pilots being trained in the King Air aircraft. Is that what you're...since they fly the plane currently, is that...? [LB195]

SENATOR KRIST: That would have been a consideration and it would have been a notable economic consideration in changing to a different airframe. [LB195]

SENATOR McCOY: Now my other question is, either in your opening on AM1303, Senator, or in a subsequent time on the mike, and I apologize I can't remember which it

Floor Debate
May 08, 2013

was, you talked and kind of ticked off the...went through the list of things that this particular aircraft, that the foundation has had for a number of years, would need in coming years. And you also mentioned that now, I think Senator Nordquist did as well, that perhaps the university, even as a state agency, may not use this aircraft as much, maybe not at all; it depends. Are those maintenance requirements that you mentioned, are those based on hours flown or is that based on the age of the airplane? Basically what I'm asking is are those maintenance items that you mentioned going to have to be done whether this aircraft, when it's not being used by a state agency, is sitting in a hanger, or are these based on hours flown? [LB195]

SENATOR KRIST: There's two types of maintenance required on any airplane, particularly on a turboprop. These would be jet engines that power the propellers. Some of the them are periodic; some of them are calendar; some of them are based upon hours. If you fly the airplane 200 hours a year, you're going to be required to do two 100-hour inspections on the airplane. If you fly it 400 hours, you're going... [LB195]

SENATOR GLOOR: One minute. [LB195]

SENATOR KRIST: ...to have to do four. So there is a cost savings in flying the airplane less number of hours. But the propellers, for instance, are due on a calendar basis. So whether you fly it or not, every five years, as I'm familiar with the Hartzell prop propeller, would have to be completely redone. [LB195]

SENATOR McCOY: So it's possible if this aircraft isn't flown as much as it is now, Senator, that some of the maintenance items that you listed earlier may not have to be done as frequently or maybe not at all for a prolonged period of time. Would that be a fair characterization of what you (inaudible)? [LB195]

SENATOR KRIST: And that would have been part of the study. They would have told us what we were saving and what we might have saved if we flew it at a lesser time. But I would remind you again, we have fixed costs. You have two pilots that are sitting on the ground. You're going to have to pay them whether they fly or not, if they're on the payroll. So there's some fixed costs and some variable costs that would have gone into the study, and that would have told us what the right decision, I think, or advised us what the right decision would have been. [LB195]

SENATOR GLOOR: Time, Senators. Thank you, Senator McCoy and Senator Krist. Senator Schilz, you're recognized. [LB195]

SENATOR SCHILZ: Thank you, Mr. President and members of the body. Good morning. You know, this is one of those amendments, one of those situations that I look at. And, you know, if the state is going to own a plane, then we need to have a plane going forward for maintenance, operations, and all that, because as we know...Senator

Floor Debate
May 08, 2013

Chambers said, one thing about a car, when the transmission goes out you pull it over to the side of the road. When you lose something like an engine on a plane, it's not quite so easy just to pull over and call for a cab ride. So I think that this amendment is well-intentioned. I think that it's something that we should be thinking about as a state, but I do also agree with the idea that the state needs to have an aircraft such as this. It's essential to be able to have the Governor and other elected officials to get across our state, knowing that...and with the realities that the Capitol is on the further eastern end of the state and with it being so wide and so diverse, being able to get places quickly as the Governor or whoever, is not only good for the Governor and the administration, but it's also good for the people in rural and outstate Nebraska. It's their government too and they need to have access to those folks, and I believe that that's what an airplane does. You know, some people have called airplanes time travelers because they do save time. They save a lot of that. Are they expensive? Yes, they're expensive to operate. But it all depends on how you look at it and how you value the time of those people that are utilizing that aircraft. I like the idea of having a maintenance fund created because you can plan for that maintenance, and that maintenance needs to be done. And if we plan for it here and we have it in place here, then we won't have to come back and wonder, okay, now what are we going to do because we've got an aircraft that isn't any good, can't do anything, and in order to replace it, it's going to cost \$5 million to \$6 million. As we know and as many know, if you take care of something such as an aircraft, those aircraft will last for many numbers of years and provide great service. And so I commend Senator Krist for bringing this up, for taking a look at this, for bringing it to everyone's attention. And I believe I will support this. Thank you very much, Mr. President. [LB195]

SENATOR GLOOR: Thank you, Senator Schilz. Senator Krist--and this would be your last time before closing, Senator Krist. [LB195]

SENATOR KRIST: Thank you, Mr. President and colleagues. And again, hello Nebraska. I can't imagine following a better person than Senator Schilz, because I think there's a noncontentious part of this whole thing, and that is that the state of Nebraska, and particularly the executive branch and this body, should have access to a state airplane and that we have both a routine travel requirement to stay in contact with our citizens, as well as an emergency basis that we need to make sure that we get Mr. Berndt and NEMA and we're talking about Senator Davis' issue with firefighting and firefighting equipment. There's a bunch of issues both flood and drought issues that we need to respond to. There has never been an argument from this pilot that said we don't need an airplane. It is extremely important to our mission overall in this state. Senator Schilz is right: We owe it to the state of Nebraska to make sure that they have air travel. We also owe it to the state of Nebraska and the citizens to spend their dollars wisely. When I went into the Appropriations Committee, I said just this: You can buy a King Air 350 with a Garmin 1000 on it with about the same air miles as what this airplane has on it for less than \$4 million. That number went to \$3.7 million. And I looked at some things

Floor Debate
May 08, 2013

for another used airplane that got me in that ballpark. If you want to buy a brand-new Hawker Beechcraft King Air 350 off the line, you're up in the \$8 million line, and maybe we shouldn't go to that point. But if it is the sole single point of success or failure for this state, we need to make sure that we have a quality airplane. I'm also extremely, extremely concerned that anybody in the Department of Aeronautics or anybody who has anything to do with this airplane is talking about flying it single pilot. I'm sorry. I have near 14,000 flying hours, most of them crew, and the only time I've gotten myself into serious trouble is when I was by myself. If we're going to fly the Governor of the state of Nebraska or elected officials or government employees on official business for this state, we'd better have two people at the controls; we'd better have two sets of controls; we'd better have two engines, because one of them would always get you to the scene of the accident safely. The redundancy and the duality is critical to the safety of the airplane. I'm glad we had this discussion this morning. I'm also glad we're glad we're going to have a discussion about the airplane, in general. I put this amendment in the place that I did to have the discussion about making a decision: how much will it cost for a new, how much will it cost for a better old, do we make the investment now, and then look at making a reinvestment in a couple years. Do we put money away to buy a new airplane? Do we have money...do we put money away to maintain it? Do we know what the heck we're doing with the program? I have the utmost respect for Ronnie Mitchell. We flew in the Air Force, not together in the same cockpit but the same equipment. I know his capability. I have the utmost respect for these pilots that are flying us around, flying in the state around right now. They're very experienced. But managing an airplane program is not one of those things that you think you get into, because as I said before, an airplane is a hole in the air in which to throw money. But sometimes you have no choice but to make an investment. I think we should look at options. If you notice the language in the appropriations bill, the budget for travel is for owned and leased airplanes. It gives us an option that if we do need an airplane, we can lease an airplane. It's a big decision. It is a big decision... [LB195]

SENATOR GLOOR: One minute. [LB195]

SENATOR KRIST: ...and could cost us millions of dollars besides the fact that we have now a new liability issue, because the foundation had that liability issue before. We need to have these discussions and we need to make sure that we're making the right decision. And for all the reasons that were brought out here today, next year, one way or the other, if we own an airplane, you're going to see the content of AM1303 back as a legislative bill that we'll put in statute requirements for the management of the airplane. And with that, Mr. President, I'd like to pull AM1303 with respect to the body. [LB195]

SENATOR GLOOR: Seeing no objection, so ordered. Mr. Clerk. [LB195]

CLERK: Mr. President, Senator Price would move to amend the committee amendments with AM1300. (Legislative Journal page 1267.) [LB195]

Floor Debate
May 08, 2013

SENATOR GLOOR: Senator Price, you are recognized to open on your amendment. [LB195]

SENATOR PRICE: Thank you, Mr. President and members of the body. In looking at the budget before us, obviously there are a lot of numbers, there are a lot of things going on, a lot of moving parts. Each one of us has certain interests, and one of mine has always been and always involved the learning community. This amendment that I'm bringing for your consideration discusses and brings us an opportunity to discuss the change that was done within the committee. We're all in our hearings, we're all doing our committee work; we don't have an opportunity to capture the reasons why things are done. Whether it was for the airplane that we just discussed or some other aspect in the budget. In this amendment, what I'm seeking to do is get a clearer understanding of the reasoning for and the justification for increasing the dollars from what was the initial amount that the committee had put forward for the learning community. Initial amount was \$650,000 to reset into the budget for the learning community. And now it's \$725,000. And I'm seeking to return it back to the initial committee funding level of \$650,000. And I don't understand what does \$75,000 buy? What does it bring? We've had a lot of discussion this year and even in prior years on dealing with issues in the Omaha metro area and within the learning community. There have been a lot of dollars. There have been a lot of programs that have taken on responsibility to bring about a better educational climate for our students, and that I do support. But \$75,000 in a \$9 billion budget, it may not rise above the noise level for some people. But I believe it's important that we discuss what that \$75,000 each year bring. When we read in the World-Herald of some of the expenditures that go on within the learning community, it makes one wonder why is this part of the responsibility of the learning function and the learning aspects of state government? Some things are clear as day. Teaching people how to read English, to teach a better command of it. Absolutely understand the need for that. Other things are a little less understanding. And my question is, I understand that the learning community had a larger budget, I believe in excess of \$800,000. Again, as we've heard members say on the floor, the learning community is not about the achievement gap. It's not about a lot of things that we typically associate with education. It's about everything else. The cement that brings it together to create that level playing field, if you would. But again we're talking about dollars that go into Program 13, that's the education dollars. And I'm concerned and I would like to know what the \$75,000 brings that they put in over and above what the committee initially put in. So this is why I bring this amendment to the bill, AM1300. I look forward to a discussion but in that process I assure you, colleagues, this is not a vendetta. This is not brought out of a desire to put the kibosh, the proverbial one, on the process. It's about sharing with the citizens of Nebraska why we're taking these dollars and appropriating them in this manner for this entity at this time. Thank you, Mr. President. [LB195]

SENATOR GLOOR: Thank you, Senator Price. Members, you've heard the opening on

Floor Debate
May 08, 2013

AM1300. We now move to floor debate. Senators wishing to be recognized: Mello, Nordquist, Smith, Kolowski, Bolz, and Howard. Senator Mello, you are recognized.
[LB195]

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. I rise in opposition to AM1300. And to give kind of a perspective a little bit of how our budgeting process works, and I think the question that a member asked is, why did the committee in their preliminary budget start out at \$650,000 and then ultimately increase that amount from where they were in the preliminary? Kind of the process that I think some of us who have been on the committee for the last four to six years have taken is that we come in, in doing the preliminary budget, at a more conservative approach, knowing that it's much easier ultimately to make posthearing adjustments and increase funding for agencies after the hearing adjustment, instead of trying to take away funding from them after you already had a public hearing. So it's always a better budget process to come in, in a more conservative number, so you can get more information from agencies on specific programs, on specific initiatives and requests, and then make the determination as a committee whether or not you want to increase that funding after they've come in at a public hearing and explain what would be the ramifications if you move forward with the committee's preliminary budget. Ultimately, the \$75,000 increase that essentially the committee gave to the learning community aid operations, essentially there's no other way to describe it, is if we adopt AM1300 and go back to the \$650,000, that \$75,000 cut is purely to programming, and it's purely programming for early childhood education. And to some extent I would argue it kind of runs counter to what this body passed with Senator Smith's bill, LB585, that was negotiated out of the Education Committee. So I think to some extent we had that internal dialogue in the committee realizing that Senator Smith's bill, LB585, made some changes to prioritize early childhood education with the learning community. And ultimately to make sure that we kept our programming dollars in faith, we ultimately added \$75,000 back to their operations so that we wouldn't be robbing Peter, essentially, to pay Paul, one way or another, whether it was through the property tax levy or through the General Fund. So we tried to balance that out, ultimately, with the slight increase we gave them. Even with the \$725,000 appropriation to the learning community, colleagues, that's still a 17 percent cut in their budget. So I just want to make sure, while we're only talking about \$75,000 per fiscal year here, the learning community aid operations is a relatively small budget item; and ultimately, the amount we did cut from them was 17 percent. So I can appreciate...I know Senator Price and Senator Smith, Senator Murante, Senator Kintner, those members who have brought bills on the learning community, I know ultimately at the end of the day there is heartburn. But I think the package that the members of the committee put together was done in good faith and it was done through a lot of hard work. And adding \$75,000 back after the preliminary budget came out and after we heard from the learning community, showed that the reduction we made was purely going to affect early childhood education programming. Which, as I mentioned, that was one of, I thought, the key priorities in hearing from colleagues off the floor as

Floor Debate
May 08, 2013

well as members in the Appropriations Committee, that that was a priority of the Legislature in multiple conversations. So we didn't want, once again, to make a cut here and increase funding here, when ultimately it would have just panned out to be an equalization. So the learning community aid, I believe, is at an appropriate amount at \$725,000 per year. It doesn't impact, ultimately, their aid for early childhood programming dollars. They do make a reduction of trying to make shifts and changes in their administration, but it doesn't impact the programming dollars that I think the committee itself... [LB195 LB585]

SENATOR GLOOR: One minute. [LB195]

SENATOR MELLO: ...had concerns about it if we went and stayed at the \$650,000 appropriation level that we did in the preliminary budget. So with that, colleagues, I'd urge the body to vote against AM1300. Thank you, Mr. President. [LB195]

SENATOR GLOOR: Thank you, Senator Mello. Senator Nordquist, you are recognized. [LB195]

SENATOR NORDQUIST: Thank you, Mr. President and members. I, too, rise in opposition to the amendment, and just to reiterate some of the comments from Senator Mello that Senator Mello said. This came about after...the increase going to \$725,000 over \$650,000 came about after the hearing and much discussion with the staff of the learning community to talk about what their needs are. And this comes to a point that we see with a lot of our agencies, that maybe some of us don't like programs that are going on here. There's people in this body, we know, that don't like the learning community. But as long as they have a task to do, we need to fund, whether it's those agencies and those programs. We can't just say, well, we're not going to fund it even though they have a statutory obligation to carry out some duty. So after discussion with the folks about their duty in the learning community, we thought that \$725,000 was an appropriate amount. It still is a net decrease in that reduction of about \$150,000...I believe \$157,000 over where their current appropriation level is. So they are going to see a reduction in General Fund appropriation. And as Senator Mello said, this \$75,000, if not taken care of in General Funds, would eat into their programming budget largely, as was Senator Smith's bill, into important programming in early childhood education. So this is something I think we have to do. You know, this body has, until this point, maintained the learning community. And, you know, future Legislatures may make other decisions; but until that time I think it's our responsibility to adequately fund them and make sure they can carry out the duties that are assigned to them. Thank you, Mr. President. [LB195]

SENATOR GLOOR: Thank you, Senator Nordquist. Senator Smith, you're recognized. [LB195]

Floor Debate
May 08, 2013

SENATOR SMITH: Thank you, Mr. President, and good morning, colleagues. I appreciate the intent of AM1300 and Senator Price's thoughtfulness on this issue. I want to start by saying I think Senator Price is a great representative for Sarpy County and for the citizens of Nebraska. I've known him to be a great proponent of quality education. He has spoken on that many times on the floor, and he's also an opponent of wasteful government, and...but this particular bill, this amendment, colleagues, I stand in opposition to AM1300. I stand in opposition to it because I believe it conflicts, it contradicts the gains that we made on LB585 that passed on Final Reading just this last week. The fact of the matter is, whether we like it or not, if we cut this small amount of funding, albeit a small amount, there will be an attempt to make up that funding somehow; and that's where the conflict of LB585 comes in. Either it's going to be made up with an increase in the levy funding or it's going to be made up by cutting programs somewhere else, and possibly some of the early childhood development programs that we've worked very hard to get into LB585. So this is a...I'm going to call this a soft opposition to AM1300 because I do appreciate Senator Price's thoughts on this. We do want to trim government where possible without it affecting or terribly impacting the services that our citizens and our children need. Our children do need the services, I believe, that are provided through this. And so in closing on my comments, I appreciate the intent but I oppose AM1300 on the basis of its conflict with LB585. Thank you, Mr. President. [LB195 LB585]

SENATOR GLOOR: Thank you, Senator Smith. Senators in the queue: Kolowski, Howard, Price, Murante, and Avery. Senator Kolowski. [LB195]

SENATOR KOLOWSKI: Thank you, Mr. President, and good morning, colleagues. I want to thank Senator Smith for his comments, and he's right on target for what his bill did on LB585. Just a reminder. And I want to thank Senator Price for raising the question this morning. It gives us a chance to clarify and put these things back on the table. But we did go from 3 cents to 2 cents levy authority in LB585, and with the emphasis toward early childhood education programs, as Senator Smith has said. The impact upon this reduction from \$882,000 the previous years, down to the \$725,000, is just about an 18 percent reduction, as has been stated by other senators as well. It's important to keep that in mind. On the operational expenses, just keep in mind from a very short list, this would be the salaries, office rental, service contracts for technology, copy machines and copy services, insurance and other benefits, and other things that would make up the small staff of five people that work with the learning community office. And that goes a long way to deliver the services to the community that we are working with, especially with the early childhood education programs and the youngest age school students with the greatest needs as far as poverty and mobility and language learners. So I thank Senator Smith for his comments and others for their comments on this, and I also stand opposed to AM1300 and I hope we'll be able to vote this down and move on. Thank you so much. [LB195 LB585]

Floor Debate
May 08, 2013

SENATOR GLOOR: Thank you, Senator Kolowski. Senator Howard, you are recognized. [LB195]

SENATOR HOWARD: Thank you, Mr. President. I also rise in opposition to AM1300, and I would like to discuss my personal experience with the learning community. As most of you know, I work at a federally qualified health center in south Omaha, OneWorld Community Health Centers; and we operate in partnership with the Learning Community of Douglas and Sarpy County, the elementary learning center in south Omaha. And if you ask folks on the Learning Community Council, they may say that the elementary learning center in south Omaha was my brainchild, but I won't take full credit for it. If Senator Lautenbaugh is here, he should be listening, because I based the elementary learning center model off of a Promise Neighborhood in Texas that is surrounding a charter school. But the elementary learning center, what we did as a health clinic was we took the idea that we saw, which was if a parent has access to a primary care provider and health insurance, then their children will also have access to a primary care provider, and subsequently, health insurance as well. And so if you apply that to an academic setting, if a parent has their GED, has a college degree, has ESL classes or parenting classes, then subsequently, they're also able to assist their children to achieve a higher level of academic success. And so the elementary learning center in south Omaha, which these funds would be...well, AM1300 would be removing the funds from that work, has actually been remarkably successful, because they take parents and they put them in one room and they give them GED classes, ESL, and parenting classes. And at the same time, the children are in childcare that is early childhood education focused. And we have two rooms now in the early learning center in south Omaha, one for very young children, so 0 to 3, so we're working on verbal skills and talking to children and getting them up to speed, and from 3 to 5 we're working on kindergarten readiness. So these programs are highly effective. And while we may not see the outcomes until third or fourth grade, I truly believe that the elementary learning centers and the early childhood education that we are implementing in south Omaha through the learning center is working. And I would be reluctant to support any amendment that would remove funding from this great opportunity that we have. But just to be specific, the amount of funding that AM1300 would remove from the learning center is the exact amount for next year's kindergarten jump start program for the Papillion-La Vista School District. It's about \$75,840. It's also almost the exact amount for an extended learning program provided by Girls Inc., in north Omaha. That's at about \$72,000. And for the Bellevue School District, which I think Senator Price is familiar with, they're scheduled to receive over \$43,000 from these funds as well. So I rise in opposition to the amendment, and thank you, Mr. President. [LB195]

SENATOR GLOOR: Thank you, Senator Howard. Senator Price, you're recognized. [LB195]

SENATOR PRICE: Thank you, Mr. President and members of the body. I appreciate the

Floor Debate
May 08, 2013

conversation we're having. I understand the opposition and I'm not surprised by it, and I think we are better off to have the discussion. I appreciate what Senator Kolowski had to say, because earlier we'd heard that if we make a cut to the budget of the learning community, it was alluded that the result will always be early childhood education would be cut. And Senator Kolowski was gracious enough to cover other things. We talk about the office support, the administrative support, the faxes, the paper, the ink. I believe he even mentioned benefit packages. So the idea being is, and it's important that everybody have this, when there are cuts made to programs they don't always equate to a program being impacted directly--indirectly perhaps, there's no doubt about that. But I'm mindful of the conversations I hear sometimes in other political subdivisions where they talk about we have to have this money, this new tax policy, because we need to put a roof on the library or we have some other mandatory thing that we have to do. Well, wait a minute. You have an initial budget. You should pay your "must pays" first, and then pay your "like to pays" with what's left over in your discretionary budget. But what oftentimes happens is the "like to pays" get paid out of the primary budget, and you leave your "must pays" out on the edge that makes a heartfelt plea. It gives you credibility for asking for more taxes. Now in this case, I don't believe that a \$75,000 reduction automatically equates to a program in a city or a school. It's a little bit all the way around. I'd also note that the addition of \$75,000 to this budget is an increase of the base line by 11 percent. And I'll be watching to see, did we give 11 percent increases to state aid to schools in rural Nebraska? I don't know. It would be interesting to see if we have consistency across our policy. But in listening to the debate, one of the things that also struck me was when I read, and we listen...and we had that talk about the learning centers, the elementary learning centers, which I have agreement that we do that for the children. I am extraordinarily disturbed by the way we do the wraparound services for people outside of the school, because I read to you from our Article VII of the constitution that talks on education. And it says, "The Legislature shall provide for the free instruction in the common schools of this state of all persons between the ages of five and twenty-one years." We appropriate taxes and we have taxing policies based on our constitution. Our constitution is to 21 years. Why are we using education dollars, dollars raised for education, for people above the age of 21? That goes contrary to what this part of the constitution said. Now, I'm no constitutional scholar, I'm not an attorney. I didn't sleep at a Holiday Inn. I'm sure there's some basis that gives that authority. But when you read here in the constitution, it says to 21 years of age, why do we use education dollars that are raised through education means--property taxes--for people over the age of 21 in our common schools? That's a question I believe that should be explored and answered, particularly with the elementary learning centers, where it says within the entire statute it says that the food and clothing will be provided for the family members of the students in an elementary learning center. I'm not saying those things shouldn't be provided. [LB195]

SENATOR GLOOR: One minute. [LB195]

Floor Debate
May 08, 2013

SENATOR PRICE: Thank you. I'm not saying those things shouldn't be provided. I'm saying they shouldn't be provided by those tax dollars. We appropriate tax dollars to Health and Human Services to take care of people in need, and I have no problem taking care of people in need. But what pot of money it comes out of matters. It matters in this discussion when you pay property taxes into that area that's being impacted by it. We share that burden as a state to take care of the people in need; and yet, we're using education dollars in this situation. I do not agree with that. And that's why I want to have this discussion about this \$75,000 that's an 11 percent increase and to tell you that it doesn't always equate directly to a program being cut. Thank you, Mr. President.
[LB195]

SENATOR GLOOR: Thank you, Senator Price. (Visitors introduced.) Senator Murante, you are recognized. [LB195]

SENATOR MURANTE: Thank you, Mr. President and members. I rise somewhat conflicted on AM1300. When I was elected last November, the people of Gretna and Sarpy County made very clear that they expected action to be taken by their state senator on the learning community. And one thing that became abundantly clear was that both sides of the issue with respect to the learning community weren't going to get 100 percent of what they wanted in this Legislature. And so it became immediately clear, to me anyway, that the best way that we could move forward is to sit down in a spirit of compromise and figure out what solutions worked and what solutions we could all get behind to at least make the learning community something that was palatable for all of the people of Douglas and Sarpy County. I think that Senator Smith's bill was a very good step in the right direction. In my view that bill was not as important for what it accomplished as much as it was for what it represented. I think Senator Smith's bill, to call that a baby step in the right direction would probably be somewhat of an overstatement. But it did reflect a willingness by both sides of the issue of the learning community to come together and to have a negotiation and to come up with some sort of compromise. And what it represented to me was that when reasonable, objective, levelheaded leaders like Senator Jim Smith, sat down at a table with open-minded diplomats like the Chairman of the Education Committee Senator Sullivan, that we can come up with a solution that works for everybody. And the solution we came up with in 2013 was just the start of the discussion. It wasn't the end of the discussion. We still have a lot of work to do. And as I said on the microphone before, I've had a lot of conversations with the members of this Legislature on the subject of the learning community. I believe that there is broad consensus for changes that can be made, but there has to be a level of trust. I believe Senator Smith's bill was a step in the right direction of building that trust. What Senator Nordquist said earlier, he didn't say it directly and I might be putting words in his mouth, and if I am I apologize, but I think we have to get out of the mentality that either we 100 percent abolish the learning community or we make absolutely no changes and there's no middle ground in between, and that those of us who do in my view, and I've made this pretty clear I think,

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

Floor Debate
May 08, 2013

that it's going to be very difficult to reform the learning community while it is in existence and operating at 100 percent. In my view, the easiest way to make the reforms we're talking about is to start over, identify what's working; whatever our replacement plan is we can take what's working and put them back into law, but it's basically to abolish it and start over. Now that's not going to happen in this Legislature and I appreciate that. [LB195]

SENATOR GLOOR: One minute. [LB195]

SENATOR MURANTE: But in my view that is the easiest way to make the reforms that we're talking about here. But that brings us to AM1300. And my concern with it, I understand exactly what Senator Price is talking about. I think everything he said is exactly spot-on. But my concern with it, and maybe Senator Price can speak to this on the microphone in his closing or if he speaks again, is whether AM1300 does anything to damage that spirit of compromise that I think we built in this legislative session. I don't believe that the opponents of the learning community have any sort of moral agreement or any agreement otherwise that compels us to support or oppose AM1300. But I also don't want us to take a step in the wrong direction, because we are...I think we're getting there. [LB195]

SENATOR GLOOR: Time, Senator. [LB195]

SENATOR MURANTE: Thank you, Mr. President. [LB195]

SENATOR GLOOR: Thank you, Senator Murante. Senator Avery, you are recognized. [LB195]

SENATOR AVERY: Thank you, Mr. President, and good morning, colleagues. I would like to ask Senator Price to yield to a question if he would. [LB195]

SENATOR GLOOR: Senator Price, would you yield? [LB195]

SENATOR PRICE: Absolutely. [LB195]

SENATOR AVERY: Thank you, Senator Price. Could you explain to me what the basic public policy purpose is behind this amendment? [LB195]

SENATOR PRICE: Absolutely. The basic public policy is not to spend money indiscriminately without an understanding, a clearly articulated and well formulated requirement for the use of these dollars. All too often we put dollars to programs and we don't have a well understood nature for the use of the money, as Senator Kolowski began to lay out. When we're buying printers and faxes and things like that, it isn't... [LB195]

Floor Debate
May 08, 2013

SENATOR AVERY: Okay, thank you. [LB195]

SENATOR PRICE: ...just program dollars. [LB195]

SENATOR AVERY: Thank you. So what then compelled you or prompted you to pick this particular item in the entire budget to target? [LB195]

SENATOR PRICE: I picked this one because it is something that is, as I mentioned in my opening, it piqued my curiosity because I watch for things of the learning community nature. And I saw the initial budget put for \$650,000 and then I saw the change and I wondered, what does \$75,000 buy you? [LB195]

SENATOR AVERY: Thank you. All right, I'm going to oppose AM1300. I agree with Senator Murante that the bill that Senator Smith got passed already is...represents a reasonable compromise on the learning community. As someone who was here in 2007 when the learning community was created and as someone who played a role in that as a member of the Education Committee, I can tell you that it was not put together willy-nilly. It was not a bill that was not well thought out. I have heard people say in this body that it was put together on the floor. That is not true. It was put together in a lot of very, very intense negotiations. There were elements of it that were created on the floor having to do primarily with the governing structure. But that's the nature of the way we do things here, and that is we craft legislation off the floor and on the floor. I can tell you that if you look at the budget book on page 42, you will see that even at \$750,000 for the learning community, it still is a significant decrease from the appropriation we approved in 2009-10 when it was \$1 million. I think that probably \$1 million was perhaps a better number to conduct the business of the learning community. This is an important educational tool to achieve an "overridingly" acute problem of the achievement gap in the Omaha area. We must do this. It has to be successful. This was a very innovative, I think, and creative approach to the problem of the achievement gap in the schools in the metro area. I do not want us to lose track of the fact that that is what we were trying to do: trying to protect the borders of those existing school districts; trying also to close that achievement gap. Very, very noble objectives. Let's not back away from it now. I think if we adopt this amendment, it would be the wrong signal to send to the schools in that area and to the voters in the area as well. So...and I would...by the way, no matter what you think about the learning community, I would remind you it is the law and there is no reason why we should be trying to reduce its budget now... [LB195]

SENATOR GLOOR: One minute. [LB195]

SENATOR AVERY: ...to starve it. I think this is the wrong way to go and I will oppose this. Thank you, Mr. President. [LB195]

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

Floor Debate
May 08, 2013

SENATOR GLOOR: Thank you, Senator Avery. Senator McCoy, you are recognized. [LB195]

SENATOR McCOY: Thank you, Mr. President, members. Would Senator Mello yield, please? [LB195]

SENATOR GLOOR: Senator Mello, would you yield to a question from Senator McCoy? [LB195]

SENATOR MELLO: Of course. [LB195]

SENATOR McCOY: Thank you, Senator. And I would assume when we're talking about this program if I'm looking in the right page of AM656, we would be talking about Program 158, which is education aid which of course is part of the Department of Education's budget in their Agency 13. Would that be correct? [LB195]

SENATOR MELLO: That would be correct. [LB195]

SENATOR McCOY: Okay. What was the...can you tell me what was the initial...through the preliminary budget, what was the initial request for the learning community as part of this...of Program 158? [LB195]

SENATOR MELLO: I would have to...let me get through my budget book, Senator McCoy, if you can to see what the agency requested. [LB195]

SENATOR McCOY: While you're... [LB195]

SENATOR MELLO: Agency requested the current appropriation level actually, they requested a flat amount of appropriation of \$882,275. [LB195]

SENATOR McCOY: And how did you arrive at...without Senator Price's amendment, you would be talking about \$725,000. So you're saying \$880,000. So how did we get from \$880,000 to \$725,000, which is, of course, part of AM656? [LB195]

SENATOR MELLO: Well, let me...actually let me try to provide maybe a bigger global perspective, Senator McCoy, instead of this \$725,000 number you're referring to. Their current appropriation amount was actually cut by the Governor to \$500,000, which was close to about a 40 percent cut in their aid. Ultimately in conversations during the preliminary budget, the committee felt, one, that was too big of a cut for the learning community in part to what you heard from Senator Avery which is regardless of those who oppose the learning community, it's the law of the land and we need to be able to fund it so they're able to carry out their operations to maintain ultimately what we require from them in state statute. So in regards to the internal dialogue of the committee, there

Floor Debate
May 08, 2013

was a lot of give and take as there normally is, and we have settled upon a \$650,000 appropriation in the preliminary budget. The learning community came in, provided the committee I think ample information in regards to looking at various levels of funding and what our appropriation amount would do to their current operation since they came in and requested a flat amount of funding. After the posthearing, I would say, adjustment period, we had more internal dialogue. And as I mentioned in my opening and why I oppose AM1300, we came to the realization that anything that we cut from that \$882,000 was going to have probably an impact in regards to programming. Also this came in light of Senator Smith's LB585. And so the learning community came back and actually requested that we put money back into their budget, their appropriation request, which we entertained that motion and we ultimately settle upon the amount of \$725,000. Now even with a 17 percent cut that the learning community is going to receive with the committee's recommendation, that still may actually impact programming, and we understood that. But we wanted to mitigate the damage to the early childhood education programming that we had heard from the learning community when we were going through the agency hearings. [LB195 LB585]

SENATOR McCOY: Why not, Senator, why not leave it? I mean, they clearly in FY10-11, '11-12, and '12-13, the learning community received \$882,275. Why not leave it at that level? [LB195]

SENATOR MELLO: You know what I think, Senator McCoy, once again I think the committee had I think a very spirited dialogue in the sense of knowing that there was other bills that were going to reform, so to speak... [LB195]

SENATOR GLOOR: One minute. [LB195]

SENATOR MELLO: ...the learning community operations and some of their programming, primarily what we've heard through the Education Committee. We realize to some extent that there was the possibility of, depending upon what happened on the floor with that bill outside the Appropriations Committee that depending upon what the committee choose to do, knowing it was going to be a number above the Governor, the Governor may try to line item veto it. In part just simply because the Governor for one reason or another doesn't like the learning community and he put a number significantly lower than what currently is in front of you and the rest of the body. So we felt we were trying once again to protect I think the integrity of where we thought the learning community could operate in regards to their operations as well as not damaging early childhood education programming. With the \$725,000 appropriation, while it's not the number the Governor had and it's slightly higher than where we were in the preliminary, the committee overwhelmingly voted to support it and that's where we're at today. [LB195]

SENATOR GLOOR: Time, Senators. Thank you, Senator McCoy, Senator Mello. Mr.

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

Floor Debate
May 08, 2013

Clerk for an announcement. [LB195]

CLERK: Mr. President, Enrollment and Review reports LB196, LB197 to Select File. Senator Nordquist offers LR173. (Legislative Journal pages 1276-1277.) [LB196 LB197 LR173]

Speaker Adams would move to recess the body until 1:30.

SENATOR GLOOR: Members, you've heard the motion to recess until 1:30. Those in favor say aye. Those opposed, nay. We stand recessed.

RECESS

SENATOR KRIST PRESIDING

SENATOR KRIST: Good afternoon, ladies and gentlemen, and welcome to the George W. Norris Legislative Chamber. The afternoon session is about to reconvene. Senators, please record your presence. Roll call. Mr. Clerk, please record.

CLERK: I have a quorum present.

SENATOR KRIST: Thank you, Mr. Clerk. Do we have any items for the record?

CLERK: I have one, Mr. President. A new resolution: Senator Campbell, LR174. That will be laid over. That's all that I have. (Legislative Journal page 1278.) [LR174]

SENATOR KRIST: Thank you, Mr. Clerk. We'll proceed to the first item on this afternoon's agenda. [LB195]

CLERK: LB195, Appropriation's mainline budget. Committee amendments are pending. Senator Price has pending AM1300 as an amendment to that amendment. (Legislative Journal page 1267.) [LB195]

SENATOR KRIST: Continuing with discussion. Senator Lautenbaugh, Murante, Scheer, McCoy, and Kolowski are still in the queue. Senator Lautenbaugh, you are recognized. [LB195]

SENATOR LAUTENBAUGH: Thank you, Mr. President. I'd yield my time to Senator Price. [LB195]

SENATOR KRIST: Senator Price, you're yielded 4:40. [LB195]

SENATOR PRICE: Thank you very much, Mr. President and Senator Lautenbaugh.

Floor Debate
May 08, 2013

Colleagues, before we left for lunch we were talking about the aspect of taking some of the dollars back and bringing the budget back down to the initial committee stake at \$650,000, a savings of \$75,000. Discussion on the floor has been good. We've talked about it. We've heard people both proponents and opponents sometimes making the grouping a little different than we normally would see out here. Earlier work this year from Senator Smith on the learning community and how we're doing it have drawn lines that show support to continue what we already did there with the early learning. However, I would like to address a few points that were brought up during debate. What we heard from the Chair of Appropriations about the baseline budget activity is we heard that you go in a little low and then you can build up from there. Because the last thing you want to do is go in at a higher number and then have to back it out because that makes it difficult for all those involved. You know, they think they're going to get a certain amount of funding and then they back it down. Now I would tell you in the federal experience I had, I lived under those rules and that was a while back. And I'm sure today with sequestration, rolling back budgets is a daily...I assure you it's a daily activity that happens in programs across the board. But it does go to show how difficult it is to reign in programs. Now we did do some of this reigning in a couple of years ago when we were in a fiscal crunch. But, again, what we see is this inexorable move to growth and that this growth really resists any change. I don't know if that's more inherent to the nature of government programs, but it is a cautionary tale to all of us to know that when we add extra dollars, when we create new programs, that creates the new floor. Much like in state aid to schools and the funding: last year's ceiling is the next year's floor. I believe that to be somewhat of an artificial condition but it is our reality. Now another point. Cutting funding does not always equate to a rise in taxes. They would say that. They would say that if you take any funding away, there automatically is going to be an increase in property taxes. I would submit to you that if the watchful eye of the public plays a more active role in what is going on in government at the local and state level, that would not be the norm, that this could be overcome, that we could hold elected officials accountable at all levels. It does not hold true that a reduction automatically equates in a increase in taxes at a lower political subdivision. What it does mean is there has to be some significant conversation on the policy and the direction that political subdivision is moving. The debate over \$75,000 today... [LB195]

SENATOR KRIST: One minute. [LB195]

SENATOR PRICE: Thank you, Mr. President...this debate has taken the shape to say that certain programs would be cut. There is no guarantee that a program would be cut. Faced with a need to fund what the learning community wants to fund, they'd have to do the same thing we did a couple of years ago, is they'd have to find a way to squeeze it out and make it work. The learning community is not meant for the achievement gap. We've heard that many times. It's a binder to put things together to make things better in the education of children in the metro area. The challenge is, are all those things that they do in the purview of education and should we be spending our tax dollars in this

Floor Debate
May 08, 2013

manner? Thank you, Mr. President. [LB195]

SENATOR KRIST: Thank you, Senator Price and Senator Lautenbaugh. Senator Scheer, you're recognized. [LB195]

SENATOR SCHEER: Thank you, Mr. President. I rise to possibly have some little bit of food for thought here. We're talking about the learning community and it's a fairly new process. And I'm not trying to diminish the fact that it should not have goals attached to it and that it should not be productive. But we cannot continue to de-fund it and expect it to be successful. Some things need time to find out if they are going to work or possibly if they're not going to work. I believe the learning community is one such thing. It has to be given time to either sink or swim, but you can't fill it with water and then when it sinks say it was a bad idea or it didn't work. But having said that, I think we as a Legislature also have the duty to make sure that as we look at either existing or new programs that they also have goals and expectations attached to them. So as we look not only at our budget but as we look at items that are coming before us in the coming weeks--some of those new, some of those expanded, some of those continuations--let's try to look at how those are working, how we can measure the effectiveness of those programs. I'm not trying to pick any out individually. I just think we should look at all programs. If they're successful, they certainly deserve to be funded, and look at a way to improve them and expand them. If we have programs that are not being successful, we should be smart enough to acknowledge that they're not, discontinue them. That doesn't mean that we leave those people in the lurch. We find a different way to approach that problem. Failure is just not working. There may be a different avenue that we can approach that will allow us to be successful. But every program that we have should have goals and expectations attached to it. How else do we know that they're working? And I'm rising now because this isn't anything that I'm bringing forward, attaching to my bill. I'm not trying to attach it to anyone else's bill. Both current and future things should have expectations. There should be clear-cut visible signs that something is being successful or it's not. We should agree upon a time frame that they should be successful within whatever that might be. It may not be a year. Sometimes maybe it is a year. Sometimes it may be five or six years. Different things take different times. I'm not trying to develop a singular mold that everything has to fit into. But as we look in the future, as we start looking at either new programs, existing programs, let's take a look at how we are doing them if they are being successful. If there is no way for us to gauge that, then we ought to start looking at attaching some type of a mechanism on all of our programs to be able to tell if they are successful. If they're not, then let's do away with them. That program. Not all programs, just the ones that aren't successful. And if the need is truly still there, then let's develop a different program that has the capability of being successful. Let's not continue to do the same thing over and over just because that's what we've done. Let's learn from our mistakes. Let's put parameters on programs so that we know when and if they're successful. And if they are successful, then let's continue to fund them. But if you have a new program, you can't start off by continually

Floor Debate
May 08, 2013

trying to underfund it and then be surprised when it doesn't become successful. Every program deserves the chance to be successful. But every program has the possibility of failing. [LB195]

SENATOR KRIST: One minute. [LB195]

SENATOR SCHEER: We need to acknowledge both. So as we move forward, let's look at all of our programs, not just the learning community but all programs that are either being renewed or expanded or brought forward as new and try to develop some type of a format that we now will have expectations that we will be able to tell about when they are successful or not and moving forward from that point. Thank you, Mr. President. [LB195]

SENATOR KRIST: Thank you, Senator Scheer. Senator Kolowski, you are recognized. [LB195]

SENATOR KOLOWSKI: Thank you, Mr. President, fellow senators. Thank you, Mr. Scheer...Senator Scheer for your comments. And right on target. I couldn't agree more as far as the evaluation and assessments that we need to do on all fronts with all programs. Just as a point of clarification, if I may, from earlier statements that might have been made by any of the senators giving testimony on this. The overall budget for the learning community is right around \$6 million with the levies and appropriations that are given to the learning community by the Legislature and not in the \$9 million range or whatever was mentioned at an earlier time. With the trimming down of the levy authority from 3 cents to 2 cents in Senator Smith's bill, that will be even tighter than ever. Another topic just for clarification, over the past four years plus now of the life of the learning community, I want everyone to understand that on a yearly basis every year, changes were brought forward by the learning community administration and elected officials to tweak the system. And things were done on a yearly basis to make that happen and to improve upon the first law that was written, and we improved on that every year. And you can check the record on this as far as the yearly presentations we made to the Education Committee. Senator Adams, Senator Avery, Senator Sullivan were all there as we brought those changes forward respective of the...from the learning community as well as from the Legislature as a total. And it was tweaked and things were changed on a yearly basis. It was not staid. It was not an unchangeable situation because we found things right from the first year as I was a member of that along with Senator Chambers that we brought things forward and had changes made. Just wanted to offer those things as some of the background. And, again, I'd appreciate your red vote on the...on AM1300 as this moves forward. Thank you very much. [LB195]

SENATOR KRIST: Thank you, Senator Kolowski. Senator Murante, you are recognized. [LB195]

Floor Debate
May 08, 2013

SENATOR MURANTE: Thank you, Mr. President and members. I didn't initially expect to speak again, but a couple of comments were made. And as I mentioned in my first time speaking, my position on AM1300 is really part of a bigger picture of where we're at with the learning community. I think Senator Kolowski is correct in his assertion that over the years tweaks have been made. There were times in which the learning community coordinating council of which at the time he was a member brought their analysis of how the system was working to the Legislature, and the Legislature took action over the years. I will say from the perspective of a representative of Gretna and northwest Sarpy County that while some changes were made, there is a very strong sense from my constituents that our concerns and the challenges that we face are not being heard by the Nebraska Legislature, that the changes that we would recommend beyond just complete abolition of the learning community are not taken seriously by the Nebraska Legislature. Again, I don't want to understate that. What the Education Committee did this year with Senator Smith's bill I think was a good step in the right direction. In my view, I think that was a good sign, a good representation that it's not just the ideas brought forth by proponents of the learning community that are going to be seriously considered and adopted as public policy but that both sides can sit down and come up with something that we can all agree on. Senator Scheer said something that I've heard many, many times. We have to give it time, give the learning community time to sink or swim. And I think that's a perfectly appropriate way of looking at it, especially for a representative who does not have constituents to whom this issue is very passionate. But I would like to ask Senator Scheer a question if he would yield. [LB195]

SENATOR KRIST: Senator Scheer, will you yield? [LB195]

SENATOR SCHEER: Yes, I will. [LB195]

SENATOR MURANTE: Thank you, Senator Scheer. Senator Scheer, again you brought up a very legitimate point. I'm not demeaning it, and the question I'm going to ask you is not rhetorical in nature. It is a very sincere question, and I have two of them. First of all, as you...you're the Vice Chairman of the Education Committee as I understand it. You're a representative from Norfolk. Looking at it from an objective, analytical standpoint, how much time do you think we should give before you as a leader in the Legislature on education policy are willing to say, okay, it's time to make a judgment as to whether or not this is working? And I don't need a specific year number but I'm just getting...trying to get an idea of how much time we're going to give it before we can have that discussion. [LB195]

SENATOR SCHEER: From my understanding, the learning community is based on trying to help younger students, pre-K students, and building upward. So if you're starting with children that are three years of age trying to impact their education, it will take from my perspective at least to the third grade to determine if there is a substantial difference in the ability of those students at third grade versus others. [LB195]

Floor Debate
May 08, 2013

SENATOR KRIST: One minute. [LB195]

SENATOR SCHEER: And having said that, bear in mind that those three-year-olds, the learning community, the small segment that they're working with is a very small percentage of the total population. So if you're looking at that to completely eliminate any type of educational gap, that's wishful thinking in this small of a program. It would need to be much larger in scope to make a sizeable difference on that. [LB195]

SENATOR MURANTE: And that leads to my second question which is, what metrics are you looking for? What are the statistics that you are looking at to judge whether or not the system is working? [LB195]

SENATOR SCHEER: I would look at probably several things, but probably first and foremost would be your NePAS examines, the state equivalency tests that are given in third and fourth grade, actually first through sixth, eight, and the eleventh. And as you can see progression on that because you will have...those numbers are from statewide, so they are comparable not only with the other students in the Omaha area... [LB195]

SENATOR KRIST: Time, Senator. [LB195]

SENATOR SCHEER: Thank you, Mr. President. [LB195]

SENATOR MURANTE: Thank you, Senator Scheer. [LB195]

SENATOR KRIST: Thank you, Senator Murante and Senator Scheer. Senator Kintner, you are recognized. [LB195]

SENATOR KINTNER: Why thank you, Mr. President. I wasn't going to comment but I did want to say one thing, that, you know, when learning community was started, we wanted to fix the achievement gap. We had people in certain school districts doing a lot better than ones in the other district. And that was one of the prime reasons. There were a couple other things. But that was one of the prime things as I look back and I read and I've talked to some of the people that were involved with that. And now we're told, well, we're using it to help preschool kids, young school...before they get to school, young people. So you know what? They're only three and four years old. We got to wait at least 12-14 years to see if it's actually working. And, you know, maybe we get 14 years from now, we move the goalpost again and we say, well, jeez, now we're going to do this. It's going to take another seven or eight years before we can judge. And the next thing you know, I'm in the grave. And, yeah, I think we're...maybe we're evolving. And I will accept the argument, hey, we're evolving. We're finding our niche in the world. But I got to tell you, at some point I think Senator Murante is right. We ought to be able to say, okay, we've done it. Now let's see if it works. And I don't want to wait 14 years to do

Floor Debate
May 08, 2013

that. I've looked at it for four or five years and I conclude it doesn't work. But now we've got a new mission and we're doing some different things now. So I just...the point I think I'm making, there's a lot of frustration at least in Sarpy County that we haven't seen anything change that we originally wanted to change, and now we're doing something else and we're paying more taxes to do it. And I think that's the frustration that we're seeing in Sarpy County. Thank you, Mr. President. [LB195]

SENATOR KRIST: Thank you, Senator Kintner. (Visitors introduced.) Senator Murante, you are recognized. [LB195]

SENATOR MURANTE: All right. Thank you, Mr. President. Would Senator Scheer yield to a question? [LB195]

SENATOR KRIST: Senator Scheer, will you yield? [LB195]

SENATOR SCHEER: Certainly. [LB195]

SENATOR MURANTE: Senator Scheer, thank you very much for yielding again. We were in the middle of a discussion in our last conversation and I'm not sure we had time to really finish the conversation. So, again, to restate the question that the metrics that you are looking for when you're... [LB195]

SENATOR SCHEER: As far as trying to make an evaluation if it's been successful or not? [LB195]

SENATOR MURANTE: Exactly. [LB195]

SENATOR SCHEER: I would...as I had mentioned, the Department of Education has the Nebraska tests that they give on an annual basis to all the students in K through six, which would include third or fourth grade. Third grade is to me one of the more critical grades because that's the level that if you're not reading at grade level, you are probably going to have some problems in the rest of your education. It's critical to be able to read at a third-grade level by then. So when you look at those students that are in the programs that we were talking about that have had that preschool educational element added to their kindergarten, first, second grade, into the third grade, I think that's an appropriate time and I would believe that would be substantial enough time to start looking at those students compared to others that would be from similar backgrounds as far as economics and social economic, the parameters, so that if it is being successful, I think you should be able to tell from those test results that it is. And perhaps again as my first comment that I made on the floor earlier, if it's not. But I certainly think you would have...the program would have to go through at least that third-grade period in order to be able to substantiate if it is being successful or not. [LB195]

Floor Debate
May 08, 2013

SENATOR MURANTE: Thank you, Senator Scheer. I always enjoy talking with...about education policy with Senator Scheer. He's a very pragmatic person, an analytical person, and it's I think important, especially for senators from Sarpy County who are passionate and emotional on the issue of the learning community and have constituencies that are passionate and emotional to listen to the opinions of senator's objective, reasonable senators like Senator Scheer, to get a good third-party perspective on how senators from greater Nebraska are looking at the issue. I'd also like to ask a question of Senator Kolowski if he would yield. [LB195]

SENATOR KRIST: Senator Kolowski, will you yield? [LB195]

SENATOR KOLOWSKI: Yes, absolutely. [LB195]

SENATOR MURANTE: Thank you, Senator Kolowski. In my first time speaking, I had mentioned that my apprehension on AM1300 stemmed from the fact that the Education Committee I think struck a pretty good compromise this year with Senator Smith, and it represented a good-faith step forward by the Education Committee. And perhaps I should be asking Senator Sullivan this question as well. But from your perspective, AM1300, do you view this amendment as perhaps a step in the wrong direction with specifically with respect to the compromise that has been developed this year, the spirit of compromise that going down this road will make it more difficult for us to work together over the interim in developing legislation for the future? [LB195]

SENATOR KOLOWSKI: Well, thank you, Senator Murante, for that question. And I don't think it's going to be an obstacle for you and I working together under this roof because we know what we've worked on and with Senator Smith and how we want to move ahead on this up-front. [LB195]

SENATOR KRIST: One minute. [LB195]

SENATOR KOLOWSKI: What I think will...the perceptions on the outside might be picked up that way, but it's not going to hurt us as far as our relationships internally. One thing I'd like to say is we have to remember, we're forgetting some very important facts and figures. On a yearly basis, the learning community has just over \$5.2 million or so that we use for programmatic activities. The entire learning community of 11 school districts has \$1.2 billion of impact. All we can do is to work on those small aspects of small numbers of students within the 110,000 students we have in the learning community, which is one-third of the students in the state of Nebraska. We have models for replication that are very well tested and will be very well tested with some of the best evaluation. [LB195]

SENATOR KRIST: Time, Senator. [LB195]

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

Floor Debate
May 08, 2013

SENATOR KOLOWSKI: Thank you, sir. [LB195]

SENATOR MURANTE: Thank you. [LB195]

SENATOR KRIST: Thank you, Senator Murante and Senator Kolowski. Senator Lautenbaugh, you are recognized. [LB195]

SENATOR LAUTENBAUGH: Thank you, Mr. President, members of the body. I hadn't planned on speaking on this particular topic, but it does dovetail nicely with the point that I made yesterday and it is...I think there seems to be some misperception or misunderstanding. I took two hours yesterday, well, we all took two hours yesterday to talk about charter schools because in case it wasn't clear, I want us to have charter schools. It wasn't meant to spend time. It wasn't meant to delay anything. I started that on my own. I sought no one to speak on it. I provided you with the slides from the presentation I was at, and I thought it was important. And I hope some of you were listening because what we heard in the Education Committee from the witnesses that were there was that, oh, look at some of these charter schools. They've been bad. Look at this CREDO study. It says they're bad. Well, the CREDO study didn't say that. It said some are bad. And that's not news because some public schools are bad too. Some senators are bad. Some lobbyists are bad. There's good and bad in everything. But the point is, there is success out there that we could emulate. And one of the slides I gave all of you pointed out a series of reforms that Florida has undertaken, a long list of reforms, and they've had striking results. Striking results in relatively short order for low-income and minority children. And you may say, Senator Lautenbaugh, you don't know education. You're advocating rushing headlong into something. But it really bothers me when we have the discussion and we say, well, we have to give something a chance to work before we try something else, even if that something else is entirely different from the something we're giving time to work. And I hate the thought of how many children we are leaving as we bide our time and slowly piecemeal, try one thing at a time to address things. Now that's an oversimplification. I know there are efforts underway and possible reforms within OPS and I'm sure otherwise. But I guarantee you the things that I gave you on that list, which was towards the end of the slides I sent you yesterday, have not been implemented and also have a record of working where tried. And they are radical and they are bold, but frankly I don't care because we are losing children every year. Well, except in the case of crime where we are losing children weekly forever, often in Omaha in the streets. And I don't want to wait anymore. I know Senator Chambers sees this problem, and I shouldn't say this because he's not here right now, but he disagrees that charter schools are solutions. He wanted to just...he said he's been working on OPS for years, all his time in the Legislature. Well, maybe that suggests it's time to try something different because he's been working on OPS a long time and it is what it is. And to underline my point again from yesterday, my bill would have authorized up to five charter schools in east Omaha to give these parents a

Floor Debate
May 08, 2013

choice and these kids a chance outside of the bureaucracy of OPS. And the response yesterday was, well, we should give the change in the board time to work. I don't agree. I hope the change in the board works. I think the change in the board will bring some positive results, but that's just one form of impetus for change. Another would be outside pressure... [LB195]

SENATOR KRIST: One minute. [LB195]

SENATOR LAUTENBAUGH: ...which would be represented by charters. And so we can say we need to give something a chance to work, but I caution us all in saying, well, we need to let this thing play out before we try something different or to the exclusion of all different efforts because, you know, it's not my kids that are being left behind. It's probably not your kids that are being left behind. But make no mistake, there are kids being left behind and we're not doing enough and more money isn't the answer. Thank you, Mr. President. [LB195]

SENATOR KRIST: Thank you, Senator Lautenbaugh. Senator Crawford, you are recognized. [LB195]

SENATOR CRAWFORD: Thank you, Mr. President, and thank you, colleagues. And I rise in opposition to AM1300. And I guess my comments really come back around to the comments that Senator Smith raised really at the beginning of this discussion. I believe it's very important. We've had some important discussions this session on the learning community and important discussions in multiple committees, including the Education Committee and the Appropriations Committee. And we have already passed the one bill that came out the Education Committee, which is I think an important step and I think it does show where there was discussions of the stakeholders, and a recognition that there was one component of the learning community where we didn't feel we were getting our money's worth. We were able to work on that component, and I think those are important steps as we move forward in this discussion. And I think it is important that we maintain trust and that we keep all the stakeholders at the table. And I think that abiding by the agreements that were made in those discussions in the Education Committee and the Appropriations Committee is an important thing for us to do for us to continue moving this conversation forward. And I believe there are discussions right now in our communities with the superintendents about other components of the learning community, so I think those discussions are continuing. And I expect us to see coming back next year and next session, I expect us to continue to discuss those issues that are raised with questions of what's happening, what's working well, and what do we need to improve. And on that front, let me also just say that, you know, it's a very multifaceted. So often we talk about the early learning community, but there are other components of the...the early learning centers and early education investment, which is a key part of learning community, but there are other components as well. And there are discussions in our communities and in our schools and amongst ourselves right now

Floor Debate
May 08, 2013

about many of those elements. And I think it's important as we move forward that we do so with the full transparency and the hearings and the other discussions and negotiations among all the stakeholders that are important to make that process one that moves forward in an effective way and involves all the stakeholders who will be involved. And I just wanted to speak to the policy justification for the appropriation as I understand it in terms of, you know, why land at that number. Some information that I have which I believe is what was presented to the Appropriations Committee was just showing that the appropriation level at \$725,000 is the level that covers the general staff, rental expense for the office space, and expenses associated with council meetings, and other general expenses incurred for the learning community in general. And then this...that this appropriation amount, the administrative cost for the elementary learning centers does shift to elementary learning centers funding. And so that is a policy reason for the level that was landed at here in terms of the appropriation deliberations. And so I stand in support of the deliberations of the Appropriations Committee and in support also and am appreciative to Senator Smith and for all others in the Education Committee who have worked hard to make compromise there and see how we can move forward with the learning community to try to keep those discussions moving forward and keep our process here at the state doing the best we can to improve the learning community and to ultimately, of course, obviously, to improve the education of our kids and to improve the effective use of our taxpayer dollars. Thank you. [LB195]

SENATOR KRIST: Thank you, Senator Crawford. Senator Price, you are recognized. [LB195]

SENATOR PRICE: Thank you very much, Mr. President, members of the body. In listening to the discussion, I'd like to say what it is that I believe that many of the residents of Sarpy County would like to see in the governance of the learning community. What they would like to see is the ability for them to vote, that the district and the citizens, the taxpayers of that district, vote whether they want to be in a learning community. The learning community was foisted on the members and the people of Sarpy County. We are the only county mandated to belong in a learning community. The learning community law applies to everybody in the state. Only one county was told you will participate and you have no vote, and that was Sarpy County. That's where the rub is. I would hope that one day that should there ever be an effort to modify in this body the learning community that that modification would allow for the people to take a vote. In Bellevue, they may say we want to stay in. In Papillion, they'll say they want out. In Gretna, they may say they want out. Not give lip service to local control but actually give local control, not wield control from the high castle. Sometimes we have to. There were disputes, but we didn't do it in this time. But having said that and listening to the debate between Senator Scheer and Senator Murante, I did happen to light upon one comment that was interesting in that we have to give things time and we have to measure. And I ask you, have you ever heard that there are any discussion of a

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

Floor Debate
May 08, 2013

measurement that has a consequence to education? Do we say if you cannot meet the state reading levels and the state math levels that we're going to decrement or decrease your funding? No, we don't say that. Do we say if you can't get it done, we're going to allow for charter schools? No, we don't say that. We may measure, measure, measure, measure, but there are very few consequences. The consequences are meted out on our children. They're meted out to our employers who are looking and who are demanding qualified, capable, competent, new work force individuals. That's who pays for it. That's where the consequence is. And I'm asking that we give it another chance, that we look at that. So when we have this debate and we talk about measuring, I hope that the same people who stood up today and said these things about measurement will say, yes, we will put measurements and we will put consequences in debate next year that will be brought for this. Now I've listened to the members of the floor. I've listened to my seatmates. I've heard what they've had to say. I've heard about this compromise, the spirit of compromise and agreements. I'm not party to that. I'm not a stakeholder any more than any other people who are on the floor who vote, and we are just members of this body. I don't know if there are 48 other stakeholders who made an agreement. I did not make an agreement. That, notwithstanding, in the spirit of what we're trying to get done here today and in the time that we have allocated for us, I will ask that AM1300 be withdrawn. [LB195]

SENATOR KRIST: So moved. Mr. Clerk. [LB195]

CLERK: Senator McCoy would move to amend, AM1299. (Legislative Journal page 1268.) [LB195]

SENATOR KRIST: Senator McCoy, you're recognized to open on your amendment. [LB195]

SENATOR McCOY: Thank you, Mr. President and members. AM1299 came about yesterday morning actually. Was going through our blue budget books again. I get up pretty early in the morning, and I was sitting at our kitchen table having a cup of coffee at a very early hour, before the chickens were up as they say. Still dark outside. And I was going through the budget book again, been through it once, more than once as many of us have, and page 149 and...pages, I should say, 149 and 150 kind of jumped out at me. And if you have your blue budget book, the corresponding spot were areas in AM656 are on page 89, 90, and 91. And it jumped out at me that through Program 334, which would be in Agency 29, Department of Natural Resources, that we're moving \$150,000 a year--so \$300,000 over the next biennium--and we're moving it over to the university, the institute of ag and natural resources as I read it, for climate change study. And I've had a lot of conversations or I should say a good amount of conversations with Senator Carlson as Chair of the Natural Resources Committee and others between yesterday and today, we've had some time. And in a moment I'll ask Senator Carlson a few questions, and I'm sure at later times on the microphone I'll get a chance to ask

Floor Debate
May 08, 2013

Senator Mello some questions, and I've asked him some questions off the microphone as well. But how I read this as I've studied this a little more is this. The university right now is using federal funding for this weather data study. And the idea is that perhaps the federal government is moving away, shifting away I think is the language it was using, or may be shifting away from funding these types of weather...this type of weather data research that our Department of Natural Resources then and our NRDs across the state, Natural Resources Districts, use in the very valuable work that they do for agriculture and for water users across the state. My fundamental problem with that and why I bring AM1299 to the body this afternoon is this. We don't know if that federal funding is going to disappear and go away. It may. It could for any number of things the federal government funds. Currently, it's funded. So by shifting this \$150,000 a year to the university to study climate change, and we know that Senator Ken Haar has a priority bill that we dealt with a couple of weeks ago on climate change, I think \$44,000-some-odd for the university to assist with this climate assessment committee. And we were able to work out what I think to be a pretty useful compromise on that piece of legislation. My concern here is if we were to advance AM656 which obviously becomes then the mainline budget bill LB195, what happens, members, if this area continues...for the university continues to get funded with federal dollars and we've now shifted over \$150,000 a year for climate study. What happens to those dollars? So you have federal...it's being funded now in federal dollars, we're bringing in state dollars on the idea that perhaps federal focus is shifting away from this, what then happens to that \$150,000 a year? Now we could all say huge budget, billions of dollars, what does \$300,000 matter. Well, I would say that every dollar counts in some sense. I think as we represent the 1.8 million Nebraskans out there, we should be looking at every dollar. This is something I just happened to notice sitting at our kitchen table yesterday morning. I don't know why I hadn't seen it before. Perhaps there's a completely rational explanation. I've gotten several answers at several different points the last few days. But no one has been able to answer for me this, what I just articulated. It's federally funded now. If we move state dollars to fund this and the federal funding continues, where does this money go and what is it used for? No one has been able to answer that question for me. Perhaps they will be able to. If Senator Carlson would yield to a question, I would greatly appreciate it. [LB195]

SENATOR KRIST: Senator Carlson, will you yield? [LB195]

SENATOR CARLSON: I will. [LB195]

SENATOR McCOY: Thank you, Senator Carlson. As Chair of the Natural Resources Committee of which I spent four years serving with you on and no longer do, you and I have had a couple of conversations along these lines. In your mind, Senator Carlson, I think you've told me that...off the microphone that Department of Natural Resources really isn't able to use this money for projects. Is that accurate, Senator? [LB195]

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

Floor Debate
May 08, 2013

SENATOR CARLSON: That's my understanding that it's not able to be used for other proposed projects that have been okayed and looking for funding. And there are a lot of cash funds within the Department of Natural Resources and some of them can be used and some of them can't for continuing projects, and I'm told that this is one of those funds. [LB195]

SENATOR McCOY: I appreciate that, Senator. And I know through I believe LB517 perhaps through the study, this may be one area you explore a little more is the use of these particular cash funds. Was that correct? [LB195 LB517]

SENATOR CARLSON: That should be a part of what we want to do on the task force, probably a minor part but some of it would be looking at streamlining some of the procedures in the Department of Natural Resources that would be beneficial to them. [LB195]

SENATOR McCOY: Now I think you've told me, Senator, that this weather data that really the university collects now, if I understand it correctly, is pretty useful to not only the Department of Natural Resources but also the NRDs across the state. Is that true? [LB195]

SENATOR CARLSON: The information that the UNL gathers on weather is very important information, but they don't analyze it. The analysis and the studies are done in the Department of Natural Resources. So, yes, that information is very important to the department. [LB195]

SENATOR McCOY: And I would guess then by extension, Senator Carlson, that the NRDs across the state then don't necessarily because this information is collected but not analyzed by the university, they then aren't having to put into their budgets amounts to gather this weather data and pay for it because it's already been done. They just have the ability to disseminate it and analyze it. Is that your understanding of it? [LB195]

SENATOR CARLSON: Well, my understanding is the NRDs receive the information that comes out of the studies that are done on this data that's gathered on weather, and so it becomes important to them because of the outcome of the study and the information that they can get. They know they can get it. I don't think they're too involved in thinking about how the funds work in order to get that information to the department and then out to them. [LB195]

SENATOR McCOY: And knowing that we do have incredibly diverse not only weather but ecosystems across our state, Senator Carlson, I would guess that any time we can have our university and the experts that we have here in the state gathering this data and then this data being able to be analyzed by the individual NRDs, I would think that would be a good thing for those that are involved in agriculture and those outside of

Floor Debate
May 08, 2013

agriculture I would imagine, wouldn't you? [LB195]

SENATOR CARLSON: Well, I'm told that states other than Nebraska use the results that come out of the studies done by the department, Kansas being one of them. And of course we're in a contract agreement compact between Colorado, Kansas, and Nebraska. So I like the idea... [LB195]

SENATOR KRIST: One minute. [LB195]

SENATOR CARLSON: ...that the information that they use comes from studies done in Nebraska. [LB195]

SENATOR McCOY: I do, too, Senator, and I think that's valuable. And my sense would be is that this information is probably used by a whole host of experts in water and agriculture and otherwise. And obviously the ultimate end users are the producers in agriculture. But thank you, Senator Carlson. I'll probably have questions at a future time and I'll engage Senator Mello as Chair of the Appropriations Committee when I get other opportunities. Thank you, Mr. President. [LB195]

SENATOR KRIST: Thank you, Senator McCoy. (Visitors introduced.) Starting the debate, Senator Carlson, Mello, Haar, Ken Haar, Schilz, and McCoy are in the queue. Senator Carlson, you are recognized. [LB195]

SENATOR CARLSON: Thank you, Mr. President. And Senator Mello has asked that he and I kind of trade times here, so I will yield my time to Senator Mello. [LB195]

SENATOR KRIST: Senator Mello, you are yielded 4:40. [LB195]

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. I rise in opposition to AM1299 for two parts. One, I think Senator McCoy for one reason or another feels that this component and this reallocation is revolving around climate change, which it's unfortunate to say but that's not what this is about and it's not about Senator Haar's bill that tries to allocate funding for a climate change study. But what it does do is it reallocates funding with the Department of Natural Resources to continue the automated system of collecting weather and climate data through currently the High Plains Climate Center at the University of Nebraska. Now that center is a federally funded center. But to answer some of Senator McCoy's questions that he posed I think rhetorically in his opening, that federally funded center is changing its scope. It's now becoming a regional scope in the sense of the state climate and weather data that was collected currently is going to be changed where the state will no longer get Nebraska-specific weather and climate data. Now the other issue was whether or not the High Plains Center continues to even be funded in the future knowing there's other land-grant institutions that are competing to be able to do this regional climate and

Floor Debate
May 08, 2013

weather data collection. That's I think the answer to Senator McCoy's first question of why would we want to do something that's being federally funded. One, the program as we know it is changing, so what we're getting will change as well and we will not be getting Nebraska-specific weather and climate data. That's the first component. Senator McCoy and Senator Carlson did mention that the Department of Natural Resources obviously uses this weather data. Part of what ultimately not just the department but natural resources districts is well utilized this weather data. And what this reallocation of \$150,000 in General Funds does each year is it continues...I should say the operations of roughly 67 weather stations across Nebraska in collecting this data, as well as it keeps employed roughly one technician to oversee those 67 weather stations that collect Nebraska-specific weather and climate data. Ultimately if the data is not collected, which as I've said is where the program is moving towards, the program will not be collecting Nebraska-specific data. So that's going to occur. The Department of Natural Resources is going to have to contract out at some point in time to get data to be able to share with NRDs and other interested parties across Nebraska. And essentially what the committee decided to do was because the...it's the interrelated water management program, the Appropriations Committee last biennium stopped essentially or started to phase out that program in the Department of Natural Resources. Senator Carlson mentioned it already in his Q&A with Senator McCoy that no future projects are going to be funded out of the interrelated water management program in DNR. So this \$150,000 is essentially sitting in DNR. And for the purposes of trying to provide natural resources districts, the Department of Agriculture, other interested parties outside of the Department of Natural Resources, state Nebraska-specific weather data, the committee decided to reallocate this money instead so that they could ultimately do the contract with the High Plains Center at the University of Nebraska. Now I can understand Senator McCoy's concern of ideologically just opposing the belief that climate change is caused by human energy usage or human activity, but that's not what the committee chose to do. The department is going to have to do this one way or another... [LB195]

SENATOR KRIST: One minute. [LB195]

SENATOR MELLO: ...because in an era that we're currently dealing with right now where we are...have seen unpredictable drought occur in the state, Nebraska DNR, ag, as well as natural resources districts need to know what this weather data is across the state because getting regional data that incorporates Kansas, Colorado, Oklahoma, Iowa is not going to help us deal with our own weather climate issues in Nebraska. It's not going to help our own Department of Ag out or our own Department of Natural Resources. So the committee ultimately I believe took a proactive step. Reallocated the funding that's currently not being utilized and is putting it towards the High Plains Center to continue Nebraska-specific weather data at the 67 weather stations across Nebraska for the next two years. I believe that's a worthwhile investment for the Department of Agriculture, the Department of Natural Resources, and the various natural resources

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

Floor Debate
May 08, 2013

districts across the state who will utilize this Nebraska-specific data over the next two years. With that, I'd urge the body to oppose and vote against AM1299. Thank you, Mr. President. [LB195]

SENATOR KRIST: Senator Mello, I understand you wanted to give your time to Senator Carlson. [LB195]

SENATOR MELLO: I would. Thank you, Mr. President, members of the Legislature. I'd yield my time to Senator Carlson. [LB195]

SENATOR KRIST: Senator Carlson, you're recognized. [LB195]

SENATOR CARLSON: Thank you, Mr. President and members. And I would like to address Senator Mello if he would yield. [LB195]

SENATOR KRIST: Senator Mello, will you yield? [LB195]

SENATOR MELLO: Yes. [LB195]

SENATOR CARLSON: Thank you, Senator Mello. And I'm asking this...this has come up rather quickly and I haven't had a chance to talk to you individually about it because I've tried to gather some information myself today. And understanding that it may come to a regional approach to weather studies rather than strictly the state of Nebraska, I don't know how eminent that is. What did you find out about that? [LB195]

SENATOR MELLO: Well, our Legislative Fiscal Office in our conversations about this item both in the preliminary and the agency hearings and post-agency hearing conversations is the federal program is changing. So the federal funding ultimately may not change but the program scope is, and that's something that is why we ultimately took I think the proactive measure we did was the funding...we're not saying the federal funds are going to go away, but the reality is is that it may not continue the program as itself is changing to a regional scope. And ultimately it may not even stay at the University of Nebraska, knowing I believe in our conversations, the University of Illinois is also competing for this federal regional program moving forward. [LB195]

SENATOR CARLSON: All right. And I don't think that...we don't have any disagreement on this. We both understand, first of all, there are 67 weather reporting stations in the state that are operational, and those need to continue to be that way and they need to be funded. If this became part of a regional plan and the federal funding didn't come to Nebraska if we're not the center of that regional plan, then we would have a funding problem perhaps and we would need to pay to get the information that we're getting now from another contractor, and it would probably cost more money than what is...what we're responsible for today. The question I have, and I don't know if you know

Floor Debate
May 08, 2013

the answer to this, and I need to try and find out, if it's not eminent, if that federal funding continues for another two or three years, so we don't have a problem at the university level funding the program, what would happen to the \$150,000 this year and next year if they don't need it to fund the program that gathers this weather data?
[LB195]

SENATOR MELLO: Well, Senator Carlson, I guess to answer kind of the first part of your question in talking with the Fiscal Office, those federal changes are happening this year in 2013. So the question is not a matter of whether or not it happens two years from now; it's occurring this year. But once again if for one reason or another that regional focus which is going to occur doesn't stay in Nebraska, that obviously I think only emphasizes the need of why we reallocated the aid to the operation for then the contract. But I think that's the first item is that it is occurring this year, so that's why we did what we did for this biennium knowing that it's not going...that we had to take action this year instead of waiting to next year's mid-biennial budget change. [LB195]

SENATOR CARLSON: Okay. Thank you. And I'm going to dig into that a little bit because if that is the case, then I'm on the same position that you're on on this because this is very important. And I'm not opposed to the university getting \$150,000. I like the university. But if it actually becomes bonus money for a couple of years, I'd have to look at it a little differently. So I appreciate your response, and I'll be looking into this further, and thank you, Mr. President. [LB195]

SENATOR KRIST: Thank you, Senator Carlson and Senator McCoy (sic). Senator Ken Haar, you're recognized. [LB195]

SENATOR HAAR: Mr. President, members of the body, first of all, I guess I should say some people took my story seriously yesterday morning. And I just have to say Garrison Keillor never starts by saying "this is a story." That was a story and I thought it brought smiles and it did. So I want to make that clear. I rise in opposition to AM1299. I think the questions being asked are good ones. What the High Plains Regional Climate Center is about is collecting data. And I went out to their Web site to learn more about them. And, for example, you can click on one map that talks about soil temperatures today. Now I'm not...no, I do know why people in agriculture want to know soil temperatures. So it gives a map of Nebraska and it tells what the soil temperature is, again, based on the 67 weather reporting stations that this agency has around the state of Nebraska. It's also...there's a little fact sheet here from the Legislative Fiscal Office, and they bring out the point that's already been made that if we don't go to the High Plains Regional Climate Center for this data, then the department will still need the data and will have to go through a private contract at a higher cost. I then went out and looked at the personnel of the High Plains Regional Climate Center. And if you look carefully at the descriptions, a lot of it has to do simply with data collection. I mean, that's their main purpose. If you look at the purpose of the High Plains Regional Climate Center, the

Floor Debate
May 08, 2013

mission is to increase the use and availability of climate data in the high plains region. They're not talking about climate change, if that's an offensive word to some people. They're talking about collecting climate data. It's the day-to-day stuff, and over time obviously this kind of data will be used to look to see if there is a changing climate. But their day-to-day data collection people, they have 67 sites around Nebraska. They're also working on the software that will help coordinate this data with other users. So I think the choice is very clear as I'm always amazed at how much Senator Mello knows about the details of each of these items. But 67 weather reporting stations for the purpose of agriculture, and that includes hydrological modeling, soil temperature, soil moisture, all these kinds of things that we need for agriculture in our state. If we don't put the money here, we're going to have to put the money somewhere else and pay more for it. So once again, I would rise in opposition to AM1299. I think it's a wise investment of our money to collect weather data that we use in this agricultural state. Thank you, Mr. President. [LB195]

SENATOR COASH PRESIDING

SENATOR COASH: Thank you, Senator Haar. Senator Schilz, you are recognized. Senator Schilz waives. Senator McCoy, you are recognized. Senator McCoy waives. Senator Murante, you're recognized. Senator Murante waives. Senator Price, you are recognized. [LB195]

SENATOR PRICE: Thank you very much, Mr. President. Actually I was calling you to get a gavel. The squawk in the back was getting a little bit annoying. But now I get a chance to talk, so I'll just add to the squawk noise. I have some questions on this. And it is rather amazing that I've held off this long to talk on a weather-related bill. Now we're being told the appropriation of money is to continue and keep some weather stations up and running. I would like to know, would...could Senator Mello yield to a question? [LB195]

SENATOR COASH: Senator Mello, will you yield? [LB195]

SENATOR MELLO: Yes. [LB195]

SENATOR PRICE: Thank you, Senator Mello. I guess I could have asked Senator Harms, but real quick. These 67 sites, I guess the dollars are the...is it to buy the data or is it to maintain the weather sites? [LB195]

SENATOR MELLO: Ultimately it's to maintain the weather reporting stations and their operations of those stations. [LB195]

SENATOR PRICE: Okay. Let's back up. I'd like to unhook the train, okay, if you would for me. Are we buying the data or are we maintaining the sites? [LB195]

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

Floor Debate
May 08, 2013

SENATOR MELLO: We're maintaining the sites that collect the data. [LB195]

SENATOR PRICE: Okay. So we, the state, own these weather sites? [LB195]

SENATOR MELLO: Right now to some extent they're part of...I should...I was just talking with Senator McCoy, Senator Carlson, Senator Schilz, first off, what ultimately is in AM656 that Senator McCoy's amendment would strike is that we reallocated \$150,000 in aid from the Interrelated Water Management Program. We reallocated that to operations in the Department of Natural Resources. So they now would have \$150,000 each year in reallocated money in their operation so they could contract out to ideally the High Plains Center, which maintains these sites across the state to collect the data. So our \$150,000 contract, now it doesn't have to be with the university. If there's another data collection, weather and climate data collection entity that can do this, we allow the department to go contract out with them as well. [LB195]

SENATOR PRICE: Okay. I think I have that understood now. Thank you very much, Senator Mello. Ladies and gentlemen, it's interesting because my last years were in the Air Force were in weather data collection. I actually worked in the data collections branch. That was my responsibility, and I understand a little bit about that. These 67 sites, I'm curious about because as you drive up and down the interstate, I'd like to have someone come up to me with those sites who actually owns them, what equipment is there, how they're sited, calibrated, and maintained, and then I'd like to know are there any other data sets. Because I would tell you, colleagues, there are other data sets out there. The federal government owns a lot of data already. I'm always amazed by how much we repay for things and things of that nature. I mean, we were doing that on lightning data. So we ended up through the office I worked in, we wrote one check for the federal government. And one check at the federal government written through the Department of Air Force's funding line paid for lightning data for the entire United States. For NOAA and for some of our overseas locations, we made a one check. So I would hazard a guess that we already own data sets, that we're repaying for data. That notwithstanding, and also I would add, looking at data in a mesoscale, you can go ahead and look it up in your computer, just check that out real quick. You know, you have microscale, you have mesoscale, and you have synoptic scale. If I'm looking for climatic data and I'm looking for climatic patterns, a pattern will generally exist in an area that is greater than say this Capitol Building. It is greater than... [LB195]

SENATOR COASH: One minute. [LB195]

SENATOR PRICE: Thank you...greater than the city of Lincoln. You could have some microscale. It could be much greater than the state of Nebraska. Ladies and gentlemen, highs and lows don't form in just one area; they form, what we like to say, upstream. The data sets we need for proper understanding of the total picture of climatic studies is

Floor Debate
May 08, 2013

greater than the state of Nebraska. What I'd like to hear the conversation be: We want these data sets so we can build our own model and then maybe we can sell our model off to somebody else. If that's what we want to do, let's be up-front about it. I understand data collection at points, but I'm beginning to wonder why we're transferring \$150,000, whatever the number is, to the university when we probably ought to own this data as a state and the federal government. Thank you, Mr. President. [LB195]

SENATOR COASH: Thank you, Senator Price. Senator Mello, you're recognized. [LB195]

SENATOR MELLO: Thank you, Mr. President, members of the Legislature. I appreciate we're having a good dialogue about this amendment and ultimately what currently is going to be occurring aside from what the Appropriations Committee put in our budget recommendation and aside from Senator McCoy's amendment, AM1299. The current program that's federally funded at the High Plains Center at the University of Nebraska, the federal program is changing in scope. It's becoming more regionalized. The region that currently it serves is going to be significantly larger, and so ultimately what right now we have in that program currently is 67 weather stations that is operational in the High Plains Center in Nebraska. As we were just having the conversation, with the change in the regional scope now that will incorporate a significant number of other states in the Great Lakes region as well as some of the higher, I would say, Midwestern states, that 67 number of weather reporting stations will shrink. There will be less weather reporting stations operationally in Nebraska with the change of scope at the federal level. Now as Senator McCoy, Carlson, Schilz, and myself were just discussing, the University of Illinois also is competing for this new regional center against the University of Nebraska because ultimately this center is going to be a significantly larger investment the federal government is making through the National Oceanic and, I believe, Aquatic (sic--Atmospheric) Agency (sic--Administration), NOAA, that there's going to be more research focused at this new larger center beyond what's just currently being done in regards to weather and climate data collection. So what the Appropriations Committee ultimately did in our budget proposal was to move, reallocate, \$150,000 in aid from the Interrelated Water Management Program, that's not being utilized, to the Department of Natural Resources' operations budget, and give the authority to the Department of Natural Resources to be able to utilize that \$150,000 to contract out to continue collecting this weather data across Nebraska, because the federal program is changing regardless. So the question became of whether or not we want to collect Nebraska-specific data to be able to share with the Department of Agriculture, Department of Natural Resources, and our various natural resources districts across the state. As I was just explaining, the current contract with NOAA and the federal government ended on March 31, 2013, and it's likely that they're going to continue to do a month-to-month contract as they move forward till this new regional contract gets signed. So as I was trying to answer, I think, Senator McCoy and Senator Carlson's question, which we've discussed, this regional change is going to happen this

Floor Debate
May 08, 2013

year and we're going to hopefully get a couple more months of statewide data till that regional contract comes to fruition. But even if the University of Nebraska beats out the University of Illinois for this weather and Climate Center, we won't get the same data we're getting now. And so to boil all of this down into essentially what did the Appropriations Committee decide to do is that we decided to appropriate and reallocate money within the Department of Natural Resources' existing budget to continue getting the same data we were getting prior to March 31, 2013, which was Nebraska-specific data from 67 different weather reporting stations. Senator McCoy's amendment ultimately would strike that funding that would allow us to continue to collect Nebraska-specific data from these 67 weather reporting stations. I think we were... [LB195]

SENATOR COASH: One minute. [LB195]

SENATOR MELLO: ...having some dialogue trying to figure out ultimately this very, I would argue to some extent, a convoluted issue, which is important obviously not just for Nebraska agriculture but some of the water issues that Senator Carlson, Senator Christensen, Senator Schilz had brought forward specifically in light of what we anticipate to be possibly a very difficult drought year, moving into the summer and the fall. So hopefully I know that Senators McCoy, Schilz, and Carlson had some questions of the Fiscal Office of how we collected some of our research and information to make this decision. Hopefully I can answer any further questions they may have. Otherwise, it's still my belief and hope that the body would vote against AM1299 and continue the funding of these 67 weather reporting stations. Thank you, Mr. President. [LB195]

SENATOR COASH: Thank you, Senator Mello. (Visitors introduced.) We continue on discussion, Senator Price, you are recognized. [LB195]

SENATOR PRICE: Thank you, Mr. President, members of the body. I have some questions. I'm going to see if Senator Mello can answer those questions. Would he yield? [LB195]

SENATOR COASH: Senator Mello, will you yield? [LB195]

SENATOR MELLO: Yes. [LB195]

SENATOR PRICE: Thank you very much, Senator Mello. And I was listening to what you had to say there but I wanted to make sure that on the record and specific as we can, and in as short an answer as you can give it, is this funding only going to impact weather collection stations within Nebraska? [LB195]

SENATOR MELLO: Yes. [LB195]

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

Floor Debate
May 08, 2013

SENATOR PRICE: Okay, great, that works. My question...my next question is, as I went to the High Plains Regional Climate Center Web page, I was greeted by a map, sort of a map, a logo that included a lot of other states. How many states are in the High Plains region? Do you know? [LB195]

SENATOR MELLO: Seven. [LB195]

SENATOR PRICE: Okay. Are each of these states equally burdened in their commitment to funding these stations,... [LB195]

SENATOR MELLO: Well, currently... [LB195]

SENATOR PRICE: ...I mean at least the station within their state? I mean if you have a network, is everybody maintaining it at the same rate and level? [LB195]

SENATOR MELLO: I can't speak in regard to what other state governments are doing in the other six states, but currently our state is not paying for those weather reporting stations. Right now we are getting that state-specific data from the program, the federally funded program right now that allows us to get our state data. But that program is changing, and so we won't be getting that state data moving forward. [LB195]

SENATOR PRICE: Okay. And that's a great segue and I appreciate that. Have we as a state, and I'm not saying you as an individual, but have we as a state received notification from the federal government that the data sets would no longer be available and that we would now have to go and pay for the data sets? Can I get a gavel, please? [LB195]

SENATOR MELLO: Senator Price, in speaking to the Fiscal Office, the data is currently available until the program scope changes, which the contract ultimately is out right now, as I mentioned earlier. The contract ended March 31, 2013, and they're looking to do a month-by-month extension until the new regional contract gets approved. So they're anticipating that regional contract to be approved this year, in 2013. [LB195]

SENATOR PRICE: So am I to understand that we know they're paying for it each month, there will be a new contract? Will the new contract pay for this data and we won't have to pay for it once a new contract is in place? [LB195]

SENATOR MELLO: I'm trying to find a different way to answer the same question again. The regional contract ultimately changes the scope of the program. [LB195]

SENATOR PRICE: No, I understand that, Senator Mello. [LB195]

SENATOR MELLO: So the new regional contract would not have Nebraska-specific

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

Floor Debate
May 08, 2013

data, that we're currently collecting right now, since the scope of the project right now, federal program, is not regional and not in the regional sense of more looking at regional data and regional weather climate data. It's primarily focusing still on state-specific weather and climate data. [LB195]

SENATOR PRICE: Okay. Thank you, Senator Mello, and I appreciate that. I still find something amiss here, colleagues, because I don't believe the National Weather Service is going to stand down. I haven't read or heard it. The data set currently being provided, as we talked to, may change, but I don't know what I haven't heard. I'm not saying it won't happen but no one has come to me. I haven't seen anything that says that the federal government is no longer going to maintain these weather systems. I don't see how you can make it a good model. Good model data depends on good data points. You need your upper air and you need a lot of different ground points. I don't know that the federal government is going to just up and stop these and no longer fund or maintain these 67 stations. I agree how we get the data may change. I may agree that some of the data sets may change. But it boggles my mind to think that the federal government is going to say, we're not going to collect weather anymore, because if they're not going to collect it in Nebraska, does it mean they're not going to collect it in Kansas and North Dakota... [LB195]

SENATOR COASH: One minute. [LB195]

SENATOR PRICE: ...and South Dakota? Thank you. Are they not going to collect it in Colorado? I think the data sets are going to continue to be kept. I can call a couple of my friends and quickly find out if the program dollars are in the lines of maintaining these ASOSs, Automatic Sensing (sic--Surface) and Observing Systems. So my question is, if we're going to fund for the maintenance of these and, ladies and gentlemen, that is a new burden we'll be taking on, the state will then be taking on the calibration and maintenance of these systems. They'll be taking on working with Climatronics and people like that for the transmissometers, and will be taking on a lot more here. I don't know that you can maintain 67 weather stations. I don't know how encompassing those stations are for these dollars. Thank you, Mr. President. [LB195]

SENATOR COASH: Thank you, Senator Price. Senator Watermeier, you're recognized. [LB195]

SENATOR WATERMEIER: Thank you, Mr. President. I apologize. I walked up here just a little bit late on this debate here, been gone. Senator Mello, would you yield to a question? [LB195]

SENATOR COASH: Senator Mello, will you yield? [LB195]

SENATOR MELLO: Yes. [LB195]

Floor Debate
May 08, 2013

SENATOR WATERMEIER: Senator, I had heard you say earlier that the program fully funded and it could very well be that there's funds in there at the short term or in the present. But my experience has been on those, using those funds, and especially the four that are underneath the Natural Resources Commission, that they are always fully used and fully appropriated. And so can you answer that question? Did I hear that correctly? [LB195]

SENATOR MELLO: Ultimately, Senator Watermeier, last biennial budget the Appropriations Committee started to phase out the Interrelated Water Management Program. So any projects that weren't started last biennium, no new projects qualify for this funding. This funding ultimately was started to be whittled down, so to speak, and which right now, with the current projects that are currently being funded, there's \$150,000 surplus, so to speak, of their funds, with no future projects available to utilize those funds. So what ultimately the Appropriations Committee did was reallocate those unused funds in the Interrelated Water Management Program to the department's agency operations so they could contract out to continue this state climate and weather data. [LB195]

SENATOR WATERMEIER: Thank you, Senator Mello, appreciate that. But it's still my understanding that...I would struggle to take the money away from that fund, because we fought pretty hard to get that in there for fully appropriated and overappropriated basins. And it's my understanding that...and I would be really struggling to try to take that away. So I'm going to be for this amendment and I'm going to really stretch to think that we can come up with this money from somewhere else. And I was actually part of that process that put a hold on any new projects in there, because we were getting so close and so close to the end of that funding of it, I didn't want to give it all up. So I'm in support of this amendment, and I would urge the rest of the body to be in support of it as well. Thank you. [LB195]

SENATOR COASH: Thank you, Senator Watermeier. Mr. Clerk for an announcement. [LB195]

ASSISTANT CLERK: Thank you, Mr. President. The Appropriations Committee will hold an Executive Session under the north balcony at 3:00. [LB195]

SENATOR COASH: Thank you, Mr. Clerk. We return to discussion on AM1299. Senator McCoy, you're recognized. [LB195]

SENATOR McCOY: Thank you, Mr. President, members. Would Senator Watermeier yield to a question, please? [LB195]

SENATOR COASH: Senator Watermeier, will you yield? [LB195]

Floor Debate
May 08, 2013

SENATOR WATERMEIER: Is it multiple choice? Yes, I will. [LB195]

SENATOR McCOY: Thank you, Senator, I appreciate it. I'll try to keep it multiple choice. That used to be my favorite form of test as well; no test here. Help me understand a little more, because I do think you have a lot of knowledge, and I served four years on the Natural Resources Committee but, honestly, this can sometimes be very convoluted, very complex when you're talking about not only these different programs but the entire process with DNR and the NRDs and this whole...this whole process is very complex. It's my understanding that the NRDs have to...there's a 20 percent match if they're going to take money out of this fund to help utilize and determine when you're talking fully appropriated and overappropriated basins. Is that your understanding of it as well? [LB195]

SENATOR WATERMEIER: I don't remember the 20 percent match part. I thought it was more 50/50. But as far as...there's a match to it, yes. [LB195]

SENATOR McCOY: So what would this fund that we're talking about pulling, potentially, \$150,000 a year, \$300,000 total--my amendment, AM1299, would restore that funding--what would this...what would the money from this fund be really...in your experience, what would it be used for? What in real practice out there, what was and is, what does this get used for? [LB195]

SENATOR WATERMEIER: Well, a simplified example might be such that if you had...and I'll go to the Republican Basin where they had issues with the compacts and different things. They were under the gun to try to figure out why they were using too much money and then to also come up with the balancing effect of how to come up with the, excuse me, not using too much money but using too much water. So what the...I think they call it an IWMP, the Interrelated Water Management Plans were specific to the water basins that were overappropriated or fully appropriated. And what the idea was is to get in front of these water issues to study them. And what sponsors would do, and maybe sponsors could be two or three NRDs, would get together and decide they want to look at an issue on how or why the water was used in a certain area. And to say it's complicated is an understatement by a stretch. It's more complicated than anything else in the state that I've ever had to look at, and I hate to even get up to the mike and claim to know much about it. But make no mistake about it, these funds were really valuable in creating avenues and vehicles, as you would say, to study what was going on out there. If you think back about 8-10 years ago to the water bill that...LB492 or LB472 that was mandated from the state we got to figure this out, we just didn't have any funding mechanism at that time. So about \$3 million was allocated to the IWMP Fund and they were, I thought, very wisely used and very effectively used to prepare for what was going on out there. [LB195]

Floor Debate
May 08, 2013

SENATOR McCOY: I appreciate that, Senator Watermeier, and I guess what concerns me is, and I go back to, I don't think there's any opportunity, and again I go back to this may only be \$150,000 a year but we have some serious issues as it relates to fully and overappropriated river basins. And if this money can be used in any way to help one of these basins determine whether or not a plan is going to work or what needs to be done to best benefit that basin, I just...I have grave reservations about moving it. I don't know why we couldn't have found \$150,000 somewhere else, to your point, Senator Watermeier, to go to the university if this federal funding goes away or the focus... [LB195]

SENATOR COASH: One minute. [LB195]

SENATOR McCOY: ...shifts away...thank you, Mr. President,...to a more regional-based approach. And I just...I find that disconcerting. I don't know what the water...if any legal ramifications there may be when it comes to the issues that we have with particularly the Republican River Basin, as it relates to water, which we all dealt with for my entire time here. And it went on before I got here and probably, I hope, will get addressed at some point to where future Legislatures don't have to worry about it as much. I just stand, again, members, with reservations about moving this money. I think it should have stayed. I think this \$300,000 could have been found elsewhere. And this money should be left in the Interrelated Water Management Plan Program with the Department of Natural Resources. I understand it can't be used for a specific project, but it can be used for studies, as Senator Watermeier just outlined and perhaps we'll do. [LB195]

SENATOR COASH: Time, Senators. [LB195]

SENATOR McCOY: Thank you. [LB195]

SENATOR COASH: Thank you, Senator McCoy, Senator Watermeier. Senator Mello, you're recognized. [LB195]

SENATOR MELLO: Thank you, Mr. President, members of the Legislature. I think I want to clarify a couple points. Senator Watermeier ultimately...Senator Watermeier's questions, I think, and what he's referring to is the Resources Development cash Fund in the Department of Natural Resources, not the Interrelated Water Management Program, because that program actually is being phased out. This would be the last biennium of that program and the funding is not being used for any other projects, because ultimately we stopped any new projects last biennium. So any projects that maybe I think, Senator Watermeier, you may be discussing is probably coming out of the water...essentially it's the Resources Development cash Fund, which is very similar. But this Interrelated Water Management Program essentially has started to close down last biennial budget. So concerns about water funding not being used for water, those projects are being funded with the money. The money essentially is not being used

Floor Debate
May 08, 2013

because there's been no new projects for two years. So to try to relay any concerns you may have about us not using the money for what its use...what it's specified or specifically wanted to be used for, it was a policy decision this Legislature made before. We're continuing that policy moving forward. And no new projects have been...essentially been approved through the Department of Natural Resources over the last couple...after the last two years, because that was the will of the Legislature when we made that decision last biennium. To some extent I think Senator Price...I'll try to do my best to refute and try to clarify, I think, Senator Price's concern. This federal program is through the National Oceanic and Atmospheric Agency...or Administration. It's not through the Nebraska weather service or the National Weather Service. The federal funds are given to the High Plains Center at the University of Nebraska. Ultimately, we have 67 weather reporting stations, through the High Plains Center, in Nebraska that collects Nebraska-specific data. Now they collect data in other states as well in our region, the other six states that we talked about. But that federal program is changing. The scope is enlarging, so there will be more states that get added to this region. We have 7 now; we could end up having 14 or 15 states. With the change in regional scope, fewer Nebraska reporting stations will collect data. They'll close down. They'll close the stations down and we have 67; we may have 25 or we may have 35. We won't know until that regional contract is approved. And even if it is approved and the University of Nebraska gets it, they have to do a regional scope that's larger than what they currently are getting. So that 67 number will dwindle down regardless. What we're doing and what we had put forward in our budget was to transfer the unused funds in the Interrelated Water Management Program, that cannot be used for any other new water projects in that program, because there are no new projects to be able to put that money towards, to reallocate that money to the operations of DNR to be able to use to contract to the High Plains Center to continue the collection of that data we're currently getting now. Now let's say, for an example, that contract doesn't happen till December. Well, for some reason or another the federal program ultimately extends a little bit further. Let's just use the hypothetical Senator McCoy and Senator Price used, that for one reason or another maybe they continue our month-to-month contract till March of 2014. Ultimately, that funding then still stays in the Department of Natural Resources' operations for them to not have to use to continue this weather collection data until the time comes. So it's not that they have to ultimately keep paying... [LB195]

SENATOR COASH: One minute. [LB195]

SENATOR MELLO: ...for something that they're currently already getting. It's when that data goes away, which we anticipate it will go away in 2013, in the calendar year, that they have the funding available to contract out with the center to continue operating those 67 weather stations or weather reporting operation centers. That's what we're doing here. So to try to answer all three questions or all three perspectives: One, the money can't be used for any future water projects in that cash fund. I think we can talk a little bit with the Fiscal Office, Senator Watermeier, in regards to the other cash funds

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

Floor Debate
May 08, 2013

we may be talking about differently. And Senator Price's concern or thought that we shouldn't be funding these because National Weather Service won't let us stop doing it, it's not the National Weather Service. It's the National Oceanic and Atmospheric Agency (sic--Administration) who provides this federal funding, and they are the ones who determine the federal scope and that scope is growing larger. So one way or another, our data will change, our collection will change. It's a question of when will that happen and whether or not that will happen at the end of 2013... [LB195]

SENATOR COASH: Time, Senator. [LB195]

SENATOR MELLO: Thank you, Mr. President. [LB195]

SENATOR COASH: Senator Schilz, you're recognized. [LB195]

SENATOR SCHILZ: Thank you, Mr. President, members of the body. Good afternoon. I think we're having a good discussion on this issue. I'm still somewhat confused and trying to work things out. And I was just wondering, Senator Mello, would you yield to question? [LB195]

SENATOR COASH: Senator Mello, will you yield? [LB195]

SENATOR MELLO: Yes. [LB195]

SENATOR SCHILZ: And I'm sorry. You know, I know you've been up a long time so far. And I just wanted to ask you a question. The genesis of this, I know we had a bill come through the Agriculture Committee and Senator Haar introduced it and it talked about, you know, it talked about reports from...and putting somebody on this Climate Committee that we have out there. Is this in any way related to that at all, or is this something completely different that we're dealing with here on this issue today? [LB195]

SENATOR MELLO: Senator Schilz, what the Appropriations Committee did in our budget recommendations is completely different than Senator Haar's bill that would change the Climate Response Committee at the state level and/or try to appropriate money to do a climate change study in response to that committee's action. [LB195]

SENATOR SCHILZ: Thank you, because, you know, I wasn't sure and I just wanted to make sure that I understood. I do know this. I knew that within the state of Nebraska...and we've heard and we've talked and we have gone round and round on the needs and the use of funds for water projects within the state of Nebraska. When I see \$150,000 that sits in the Department of Natural Resources that isn't going to be used for water-related activities, even though that's originally what it was put there for, I become gravely concerned. I mean, I'm not sure that...have we looked around? Has anybody seen the types of costs and the types of funding that will be needed to address

Floor Debate
May 08, 2013

our water situation and our water funding needs for the next 15-20 years in the state of Nebraska? Now I understand \$150,000, \$300,000, whatever it is, doesn't seem like that much in the big picture, but every little bit helps. So my question is, and I'm with all honesty and sincerity here, do we need to spend this money for this or should this money be placed over into another fund that can be used, another cash fund within DNR that can be used for this? And when I say "used for this," used for water funding and resources. And should we be looking for some place else to find this money? You know, are there other places within the budget where we can find that \$300,000 to be able to do this? I think there is. I think as well that every little bit that we can put towards water funding will help us in the future. I think it's just like anything else. You know, when LB962 was passed without a funding option, if I remember right, we were looking at it that we needed to have \$15 million or \$20 million. That was back in the '90s. Today, under the LR314 process, we heard upwards of \$50 million. What's a few hundred million here or a few hundred million there? Sooner or later it starts to add up. And as you go through time, things don't get cheaper. They become more expensive. I understand the need for weather data. It greatly impacts everything that happens. [LB195]

SENATOR COASH: One minute. [LB195]

SENATOR SCHILZ: But just like...thank you, sir,...just like yesterday when I was asked the question at the Water for Food Conference, and the question was, how does climate change affect the day-to-day operations of farmers and ranchers that are out there, and I kind of laughed and chuckled and I said, you know what, here's the key, here's the issue, here's the answer. And while it may matter in the big picture, farmers and ranchers have to take it day by day and deal with it day by day. So whether there's climate change or not climate change, if it doesn't rain in the next week or if it rains too much in the next week, we still have to deal with that no matter what it is. Water issues are hugely important in this state, hugely important to our ability to maintain the level and the expectation of the livelihood and the lifestyle that we've come to expect, and I would hope that... [LB195]

SENATOR COASH: Time, Senator. [LB195]

SENATOR SCHILZ: ...we're being very serious in understanding that this needs to be taken care of. [LB195]

SENATOR COASH: Time, Senator. [LB195]

SENATOR SCHILZ: Thank you very much. [LB195]

SENATOR COASH: Thank you, Senator Schilz. (Visitors introduced.) Senator Price, you're recognized. [LB195]

Floor Debate
May 08, 2013

SENATOR PRICE: Thank you, Mr. President, members of the body. I do beg your indulgence. Obviously, this is a passion of mine. But in listening to what we're saying here, first and foremost, National Weather Service is a subordinate element of NOAA. If you go to the National Weather Service page, you'll see NOAA National Weather Service. It's basically synonymous. National Weather Service is a subset of NOAA. Federal funding goes through that chain. Okay. That being said, when we look at the dollar amount and we talk about the number of stations, put it through my handy dandy calculator and we're looking at funding it at \$2,238 per station. I went out there to the High Plains Center and I trust all of you have done the same. They have one person who maintains all the equipment for seven states, I guess, because they only have one person on there, one technician. But what was even more interesting, and I would like to hear my colleagues weigh in on this, we're being asked to provide state dollars to maintain the weather systems, collection systems. And I would tell you, a weather station could be nothing more than an automated system on a stick on the side of a road. It does not necessarily mean that there are people involved there, okay? But if you go to the services page and you scroll through it, you can actually look at their on-line data services. And then you go down to full services and pricing. Ladies and gentlemen, they are charging for their product. And if I look right now, you can use your Visa or your MasterCard, and there's a \$13 minimum to be charged on all orders, and they will send you the AWDN daily data per station, they will send you all sorts of data at various rates. That's a cash fund. They're charging people for the data sets. So we're going to give them money on the front end and they're going to collect money on the back end? I'm wondering. Now it could be that that's an offset. I'll grant that. Charge \$1 more for the data set. If they're only charging \$2 a month for the entire data collection set for 24/7, charge \$2.25. What do we do with our license plate fees? What do we do with all the fees we do? If users want more, they want to maintain or do, we add a fee to it. Look what we do for our state parks. But we're asked, we're being asked, give this money so we can maintain, and they charge. If you're going to maintain, command and control of those stations in Nebraska, and you're going to have the maintenance tail for it, there's already a channel for doing all this. They already have a payment system. They already have everything all worked out. Just charge for it. I don't know right now, based on the information I have in front of me and the information provided to me, why we as a state would send money to maintain a federal set of stations. Because that's the other thing. If these stations are currently...are they federal stations or are these...because if you go to that Climate Center, you can actually look and ask what data sets do you want. So there are a lot of different type of data sets and you can get... [LB195]

SENATOR COASH: One minute. [LB195]

SENATOR PRICE: Thank you...you can actually get data from a co-op. You know what a co-op is? A lot of you ought to know what co-ops are in the ag business. A co-op is

Floor Debate
May 08, 2013

simply an individual who has a weather station in their backyard. Are we going to pay for the co-op stations? I don't know. It would be interesting to get more answers. Thank you, Mr. President. [LB195]

SENATOR COASH: Thank you, Senator Price. Senator Watermeier, you are recognized. [LB195]

SENATOR WATERMEIER: Thank you, Mr. President. Excuse me for being late. I've had this on-sidebar discussion here with Senator Mello, and I'm still going to support this amendment. We're taking away funds that can be replaced internally with the districts and the sponsors of these programs. They say they can get around it, but I know what's going to happen in the long run, because I've been down this so many times, is something else will pick up the pace on this. So I'm going to support this amendment to leave it right where it is. These are projects that they've been done in good faith and I've done this...been on that board for 20 years and served on the Natural Resources Commission for six or seven, and I just feel like those were good funded projects, and I think I want to stay the course and support this amendment to take the funds back and put them where they were. Thank you, Mr. President. [LB195]

SENATOR COASH: Thank you, Senator Watermeier. Senator Carlson, you're recognized. [LB195]

SENATOR CARLSON: Thank you, Mr. President and members of the Legislature. I would like to address Senator Mello, if he would yield. [LB195]

SENATOR COASH: Senator Mello, will you yield? [LB195]

SENATOR MELLO: Yes. [LB195]

SENATOR CARLSON: Senator Mello, I want to state what I think the situation is with this money, and then you can agree with me or you can explain where I'm wrong. [LB195]

SENATOR MELLO: Okay. [LB195]

SENATOR CARLSON: We both, I think, agree that we were told that the federal funding to UNL is now on a month-by-month basis. [LB195]

SENATOR MELLO: Correct. [LB195]

SENATOR CARLSON: Correct? And so let's assume that the federal funding stops this fall sometime, say October. And so that's when it stops. They no longer receive the federal funding. Then if that's the case, the \$150,000 needs to be in a position to go to

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

Floor Debate
May 08, 2013

UNL to continue the stream of information that we're now getting. Is that correct?
[LB195]

SENATOR MELLO: That is correct. [LB195]

SENATOR CARLSON: All right. Between now and this fall, and starting with the fiscal year, July 1, if we vote down AM1299 where will that money be held? [LB195]

SENATOR MELLO: The money will be ultimately held at the Department of Natural Resources until they decide to enter into a contract with the High Plains Center to continue collecting this state-based data. [LB195]

SENATOR CARLSON: So if the bill moves forward without AM1299, the money is allocated but it stays in the Department of Natural Resources until the federal money is gone and we need to enter into another contract with UNL, correct? [LB195]

SENATOR MELLO: That is correct. [LB195]

SENATOR CARLSON: And if the federal funding continues throughout the fiscal year until July of 2014, there will not have been any of the \$150,000 moved out of the department to UNL. [LB195]

SENATOR MELLO: That is correct as well. [LB195]

SENATOR CARLSON: And there's nothing that would be done to change that. [LB195]

SENATOR MELLO: Nothing, that is correct. [LB195]

SENATOR CARLSON: Now Senator Price has brought up another concern about whether or not we need to be paying anything, and I have no knowledge of that. I can't get involved in that. But if it's as you've just indicated, we're not risking anything by putting that money in a position where it could be used if the department needs to enter into a contract with UNL because federal funding stops. [LB195]

SENATOR MELLO: No, Senator Carlson. We...I would view what the Appropriations Committee proposal is as a proactive stopgap measure for us losing those federal funds so that we have the funds available to continue getting the state of Nebraska weather climate data moving forward. [LB195]

SENATOR CARLSON: All right. And assuming that it is necessary in order to continue to receive the weather information that the university gathers, these 67 positions, then I understand that it's important to have money in a position where it can be used to pay the university if necessary. And unless I hear something else in some other...and I've

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

Floor Debate
May 08, 2013

talked to the university about this, their people. Unless I hear something that would be different that is really fact, then I'm not in favor of AM1299, but certainly I am in favor of AM656. Thank you. [LB195]

SENATOR COASH: Thank you, Senator Carlson. Senator Ken Haar, you're recognized. [LB195]

SENATOR HAAR: Mr. President, members of the body, could I ask Senator McCoy a question? [LB195]

SENATOR COASH: Senator McCoy, will you yield? [LB195]

SENATOR McCOY: Yes. [LB195]

SENATOR HAAR: Senator McCoy, looking at the actual text of your amendment, in line 5 it says "climate change studies." [LB195]

SENATOR McCOY: Uh-huh. [LB195]

SENATOR HAAR: My understanding now, it's for weather data collection. Is that also your understanding or do you still see climate change studies? And again, I appreciate the help you gave me on LB583 and understand that some people are put off by the word "climate change." [LB195 LB583]

SENATOR McCOY: Well, if you...if I may, Senator Haar, if you actually look at page 91, I have it...I guess what is your question, Senator Haar? [LB195]

SENATOR HAAR: Okay. Your amendment actually talks about money for climate change studies. My understanding, that this is for weather data collection. Is that your understanding or are you hearing something different? [LB195]

SENATOR McCOY: Well, I think that needs to be clarified, because if you look at page 91 of AM656, Senator Haar, on lines 6 and 7, it talks about "climate data." And so I think that what I'm seeking to do with AM1299 is to leave the status quo in place, because the federal funding is in place currently. So that is...this weather collection that you speak of is correct. I don't want these funds to be used to study climate change, cyclical or otherwise. As you recall, that's obviously your bill,... [LB195]

SENATOR HAAR: Yeah, yeah, correct. [LB195]

SENATOR McCOY: ...that was a word change that we added to your bill. [LB195]

SENATOR HAAR: Okay. Thank you for that. Senator Mello. [LB195]

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

Floor Debate
May 08, 2013

SENATOR COASH: Senator Mello, will you yield? [LB195]

SENATOR HAAR: We have to give him his workout. Thank you very much. [LB195]

SENATOR MELLO: Yes. [LB195]

SENATOR HAAR: Okay. Senator Mello, just to make the differentiation clear here, would the DNR use this for climate change studies or is...again, my understanding, in looking and from what I've heard, is that this is for weather data collection that's actually used on a day-to-day basis by other...by the NRDs, by agriculture generally. [LB195]

SENATOR MELLO: Yes, Senator Haar, as I was just having this conversation with Senator Schilz, this has nothing to do with climate change and it's unfortunate somewhere along the lines there was some misinterpretation that what the committee chose to do was to continue what we're currently collecting weather datawise. And, yes, "weather" and "climate" is a word that is interrelated and sometimes interchangeable but has nothing to do with climate change, so to speak. It's continuing the data collection that we currently are getting through our federally funded High Plains Center at the University of Nebraska if and when that federal funding shifts this year to a more regional focus and we lose that state data. [LB195]

SENATOR HAAR: Okay. Yes, thank you very much. And people actually do use this day-to-day weather data that's collected now from these 67 stations. Will that just...we'll have a blind eye to those stations... [LB195]

SENATOR COASH: One minute. [LB195]

SENATOR HAAR: ...or will the DNR have to find some other money and at a higher price? [LB195]

SENATOR MELLO: Well, ultimately if, let's say, AM1299 passes and that is stripped out, the state will be in a precarious situation in regards to where they're going to get this state weather data moving forward. Which as we've discussed, the likelihood is that they would just have to pay a higher price and contract with some other entity some other way to be able to get this data, to be able to share it with the Department of Agriculture and the natural resources districts across the state. So I think that's, once again, more of a reactive decision that I think the committee felt we didn't want to be in that position as a state. We prefer to provide a stopgap measure, which is what we put in our budget proposal, when that federal program changes so that our data collection doesn't change. The department ultimately can contract, when the time is necessary, to continue collecting that state data. And they can do it through, obviously, the High Plains Center, which already has the infrastructure... [LB195]

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

Floor Debate
May 08, 2013

SENATOR COASH: Time, Senators. [LB195]

SENATOR MELLO: ...and the network set up around the state. Thank you, Mr. President. [LB195]

SENATOR COASH: Senator McCoy, you're recognized. [LB195]

SENATOR McCOY: Thank you, Mr. President, members. Would Senator Mello yield, please? [LB195]

SENATOR COASH: Senator Mello, will you yield? [LB195]

SENATOR MELLO: Yes. [LB195]

SENATOR McCOY: Thank you, Senator. I know you've served...this is your fifth year on the Appropriations Committee. It's my fifth year here in the Legislature as well. You've served all your time on the very hardworking, as you know and as we all appreciate, Appropriations Committee, of which you chair now. I guess I want to ask a question. Maybe this could be just simplified. Why didn't the Appropriations Committee just appropriate an extra \$300,000 over the next...over this next biennium to the university for this? [LB195]

SENATOR MELLO: Well, it's ultimately not appropriated to the university, I should...I mean in the sense of it's not a direct appropriation. It's a... [LB195]

SENATOR McCOY: But could have this been taken care of with just an extra \$300,000 appropriated to the university that could have been with the agreement that that's what this was going for? [LB195]

SENATOR MELLO: Well, ultimately, we would have made the \$300,000 appropriation to the Department of Natural Resources because ultimately we wanted to make sure that they control what happens here still. So as I mentioned, our proposal now, the Department of Natural Resources controls this contract, not the university, not the High Plains Center. They're simply the entity which would be collecting the data. So, yes, I guess the committee could have appropriated \$300,000 in additional General Funds to the Department of Natural Resources to continue this. But in discussing with a variety of different interested parties, as we had discussed or I discussed with Senator Watermeier on the floor earlier, there are no further natural resources districts projects in the Interrelated Management Program Fund that could qualify. So ultimately the question was, we wrestled with, is whether or not natural resources districts were willing to give up possibly \$150,000 of this fund that is going to end at the end of this biennium and they could pick up those costs with their occupation tax to continue receiving data

Floor Debate
May 08, 2013

from...state-specific data, as is the Department of Natural Resources, as is the Department of Agriculture, to be able to continue collecting that state data through the High Plains Center through a contract that DNR could enter into. [LB195]

SENATOR McCOY: The center, I'm still trying to understand why. You're saying this is going to go into an area where DNR can help determine where these dollars go, but this is the High Plains Climate Center that's at the university. Why not just, if the shift is to a more regionalized approach for climate data, weather data to be accumulated, whether that's...hopefully it's here in Nebraska in the future, maybe it's somewhere else in the region, couldn't this have just been...I'm still trying to understand. Did this originate from Department of Natural Resources saying, we think this is the way to do this. Did you folks in the Appropriations Committee come up with this? Senator Mello, where did this idea originate to do this? [LB195]

SENATOR MELLO: This came from the Appropriations Committee, Senator McCoy. And to somewhat answer your question of why not just appropriate the money to the university, you just answered the question with saying that it may not be at the university moving forward. It may be at the University of Illinois. So why would we appropriate money to the University of Nebraska for something that we want the Department of Natural Resources ultimately to contract out with moving forward? So that was kind of our internal dialogue in the sense of there was never a direct appropriation to the university. We wanted to keep it at DNR. And if DNR ultimately wanted to do it through the High Plains Center now, which we anticipate we'd like to keep it there and utilizing the existing network that the University of Nebraska-Lincoln east campus or Institute for Agriculture, Natural Resources currently has set up around the state, they could contract with them to keep it moving forward. [LB195]

SENATOR SCHUMACHER: One minute. [LB195]

SENATOR MELLO: The High Plains Center may not be here moving forward and we know that, so that's why we didn't do a direct appropriations to them. [LB195]

SENATOR McCOY: But that could have accomplished the same thing, and that's as I see it, and in hopes that...maybe that would be a good faith effort, too, in hopes that it stays here. I just...I look at this and I think that if you're looking at this, I mean page 91, it's "to enter into a contract with the University of Nebraska Institute of Agriculture and Natural Resources." They are interrelated, Senator Mello. I'm not sure why...I mean we're talking about the university here very closely, so I'm not sure I understand completely yet why this could have just not been handled to the university, which in turn could have helped fund this through the High Plains Climate Center. If we're really after data, why not just do it that way? [LB195]

SENATOR SCHUMACHER PRESIDING

Floor Debate
May 08, 2013

SENATOR SCHUMACHER: Time, Senator. Senator Schilz, you're recognized. [LB195]

SENATOR SCHILZ: Thank you, Mr. President and members of the body. You know, we talk about \$150,000 for one year, \$300,000 for a couple years. And depending on what we're talking about and what we want that money to do...and I can't say that anything that we've talked about here today within this discussion on this amendment isn't important. Collecting that weather data and having those weather stations around is vitally important to all the citizens of the state of Nebraska. Whether you're in agriculture, whether you're in a municipality, whether you're in industry or whatever, it's important. My comments here on the floor in no way should be discerned that I don't want this money to be spent for...I don't want money to be spent on weather data collection. And I think that was...I think I said that in the last time I was up, but I want to reiterate that. I do have questions on the best place to go get that money. And I do know that the Appropriations Committee has worked long hours, hard hours, to bring together a budget that can come to the floor, be discussed, and ultimately voted on and passed, and that's why we're here today. You know, this is the longest that we've spent on the budget since I've been in the Legislature. I don't think that that's necessarily a bad thing. I think discussions like this give people opportunities to take a look at what else is in the budget, to take a look at what their interests are and on the things that they believe in and understand and have expertise in, to be able to comment and put their intellect into the question and into the discussion. I think it's a legitimate question to ask where this money should come from. I'm listening. I understand the need. It does surprise me, though, that when we're talking about weather collection, weather data collection, that we automatically jump to this idea of climate change. I think we need to be...I think we need to understand that this is day-to-day, real-time data that's being collected. Now can it be used for whatever purposes are out there or whoever wants? I suppose that it can. But in my neck of the woods, in the agricultural industry, weather data is important. I don't think we want to see any of these stations taken down. I don't think we want to see the climate assessment group that is located here in Nebraska move someplace else, although that's not up to us. But what I want to make sure is that as we sit here and we take votes upon amendments that work towards the budget, that we do what's in the best interests for our constituents and for the state of Nebraska as a whole. This is why we ask the questions. This is why we demand answers. [LB195]

SENATOR SCHUMACHER: One minute. [LB195]

SENATOR SCHILZ: And I'd like to commend Senator Mello for his knowledge of this issue. There hasn't...I mean he's done a fine job in understanding the issue and being able to explain it to us, and I appreciate that. But it is still a policy question as to where the money should come from and what the money should be used...where and when is most appropriate. So I appreciate the discussion. I haven't made my mind up yet, whether some can believe that or not. I don't know where I'm going to be at. So I will

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

Floor Debate
May 08, 2013

continue to listen and I will make the best choice that I can with the information that's available. Thank you very much. [LB195]

SENATOR SCHUMACHER: Thank you, Senator Schilz. Senator Bloomfield, you're recognized. [LB195]

SENATOR BLOOMFIELD: Thank you, Mr. President. I'd like to yield my time to Senator Price. [LB195]

SENATOR SCHUMACHER: Senator Price, 4 minutes 53 seconds. [LB195]

SENATOR PRICE: Thank you very much, Mr. President and Senator Bloomfield. So as I read through these, the Web site here I find more and more interesting. First of all, it's pretty cool. It's got a lot of weather data and I like that. But the question I have: If the High Plains Regional falls apart due to this reorganization at the federal level, and we put dollars into our stations and the states around us don't put dollars into their stations, what have we gathered? What have we gained? We have some weather stations. Very good if you're worried about the soil moisture in your neck of the woods. Very good if you have a temperature or humidity issue in your area if you're spraying; if you want to know something about flying so you can get your pressure altitudes and density altitudes and ad nauseam, really cool. But if you're doing a model, I don't know that one state is really going to give you the data set that you're currently depending on. See, the model they have now depends on this upstream weather data. If I take away the upstream weather data, what do I have? Great to see what the weather going by did and going away. I want to see what is coming. Okay. That aside, if you also ask the question, the federal government gave a block grant to the university to buy these stations, is what I was told by committee. If the federal government gave us dollars to buy the station, the university owns the station. Now in looking at the grant, the grant is being used, as I asked...again, I asked Appropriations Committee about this. How are the dollars being allocated and apportioned? Is it all for maintenance? No, no. No, some of it is to do the data crunching. Don't we already pay people for doing data crunching? So it's not all just purely maintenance. But here is where it gets interesting. If you go out there right now and you look in the data set and you look, did you know--this is like NASCAR--you can sponsor a weather station? Now we already said about \$2,300 right now is the given number of stations' allocation being asked for. But, Senator Schilz,...would Senator Schilz yield to a question, please? [LB195]

SENATOR SCHUMACHER: Senator Schilz, will you yield? [LB195]

SENATOR SCHILZ: Yes. [LB195]

SENATOR PRICE: Great. And I'm not setting you up but, hey, did you know that you could sponsor a weather station? [LB195]

Floor Debate
May 08, 2013

SENATOR SCHILZ: No, I did not. [LB195]

SENATOR PRICE: Okay. And what's cool about that, do you know, I guess the Corn Board could sponsor a weather station, agribusiness, cattlemen. I mean it's real important to agriculture, right? [LB195]

SENATOR SCHILZ: Can you just mention that again, please? [LB195]

SENATOR PRICE: It's very important, that we have these weather stations, to agriculture, right? [LB195]

SENATOR SCHILZ: Oh, absolutely, yes. [LB195]

SENATOR PRICE: And I am in violent agreement with you. But for \$2,300, well, actually I don't really know what it is because we don't really have the information. But you can sponsor a weather station. So, like I said, the Corn Board could sponsor a weather station or a group of them, if they wanted to. There are other ways to do this. We're not...we don't have all the information, colleagues. I know it's a rather droll topic. But we don't have the information. How many stations are currently being sponsored? How many dollars are allocated right now for maintenance? What are my maintenance costs? What is my tech refresh rate? This equipment is getting old. It's aged. The federal government, they bought this years ago. We all know how technology refresh changes. We may be getting something that needs a major upgrade in one year. Maybe that's why the federal government wants to get rid of it. I don't know. I love that line, by the way, from... [LB195]

SENATOR SCHUMACHER: One minute. [LB195]

SENATOR PRICE: ...My Big Fat Greek Wedding. We don't know. We're being asked to do something. They already own it, they already ask people to pay for the data coming out the back end. You can sponsor. We don't know how many people sponsor it. Entities in the state that have a dependence on this information didn't even know that they could sponsor it. We have not exhausted all of our avenues yet, yet we're going to program dollars towards it. I believe there is serious questions yet to be answered. Thank you. [LB195]

SENATOR SCHUMACHER: Thank you, Senator Price and Senator Schilz. Senator Ken Haar, and this is your third time. [LB195]

SENATOR HAAR: Mr. President, members of the body, this is a joke. I sponsor a weather station. It has my name on it. (Laugh) It's probably the only recognition I will permanently have. With that said, I would like to give the rest of my time to Senator

Floor Debate
May 08, 2013

Mello. [LB195]

SENATOR SCHUMACHER: Senator Mello, 3 minutes 45 seconds. [LB195]

SENATOR MELLO: Three minutes or four minutes? [LB195]

SENATOR SCHUMACHER: Three. [LB195]

SENATOR MELLO: Thank you, Mr. President, members of the Legislature. I will find a polite and I think civil way to refute my good friend and colleague Senator Price's conjecture and hypothetical concerns in regards to what actually we're discussing. What the Appropriations Committee did in our budget was to reallocate existing funding, that would not be utilized, to the Department of Natural Resources' operations budget. Giving the Department of Natural Resources the power instead of, Senator McCoy's question, instead of appropriating it directly to the university and giving them the power over all of this of what data they release, how they release it, when they release it, or when the contract would even start, we wanted to keep the power in the Department of Natural Resources regarding this contract. Now once again, we're simply saying they have to contract for the weather and climate data. Senator Price may bring up issues in regards to different...whether we have a certain number of weather reporting centers, whether Senator Haar, the Corn Board or the cattlemen can sponsor reporting centers. Colleagues, that's not what we're discussing. What we're discussing is appropriating money for a department to enter into a contract to collect data. That's what we're discussing. I could appreciate Senator Price's professional experience in our armed services of dealing with weather. That was something he did professionally and I can appreciate his perspective from a professional opinion on this. But what we're discussing, colleagues, is whether or not we want to reallocate existing funds for the department's use for a contract. That's what we're discussing, not the number of weather centers, not funding the university or the High Plains Center. We're funding a contract. If the High Plains Center goes under, then they don't use the money for the contract. Colleagues, it's that simple. I think we're...for one reason or another, there seems to be a dialogue of wanting to complicate something that we have done in budgets for the last four years I've been here, for one reason or another. Now Senator Schilz raises the question of whether or not we should use existing funds to fund this contract. Well, Senator McCoy's amendment strikes the funding for the contract. So if Senator Schilz wants to bring an amendment to the budget to add \$150,000 to the Department of Natural Resources' budget to fund this, he's got the ability and the right to do that. The committee felt instead of appropriating new money for this, we would reallocate funding that wasn't going to be utilized for any new projects in the Department of Natural Resources. The natural resources districts are okay with this. They understand the importance of continuing this weather and climate data collection. So the reality is, I don't see the...whether it's the concern about climate change or whether it's the concern about what we're getting for our dollars. What we're getting for our

Floor Debate
May 08, 2013

contract, which resides in the Department of Natural Resources, is the ongoing data collection that we currently are getting from the High Plains Center. That could start, as Senator Carlson said, in October. It could start in December. It could start in August, for all we know. It all depends on when those federal funds go away or change the program scope. I still stand in opposition to AM1299 because I have yet to hear a reason or rationale of why the committee's proposal is not, one, proactive; it's not a good stopgap measure to collecting data that both the Department of Natural Resources utilizes, the Department of Agriculture utilizes,... [LB195]

SENATOR SCHUMACHER: One minute. [LB195]

SENATOR MELLO: ...and our natural resources districts across the state utilize, which, by the way, if they were opposed to this, you would be getting e-mails, you would be getting calls. Your natural resources district members would say, why are they going after us? Colleagues, they're not because they understand the importance of this data. They understand the importance. As we move into a summer where we may be facing, once again, a significant drought issue, they want to see this data continue. So I can appreciate opposition in general to what the committee has done on this issue as well as a litany of other amendments that members have filed, but, colleagues, this is I think an appropriate path forward right now in the sense of continuing something that everyone that we have discussed this with feels it needs to continue. And if the issue at hand is whether or not the power resides in the university's budget or the Department of Natural Resources' budget, we decided to go with the Department of Natural Resources instead of... [LB195]

SENATOR SCHUMACHER: Time, Senator. [LB195]

SENATOR MELLO: ...the university. Thank you, Mr. President. [LB195]

SENATOR SCHUMACHER: Senator Watermeier, you're recognized. [LB195]

SENATOR WATERMEIER: Thank you, Mr. President. And once again, I apologize coming to the floor here without being completely up to speed on my numbers. But Senator Mello did hit it right on the head. He said that the NRDs had agreed to let this money go to be replaced. It's going to be replaced by local property taxes and local occupation taxes. And I quietly told myself when I was getting ready for this job that I would not come out here on the floor and argue old arguments that I've been asking for more money for the last ten years from this body and being turned away disappointed. Lavon and I had lots of heated arguments over the years about soil conservation, water conservation, and we just couldn't come up with the funding. And I told myself quietly I was not going to do that on the floor. But make no mistake about it, we're going to replace this funding with local occupation taxes and property taxes. Right now there's almost \$1.1 million left in this fund that can be...will be used by projects that are on

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

Floor Debate
May 08, 2013

board and ready to go, and some of them are two years and some of them are three-year projects. And I remember very well discussing this over the years that they're worthwhile projects, they're worthwhile studies, they need to be done. They will get done, even if we cut this money. But I just find it difficult to cut another \$300,000 out of a fund, which was originally designed to go to this and they had good intentions to do it. Now the lobby may say, yeah, we can get by with it, they're negotiating in good faith. I don't think there needs to be a negotiation. I think it's legitimate that it stays right where it is. So I would ask the body to seriously consider supporting this amendment. Thank you, Mr. President. [LB195]

SENATOR SCHUMACHER: Thank you, Senator Watermeier. Senator Larson, you're recognized. [LB195]

SENATOR LARSON: I'll yield my time to Senator McCoy. [LB195]

SENATOR SCHUMACHER: Senator McCoy, 4 minutes 55 seconds. [LB195]

SENATOR McCOY: Thank you, Mr. President. Would Senator Mello yield, please? [LB195]

SENATOR SCHUMACHER: Senator Mello, will you yield? [LB195]

SENATOR MELLO: Yes. [LB195]

SENATOR McCOY: Thank you, Senator. And I appreciate your information on this. I want to continue where you were talking a few minutes ago on the microphone. I think someone had yielded you time. Help me understand. Number one, Senator, I would like to know a little more about what Senator Watermeier just detailed with the amount of money that's in this program right now that's not being touched with what we're talking about in AM656. So I guess my question is, with \$1.1 million left in that fund, is all of that allocated to outstanding projects, or is there going to be some other funds that are going to get used to parcel out somewhere else at some point down the road? [LB195]

SENATOR MELLO: Actually, we moved that to the Department of Natural Resources' operating budget, Senator McCoy. [LB195]

SENATOR McCOY: So could have these funds that you're talking about been used...been moved to DNR's operating budget? Instead of the process by which you're going about now with AM656, could have you taken this \$300,000 and moved it to DNR's operating budget? [LB195]

SENATOR MELLO: We did. We did move it to their operating budget in the sense of freeing it up for them to use for a contract. [LB195]

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

Floor Debate
May 08, 2013

SENATOR McCOY: But it could have just been moved to DNR's operating budget and we could have just told them, go use this \$300,000 to go line up a contract to get this data, correct? [LB195]

SENATOR MELLO: That's what we did actually. We just specified that since the data is already being collected through the University of Nebraska's Institute of Agriculture and Natural Resources that we'd just continue collecting the data from them, and the contract would be through the university. [LB195]

SENATOR McCOY: But why go to that point, Senator? Why not just say we're putting this in your operating budget; you go out and get the data wherever you deem best? [LB195]

SENATOR MELLO: I guess, Senator McCoy, we could have. The reality, though, is we thought that would cost more, actually, to try to go find some other entity that's not...we're not aware of that's collecting this weather and climate data in Nebraska, for them to go figure it out, to bring that proposal back, and ultimately try to get a contract for \$150,000 a year. [LB195]

SENATOR McCOY: Do you have any data that would support that you think it would be more or is that just a thought or is there any empirical data that would show that? [LB195]

SENATOR MELLO: Senator McCoy, we have no empirical data that we had discussed as a committee of looking outside any other place besides the High Plains Center that currently is collecting the data; that they're supplying it to the Department of Natural Resources, the Department of Ag, and the various natural resources districts. [LB195]

SENATOR McCOY: I'm just trying to understand, Senator, why we would say, while we're taking the rest of the money in this program and we're shifting it to the Department of Natural Resources' operating budget, but yet with this \$300,000, \$150,000 each year, we're saying we want you to use it to collect this data from this particular source. Why not just say we want, where the rest of this money we're turning over to your operating budget, we expect you to use this amount of money and you find out where the best source is? Maybe it is the High Plains Climate Center at the university. Maybe it's somewhere else. If there isn't data to show that it's more expensive for them to go find it somewhere else, why wouldn't you leave that to the discretion of the Department of Natural Resources? [LB195]

SENATOR MELLO: Well, one, we transferred the funding ultimately for their operations because that's...so the department could utilize it and work with other natural resources districts on existing projects. We simply decided as a committee... [LB195]

Floor Debate
May 08, 2013

SENATOR SCHUMACHER: One minute. [LB195]

SENATOR MELLO: ...that it would be more advantageous to ensure that the data collection that we're currently receiving would not stop. So in your...I would say your theoretical argument, Senator McCoy, is, yes, we could have probably not put in the budget specifically to contract with the University of Nebraska Institute of Agriculture and Natural Resources, but we chose to because we know that's where the data is currently being collected and we wanted to make sure that that data was not missing a beat when the federal program changes. [LB195]

SENATOR McCOY: But there are other options for that data. So as long as it would have been specified that we expect you to continue utilizing that data, that data could have been procured somewhere else. That's how I see it, Senator. Is that an incorrect way of looking at it? [LB195]

SENATOR MELLO: Senator McCoy, if you know of other places where we can collect the same data we're collecting now, that's...I would love to see that information to be shared with me and the other committee members then. [LB195]

SENATOR McCOY: Well, even...okay, well, let's continue that thought. Even if there was... [LB195]

SENATOR SCHUMACHER: Time, Senators. Senator Janssen, you're recognized. [LB195]

SENATOR JANSSEN: Thank you, Mr. President, and very happy today. It was brought up earlier, I think by Senator Schilz talking about, which would have been my first year down here and his as well, that the budget passed fairly quickly. It was under an hour, 15 minutes to my copilot here has told me. It passed very quickly. And we had one senator not rush up, then no longer with us--well, he's with us, I would assume; I hope he's in good health actually--but no longer serving with us, that came up here and really berated publicly that we didn't spend enough time on the budget. And being your first year down here, sometimes there's a lot of things that go on that you're not necessarily in tune with and there's a lot of moving parts and you're sitting down here. So I think this is really setting the stage, not only for this present Legislature but the people that will be here after us. People...I think we're going to have quite a turnover here in the next couple years, myself included in a few years, whenever. But we have people down here in their first year now they're getting to hear and go through every part of the budget, and I think that's good and that's something that we didn't get the benefit of, we being my freshman class, if you will, our first year down here. Also happy today because I served on the Government Affairs Committee for quite some time. And what would that have to do with this? Probably not much. But my second or third year down here we had

Floor Debate
May 08, 2013

this senator from Columbus that showed up and, man, did he ask questions. He asked question after...he'd look up in the sky and he'd look and he'd come up with a new question. I'm like, what could it be now? It's Friday afternoon and so, you know, it's a perfect time for this senator to come up with a question. And I asked myself...actually, I probably asked several people, what can we do to shut this guy up sometimes? And we finally figured it out. We call him Mr. President and he's up front right now, and that's a great thing. So, Senator Schumacher, I appreciate seeing you right up front. I finally figured it out. And you're president pro tem from here on out as far as I'm concerned. But turning back to what we're talking about, would Senator Price yield, Mr. President? [LB195]

SENATOR SCHUMACHER: Senator Price, will you yield? [LB195]

SENATOR PRICE: Yes. [LB195]

SENATOR JANSSEN: Thank you, Mr. President. Thank you, Senator Price. We talked about stations wearing out and whatnot, and what is the...and I was following a little bit of what you were saying, but is there any data on when these stations wear out? I've only seen one, personally, ever and it was here in Lincoln or actually outside of Lincoln but... [LB195]

SENATOR PRICE: Yes. [LB195]

SENATOR JANSSEN: ...doesn't matter where I saw it. But do they wear out? What's the technologies? Are new technologies put on them? Is it the infrastructure point or is it the IT component or...? [LB195]

SENATOR PRICE: All of the above. Okay, so I had a tactical weather system I was the program manager for. Looks a lot like these very same systems, not quite as robust as some. But, yes, you do have meantime between critical failure rates that are expected. So when we go out and buy a multimillion dollar system or even one of these systems that were purchased, each individual component will have a meantime between critical failure. They'll have a maintenance tail that they're expected to have, you know, periodic, preventative maintenance and inspections done, PMIs. I'm sure you're well aware of that. And, yes, they do have failure rates that require that there be a technician, which they do happen to have at the High Plains. Also, more importantly I believe, would be the data... [LB195]

SENATOR SCHUMACHER: One minute. [LB195]

SENATOR PRICE: ...the data communication between the collection, the parent collection site and the actual individual sensing station. [LB195]

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

Floor Debate
May 08, 2013

SENATOR JANSSEN: Thank you, Senator Price. And that kind of got me thinking. Was listening to debate this morning and listening to Senator Chambers talk about his trusty vehicle that was wearing down after a number of years. And even though it served him well, I believe he said he was looking for a new vehicle. And that's something to consider. Even though something serves you well, you may need to replace it and that should be planned for. And then it reminded me of, boy, do I feel sorry for whoever the car salesman is when Senator Chambers walks on that lot and has to negotiate with him, so that was another thought I had. Thank you, Mr. President, and I'll yield the balance of my time. [LB195]

SENATOR SCHUMACHER: Thank you, Senator Janssen. (Visitors introduced.) Senator Hansen, you're recognized. [LB195]

SENATOR HANSEN: Thank you, Mr. President, members of the Legislature. I'm happy today too. We got three-quarter of an inch of rain last night and that was the biggest rain event we've had this year. That's weather, but we're talking about climate. Climate measuring and climate...I guess the forecasting but mostly just the recording of climate. I'd like to yield the rest of my time to Senator Price. Thank you. [LB195]

SENATOR SCHUMACHER: Senator Price, you've been yielded 4 minutes 35 seconds. [LB195]

SENATOR PRICE: Thank you, Mr. President. And thank you very much, Senator Hansen. Okay, so here we're talking about and we've heard the debate on the weather, weather data, climatology, programmatic. But I've also been listening and I can understand now what Senator Mello has said that what they're doing through Appropriations--and if I'm wrong, someone on Appropriations, please help me understand it--is they're giving authority to spend money in an account. The dollars are already in the account and they're giving authority to spend the money in this manner. I can agree with them and how they're doing that, giving dollars to...giving authority. What I have a challenge with, and I would serve notice to whomever would do this, I will expect that there is data available that will talk to a complete and full set of data points for any contract that includes meantime between critical failure rates, maintenance tail, how long has the equipment already been in the inventory, when does that equipment need to be replaced? I will expect that there is good data to support the cost for communication and getting the data back. I will expect that there is information that talks about how many sponsorships there are right now. I will expect that there's information that talks of how many dollars have been raised selling the data out of the back end. The debate has gone afield, for authorization to spend money is one concept; how that money gets spent and executed is another one. Are the other states going to fund the same network? How are their models being impacted? How many more people are doing the maintenance? What are you doing on the co-ops? All this should be available. And at \$150,000 a year, if everything was at that price we'd be in a great place and

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

Floor Debate
May 08, 2013

there would be no debt. So I'm led to believe that there are other things going on other than just this. Also, we've heard about buying into a contract, as if a contract were existing today. If the federal government is paying for it and the federal government has done everything and has made this happen, that is a contract between the party of the federal government and the other parties of the contract in the state. When that contract is no longer in force...and I assure you there's some contracting officer who has been very, very engaged in this contracting process, I would hope, and some acquisition officer who has been involved in this. As they change and change their model throughout the nation, when that contract is no longer in force, does that federal contract already have a clause in place that allows the state to take on that contract? Or are we going to have to get a new contract? [LB195]

SENATOR SCHUMACHER: One minute. [LB195]

SENATOR PRICE: Thank you, Mr. President. Or do we have to get a new contract? I'm wondering what is in force today that will accept these dollars today. Or are we going to have a complete new contract drawn up? And if we're doing that, there's some certain program costs that need to be addressed to ensure all these issues on maintenance are addressed. I'm telling you, ladies and gentlemen of this body, this is not cheap equipment. It is not maintained on a penny and a prayer. We've already heard of the...and I'm very heartened to hear how important the data is, weather data. For an old weather guy, that was very important. Thank you, Mr. President. [LB195]

SENATOR SCHUMACHER: Thank you, Senator Price. Senator Wallman, you're recognized. Senator Wallman waives. Senator Larson, you're recognized. [LB195]

SENATOR LARSON: I'll yield my time to Senator McCoy. [LB195]

SENATOR SCHUMACHER: Senator McCoy, 4 minutes 56 seconds. [LB195]

SENATOR MCCOY: Thank you, Mr. President. Thank you, Senator Larson. At this time, I would ask to withdraw AM1299 and substitute the floor amendment that I just submitted to the Clerk, if that would be possible at this time. [LB195]

SENATOR SCHUMACHER: Are there any objections to the withdrawal of amendment? Seeing none, no objections, so ordered. We'll go to the substitute amendment now. [LB195]

CLERK: Senator McCoy, I now have in front of me FA76, Senator. (Legislative Journal page 1279.) [LB195]

SENATOR SCHUMACHER: Senator McCoy, you're recognized to open on your floor amendment. [LB195]

Floor Debate
May 08, 2013

SENATOR McCOY: Thank you, Mr. President, members. I withdrew AM1299 or substituted, I should say, with the floor amendment. It's very simple. If you look on page 91, where we've been speaking of on AM656, which of course becomes the mainline budget bill, LB195, it's very simple. Line 5, starting with the word "to," ending with the word "Resources," it would strike that language. So it would very simply say: There is included in the appropriation of this program for FY 2013-2014 \$150,000 General Funds and for fiscal year 2014 through 2015 \$150,000 General Fund. And then it strikes "to enter into a contract with the University of Nebraska Institute of Agriculture and Natural Resources," and leaves in, "to collect and provide real-time and historic climate data and information." So reason I did this goes back to the last time I was on the microphone when I spoke with Senator Mello and I said, why are we directing the Department of Natural Resources to go about this process by using the university if there are other resources? If there are not other areas, other places they can procure this data, then the assumption would be they would use the university. But striking this language would give them the opportunity to have these funds available to them and to find other outlets for this data if they exist. I think then this leaves this open and at the discretion of the Department of Natural Resources to find this data. Still requires them to provide it, which then would, in turn, make it down to the natural resources districts across the state; leaves the funding the way the Appropriations Committee had it. Just very simply directs that it's open to the department as to where they get this information. If the only place that the information is available is the High Plains Climate Center at the university, then that's where I'm sure they will get that information. If there's any other outlet, any other place that this information could be procured, gives them the ability to do it. It also will allow for them to explore other options. Perhaps there is somewhere else other than the High Plains Climate Center, particularly if, and let's hope it doesn't happen, that ceases to exist at the university. Maybe there would be the ability to find a competitive bid for this information. Maybe this data can be gotten for less than \$150,000 a year. When I asked Senator Mello that question, he said, well, we think it might be more expensive, but we don't know. Well, my floor amendment would allow us to find out, I should say would allow the Department of Natural Resources to find out if you can get this data for cheaper than \$150,000 a year. If you can't, they still have the option to go to the university and procure the information and the data there. And with that, I would conclude my opening. Thank you, Mr. President. [LB195]

SENATOR SCHUMACHER: That concludes the opening on FA76. Floor is now open for discussion. Senator Janssen, you're recognized. [LB195]

SENATOR JANSSEN: Thank you, Mr. President. Members, I don't know what to think, that Senator Ken Haar yawned when my name came up, but in the spirit of that, I would like to ask Senator Ken Haar a question, if he'd yield. [LB195]

SENATOR SCHUMACHER: Senator Ken Haar, will you yield to a question? [LB195]

Floor Debate
May 08, 2013

SENATOR HAAR: Yes. [LB195]

SENATOR JANSSEN: Thank you, Senator Ken Haar. I wasn't totally prepared for the new floor amendment, so I'm still a little bit on the last one. I think it's still germane. But I had a question. You had indicated that you had actually...and this is more of an educational thing. You have purchased a weather station in...is that true? [LB195]

SENATOR HAAR: Senator, I did precede that with the word "joke." [LB195]

SENATOR JANSSEN: Okay. [LB195]

SENATOR HAAR: And the yawn was a result of my mild condition. Thank you. [LB195]

SENATOR JANSSEN: Well, no, and I...if I could keep you for just a second, if you wouldn't mind, how...because I know you follow this much closer than I do with that, how does it work with the procurement? Because I have heard that people or private industries can buy. And I know what you were saying with the joke. But private or public or whatever can buy these. And how...do you have any idea--and I can ask somebody else if you don't--how that process works of the purchase? And then what happens with the...I guess, I don't expect you to know how they're set up and taken care of, but maybe taken care of, and then the data collected and how that data is used and who can use that data? [LB195]

SENATOR HAAR: I have no idea how you purchase one, but I would certainly assume that it's still one of the weather stations that they operate and that they own. [LB195]

SENATOR JANSSEN: Okay, thank you, Senator Haar, and I forgive the yawn. Would Senator Mello yield? And I know he will because he's been all over the place and... [LB195]

SENATOR SCHUMACHER: Senator Mello, will you yield? [LB195]

SENATOR MELLO: Yes. [LB195]

SENATOR JANSSEN: It was brought up, and I had the question before the floor amendment came up. But it's very germane to what we're talking about, about...and I understand this because I have seen and was very happy...well, I shouldn't say I was happy. But when the committees came out this year, I had it as a first choice, my two committees that I wanted to be on, which, thankfully, I did get. But my second choice was Appropriations. And seeing all that you guys do there, I was very happy to get my first choice. So I know you guys have been very busy and diligent at what you've done. Of course, I know all the members on there, some better than others, and I know the ins

Floor Debate
May 08, 2013

and out of, at least, the time constraints that are placed on you. So I do appreciate that. And so when I ask this, I hope you just take it the right way. But did you have a chance--and it was brought up--to explore other options for this? I think probably not, with as busy as you are and its so many moving parts. But again, I stand to be corrected, and I'm just asking that question. [LB195]

SENATOR MELLO: I think, Senator Janssen, with all due respect, I think you may have a fundamental misunderstanding of what the Appropriations Committee does, in the sense of what we spend our time on, in regards to dealing with budget requests, ultimately, pouring through those requests and determining what level appropriation we make for those requests. And this specific issue was something that we had asked the Fiscal Office and the committee to look into that wasn't part of a budget request from the Department of Natural Resources. So I think, once again, with what we produced, with AM656 and this specific issue that Senator McCoy has wanted us to discuss at length, I feel that the committee's proposal was more than adequate in regards to producing the result that we wanted to see. [LB195]

SENATOR JANSSEN: Well, thank you, Senator Mello. And I wouldn't say I don't have an understanding of it. But I think people that are watching this definitely do... [LB195]

SENATOR SCHUMACHER: One minute. [LB195]

SENATOR JANSSEN: ...would, most likely, not have a full understanding of what goes on down here in any committee, I one let the Appropriations Committee. Now if I still have you on the mike, because I would like to understand a little bit more...so this is not for these weather stations getting back to...I guess I'll ask first, do you support the amendment on this or...? [LB195]

SENATOR MELLO: No, I do not. [LB195]

SENATOR JANSSEN: Okay. So there's private fund I've heard about, private funding for these weather stations. Is there anything to that? [LB195]

SENATOR MELLO: You know what, Senator Janssen, however the High Plains Center chooses to do their operations internally, knowing that that is not a state appropriation, that's left up to the High Plains Center to be able to explain that. With what we did in our budget was to appropriate \$150,000 for the department to be able to contract with the institute in the High Plains Center, for them to be able to provide the state data. [LB195]

SENATOR SCHUMACHER: Time, Senators. [LB195]

SENATOR JANSSEN: Thank you. [LB195]

Floor Debate
May 08, 2013

SENATOR SCHUMACHER: Senator Mello, you're recognized. [LB195]

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. I appreciate Senator Janssen asking the question because, essentially, I would have stood up immediately and said, I oppose FA76 the same way I opposed AM1299, in the sense that I can appreciate what Senator McCoy is...was trying to do with his floor amendment. But the reality is, is when we had a previous dialogue, Senator McCoy couldn't name one entity in the state of Nebraska that currently collects weather data, outside of the High Plains Center, at the same capacity of data we're getting now. So even if we adopted FA76 that said the department can contract and get weather and climate data with whoever they want, I've yet to get any kind of information to see who else that would be, besides the University of Nebraska High Plains Center at the Institute of Agriculture and Natural Resources. So I don't understand what's wrong with what the Appropriations Committee put forward, with the exception, colleagues, that the department didn't like this. Ultimately, the Governor didn't like this. So, thus, when the Governor and the Department of Natural Resources doesn't like something, they probably want to try to change it. But the Appropriations Committee felt this was an appropriate path moving forward, to continue the necessary weather and climate data that were currently being collected and utilizing for two state agencies, as well as natural resource districts. So I don't see what the harm of what we currently have in front of us, with the exception that, well, we don't want to tell the department they have the use the University of Nebraska. I've yet to hear a reason why they shouldn't be using the University of Nebraska High Plains Climate Center. So I'll pose that question to Senator McCoy, Senator Janssen, Senator Schilz, anyone else who wants to spend more time talking about this. I would love to hear why they shouldn't be using the University of Nebraska, because we know what we're getting, we know the cost that we would be paying, and no one can guarantee that we would actually get the same product we're currently getting, for the same dollar amount, by going with some other entity. So I'll pose that rhetorical question to those who support FA76. But, colleagues, we've spent, roughly, now, I would say, give or take, close to, probably, two-and-a-half hours, in regards to discussing \$150,000 reallocation within the Department of Natural Resources. And I'm okay, and I know the Appropriations Committee, in talking with members throughout the afternoon, we're okay talking about these issues at length. That's fine. If the issue that Senator Janssen raised is that it's good that we have very full, healthy dialogue about state appropriations, I enjoy that. I know the committee members do too. We did a lot of work to put together a package that we felt, ultimately, was a good road map to move the state ahead and had good key investments. I would argue this reallocation in the Department of Natural Resources is a great investment, not just for agricultural groups, not just for natural resource districts but, I think, for the state's economy, knowing that we may be facing another serious drought this year. Why would we want to gamble, in regards to, maybe, picking a provider that can provide weather and climate data? We don't quite know who they may be yet because no other entity has 67 weather reporting stations in Nebraska. But aside from that point, why

Floor Debate
May 08, 2013

would we want a gamble of maybe not getting this data in the upcoming year? I think that's a risk we don't want to take. Now Senator Schilz raised an issue earlier which I don't...the legitimate argument Senator Schilz has consistently made is, do we need to do this with different funding source? FA76, Senator McCoy's amendment, doesn't change the funding source at all. I just want to make sure that's clear with members of the floor, that Senator Schilz raised the issue of whether or not we should put General Fund dollars outside of utilizing the Interrelated Water Management Program Funds. If that's an amendment someone wants to bring, we can discuss that as well. But the underlying issue is, is I appreciate Senator McCoy just came over, grabbed me. We were trying to get into a dialogue. [LB195]

SENATOR SCHUMACHER: One minute. [LB195]

SENATOR MELLO: And ultimately, I got called to the question with Senator Janssen and my time. I just don't see the purpose of FA76 because there's been no rationale given of any other entity that can do what the High Plains Center does by Senator McCoy, myself included. I told Senator McCoy I didn't know any other entity, nor did the committee hear of any other entity, that could do this in our conversation. So we saw no problem of putting that language in the budget. But Senator McCoy feels that we shouldn't do that, and I know the Department of Natural Resources and the Governor feels the same way, we shouldn't be putting that in our bill. But that's the bill and that's the debate we can have. I can appreciate what Senator McCoy wants to do. I just don't think we need to do it because, ultimately, we know the High Plains Center would be the provider of our weather and climate data if we move forward with the Appropriations Committee's original proposal. Thank you, Mr. President. [LB195]

SENATOR SCHUMACHER: Thank you, Senator Mello. Senator Chambers, you're recognized. [LB195]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, I really enjoy listening to the discussion. I've been downstairs when I'm not with you here. I'm not with you in spirit. I'm watching that little gadget downstairs that brings you right into my office. I'd like to ask Senator McCoy a question or two. [LB195]

SENATOR SCHUMACHER: Senator McCoy, will you yield? [LB195]

SENATOR MCCOY: Yes, I would. [LB195]

SENATOR CHAMBERS: Now, Senator McCoy, I'm not going to get into an argument of...about climate change or weather because weather is cold or weather is hot, we will have weather, whether or not. What we're going to talk about, I hope, is the amendment you're offering. [LB195]

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Transcriber's Office

Floor Debate
May 08, 2013

SENATOR McCOY: Um-hum. [LB195]

SENATOR CHAMBERS: Have you studied the issue surrounding the work that will be done by whatever entity a contract is made with? [LB195]

SENATOR McCOY: Well, I think I've studied it, hopefully, as well as any of us have, Senator Chambers. Do I consider myself a climatologist or a scientist? No, I do not. [LB195]

SENATOR CHAMBERS: Do you know of another entity in Nebraska which could do the work that the university would do in this regard? [LB195]

SENATOR McCOY: I'm not aware of one, no. [LB195]

SENATOR CHAMBERS: Do you know of any outside of Nebraska? [LB195]

SENATOR McCOY: There very well could be one, Senator Chambers. I couldn't give you a name of one. [LB195]

SENATOR CHAMBERS: Okay. And I'm not looking for names. [LB195]

SENATOR McCOY: Um-hum. [LB195]

SENATOR CHAMBERS: These are not trick questions. They're to help improve my education. Have you heard any criticisms of how the university conducts this kind of work, such as cutting corners, falsifying reports, and things such as that? [LB195]

SENATOR McCOY: No, Senator Chambers. In fact, you probably heard me, if you were in your office. In earlier times on the microphone, I gave praise to Institute of Agriculture and Natural Resources and the university for the excellent work that they do in this area. [LB195]

SENATOR CHAMBERS: But... [LB195]

SENATOR McCOY: So, no, I, in no way, shape, or form, am aware of any information contrary to the opinion that I voiced on the microphone. [LB195]

SENATOR CHAMBERS: Have you heard such criticism from anybody? [LB195]

SENATOR McCOY: No, Senator, I have not. [LB195]

SENATOR CHAMBERS: Senator, if there were an outfit on the moon that could do this and the department wanted to contract with that outfit, then you think they should be

Floor Debate
May 08, 2013

free to do so, based on the language that you're striking from the current legislation?
[LB195]

SENATOR McCOY: Well, Senator, that's a hypothetical that I think we can pretty well, unequivocally say could not be true, so. [LB195]

SENATOR CHAMBERS: Then let's throw that away. Let's bring it closer to earth. Let's say in Bangladesh. [LB195]

SENATOR McCOY: Well, Senator, I think it would be difficult for an entity in Bangladesh, unless there's some technological ability that I'm not aware of, for them, across an ocean--several oceans, as a matter of fact--to perform such work here, in the state of Nebraska. [LB195]

SENATOR CHAMBERS: Then let's bring it closer. Florida, they have weather in Florida. [LB195]

SENATOR McCOY: Um-hum. [LB195]

SENATOR CHAMBERS: If such an outfit was in Florida, would you want the department in Nebraska to contract with an outfit in Florida to do what the Nebraska University has done and done so capably? [LB195]

SENATOR McCOY: When you say "such an outfit," Senator, do you mind describing what you mean? [LB195]

SENATOR CHAMBERS: An organization, an entity, that does the kind of work that is being discussed here today. [LB195]

SENATOR McCOY: As in the High Plains Climate Center? Is that what you're describing, Senator? [LB195]

SENATOR CHAMBERS: Yes, yes, yes. [LB195]

SENATOR McCOY: I would guess, since there are land grant universities in the state of Florida, I would assume that there are such organizations in the state of Florida, although I, very much, would assume so, since they have significant weather, not only for agriculture but otherwise in the state of Florida, Senator. [LB195]

SENATOR CHAMBERS: If you had two of these organizations or entities, both exactly the same, in terms of capability, one were in Kansas, the other in Nebraska, which would you prefer have the contract? [LB195]

Floor Debate
May 08, 2013

SENATOR SCHUMACHER: One minute. [LB195]

SENATOR McCOY: Well, Senator, I think I said, on the microphone earlier, I think, any time that we can use the land grant university that exists within our state, I think that's advantageous, although I don't know, when you talk about different entities that could exist in other states, I think, with that hypothetical, you would have to under...you would have to know more information about what other entities exist. Obviously, as it's been discussed on the floor, Senator, there are other land grant universities in other areas of the country. We heard discussion about the University of Illinois, which is a member land grant university in the Big Ten Conference, along with us. Kansas uses similar data. There, clearly, are other entities, not all that far away, geographically, that do this same type of work. [LB195]

SENATOR CHAMBERS: But they may not have the wherewithal to do it in Nebraska. Is that possible? [LB195]

SENATOR McCOY: Well, I think it would depend on what you mean by the wherewithal. Do you...if you mean the 67 weather reporting stations currently... [LB195]

SENATOR SCHUMACHER: Time, Senator. [LB195]

SENATOR CHAMBERS: Thank you, Mr. President. [LB195]

SENATOR SCHUMACHER: Thank you, Senator Chambers and Senator McCoy. Senator McCoy, you're recognized. [LB195]

SENATOR McCOY: Thank you, Mr. President and members. I assume, since Senator Chambers' light is on, he'll probably continue his dialogue with me in a moment. And while I ordinarily, if his light was not on, would yield him some time to continue this dialogue, I assume we will in a few moments. But I'll continue with some thoughts that I have with FA76, and that is this: I think it ought not to be lost on the members present on the floor and, I'm sure, some who may be watching or listening in their offices. What my floor amendment does, very simply, is it leaves what the Appropriations Committee put in place for funding, exactly as they have it in AM656, the committee amendment. What it, very simply, says...well, it doesn't even say. It strikes the fact that such information would be, as a matter of statute, obtained from the Institute of Agriculture and Natural Resources, the University of Nebraska. So I will reiterate again why I think this floor amendment is valuable and while, substantively, I'm not sure why Senator Mello opposes it, because it leaves in place, which is a significant departure from AM1299, which I had and withdrew in substitute of this. The reason I believe that this is important, members, is this: We don't know that this information cannot be obtained for less than \$150,000 a year. Our soon-to-be three-year-old, here in a few months, at our house is more advanced with technology than, maybe, I was ten years ago. She sits

Floor Debate
May 08, 2013

there. She uses the iPad. It's amazing. I don't know that there isn't. And it seems, from what Senator Mello said, that he doesn't know either. We don't know that there isn't a capability to obtain this data, in ways we may not even be aware of, from a matter of technology. Why would we not want the Department of Natural Resources, with the same appropriation--appropriation wouldn't change under FA76--have the ability to find and contract with another entity? Perhaps they determine there isn't another entity that can do this and, of course, then they would use the High Plains Climate Center at the University. But we already heard discussion, members, that the High Plains Climate Center is, likely, going away or very, very well could, may go to the University of Illinois. So if that is the case, where then would this information be obtained anyway? Maybe the university maintains these 67 weather stations; maybe they do not. Maybe they sell them. I don't know if they have the ability to do that. Maybe they lease them to someone else. There's nothing to say that another land grant university in another state couldn't provide this same data to the Department of Natural Resources. I don't know that anyone can absolutely say that cannot be the case. So if the presumption is that the only place that this data can be procured is the Institute of Agriculture/Natural Resources at the University of Nebraska, then why does it need to say so in statute? Many, many times, going back to when I was much younger than I am now, I've heard Senator Chambers say on the news, and say, standing at one of these microphones for longer than I've been on this earth, words matter. I believe words matter, too, and I don't think this language needs to be in the statute. Why does it have to say that this data has to be obtained from the Institute of Agriculture/Natural Resources? They do phenomenal work but, perhaps, there's somewhere else that it could be obtained. [LB195]

SENATOR SCHUMACHER: One minute. [LB195]

SENATOR McCOY: Perhaps a competitive bid system could be put in place. I'm in the construction business. Many of you know that. If I'm not competitive out there, in the marketplace, I don't stay in business, as a small business. That's a fact of life. Why would we not want to use taxpayer dollars wisely by ensuring that we're spending this money wisely? Maybe there is a place that can do this cheaper; maybe there isn't. If there isn't, then we go to the default position, which is the university, which is already doing a good job. But until we check, we don't know. Thank you, Mr. President. [LB195]

SENATOR SCHUMACHER: Thank you, Senator McCoy. Senator Larson, you're recognized. [LB195]

SENATOR LARSON: Thank you, Mr. President. Would Senator McCoy yield? [LB195]

SENATOR SCHUMACHER: Senator McCoy, will you yield? [LB195]

SENATOR McCOY: Yes. [LB195]

Floor Debate
May 08, 2013

SENATOR LARSON: Or, I'm sorry, not Senator McCoy. Would Senator Mello? Sorry to get you mixed up there, Senator McCoy. (Laughter) [LB195]

SENATOR SCHUMACHER: Senator Mello, will you yield? [LB195]

SENATOR MELLO: Yes. [LB195]

SENATOR LARSON: Thank you, Senator Mello, and I'll start as you get to the mike. Does Senator McCoy's floor amendment restrict the university from getting this contract to continue to do this data? [LB195]

SENATOR MELLO: No. [LB195]

SENATOR LARSON: Okay, so it doesn't restrict the university from getting the contract. My next question: Is it possible for someone else or some other organization, is it possible that they could gather this data as well, or is the university and the department of...the Institute of Natural Resources the only group that could collect this data? Or is it possible that there might be another organization that could? [LB195]

SENATOR MELLO: Senator Larson, as I...Senator McCoy and myself had different dialogue in his previous floor...his previous amendment, as well as my brief remarks earlier. As far as I know, there is no other entity who currently has weather reporting stations in Nebraska that collects this information besides the University of Nebraska's High Plains Center research center. [LB195]

SENATOR LARSON: But it's possible that another organization could do it, if they wanted to? [LB195]

SENATOR MELLO: Senator Larson, if Acme, Inc., wants to come into Nebraska and build weather reporting stations and collect this data, anyone could, ultimately, do that. But ultimately, right now, there's only one entity that does do that, and that's the High Plains Center at the University of Nebraska. [LB195]

SENATOR LARSON: So they're the only ones that could, possibly, right now. So essentially, or, you know, day one, they're the only ones that could. So essentially, taking out the language wouldn't necessarily...for all intents and purposes, it would appear that the university would still, probably, get the contract. [LB195]

SENATOR MELLO: Actually, Senator Larson, I would have a disagreement that, ultimately, Senator McCoy's floor amendment removes the legislative intent that the Appropriations Committee voted and supported to put into our budget. [LB195]

Floor Debate
May 08, 2013

SENATOR LARSON: That's the legislative intent, but you didn't answer my question. For all intents and purposes, if they're the only ones that have the ability to, today, as you just said, when we're giving them the authority to contract with somebody, would...I mean, following the logical path, the university would be the ones that would get the contract. [LB195]

SENATOR MELLO: Well, I would argue, to some extent, reading Senator McCoy's floor amendment, you can interpret weather and climate data collection significantly in a broad sense, if it's not being done through the University of Nebraska Institute of Agriculture and Natural Resources. So depending upon the interpretation,... [LB195]

SENATOR LARSON: So that would mean another organization could, possibly, do this as well, even though they...you just said that no other organization has the weather systems to do this. But now you're saying that somebody else...they might contract with somebody else to do this same thing. [LB195]

SENATOR MELLO: They wouldn't get the same data is what I'm saying. They could, simply, get some other kind of data. [LB195]

SENATOR LARSON: And you know this...you know the...what...you know exactly they wouldn't get the same data? [LB195]

SENATOR MELLO: Senator Larson, you were in our Appropriations Committee when we discussed this, and I have a strange feeling you fully understand the issue, as we discussed it internally, of continuing the data collection that the state of...the Department of Natural Resources, the Department of Agriculture, and natural resource districts are currently getting. So I don't fully understand your questions, except reiterating the point I made to Senator McCoy. [LB195]

SENATOR LARSON: My question, Senator Mello, is, essentially...I think we all fight for, you know, as we talk about it, an open and transparent process. And, you know, I haven't decided whether or not I'd support FA76. But I guess the question that I raise is, why shouldn't we give the Department of Natural Resources, a code agency, the ability to decide what is best for them? [LB195]

SENATOR SCHUMACHER: One minute. [LB195]

SENATOR LARSON: Why is it that, you know...I mean, we, as an Appropriations Committee, do put intent language in a lot of the things that we do. And that's the will of the committee, and I did sit through that. But at the same time we, oftentimes, give code agencies a lot of flexibility to move and do what's best for that agency, instead of directing it specifically to one thing. And I'd almost argue that this is \$150,000. And you say we spent, you know, two-and-a-half hours now on this issue. If this is important to

Floor Debate
May 08, 2013

the university as well, that, you know, if they didn't get the contract with Department of Natural Resources, currently, our Appropriations budget is giving them another \$540 million, which would be in fiscal year '14-15, that \$150,000 out of there doesn't seem like too much. [LB195]

SENATOR SCHUMACHER: Time, Senators. Senator Price, you're recognized. [LB195]

SENATOR PRICE: Thank you, Mr. President and members of the body. Notwithstanding the current floor amendment...I mean, I actually do understand a lot about data collections. But I was asking questions, as we are wont to do and supposed to do, and I am wondering about this \$150,000 or the total \$300,000. Can the total of \$300,000...it is my understanding--and I am ready for someone to educate me if it's otherwise--the \$300,000, or \$150,000 each year, has already, prior to this effort, been obligated or programmed to other projects. It's my understanding this money sits in a fund for studies--it has for a long time--and that there were sponsors, as they like to use the word in the world of DNR, there are sponsors, like, perhaps, the Papio NRD and other entities, that had an expectation that these dollars would be utilized for their ongoing and/or programmed efforts and that, instead, these dollars have been combed and been reprogrammed for the weather data issue. And this was done and the entities that were expecting these dollars in the beginning have said, we can live with this loss because we can raise it through taxes and fees. Colleagues, if that is what happened, we have a challenge before us. I don't know how you reprogram dollars if they were put against a contract, but I don't have enough details right now. If I were a media person, I'd be digging through this furiously. If dollars were spent or were promised to fund something else and now have been reprogrammed and those entities said, that's okay, we can take the \$20,000 or \$15,000 that we're not going to get this year for this program, we'll raise it through other means we have available, fees, and taxes, well, then why are we doing this? I mean, I understand why we're doing it, because there's a fear that we're going to lose the weather data. But is this the way we want to do business? The DNR wants to say, I'm going to rob Peter to pay Paul, on a regular basis and say, that's okay, we'll raise it through taxes and fees? Is that the policy statement we want to make, as a state? So I'll wait for my phone to ring or someone to pull me aside and help me to understand better how these program dollars that were in a program for studies--and we had people who were expecting to receive these dollars--now no longer get to have those dollars because they are being reprogrammed, and those original entities will make up the difference through additional fees and taxes. Thank you, Mr. President. [LB195]

SENATOR SCHUMACHER: Thank you, Senator Price. Senator Chambers, you're recognized. [LB195]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, we all know this is much ado about nothing. Nobody who supports Senator McCoy's

Floor Debate
May 08, 2013

amendment, including Senator McCoy, can mention any entity, organization, operation, outfit which could do a better job than the University of Nebraska. He, himself, has praised the university. He's also acknowledged that his little girl knows more about technology than he does and far more than I know. I don't even know what he's talking about that she knows when he mentions what she knows. But he said that there might be someplace else where somebody is who can do this, but he doesn't know. So it's as reasonable for me to suggest that that, whatever it is, is on the moon, in Bangladesh. He doesn't know. He doesn't know yea; he doesn't know nay. And I'm going to say something that might seem that I'm going out on the end of a plank. Somebody outside the Legislature is pulling the strings on this, and they've suggested people who can't give a rational argument for what they're presenting. If you've got something that works, don't mess with it. They're the very group who will say, by Nebraska. They were supporting a wind bill where 25 percent of what was going to be used had to be purchased in Nebraska because they want Nebraskans to get some of that loot. They're the ones who say, give businesses all of these breaks so that young people will have jobs and stay in Nebraska, by Nebraska. And here you have an entity, in Nebraska, doing a job. And they say, well, yeah, they're doing it, they're doing all right, I can't criticize them, I praise them, nobody else has criticized them, nobody has found fault, but there might be somebody else. He's washing his hands of the University of Nebraska, washing his hands like somebody did before. And then this guy who was there...two guys standing here, one was a good guy, one was a bad guy. And the man who is trying to influence the mob said, I find no fault in this one. They find no fault in Nebraska. So which one do you want? We don't want the good guy. We want this bad guy, the guy with the scar that starts at the left side of his hairline, goes down across his forehead, across the bridge of his nose, down his right cheek, and lands up underneath his right jawbone. He's the one we want. He's dressed like a caveman, with a fur around him, and he growls. They've got six people with ropes pulling in different directions to hold him steady, and that's the one the mob wants, not the good guy in whom they find no fault. If Senator McCoy could show me a fault on the part of those doing this work, that would be one thing. He says, maybe there's nobody else who could do it, so they would have to stay where they are. Why even go through that? I'm going to listen when I talk about the Governor's airplane, not getting that. I'm going to see if he will say, well, yeah, there are other places where you can get a plane, you ought to consider whether you should get a brand-new airplane. Or is he going to say, the committee made a decision, stick with the committee? [LB195]

SENATOR SCHUMACHER: One minute. [LB195]

SENATOR CHAMBERS: Well, in this instance, there are no viable alternatives. To talk that Alice-in-Wonderland, Through the Looking-Glass, down-the-rabbit-hole nonsense is nonsensical. You all know that there's no place that this debate is going. And I would lay a wager, if I was a betting person, that his amendment is not going to be adopted, and I think he knows it. But sometimes, you have to carry out instructions, and that's what I

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Floor Debate
May 08, 2013

believe is happening. Now everybody on this floor has access to the mike. Anybody and everybody who wants to challenge me on what I'm saying is free to do so. And we may as well argue about that because then we're arguing about something, rather than argue about nothing, which is what's happening now. Thank you, Mr. President. [LB195]

SENATOR SCHUMACHER: Thank you, Senator Chambers. Senator Wallman, you're recognized. [LB195]

SENATOR WALLMAN: Question. [LB195]

SENATOR SCHUMACHER: The question has been called. Do I see five hands? I do see five hands. The question is, shall debate cease? All those in favor vote aye; all those opposed vote nay. Been a request for a call of the house. All those in favor vote aye; all those opposed, nay. [LB195]

CLERK: 36 ayes, 0 nays. [LB195]

SENATOR KRIST PRESIDING

SENATOR KRIST: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senator Kintner, Senator Avery, Senator Lautenbaugh, please return to the Chamber. Senator Kintner, Senator Avery, Senator Lautenbaugh, please return to the Chamber. Senator Wallman, all members are present or accounted for. How would you like to proceed? [LB195]

SENATOR WALLMAN: (Inaudible). [LB195]

SENATOR KRIST: Could you say that again, Senator, please? [LB195]

SENATOR WALLMAN: Roll call, regular order. [LB195]

SENATOR KRIST: Roll call. There is...Mr. Clerk, please. This vote is to cease debate. The question was called. Mr. Clerk. [LB195]

CLERK: (Roll call vote taken, Legislative Journal pages 1279.) 28 ayes, 15 nays to cease debate, Mr. President. [LB195]

SENATOR KRIST: The debate ceases. Senator McCoy, for your closing. [LB195]

SENATOR McCOY: Thank you, Mr. President and members. FA76, very simply, just strikes parts of lines 5 and 6 in AM656, leaves the appropriation the Appropriations

Floor Debate
May 08, 2013

Committee put together the same as it is because, whether you look on-line or otherwise, there are other options out there. We don't know the extent of those options. And I haven't given any indication, as I said. I don't know if someone else out there, besides the High Plains Climate Center, can perform this data collection or not. But why would we not want there to be that option? Doesn't prevent the university from being used; very simply says, allows there to...Department of Natural Resources to see if there are other options out there, perhaps, cheaper options to use less taxpayer dollars for something. I don't see that as a problem. If no other entity out there can perform this task, then, clearly, the university would, as they have been doing. But as we all know, technology is moving at a very rapid rate. There easily could be someone out there who is willing and could do this work. And if we don't look, we don't allow the Department of Natural Resources to discover if that could occur, how do we know that there isn't someone or some entity? That is the nature of FA76, and that is why I bring it to the floor. Thank you. I would ask for a roll call, in reverse order, vote, please. [LB195]

SENATOR KRIST: There has been a request for a roll call in reverse order. The question is, shall the amendment to the committee amendment to LB195 be adopted? All those in favor...I'm sorry. Go ahead, Mr. Clerk. [LB195]

CLERK: (Roll call vote taken, Legislative Journal pages 1279-1280.) 10 ayes, 31 nays, Mr. President, on the amendment. [LB195]

SENATOR KRIST: The floor amendment fails. Raise the call. Mr. Clerk. [LB195]

CLERK: Mr. President, Senator Hansen would move to amend, AM1297. (Legislative Journal page 1273.) [LB195]

SENATOR KRIST: Senator Hansen, you are recognized to open. [LB195]

SENATOR HANSEN: Thank you, Mr. President and members of the Legislature. Got to get organized here, just a moment. This is an amendment that I came up with after looking through the blue book. I had a few days to look through it, and I looked through and I found...tried to find some that were \$250,000 or more in expenditures over a two-year period, so...or a half a million dollars, as this one is. I had to go back and do a little research, had my staff do a little research, and found out that it was Senator Howard's bill, LB234, and it was also sponsored by Senator Nordquist too. It deals with the visiting nurses and, currently, they are funded at \$850,000 a year. The original bill called for additional \$500,000 a year, and that was amended at...down by the Appropriations Committee to \$250,000 a year. And so the biennium is a half a million dollars. I have some questions about the purpose of the bill. I'm not that familiar. I have talked to Senator Howard briefly about the bill and would like to ask her some questions when this short opening is over. Everything on this bill is fairly short. The bill is just a front-and-back page of a green sheet. Both sides are green, so. And it asks for \$50,000

Floor Debate
May 08, 2013

(sic) or a \$500,000 appropriation. And the statement of intent is four lines, and it also asks for the \$500,000. Do appreciate the Appropriations Committee cutting it down by half. But I do have a series of questions for Senator Howard, if that's permissible, on the opening, Mr. President? [LB195 LB234]

SENATOR KRIST: Senator Howard will you yield? [LB195]

SENATOR HOWARD: Yes, sir, I will. [LB195]

SENATOR HANSEN: There, I can hear you now. Can you hear me now? I can hear you now. Visiting nurses are appropriated, right now, \$850,000 a year. And you reminded me, I think it was this morning, that I helped your mother pass that in the original state, and I was glad to do that. Could you tell me a little bit more of what the visiting nurses do? I think...just as a general rule, what would their purpose be? [LB195]

SENATOR HOWARD: Sure, absolutely. The early intervention program includes home visits by nurses, family support workers, and mental health therapists for families who are at risk for child abuse and neglect. And it can reduce infant mortality, preterm births, and emergency room visits. [LB195]

SENATOR HANSEN: Can you tell me how a family would be at risk for child abuse? [LB195]

SENATOR HOWARD: Sure, absolutely. The referral sources or, sort of, what "at risk" means? Often, the folks who are involved in the home visitation program are below the age of 19. On average, they're around 21 years old, so they're moms who really don't have experience with parenting. And the nurses will visit them at home and teach them some basic parenting skills but, also, additional services, like how to fit a car seat, what crib safety looks like, and the importance of breast-feeding and nutrition. [LB195]

SENATOR HANSEN: Is this part of a screening process through the...that the visiting nurses do? Or is it a screening process through some other group or agency? [LB195]

SENATOR HOWARD: Referrals can come from Child Protective Services, HHS, the juvenile court system. They can come from a variety of areas, but there is a screening. For instance, in Lincoln, they had 393 referrals last year, and the screening process for them involves a 15-question screen that's part of the nurse home visitation model. If there are two true statements within that 15-question screen, they're then put into an assessment, which is part of a parent survey, that looks at instances of child abuse and neglect, anger management, how you plan on disciplining your child, that sort of thing. So there's a very rigorous screening process for families who may be appropriate for the program. [LB195]

Floor Debate
May 08, 2013

SENATOR HANSEN: Okay, thank you. You said there was 393 referrals where?
[LB195]

SENATOR HOWARD: That was in Lincoln/Lancaster County. [LB195]

SENATOR HANSEN: Lincoln and Lancaster County. Do you know how many referrals there might have been in Douglas County? [LB195]

SENATOR HOWARD: In Douglas County, I know 72 families were involved in the program and, I believe, there were over 200 referrals in Douglas County. But I can find that out for you. [LB195]

SENATOR HANSEN: That would be helpful. Do you know how many referrals there were, statewide? [LB195]

SENATOR HOWARD: Statewide, we've had over 500 referrals in the last year. [LB195]

SENATOR HANSEN: Okay, from 293 to 3...to 200...there weren't very many outside of Lincoln and Omaha then, is that correct? [LB195]

SENATOR HOWARD: Well, currently, the home visitation program that this funding is for, a third of it goes to rural areas and two-thirds goes to urban areas, although there is a home visitation program in the Panhandle, and that is funded by home visiting funds from the Affordable Care Act. [LB195]

SENATOR HANSEN: Okay. Are there other...are there any other programs, other than visiting nurses, any home visitations by any other group that has been successful in the past or currently is being used that show any success or potential? [LB195]

SENATOR HOWARD: Absolutely. Home visitation by nurses...the decision to have nurses do the home visitation was actually a strategic one, in 2005, when my mother created this program, in her freshman year. Because we had had around 30 child deaths from maltreatment, innovative strategies were proposed, in order to address those maltreatment deaths. And one method of doing that was by using nurses instead of social workers or case managers, because a nurse can come in and talk to you about healthcare without the concern, as you would have with a social worker, that the child may need to be removed or be removed by the social worker. But, yes, there are programs that use family support workers, community health outreach workers, nurses. Nurse home visitation programs have just been the most successful, especially in this state. [LB195]

SENATOR HANSEN: Is there a duplication of those screening agencies, like you mentioned, several of the people that would come into the home, besides the nurses? Is

Floor Debate
May 08, 2013

there duplication there? Is there more than one group screening these young moms?
[LB195]

SENATOR HOWARD: That's a good question. The maternal and child health division, in the state, in 2010, did a needs assessment, and they identified specific counties where state home visitation funds would go. And to my knowledge, there is no duplication of home visitation services. In all actuality, this program is very unique and, incidentally, very rare. We don't use it enough, in my mind. [LB195]

SENATOR HANSEN: Okay. Is there any...are there any federal funds involved with the visiting nurse program? [LB195]

SENATOR HOWARD: That's a really good question. There are. As I mentioned, in the Panhandle, the Affordable Care Act sent funds into the state for home visitation, and that was sent to our high-risk counties through our needs assessment. And the three agencies that receive state-based funding through this program actually leverage other types of funding sources, such as federal funds, but, also, private and foundation funds. So every dollar that we put into this program, they actually leverage seven more dollars for that. [LB195]

SENATOR HANSEN: Okay. Is the Maternal, Infant, and Early Childhood Home Visiting grant come to mind, of about \$1.5...\$1,543,000 a year? [LB195]

SENATOR HOWARD: Absolutely. The dominant amount of that money does go to the Panhandle. [LB195]

SENATOR HANSEN: Would you...I'm sorry, I didn't understand that. What... [LB195]

SENATOR HOWARD: So the predominant amount of the money that we received from the federal government for nurse home... [LB195]

SENATOR HANSEN: Okay. [LB195]

SENATOR HOWARD: ...for home visiting went to the Panhandle. [LB195]

SENATOR KRIST: One minute. [LB195]

SENATOR HOWARD: The funds that these are being used for are three specific organizations that have a contract with the Department of Health and Human Services. [LB195]

SENATOR HANSEN: Now you say, the Panhandle. The Panhandle is a pretty large area. [LB195]

Floor Debate
May 08, 2013

SENATOR HOWARD: Oh, the... [LB195]

SENATOR HANSEN: Are you talking about the Panhandle Health District or...? [LB195]

SENATOR HOWARD: The Panhandle Health District, yes. [LB195]

SENATOR HANSEN: Okay. And have they spent anywhere near this much money of this grant? I know it goes two years. But do you know if they've had screenings and found anyone that was... [LB195]

SENATOR HOWARD: Absolutely. Their program is actually doing very well, as well, and I can absolutely hand out a pamphlet about how well their home visiting program is going. [LB195]

SENATOR HANSEN: Okay. Does any of that grant money go to the Lincoln and Omaha area? [LB195]

SENATOR HOWARD: Absolutely. In Lincoln/Lancaster County, there... [LB195]

SENATOR KRIST: Time, Senators. [LB195]

SENATOR HOWARD: Oh, sorry. [LB195]

SENATOR HANSEN: Thank you, Mr. President. [LB195]

SENATOR KRIST: Thank you, Senator Hansen and Senator Howard. Senator Price, you're recognized. [LB195]

SENATOR PRICE: Thank you, Mr. President and members. Earlier, I got on the mike, and I was talking about the prior amendment. But since we are still talking about LB195, I do believe I have some ability to talk on this. When I spoke with the staff of Appropriations that monitor the DNR funds, within that fund family, there is one set of funds dedicated for studies, where the \$300,000 is coming for to secure the weather data. Subordinate or below that are sponsors--I believe to be all NRDs-- that are in ongoing studies, program studies, that had an expectation of dollars to flow from this study fund down to their study. But since that fund has been decremented by \$300,000, those clients, those customers, or the dollars, the original dollars, are now going to make up for losses through taxes and fees. I validated this through the Appropriations Committee staff. Now I don't know, yet, the magnitude. In other words, when they took the \$300,000 away, were all \$300,000 obligated to fund studies, or was there only \$62,396.28? I don't know. But that's a heck of a way to run a ship there, to say, I'm going to fund something, comb the money out of it, and tell them to go pick it up through

Floor Debate
May 08, 2013

your users, through taxes and fees. If that's what we want to do, okay. We do that with our parks. We have user fee-funded activities. But my concern remains today that we took dollars and put it to something that could be, potentially, a poison pill, when you talk about weather and climate, as we know for the last couple hours. It could have been a more contentious thing to say, we'd like to raise \$300,000 or take \$300,000 out of General Funds directly from here and program in there those tax dollars. But what we did is we reprogrammed dollars that were expected to do...fund studies with certain entities, and we told them, no, you're not getting any more. And they had to say, fine, I'll make it up through taxes and fees. I don't know how much that is. But principally speaking, that wouldn't be the way we should do business. It's fundamentally flawed. Again, if everybody is up-front about it, I know...I'm sure that Senator Krist, in his federal days, has had to sit through what we would call...in the vernacular, we called them "murder boards" when we recombined money, when we reprogrammed money and we said, hey, this is our priority list, my priority list is here. But things have changed, because we're doing something, and we've reprogrammed dollars and things were hurt. But everybody knew, up-front, what was happening when we moved money from fund to fund. And when you changed fund dollars, sometimes, you had to pay a penalty. That's okay. But I don't know this here. All that we were presented was, we want to move the money from here, to do this, for that, and it's all good, without knowledge that other people, down the line, are going to be...have fees and taxes raised on them to do this. [LB195]

SENATOR KRIST: One minute. [LB195]

SENATOR PRICE: There is my question. I'm very open to learning more, to satiate my concern, but it isn't there yet. Thank you, Mr. President. [LB195]

SENATOR KRIST: Thank you, Senator Price. Senator Janssen, you're recognized. [LB195]

SENATOR JANSSEN: Thank you, Mr. President. And I'm very intrigued with this amendment and wasn't actually expecting it because I was expecting more time on the amendment prior, thought that went to a vote a little too quick. Of course, we've acted on it and that's what we're with. And I've looked at this. I work a little bit in the nursing industry, so this was a particular portion that I picked out and I had some scrutiny for. And I said, well, that's...this is Senator Howard's bill. And I'm like, well, I don't know about that. I'm sitting in her mother's old chair, and it would look bad if I run an amendment against the new Senator Howard. So we found somebody as close to Janssen as we could find, and we found Hansen. No, I should...no, he didn't even talk to me about it. I'm just kidding. But I do have some questions about that. And what I, first, would just like to ask--and it's really the only question because I wasn't totally prepared for it, to be...that to come forward--is, Senator Hansen asked you a question about where does the funding go and you were cut off. And I'll just give you a chance to

Floor Debate
May 08, 2013

answer his question. [LB195]

SENATOR KRIST: Senator Howard, will you yield? [LB195]

SENATOR HOWARD: Yes. Thank you for letting me answer the question. He was asking about, sort of, where the funds are coming for each of the organizations that are doing this type of work. State funding is, actually, for most of these agencies, the smallest amount that they receive to do this work. Lincoln/Lancaster County does receive \$131,000 in federal funding. But they also receive funds from the city and county to do this work because it's evidence-based and shown to prevent children entering the child welfare system. The VNA actually receives more money from foundations, rather than federal funds, for this project. And Northeast Nebraska Community Partnership, which is the rural partner, is completely state funded. [LB195]

SENATOR JANSSEN: Thank you, Senator Howard. And I felt obligated to, at least...it looked like you were ready to answer that question and you didn't quite get enough time to do it, so. And I wasn't fully prepared to ask you questions on that, but I'll probably come back with some questions later. But thank you. We were talking about AM76, if I recall, last time, and I was getting prepared to speak on that. And I was close to getting ready to speak on that when the question was called--thank you, Senator Wallman--and now I get my chance. So I did want to talk a little bit about that because I thought that actually made sense and it was a great discussion to have, and some...one that I was hoping we could continue along with, not for that long. I just, kind of, wanted to get to say what I had to say about it. And my understanding...and I'm not going to call Senator McCoy to the mike. But my understanding was that it gives us a chance, and the funding was there, and it gives us an opportunity, maybe, outside of statute, to decide who we want to use, if there's somebody new. And I think it's been well-documented that nobody knows of anybody else that does this particular service. And I think it would probably be just as well-substantiated, other than, maybe, a handful of us, and that might be too much, even was aware of exactly what was going on with that. So the question that I kept coming up to is...and somebody said, and I think it was Senator Chambers said that if it's working, why would you change it or why would you go outside the state or whatever? And I'm, very much so, paraphrasing there. I'm not quoting at all because I know he's in his office right now and he's probably listening to me. So I'm not trying to get him to sprint up here. But I run a business, and we have vendors--a vendor, particularly--that does a great job for us, outstanding job. But every two to three years... [LB195]

SENATOR KRIST: One minute. [LB195]

SENATOR JANSSEN: Thank you, Mr. President. Every two to three years, we let them know--and we're up-front--we are going to bid this out. We are going to look at other companies because, as was indicated, technology changes so fast. Maybe you might

Floor Debate
May 08, 2013

get comfortable with something. And there's certainly a benefit into having that relationship with a certain company, and you're...you get used to using it. But sometimes, you've got to go outside of your comfort zone and look at something else. And so we do that. We go out, we look, we take bids, we take proposals, we consider price--that's one of them, not Scott Price, price overall for the project--we look at what we're getting now, what the value is, the value we can add, and the relationship that's involved. Those are things...that's just called good business, and we're not restricted in what we can do. [LB195]

SENATOR KRIST: Time, Senator. [LB195]

SENATOR JANSSEN: Thank you, Mr. President. [LB195]

SENATOR KRIST: Thank you, Senator Janssen. Senator Conrad, you are recognized. [LB195]

SENATOR CONRAD: Thank you, Mr. President. I rise in opposition to the amendment and support the underlying appropriation in the mainline budget bill. And I want to thank Senator Hansen for the opportunity to discuss and highlight this fantastic program that Senator Howard, senior and junior, have championed through this Legislature. I also want to thank Senator Hansen for his leadership when it comes to children's issues because, from his service on the HHS Committee to his service on the Appropriations Committee and votes that he's taken this session, Senator Hansen has always been a champion for kids in need, and there can be no dispute in that regard. There were a couple of items that were noted thus far in relation to this issue that I did want to address briefly because they were deliberated upon at the committee level. This program is not about duplication but, rather, the opposite. It was about filling a void that existed in our social safety net and ensuring that we can target and identify and screen those families that are most in need of early interventions, so that we can have better outcomes and better quality of life for those families and children at risk but, also, so that we can achieve cost savings in our budgets because we all know, and it goes without saying, that early intervention and prevention is far less costly, as a strategy, as dealing with social problems down the road in our prison, education, or other systems. The other piece that I wanted to mention briefly was, if there was ever a program that has clear benchmarks in place, it's this home visitation program. I can tell you about the statistics from our community in Lincoln not only from the Health Department that works in partnership with private partners and State Department of Health and Human Services but from moms and families who came before our committee and shared their personal story about how this program helped them and their family achieve a better life. But I do want to make sure that the statistics are included as well because I think that you'll be equally impressed with some of the outcomes. Under the existing funding: 100 percent of the children served were on schedule with well-child checks and immunizations; 97 percent of the children met or exceeded developmental milestones;

Floor Debate
May 08, 2013

95 percent of families did not have any substantiated reports of child abuse or neglect; 68 percent of parents reported improved ability to cope with stress; 68 percent of parents reported increased understanding of development and parenting; and 77 percent of all families screened under this program would fall into those risk categories. So what a great story to tell, and I'm so glad that we have the opportunity to do so in the context of this budget debate. I'm going to yield the remainder of my time to Senator Campbell who, I know, has a long history on these issues as well from the local level and now in her role as Chair of Health and Human Services Committee. Thank you, Mr. President. I'd yield my time to Senator Campbell. [LB195]

SENATOR KRIST: Senator Campbell, you have 1 minute and 50 seconds. [LB195]

SENATOR CAMPBELL: I will probably yield my time back because I have my light on, and I'll cover it because I can't cover what I want to in just one minute. So thank you, Mr. President, and thank you, Senator Conrad. [LB195]

SENATOR KRIST: Thank you, Senator Conrad and Senator Campbell. Senator Larson, you are recognized. Senator Nordquist, you are recognized. [LB195]

SENATOR NORDQUIST: Thank you, Mr. President and members. I'm proud to rise in opposition to the amendment, in support of the funding that we included in the appropriation, and to be a cosponsor of the original bill. This is something that I worked on with the first Senator Howard in Appropriations, two years ago to start to move that funding forward because we heard, at that time, the positive impacts of this. We heard a discussion on the floor earlier--I think Senator Scheer brought it up, and he was right on the money--about how we need more analysis of programs, measurable outcomes. And Senator Conrad mentioned a few of those already that have come about at the local level, specifically, about the reduction in reports of abuse and neglect in these families. On the better health outcomes, 100 percent of the children in the program being up to date on immunizations and well-child visits. Also, it helps stabilize the home so the parents can achieve higher levels of success. Parental employment increased by 83 percent, by the child's fourth birthday, for people participating in these. Again, our local...that is a local statistic. And then there's a bunch of national statistics on this too. The Pew Center, on the states, did a pretty thorough analysis in 2010. The American Academy of Pediatrics raves about these programs with a long, long list of positive effects on the lives of children and families that are touched by this program. Also, an article in the American Journal of Preventative Medicine also talks about how these programs are extremely effective at preventing abuse and neglect in children in our state. And I think we just need, as we look at making this investment, an investment that the Pew study said saves \$5 for every \$1 we invest, we need to think about the system that we're investing these dollars to prevent and the challenges that we still have, ongoing, in our child welfare system, where every day in Nebraska we have a child that's a victim of sexual abuse, two children who experience physical or emotional

Floor Debate
May 08, 2013

abuse, 14 children who don't have their basic needs of food and shelter met, and eight children that are removed from homes every day in our state. Those numbers were from 2010. And while other states, over the last decade, have seen a decline in child maltreatment, we were on the...going in the other direction. So at the time when Senator Gwen Howard brought this forward, we were really at a tipping point where we needed to say, it is time to invest in prevention, it's time to invest in what works. This, again, as Senator Howard said, we are still not where we need to be, even with this appropriation, to reach all the vulnerable families that need the support early on. But this is certainly a path that we will continue on, and we will continue to work to make sure that this program, ultimately, can reach that point someday. Thank you, Mr. President. [LB195]

SENATOR KRIST: Thank you, Senator Nordquist. Senator Howard, you are recognized. [LB195]

SENATOR HOWARD: Thank you, Mr. President, members of the body. I rise in opposition to AM1297 and would like to take a moment to share some history of the program this funding supports. The early intervention program, as I mentioned earlier, includes home visits by nurses, family support workers, and mental health therapists for families at high risk for child abuse and neglect, and it can reduce infant mortality, preterm birth, and emergency room visits. This program was established in 2005 by LB264, a bill introduced by my mom, my mother, Senator Gwen Howard. The original bill was introduced to address a startling trend in the state of Nebraska of child deaths from maltreatment and neglect. In fact, from 1998 to 2003, there were 30 child deaths from neglect and abuse in this state. And a week before the original bill was passed, there had been another child death from maltreatment who was in the care and custody of the state of Nebraska. This early intervention program was the top recommendation from the Governor's Children's Task Force to address child deaths and Nebraska's high rate of removal of children from the home. Now the funding that is going into this pool or this pot, you actually have to apply for, so currently there are three agencies who receive the funding. And the purpose of an early intervention program is to identify and support high-risk families at or before birth and to work with those families to establish healthy parenting behaviors and prevent entry into the child welfare system. Families, as I mentioned before, are referred to the program from public health departments, hospitals, pediatricians, community agencies, and schools, as well as juvenile court and child protection services. Early intervention programs focus on prevention of child abuse and neglect by offering screening, education, and home visitation. In one study of families in Memphis, children who participated in the program had higher cognitive and vocabulary scores at age six and higher math and reading scores at age nine. These programs have been proven to provide lasting benefits for parents, including significant increases as Senator Nordquist mentioned, in parental employment and presence of fathers and reduction of reliance on government benefits. In Nebraska, our programs educate parents about prenatal care, abstaining from drug and alcohol use, nutrition, car seat safety, crib safety, the importance of childhood immunizations, stages of infant

Floor Debate
May 08, 2013

development, and other essential topics. This information has a significant impact on parenting skills and, I will also add, this has a significant impact on prevention. Prevention not only improves the quality of life for Nebraska's children, but it also reduces the social and fiscal burden that we all assume as consequences of child neglect and abuse. And if that sounds familiar, that's actually what my mother said on the floor in 2005. Outcomes from the programs have been remarkable and show a need beyond the current resources, even beyond what's been allocated in this budget. In Lincoln, as I mentioned before, there were 693 referrals--that means 693 risk screenings--195 subsequent parent survey assessments. And for the children and families who were involved, 100 percent received all of their well-baby checks. All of their medical visits were attended and on time and all of their immunizations. Ninety-seven percent were on target for child development. And it should be noted that the average age for these moms is only 21. Forty-one percent of the folks who were involved in this program are 19 and below. These are families who, without the support, are very likely to enter the child welfare system. In an effort to explain how these funds are used, the three organizations that implement this program on the ground are the Visiting Nurses Association, the Lancaster County Health Department, and Cedars Youth Services, and the Nebraska--ah, I forgot their name--the Northeast Nebraska Community Partnership. For every dollar the state gives to these agencies, they raise \$7 in additional funds to implement the program. [LB195]

SENATOR KRIST: One minute. [LB195]

SENATOR HOWARD: Thank you. So not only do we get a benefit from this program and families are supported so that they never enter the child welfare system but, also, we get more bang for our buck from the agencies we work with. We all know that there are too many children in our child welfare system. It has been the priority of this Legislature and the Department of Health and Human Services to safely reduce the number of children in foster care. By engaging high-risk parents at birth, we keep kids safe, teach parents healthy expectations and lifelong skills, and prevent entry into the system, whereby, saving the state money. These funds are critical to preventing children and families from entering the child welfare system. I urge you to vote no on AM1297. Thank you, Mr. President. [LB195]

SENATOR KRIST: Thank you, Senator Howard. Senator McGill, you are recognized. [LB195]

SENATOR MCGILL: Thank you, Mr. President, members of the body. I'm also opposed to this amendment before us. And, frankly, when I heard about this, I'm like, oh, my gosh, we couldn't be taking money out of a better program that really helps with long-term outcomes with our families and our kids. Many of you know that my priority bill this year that, hopefully, we'll get to in the next couple of weeks is on children's mental health and behavioral health. And, you know, one in five children faces a mental health

Floor Debate
May 08, 2013

problem in our state and across the country, and only 20 percent of those get any sort of help. Some of their problems come from a genetic situation they've been born with, but some are environmental. Some come from the fact that parents don't know the best techniques for parenting. I was just talking to some nontraditional students at Doane a few weeks ago, and one of the young mothers said, I wish there was something that we could be attending to learn how to be better parents down here in Crete, and I told her about some of these programs that do exist. And so expanding them only, truly, makes sense. You know, in many cases, you know, we have too many preschoolers even being kicked out of preschool because they're violent and throwing chairs. And once families work with some sort of therapist or expert, they see that just small changes in their parenting behavior has better outcomes for these kids. And I have some research here, before me, that was printed in Medical News Today a couple years ago. It talks about this and how delinquent adolescents and highly aggressive children have been shown to have abnormal stress responses, especially to social situations--and that comes from certain parenting styles--and that a family intervention that results in an adaptive stress response in young, high-risk children may prevent delinquency and psychiatric illness later in life. We've shown that parents of delinquent youth can improve their parenting, and these changes result in lower rates of problems in their young children. Policymakers should consider the possibility that by investing in evidence-based family interventions, they may have the potential to change children's biological makeup, as well as their mental health and behavior. I mean, we have a tremendous problem with mental illness in our youth, and I'll talk more about that when we get to my bill. But this is a program that helps make sure that parents are on the right track, that they're using appropriate disciplinary tactics, so those kids are learning how to then interact with other youth appropriately and handle their own stress better. So I am strongly opposed to this amendment. Thank you, Mr. President. [LB195]

SENATOR KRIST: Thank you, Senator McGill. Senator Campbell, you're recognized. [LB195]

SENATOR CAMPBELL: Thank you, Mr. President and members of the Legislature. You know, I once told my children that, in my whole life, if there were two things that I was the most proud of and would think upon in many years to come...and one of them is when I worked with a group of women and we changed the child abuse reporting law. It used to be that you could only report to law enforcement, and we changed that to have a hot line. And the second one was--and this is probably well over 35 years ago--when a group of us in a volunteer organization researched and did a lot of work on child abuse and its prevention, and a group of us put together and got the funding for a home visitation project. It was called the Parent Aide Support Project (sic--Service) and it was a home visitation project. And we chose that because the number one, best research, best practices to prevent child abuse and neglect was home visitation. And so when I came back to the Legislature, after a number of years, and started working in the child welfare area again, it was really, kind of, like going back 35 years because home

Floor Debate
May 08, 2013

visitation is still listed in the research and best practices as the best child abuse prevention project we can put. And, colleagues, if I had the money, I'd put one of these programs in every health department in the state. That's how critical this project is. And, full disclosure, the agency that I work with is a part of the team that works in Lincoln and Lancaster County, and a number of these young mothers are referred, also, by physicians and health clinics. They need help. Many of them are struggling to keep a job and raise children, are in that young family. They just need an extra help and how to have a healthful child and how to make sure they're the best parents. So I would certainly appreciate your no vote on this amendment because it truly is one of the best approaches that we can put in place to prevent child abuse. Thank you, Mr. President.
[LB195]

SENATOR KRIST: Thank you, Senator Campbell. Senator Bolz, you are recognized.
[LB195]

SENATOR BOLZ: Thank you, Mr. President. I, too, rise in opposition to this amendment and in support of Senator Howard's smart, strategic initiative. In terms of a budget bill, I think that this is a great fit because healthy babies are worth the investment and they do save us money. It makes good fiscal sense for all of us. Not only does lack of prenatal care or lack of early childhood care have great human costs, it also has dollars-and-cents costs, in terms of negative health outcomes on babies and mothers. The costs for complicated births range from \$20,000 to \$400,000 per baby, per baby. So just one sick baby could, basically, cover this appropriation. We take care of one or two moms and babies, and we have saved significant dollars in our healthcare systems. Babies born too small can require increased hospital and provider resources. You know, daily costs can be thousands of dollars in the neonatal intensive care unit. One of the statistics that I wanted to share with all of you is that, according to the Visiting Nurses Association, a \$1 investment in this program can actually save us up to \$5.70, in terms of other social services and healthcare costs, \$5.70 in our educational systems, in our healthcare systems, in all the other systems that serve children and families. You know, further, and related to the savings in our educational systems, one of the topics that has been debated recently has been the achievement gap and has been our educational outcomes for children and families. And I think it's significant to note that the achievement gap is measurable and apparent as early as 18 months. We've all heard about and talked about the neurodevelopment that occurs in young children's brains. And when we talk about positive interventions, in terms of academic achievement in the long term, we can really point to programs like the Visiting Nurses Association. Babies start learning from the day they're born, but they need their parents to engage them and stimulate them and help them build those critical preliteracy and preacademic understandings. One of the significant statistics from these programs is that, by age six, children who participated in home visiting programs have higher cognitive and vocabulary scores than those who don't receive the same services. So, colleagues, I just would articulate to all of you that in terms of an appropriations bill, in terms of a

Floor Debate
May 08, 2013

good investment and serve in terms of saving dollars and watching our investments and the taxpayer dollars that we're spending, I can't think of a better investment. One of the things that I wanted to share just briefly was that I think what's so brilliant about the visiting nurses programs is that small, strategic choices in early pregnancy can have lifelong effects. Folic acid, for example, is something that pregnant moms should take, and a lack of folic acid can lead to inadequate development, in terms of the musculoskeletal system. And can you imagine how expensive lifelong developmental services for someone who has those disabilities, how expensive those are in comparison to a simple prescription of folic acid? So I urge your opposition to this amendment and your support of the Visiting Nurses Association program and Senator Howard's initiatives. Thank you, Mr. President. [LB195]

SENATOR KRIST: Thank you, Senator Bolz. Senator Hansen, you are recognized. [LB195]

SENATOR HANSEN: Thank you, Mr. President, members of the Legislature. I go back to where I started, and I was going through the blue book and I saw this expense and it seemed kind of, you know, it was a big appropriation item. And when I find out, you know, more and more about the program, it certainly is a worthy program. I will not hesitate to say it's not a worthwhile program. I will say, and this is what I want to make perfectly clear, that this program is not old enough to warrant a 30 percent increase. And that's where I'm coming from. It's a 29-something percent increase in funding after, I don't know, two years maybe. And it's expanding. The counties that I'm more closely related to, when we talk about child abuse--we don't talk about child abuse that much--but we talk about prevention, prevention of all the things that we've talked about so far here on the floor for the last half hour. That's where grandmas come in. That's where sisters come in. That's where friends come in, churches come in and say, you know, you're 21 years old, you got this child, you need to take care of this child. They have parenting classes. Doesn't cost a dime. And I think that's the way it ought to be. I don't want to do anything to the program as it is now. It sounds like it's a great program. Senator Howard has done a great job. Senator Bolz has done a great job explaining what the program does. I just don't think at this particular point in time when after Senator Schumacher gave us a great forecast this morning of a 5.2 percent increase in our budget, this is not sustainable either. So this is not a cheap program. This is not a program that...with a, you know, originally a \$500,000 now a \$250,000-a-year appropriation. It's going to be an expensive program to maintain. And if it keeps growing at the rate it's growing, Senator Harms and I talked off the mike about a program that was going on out in the Panhandle that Senator Howard mentioned. Got a little more information on that. Scotts Bluff County is the number one county in the state for at-risk children. It's not Lincoln. It's not Lancaster County. It's not Douglas County. It's Scotts Bluff. They asked for a grant after the numbers came in and got a sizeable grant. I think that's...you know, that's not free money either, but they're taking care of it in the spots and the parts of the state that need some help. But I think prevention could be done

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Floor Debate
May 08, 2013

other than...I hate to say it, but it can be done other than throwing money in it. And I think that's what we ought to consider here. Thirty percent increase in this budget is just too much. Thank you, Mr. President. [LB195]

SENATOR KRIST: Thank you, Senator Hansen. Senator Janssen, you're recognized. [LB195]

SENATOR JANSSEN: Thank you, Mr. President and members. And I don't see Senator Mello, but if he can hear me, I'll ask him a question when I conclude what we're talking about right now. Oh, I do see Senator Mello. Guy has got a lot of energy. Would Senator... [LB195]

SENATOR KRIST: Senator Mello, will you yield? [LB195]

SENATOR MELLO: Yes. [LB195]

SENATOR JANSSEN: Thank you, Mr. President. Thank you, Senator Mello. We were talking not too long ago off the mike and let's just say in an extension of the senator's lounge, and we were talking about AM76. And you brought to light...because I had a question and I brought up, as a business person, I go out every so many years, I'm not bound by a contract forever on something such as statutorily speaking. If you put something in statute, of course we could change it; something in the constitution is a little more difficult but we could change it. But by not binding ourselves in moving forward, and I think this is germane, but by not moving ourselves and locking ourselves into a deal and giving ourselves some latitude to look around and that. And you had indicated to me and basically I think appeased my concerns. And I was hoping that you could do that for everybody else because it definitely made my support wane for AM76, talking about it's my understanding that it wouldn't be in statute; it would just be in the budget for the two years. Is that right? [LB195]

SENATOR MELLO: That's correct, Senator Janssen. Ultimately the budget is a two-year document in which ultimately next year we can come back and change that budget when we do the mid-biennium adjustments. But ultimately that program that we spent an extensive amount of time talking about on AM1299 and AM...or FA76, the program funding ends in two years regardless. So the contract has to end in two years because there's no more funds appropriated because that program that the money was being reallocated from goes away. [LB195]

SENATOR JANSSEN: So just to be clear, we are not statutorily required after two years without having to change the statute but as it presently sits or with the passage of the budget which I don't think so, we're not stuck--my words, not yours--with this? [LB195]

SENATOR MELLO: Well, I mean, it's ultimately the law until the next budget bill would

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

Floor Debate
May 08, 2013

be passed, which I as I said, next year the mid-biennial budget bill would be the next new budget bill. So unless there's changes to the mid-biennial budget next year, it would be law through the biennium which ends June 30, 2015. [LB195]

SENATOR JANSSEN: So and after 2015, there's nothing statutorily says we have to use Acme Weather Company or...is that correct? [LB195]

SENATOR MELLO: Once again, the program ends, statutorily is ending June 30, 2015. So there would be no further appropriation to continue what was the climate and weather data contract in the Department of Natural Resources. [LB195]

SENATOR JANSSEN: Okay. If it were extended though, would we be...would we have to use...because I thought I had a grasp but now I don't, would we have to use the same agency we're with right now or proposed to be with I guess? [LB195]

SENATOR MELLO: Ultimately if there's anything that goes on afterwards, it would need to be brought back in front of the Legislature to consider how to pay for it. So that...regardless of whether or not it's renewing a contract or trying to expand on an existing one or appropriating more money for a new contract, that would be an entirely new issue outside of this biennial budget process. [LB195]

SENATOR JANSSEN: So outside of this biennium process, we'd come back, we decide yes, jeez, that worked great. We want to continue on with this program and we fund it, would we have to use that same company? I didn't plan to go this long on this. I'm really trying to get a grasp on this which I thought I had. Would we have to use that same company that...or the same program that we're talking about? [LB195]

SENATOR KRIST: One minute. [LB195]

SENATOR MELLO: Well, ultimately it could be determined by the Legislature since what the Appropriations Committee in our recommendation specifically gave legislative intent to the Department of Natural Resources to contract with the University of Nebraska. If that's the legislative intent in two years from now, if that was the continuation, so to speak, it would be the same that we currently have in our budget recommendation now. That could be changed though either through the Legislature or the department may come in with a request to do something different if they so choose. [LB195]

SENATOR JANSSEN: Okay. Well, not as clear as I thought I was then. Because I thought it was just a two year...and my point was that I'm glad I got to chance to ask this because we need to take our time on this because now I guess I'm going to have to have another discussion with you off the mike to get a better understanding of what we're talking about. My understanding was that in two years we're not obligated to use

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

Floor Debate
May 08, 2013

whatever company... [LB195]

SENATOR MELLO: You're correct. That is correct. [LB195]

SENATOR JANSSEN: But according to the legislative intent we may have to. [LB195]

SENATOR MELLO: No. Legislative intent is only for two years. The biennial budget is a two-year process. [LB195]

SENATOR JANSSEN: Right. [LB195]

SENATOR MELLO: So in two years from now when we get the next biennial budget... [LB195]

SENATOR KRIST: Time, Senators. [LB195]

SENATOR JANSSEN: Thank you, Mr. President. [LB195]

SENATOR KRIST: Thank you, Senator Janssen and Senator Mello. Senator Scheer, you are recognized. [LB195]

SENATOR SCHEER: Thank you, Mr. President. I rise to support Senator Howard in her quest for early intervention. I don't dispute what Senator Hansen said. It would be nice if there were family and friends and parents that were always available to every youngster that needed that help or needed that advice. I'm going to be a grandfather sometime in the next week, two weeks, and my daughter is fortunate. She has my wife that she can call, has called. She has a mother-in-law that's very knowledgeable that she's close with that she can get information. She's got a husband that makes sure that she takes care of herself and that she's had the proper nutrition and rest. Not every woman has that. Not every woman has the base once they become pregnant to know how to fulfill that journey. We talk about the costs past the point of the pregnancy. Certainly well babies are less expensive babies. But going forward, they're a much higher success rate for those children in school in education because they had the proper nutrition to start with. They had the proper vitamins, proper food, and care, and attention. Life would be better if we didn't need these. I don't question that. But we do. If we didn't, we wouldn't have it in front of us today. It's not one of those deals where you have to take a gulp and swallow it because it's that bad. Actually, it's that good that we're intervening early enough to save those children because every one that we didn't before now are probably at an expense to the state. It's hard for me to comprehend what we're talking about because I've never had to experience that. I've never had a child that's had to experience the fact of not being able to have someone to pick up the phone or go next door and ask the neighbor lady if she can watch the child or what's this rash on...you've had children before and it may be nothing, but it may be something. There are women

Floor Debate
May 08, 2013

out there that don't have that expertise, that have not had the upbringing by other adults that have given them the background to become successful parents. That's foreign to me. Unfortunately it's not foreign to some of the population in Nebraska. We can determine that we shouldn't have to do this, and I don't disagree one bit. We shouldn't. But that doesn't mean that we don't need to do this. We're talking about a \$500,000 difference. That's a lot of lives, a lot of children, a lot of parents. I hate to put those people to the side for the sake of dollars because the dollars that we spend now will be saved later, maybe not by Nebraska but by somebody else. We're talking about infants, those that can't help themselves. We're talking about women that have no one else to turn to. That's foreign to me as well. It would be foreign to my children. But it's not foreign to some of those out there. So as we begin to wrap up our debates on certain items, and this one in particular, let's remember that what we're really talking about is a little toddler... [LB195]

SENATOR KRIST: One minute. [LB195]

SENATOR SCHEER: ...and a...thank you, Mr. President...and a young mother that isn't quite sure how to take care of the child. But the fact that she may or may not have a phone, she has no one to call, no one for assistance. And that's where this program falls in. It's one of those necessary evils I guess. I'd be glad not to have to fund this in two years or four years, but this year I think we have to. Thank you, Mr. President. [LB195]

SENATOR KRIST: Thank you, Senator Scheer. Senator Bloomfield, you're recognized. [LB195]

SENATOR BLOOMFIELD: Thank you, Mr. President. Colleagues, I haven't made up my mind for sure where I'm going on this amendment yet. I do like the underlying bill prior to what we've stuck into the budget here that originated this program. I'm not sure we need to expand it by \$250,000. But my bigger question is the process in how we got there. And with that, I would like to ask Senator Mello a couple of questions if he's available. [LB195]

SENATOR KRIST: Senator Mello, will you yield for a question from Senator Bloomfield? [LB195]

SENATOR MELLO: Absolutely. [LB195]

SENATOR BLOOMFIELD: Senator Mello, it's my understanding that this was originally a bill, LB234, and the amount was \$500,000. Is that correct? [LB195 LB234]

SENATOR MELLO: That is correct, Senator Bloomfield. [LB195]

SENATOR BLOOMFIELD: Okay. Why did that not get negotiated down to the \$250,000

Floor Debate
May 08, 2013

and come out of committee in the form of a bill then instead of just being added into the budget? [LB195]

SENATOR MELLO: Senator Bloomfield, I'll just...I'll take a little time if you allow me to kind of walk everyone, particularly new members, through the budget process. Every other standing committee ultimately has legislative bills that serve as some...we classify it on the body, so to speak, as Christmas tree bills, bills that have a general subject matter in which a variety of different senators introduce bills that relate to that subject matter. So you could have, let's say, the Judiciary Committee has had a tendency to do this over the last four years, of having a bill and they openly incorporate six or seven different pieces of legislation that senators introduced in that one bill, and that one bill passes, serves as the vehicle to move forward. The best way to describe it, the budget ultimately and the budget bills are seven Christmas-tree-related bills in which ultimately we don't have to take a specific vote to advance a bill that comes to the Appropriations Committee when ultimately it's appropriating money within the state budget. It's different...as I was having a conversation over under the south balcony, it's different in comparison to bills that come out of other committees that normally are appropriating money or have a fiscal note attached to them when they create some kind of new program, new initiative, and/or some kind of tax expenditure related item. So in the history of the Legislature, as this year was one of the first times actually I think we've had in recent years where the Appropriations Committee had a bill that wasn't specifically folded into the budget document, in the overall budget bill series of the seven bills that we're discussing this week. It was LB629, Senator Conrad's bill that we gave it a priority dealing with budget reporting. So ultimately similar to the Christmas tree bills, whether it's in the Government Committee, whether it's in General Affairs or Judiciary, whatever it may be, the Appropriations Committee bills and the budget bills are an entirely Christmas-tree-related, so to speak, concept where items that get brought forward to the committee, that get submitted, have public hearings, and ultimately the committee decides internally whether or not we want to appropriate money for those programs that people have brought forward asking for an increase or decrease those programs if members bring a bill that decreases appropriations. The difference is, is 99 percent of the time it's not a newly-created program. It's an existing program similar to what Senator Howard's bill was. LB234 was an existing program in state law. It has an appropriation line item in the Department of Health and Human Services. That was...her bill was to increase that line item by \$500,000 each year. Throughout dialogue and the Appropriations Committee, we felt that was maybe a little too much, and so we negotiated and talked and brought that number down to \$250,000 a year. Hopefully that kind of explains the budget process in relationship to how the Appropriations Committee gets bills introduced to us, how we have public hearings... [LB195 LB629 LB234]

SENATOR KRIST: One minute. [LB195]

Floor Debate
May 08, 2013

SENATOR MELLO: ...the same way other committees do, and how we fold those bills into the budget bill itself. [LB195]

SENATOR BLOOMFIELD: Thank you, Senator Mello. That does answer some of the question. But using that process deprives the rest of the body of seeing who testified in support of that bill and who may have been opposed to it. And I guess I still have some issues with the way this has come about. And we're out of time. But go ahead and take the last ten seconds if you'd like. [LB195]

SENATOR MELLO: Senator Bloomfield, one, there is a transcript of all public hearings that the Appropriations Committee has. So I have the list of the Nebraska Association of Social Workers, the Visiting Nurse Association, the city of Lincoln. Those are just a few who testified in support of Senator Howard's bill. And it ultimately is part of her bill. There is a floor testimony or agency hearing testimony, I should say, on her bill. That's a public record for anybody to see. But I can get more information from that public record and share on the floor if you'd like of who testified in support of Senator Howard's original LB234. [LB195]

SENATOR KRIST: Time, Senators. Thank you, Senator Bloomfield and Senator Mello. Senator Gloor, you are recognized. [LB195]

SENATOR GLOOR: Thank you, Mr. President. Good afternoon, members. We all care about kids. Certainly, as Senator Conrad pointed out, none less than Senator Hansen. And it's appropriate for him to talk about the dollar increase. But it's also appropriate I think to talk a little bit about some of the foundations and maybe elaborate on what Senator Howard has brought forward as some of the reasons behind the visiting program. I want to talk about death of a baby whose mother was in the room, whose grandmother was upstairs. So, you know, we can talk about parenting or the lack thereof. My hospital was approached by physicians back in the 1990s, mid-'90s I think, by pediatricians who said we have concern about children leaving the hospital after a birth and the lack of parenting that's going on at home, lack of skills, lack of knowledge, lack of being brought up in a home where they knew the correct ways of discipline. And so we began sending our maternity nurses out to homes and eventually got to the point where the need was so great that we actually had nurses working out of our home care department who went out and visited homes. That was a decision that was made by our hospital. In spite of that, some of you may remember the horrific story of baby Diana who because she wet her bed, her father made her stand on a bucket, among other tortures, his way of disciplining her. Stripped her, stood on a bucket, hands above her head, and every time she lowered her hands, he would beat her with a belt and beat her with a belt. This baby was somewhere around three as I recall, maybe a little older than that. And eventually when she could no longer stand on the bucket and fell off, he kicked her in the head. And she was brought into the emergency room where she eventually died. And in the autopsy they could tell that this child had been beaten for the

Floor Debate
May 08, 2013

better part of her young life. This just was the final chapter, the sad chapter in her life. I had nurses who quit working...a nurse who quit working in the emergency room over this, and we have counselors who participated in working with members who were in the emergency room when this baby was brought in. We have a lot of horrific, sad stories in this state and that's just one. But you need to understand that as a result of that death, someone brought to Governor Johanns' attention the fact that we had had somewhere around a dozen babies die, young children die, from abuse over a very short period of time. And Governor Johanns put together a commission that came back with a report, and one of the leading suggestions from that report is home visitations. We need to have nurses going out in homes with at-risk children. And that was the reference Senator Howard made to Senator Gwen Howard's legislation a couple of years later that resulted in the funding. I don't know whether the money that we allocate makes a difference. I don't know whether 30 percent increase will make a difference. But I know the effort came about as a result of a number of people sitting down and looking at the deaths that were happening in this state to at-risk kids and deciding we need to do something. I'm hard-pressed given the legacy of my community about this death and about this problem to do anything other than be supportive of perhaps even more money than we're allocating at this point in time. [LB195]

SENATOR KRIST: One minute. [LB195]

SENATOR GLOOR: But we do what we can do. And right now I have to be supportive. We certainly know it's the right thing to do. We certainly care about these kids, and removing those dollars leaves me with the uncomfortable feeling that we run an even greater risk of having other baby Dianas in the future. Thank you, members. Thank you, Mr. President. [LB195]

SENATOR KRIST: Thank you, Senator Gloor. The Chair recognizes Senator Wallman. [LB195]

SENATOR WALLMAN: Thank you, Mr. President. Vote for the bill and against the amendment. Thank you. [LB195]

SENATOR KRIST: Thank you, Senator Wallman. Senator Janssen, you're recognized. [LB195]

SENATOR JANSSEN: Thank you, Mr. President. That was four words more than I was expecting out of Senator Wallman who went before me last time. As we debate this, and I did get a chance...Senator Mello was nice enough to talk to me off the mike last time and we...and I'm not going to ask him back to the mike this time, he's very busy, and clarified for me what we were talking about. And now I have a full understanding of it. And I certainly appreciate him taking the time to at least explain that to me so I have the opportunity when I go back to my district and I talk to people on-line about what exactly

Floor Debate
May 08, 2013

we did with that particular piece of legislation. And that gave us an opportunity to discuss it, just like this is giving us an opportunity to discuss the Visiting Nurse Association, which I certainly was very aware of and I'm certain many other people are aware of it, probably not all are familiar with it. I do know that they do have commercials on TV I guess. I don't know if they're paid-for commercials or if they're public access commercials or however they do that. But as I kind of get a feel for what's going on around us here, there's a little angst of why it's taking so long. It hasn't really taken us that long. I mean, we got a \$7.8 billion budget in front of us. And I was asking some of my colleagues, what's...you know, it's never taken this long before. We haven't had this many questions. What's different this year? And there's different reasons and we all have different ideas. And I think we came up and I came up and I think what it is it's I heard Senator Carlson this morning as he was speaking. Even though I wasn't on the floor, amazingly enough I can watch what goes on in my office. I know that's a novel approach, but I can see what's going on when I'm down there. And he talked about we've got this group over here, and there's this group over here, and he's friends with both. And in the middle you kind of push it and squish it down, and then you've got your groups. Well, what we have in the last four years I've been here, there's really never been an excess in the budget. We were just trying to make the budget. So really some of our philosophical differences in governing are coming forward and we're debating them. And that, folks, is healthy in my opinion. It may not be yours; it's my opinion. I think that is healthy. I have watched this body debate for years, years before I came here when I had a relative that served. I've watched budgets and they didn't pass as quickly as the last four that I had seen. They were debated. Small parts were debated long. Big parts, maybe not all that much, sometimes vice versa. But they were debated. There was no agenda there other than some people have different philosophical differences in the way they think taxpayer money should be spent. Does that make one side right or wrong? That's what we debate for, and then we come to a consensus. I'm certainly not lecturing. That's my opinion of what I'm seeing here and why it's taking a little bit longer this year, which is quite frankly a good thing. One, it's good because, well, there's excess funding this year. I think that's a good thing. Now we get to do what we were elected to do. In many cases, some of us went out and campaigned and made certain promises. Some of us said smaller government, less government. Some of us said more programs, more this. Pick and choose whatever you said, you know what you said. [LB195]

SENATOR KRIST: One minute. [LB195]

SENATOR JANSSEN: Thank you, Mr. President. This is a chance for us to debate those issues and to go back and say, you know what? I was really for this program but it just didn't have enough votes. We talked about it and this senator was for it, this one wasn't, and we came to a vote on it. But we talked about it. And now I understand it. Maybe I understand it better and maybe I'm for it now, maybe I'm not. But I had the opportunity to understand. I certainly understand the weather system a heck of a lot

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

Floor Debate
May 08, 2013

more than I ever thought I would after having the time today, the time to go talk to Senator Mello, to talk to Senator Price who has some expertise in that area. And I think that's important. We have plenty of time here. This budget will get passed because we're not going home until it does. But I appreciate the debate and I appreciate learning as much as I'm learning about every aspect of the budget because quite frankly in years past, there wasn't enough money to have this type of good debate. [LB195]

SENATOR KRIST: Time, Senator. [LB195]

SENATOR JANSSEN: Thank you, Mr. President. [LB195]

SENATOR KRIST: And that was your third time. Senator Smith, you're recognized. [LB195]

SENATOR SMITH: Thank you, Mr. President, and good afternoon, colleagues. I appreciate the comments made by Senator Janssen. He's absolutely on the mark. For those Nebraskans that are outside of the Legislature and they're watching, they're listening, they're trying to understand what's taking place, this is good. This is a good thing to have this discussion regardless of what your motivations are for rising and speaking for or against these bills. This, colleagues, is exactly what our constituents elected us to do--to mind the business of the Legislature and to give significant reasonable thought to the expenditures in the state of Nebraska. It's their tax dollars and, by golly, we ought to be asking questions about it. It's a good thing to do. Now all of us that are standing up, that are talking on these amendments, there's no...we talk about Agenda 21 items here, no one is behind the scenes trying to lead an effort here to destroy the budget. This is, again, what Nebraskans sent us here to do. Each of us have particular reasons for questioning some of these bills. I stood up in opposition to some of the amendments previously, particularly the amendment that was targeting the learning community because I felt that it would be counterproductive, that it would be a contradiction to what we passed in LB585. I opposed that. But some of these challenges that are being raised, some of these questions that are being raised are great questions, and we really need to think through this. And I plead with colleagues, if there is an effort out there to try to stop this discussion and this process, please don't do that to those that elected us to office. They want us to discuss this budget. So once again, regardless of what the motivations are, the discussion is good, it's productive. Thank you, Mr. President. [LB195 LB585]

SENATOR KRIST: Thank you, Senator Smith. Senator McGill, you're recognized. [LB195]

SENATOR MCGILL: Question. [LB195]

SENATOR KRIST: The question has been called. Do I see five hands? I do. The

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

Floor Debate
May 08, 2013

question is, shall debate cease? All those in favor vote aye; opposed, nay. Please record, Mr. Clerk. [LB195]

CLERK: 25 ayes, 8 nays, Mr. President, to cease debate. [LB195]

SENATOR KRIST: Debate does cease. Senator Hansen, you are recognized to close. [LB195]

SENATOR HANSEN: Thank you, Mr. President, members of the Legislature. It's about that time again. This was kind of a short debate on this amendment, but I think everybody had...probably had most of what they wanted to say get out. I wish Senator Schumacher could repeat what he said this morning early about a 5.2 percent increase in the budget. I was on the Appropriations Committee for four years, and with the special session we cut the budget five times. Now we have money but we don't know what the future is. The future could be just like it was three years ago. And with a 5.2 increase in spending, we might be in deep trouble again. We have a little money in the bank. We have an almost a two months supply of cash reserve. This was just an attempt, this amendment was just an attempt to save a few million dollars, a few million dollars we might need. I'm certainly not against the program. I don't know how many times I've said that. I think the \$850,000 that is appropriated now is great. It's been well-used and I wish for them the best of luck in doing what they need to do with that and save some kids. That's the main thing, that's the main purpose, and that's all I could ask for it to do too. We come back to, you know, dollars and cents. Does it make sense to spend this many dollars? I don't think it does but I think the boat on the...or the boat, we missed the boat and took a vote. I'm beginning to rhyme like Senator Chambers and that's dangerous. But we had the vote on the call of the question and I think that we could see that vote coming. But with that, I would close, Mr. President, and ask for a few green votes to show that some of us care. Thank you, Mr. President. [LB195]

SENATOR KRIST: Thank you, Senator Hansen. You've heard the closing. The question is, shall the amendment to the committee amendment to LB195 be adopted? All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB195]

CLERK: 7 ayes, 29 nays, Mr. President, on the amendment. [LB195]

SENATOR KRIST: The amendment fails. Mr. Clerk. [LB195]

CLERK: Mr. President, Senator Mello would move to amend with AM1320. (Legislative Journal page 1280.) [LB195]

SENATOR KRIST: Senator Mello, you are recognized to open. [LB195]

Floor Debate
May 08, 2013

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. AM1320 is an amendment in which the Appropriations Committee...was brought to our attention yesterday and which we took action, as a committee, today to bring this amendment to our overall budget. It was an item that we ultimately forgot to revisit after the committee had an Executive Session with the state's Chief Information Officer and the State Patrol in reference to our statewide radio system. What essentially the amendment is, is it appropriates the amount that they requested for the statewide radio system. It's revolving funds, not General Funds, not cash funds, not federal funds. Just for a point of clarification, so members of the body know what revolving funds are, revolving funds, in the Department of Administrative Services, are funds that, ultimately, other agencies pay into the Department of Administrative Services to acquire a service back. So, essentially, it's a revolving fund of General Funds, cash funds, or federal funds, depending upon how they choose to pay for it. Simply, this appropriates the amount requested by the Department of Administrative Services' Chief Information Officer for them to be able to do some structural and infrastructural upgrades to our statewide radio system that, while, ultimately, the committee has taken an interest in that system, in challenges that we see moving ahead with this system, we did not want to hold back any of the forward progress and movement that the Chief Information Officer felt is needed immediately to be able to build that infrastructure further across the state. With that, I'd urge the body to adopt AM1320. Thank you, Mr. President. [LB195]

SENATOR KRIST: Thank you, Senator Mello. Senator McCoy, you are recognized. [LB195]

SENATOR McCOY: Thank you, Mr. President and members. My light was on, on the previous amendment, and I left it on, on this amendment, but I want to speak to the process a little bit. You know, those that have been around this Unicameral way longer than I, if you ask some questions about budgets in years past and bienniums past, you hear tell of some stories from the mid '80s, when they went for days and days and days on the budget, if I have it correct. I believe somebody told me, at one point, maybe, 60, 70, 80 amendments, as I recall, stretching out, before there was a computer system, on the floor, out into the hallway. I think our constituents and the people of Nebraska expect us to have a robust, hearty discussion about a budget that spends billions of dollars. But Nebraskans got up this morning, ate breakfast, took their kids to school and went to work, and paid taxes that we're contemplating spending. I've said it before and I'll say it again: I appreciate very much what the Appropriations Committee, the staff, led by Senator Mello as the Chair, have done to bring this budget to us. It's a lot of hard work, I know. And I don't pretend to know exactly what it is because I have never had the opportunity to serve on the Appropriations Committee. But knowing as I do, when I come and go, a lot of times, as all of you notice, too, when we leave at night, when our committee hearings are done, a lot of times their cars are still in the parking lot. And usually, when we come back the next morning, their cars are already here. We should be thankful for the hard work that they do, and I know we all are. But when you

Floor Debate
May 08, 2013

contemplate spending this amount of money, members, I believe it's important to have this kind of discussion. Some people may say, well, we've never had a discussion like this in the last four years, maybe the last decade. The reality is this, and it's been said. In budgets past, my first year here, 2009, we had a special session on the budget because we didn't have any money. Now we have some money to spend, or so it would seem. And I think it's somewhat simple, in a way, to not spend any money when there's not any money to spend. But now there is, and so what you see is a fundamental, philosophical difference at times during this discussion about the size and scope of government. And I think that's healthy because we are a one-house Legislature. We can't pass the buck to a house or to a senate. It's us. I can't tell you how many e-mails I got, phone calls I got in years past, my goodness, from constituents--you didn't spend any time on the budget. This discussion is healthy. I think these amendments that have been presented today are substantive. I had one. It lost. I'll accept that. It's the way the process works. But we'll continue to have discussions about this budget. [LB195]

SENATOR KRIST: One minute. [LB195]

SENATOR McCOY: The people of Nebraska expect it, and we'll honor that. We all chose to be here, for whatever reason it may be, but here we are. And I think we all respect that responsibility; I think that's evident by what I believe to be a good discourse that's civil and appropriate to the seriousness of this discussion and the issues at hand. Thank you, Mr. President. [LB195]

SENATOR KRIST: Thank you, Senator McCoy. Senator Harms, you're recognized. [LB195]

SENATOR HARMS: Thank you, Mr. President and colleagues. I rise in support of this particular amendment. It's extremely important. But I want to use this time to talk about this particular project. We spent \$15 million, probably about four years ago, five years ago, to create a communication system. And what we found is that a system that we spent \$15 million has not worked and it is not working. So at our last...this year, in our Appropriations Committee, we've started the discussion and the topic of the highway patrol to try to learn more about what is this issue, what is this problem. Well, after not only visiting with them but with Brenda Decker and a lot of other people, even the company, Motorola, who they purchased this system from, what we found is that, first of all, the system we have was not compatible with what we presently have. The software would not interface with the radios. We had to add radios. We now have discovered that we don't have enough towers. We have spots where we can't communicate with each other. This radio system, this communications system, has four channels, one for data and the other three for emergencies, and they couldn't make them work. So what we have done with this system is we have put our highway patrol at risk because what they had to do in some cases is use a cell phone--not appropriate at all. I'm not very happy about this structure, and I made it very clear with people that I have spoken to about this

Floor Debate
May 08, 2013

system. We also discovered in the process that we did not have adequate training. This is a pretty sophisticated system. But you know what, colleagues, it's exactly the same system that Omaha has. But they have 20 channels and they don't have any problems with it at all. We need to continue to focus on this and what the entire intent was, to have this communications system put together so our state system could communicate with each other. But locally then we were going to buy in, and what's happened to us is they can't afford to buy in. And their radio systems do not communicate; they don't have the software; they don't have the up-to-date system to make this happen. We've had some real frightening things happen this summer with the fires, where these volunteer fireman could not communicate out and almost got trapped in more than one location. We are very fortunate that we haven't lost any lives. And why I'm telling you this and why I'm using this time to discuss this with you is that we must continue to pay a great deal of attention to make sure this system is put together and put together appropriately. We are one of the only few states did not use the company to help us put it all together. Bought the equipment, they helped a little bit, but we didn't do the supervision. That's a problem because we didn't have the people that could do this. Regardless of what they tell you, it hasn't worked and it isn't working. Now I will tell you, since we've had this discussion and the media has picked up on this story, there are some things that are starting to happen. But we have a ways to go, and what I want you to do and what we're going to have to do is to give some consideration then. How do we follow through with this? This needs to be funded because it's going to buy... [LB195]

SENATOR KRIST: One minute. [LB195]

SENATOR HARMS: Thank you...some towers and part of the radio system and whatever we need to complete this project. But we have to decide how are we going to keep the...this in front of us. Should it go to the Executive Committee? Should you fund a special committee? Should you give it to Telecommunications and Transportation Committee? We have to have it focused or, I will tell you today, we will open up the paper in the future and there may be a death because we didn't take care of our own people that we're asking to take care of us and our safety. Pay attention to this, vote for this amendment, but it's not done yet, colleagues. It's amazing to me that we spent \$15 million and, until we brought this up in the Appropriations Committee, very little was being done to resolve the issue. That truly offends me. [LB195]

SENATOR KRIST: Time, Senator. [LB195]

SENATOR HARMS: Thank you, Mr. President. [LB195]

SENATOR KRIST: Thank you, Senator Harms. Senator Kintner, you are recognized. [LB195]

SENATOR KINTNER: Well, thank you, Mr. President, and I've got a question for

Floor Debate
May 08, 2013

Senator Chambers. So if Senator Chambers can hear this, please report for duty. In the meantime, I do want to advocate a yes vote for this. This is certainly something that's needed. You know, we spend an awful lot of time on things the government, I think, has no business doing, and it doesn't seem to bother many. I think I lose sleep sometimes over some of the things that we spend money on. But this is actually something that government ought to be doing, and it ought to be doing a little better than we're doing. And hopefully this will move us to get the job done that needs to be done for our first responders and people that use that network. The second thing I want to talk about is the process we're going through today. You know, I sit on Appropriations, I hear a lot of testimony, and I've still learned a few things today about some of the bills that we've talked about. So I think this is a good process that we're in. You know, we're a one-house state, the only one, so we have some built-in things that we do here that other states don't do. You know, we read the bills three times. You have to vote three times on it before it passes. Every bill gets a hearing, and we also have a filibuster. And these are safeguards from bad legislation getting on a roll and passing. We have to think about what we're doing and we have to talk about what we're doing and, you know, that makes us unique. And if it takes a little bit of time to get through the budget, I think the state is better off, the people are better off. A little sunshine, a little transparency, a little information disseminated among the body and the people watching is always a good thing. I see Senator Chambers is here. [LB195]

SENATOR KRIST: Senator Chambers, will you yield? [LB195]

SENATOR KINTNER: Yes. [LB195]

SENATOR CHAMBERS: Yes. [LB195]

SENATOR KINTNER: You said something earlier that just intrigued me. You said that you thought that somebody was orchestrating or pulling strings behind the scenes to manipulate the debate today. Who do you think that is? [LB195]

SENATOR CHAMBERS: The Governor. [LB195]

SENATOR KINTNER: Well, then he forgot to tell me. He's not been in contact with me, I haven't talked to anyone from his office, and I feel a little left out. Why do you think the Governor is doing this, Senator Chambers? [LB195]

SENATOR CHAMBERS: I'm able to recognize fingerprints, handprints, footprints, and modus operandi, and that's what I see here. And I know who the people are who are going to jump up on a certain issue. I know what they're going to say--not every word but the direction they're going. I've been around a long time, Senator Kintner, and I pay attention, and I say, the Governor. [LB195]

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

Floor Debate
May 08, 2013

SENATOR KINTNER: And, Senator Chambers, what might be the purpose of the Governor's fingerprints and footprints over this? [LB195]

SENATOR CHAMBERS: Senator, I'm not a mind reader, especially if it...well, no, I'm not a mind reader. (Laughter) [LB195]

SENATOR KINTNER: Senator Chambers, you know, when I ask you a question, it's like picking up a sleeping rattlesnake. It's coiled up; you pick it up; you hope you get the tail; you don't always know if you'll get the fangs or the tail. But I thank you, and I'll yield the remainder of my time to you, Senator Chambers. [LB195]

SENATOR CHAMBERS: Members of the Legislature, you all know what's going on here. And I don't have my light on because if it were something I was going to do, I would do it. But you all know that I'm very straightforward and honest with you. If I don't like a bill and I say I'm trying to kill it, that's what I tell you that I'm going to do. If I say I will tie in other bills with it, I will tell you what that is. But I won't stand up here and pretend to be doing something that I'm not. But other people have their way of doing their business, and I think that's what we're seeing here. I know who's going to be the first one to jump up... [LB195]

SENATOR KRIST: One minute. [LB195]

SENATOR CHAMBERS: ...on some of these amendments, not being a mind reader. Machiavelli was the father of political science. I've read things that he's written. He was also a master military technician. He wrote poems. He wrote plays. He was an administrator. People don't know anything about this man except a misrepresentation of what he really was about. Even his book, The Prince and the Discourses, was not unique. There had been that kind of literature written. Nobody had done it as thoroughly, as carefully, and in as readable a fashion, and he used more historical examples to make his point. But one thing you'll find out when you read what the man talked about: See what really is going on and understand that. Even if you're not going to react to it in the way that you should, at least know what you're doing. Then, if you're going to dissemble, then dissemble, but don't be mistaken about what's going on. And I feel that I'm not mistaken. And what I could do, except I don't want to embarrass anybody, I could give the name of the first person who is going to jump up on these amendments. But I'm not going to do that. Thank you, Mr. President. [LB195]

SENATOR KRIST: Thank you, Senator Chambers. Senator Schumacher, you're recognized. [LB195]

SENATOR SCHUMACHER: Thank you, Mr. President, members of the body. I hope my name was not the one that Senator Chambers was thinking about. (Laughter) This particular radio program, which doesn't perform very well and, in my opinion, doesn't

Floor Debate
May 08, 2013

make a whole lot of sense, is a vendor's paradise, a very, very expensive thing, and not very well designed, in my opinion, and I have a little bit of a background on what they're trying to do. But would Senator Mello yield to a couple questions? [LB195]

SENATOR KRIST: Senator Mello, will you yield? [LB195]

SENATOR MELLO: Yes. [LB195]

SENATOR SCHUMACHER: Thank you, Senator Mello. It looks like we're buying three towers here, and I would back calculate here that each one is worth about \$400,000. Is that correct? [LB195]

SENATOR MELLO: That would be a good estimate, Senator Schumacher. [LB195]

SENATOR SCHUMACHER: And do we know how high these towers are or what kind of equipment is going in them? [LB195]

SENATOR MELLO: Senator Schumacher, I couldn't, probably, give you the exact details of the, I would say, the specifications of each of these towers. What I can tell you is there is a significant number of these towers around the state that are part of the statewide radio system that was...that started to be implemented back in 2008, and it's been brought, ultimately, to the attention of the Appropriations Committee. Before, ultimately, we had this issue brought forward by the CIO that there was telecommunications and, I would say, transmission issues in different parts of rural Nebraska. And ultimately, what their request is, is to help fund the construction of new towers to help, hopefully, mitigate some of the problems that we have encountered and certain law enforcement agencies have encountered with the radio frequencies in rural Nebraska. [LB195]

SENATOR SCHUMACHER: Thank you, Senator Mello. Three more towers, \$400,000 apiece--those are quite the towers, particularly if the equipment is a rather simple equipment of, probably, a licensed spectrum transmitter. Towers positioned with microwave communications between them may be duplicating paths of fiber that already are in place and have been in place for some time and were purchased with the ratepayers' money through this thing called the Nebraska Universal Service Fund. Were we thinking, when we buy that fiber for the phone companies and give it to them, we'd reserve the right to use a couple of strands to have fiberoptic communications between point a and point b, rather than try to do it with back links of microwave, which is subject to icing and all kinds of other things. It seems to me that one value of the discussion that we're having here, and we're probably overdoing it, is that we're beginning to look and prod below some of the numbers. And it's not anybody's fault because this is just the way things have been done, but there are a lot of questions that can be brought up with regard to how some of these things are done. And maybe we need to examine

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

Floor Debate
May 08, 2013

ourselves as to when we set up programs and when we go down roads that turn out to be very, very expensive, in this particular case, I think, probably as I said before, a vendor's paradise that we probably can save a lot of money if we think things through ahead of time. And I think this whole program for trying to duplicate the Internet for police radio when the very purpose of the Internet is redundant traffic and redundancy so that the system doesn't go down,... [LB195]

SENATOR KRIST: One minute. [LB195]

SENATOR SCHUMACHER: That's why the military designed it that way, is to provide the similar traffic. There's no reason that we have to build a second Internet using radio towers, but that's probably water under the bridge. Probably would like to be the vendor on this project for \$400,000 towers. Thank you. [LB195]

SENATOR KRIST: Thank you, Senator Schumacher. Senator Janssen, you're recognized. [LB195]

SENATOR JANSSEN: Thank you, Mr. President and members. I had some questions earlier. I seem to be getting caught behind on...because we're moving so fast through the amendments. But I had a question about the Visiting Nurses Association. But since I still see Senator Howard here, if I could, just for some clarification, so when I go back and we can talk about the vote that we had today and I can get these questions out, if she would yield? [LB195]

SENATOR KRIST: Senator Howard, will you yield? [LB195]

SENATOR HOWARD: Yes, I would. [LB195]

SENATOR JANSSEN: Thank you, Senator Howard, and congratulations on your nonamendment, for that matter. You can thank me later for all my help on it. The VNA...the percent of the increase was, I think, Senator Hansen said...was it...what was the percentage? [LB195]

SENATOR HOWARD: I've actually sent all of my information away. But it was a 30 percent increase from the amount that they receive in state funds. [LB195]

SENATOR JANSSEN: Okay, and that's what I thought I heard, and I just wanted to clarify that. And what are the requirements for a person to qualify for this program? I've known one person that's worked in the program, and I...that's about all I know about it, other than the commercials, so I don't know what the qualifications are for that. [LB195]

SENATOR HOWARD: These are good questions. So it's actually not an eligibility-based program; it's a referral-based program. So if someone is considered at risk, they are

Floor Debate
May 08, 2013

referred to the program and then, first, there's a screening. There's a 15-question screen based in the model. And then, if there are two trues on the 15-question screen, then they move to the assessment, which is a parent survey. And if, on the parent survey, we have two trues as well...and these are questions that are pretty general. The initial screen is about employment and status, and then the parent survey actually is a much more psychiatric, in-depth assessment of, sort of, parenting skills and coping skills. And so if there are two indicators on that assessment, then they'll be referred into the program. [LB195]

SENATOR JANSSEN: Thank you, Senator Howard. Is there any data, and if you don't have it...I know you've sent everything to your office, so I'll just ask this--and it's perfectly fine if you don't have it in front of you and you want to tell it to me later--what the percentage is of people that get referred to the VNA that are actually accepted--I don't know if that's the right word--enrolled, maybe, into the VNA program, the percentage that apply that are actually accepted, or the percentage that are turned down and denied for that service? [LB195]

SENATOR HOWARD: So that's a good question. So in Lincoln/Lancaster County we had 393 referrals, and that whittled down to 76 families who were in the program itself. During the screening process, if an indicator does come up, they are speaking with a professional, and so they can connect them to other services at that time. So even if they don't get into the program because they don't have, sort of, the at-risk indicators that we're looking to address, if there are other indicators, they do try to connect them with the services that they need. [LB195]

SENATOR JANSSEN: I have no further questions. I would just say that...of you today. But I would say that's a great answer for sending all your stuff back down to your office and just talking off the cuff, so thank you very much for answering my questions on that issue. I was talking to a friend this morning, and I looked, and this person is pretty involved in the budgeting process--excuse me, not the budgeting process, the legislative process. They actually look at the agenda every day. It's not a person...and sometimes they're one of the tens of people that actually watch us on TV. Saw the budget and said, hey, you'll probably be back pretty early today, won't you? I'm like, what do you base that on? Well, I'm looking at the budget, and there's just some General File bills, and it looks like it's going to go... [LB195]

SENATOR KRIST: One minute. [LB195]

SENATOR JANSSEN: Thank you, Mr. President...looks like it's going to go pretty quick for you today. I'm like, no, I don't think it will, this is a...this is basically what we have to do. This is the reason you've sent me down there, presuming you voted for me, which he wouldn't give me an indication one way or the other but I assume he did. And I said, you know, this is kind of a...this is going to be a huge undertaking, and it's going to take

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

Floor Debate
May 08, 2013

some time and we're going to talk it out. And we're going to learn a lot and, at the end, we're going to pass what I hope to be a responsible budget. And I think we're well on our way to doing that with the debate that we've had today. And that person, a constituent, I think, is...sometimes we call the second house. Sometimes we call the committees the second house. But in reality we do only have one Chamber, one Legislative Chamber, and we... [LB195]

SENATOR KRIST: Time, Senator. [LB195]

SENATOR JANSSEN: Thank you, Mr. President. [LB195]

SENATOR KRIST: Thank you, Senator Janssen. Senator Davis, you are recognized. [LB195]

SENATOR DAVIS: Thank you, Mr. President, members of the body. I'm not going to address the process to any extent except to say that I appreciate the discussion that we've had and that I hate to see us waste valuable time when we have a lot of other issues ahead of us. So I would ask for cooperation from everybody in the body rather than blocking and being obstinate. But I do have...I do want to express my support of this bill. But I want to affirm what Senator Harms has referred to: serious problems in this radio program that we have, to the point where we have police who can't talk to State Patrol. And we've got State Patrolmen who are after a fugitive in my district, after someone running across the field, who can't get ahold of the local sheriff's department and has to use dispatch and his cell phone to call Scottsbluff and have that call routed back to the sheriff's department in Dawes County so those people can respond. Now that's a serious problem. We've spent a lot of money on this radio system, a lot of money, and we need to find a solution to it. We can't ignore the problems that we have. My question, for anyone who would know that...and maybe Senator Mello does, and if he does, fine; if he doesn't, it's just a question. But we have these towers to build. Senator Mello, are you there? [LB195]

SENATOR KRIST: Senator Mello, will you yield? [LB195]

SENATOR MELLO: Yes. [LB195]

SENATOR DAVIS: Is there any possibility of either putting those towers on existing towers, like NET towers, or leasing space on Viaero towers or Verizon towers across the state? Is that a possibility at all? [LB195]

SENATOR MELLO: Senator Davis, at this moment in time I'd have to probably follow up more specifically with the Chief Information Officer's department in regards to what their plans are outside of some towers that they had briefed the Appropriations Committee that they were planning on building. There's one, ultimately, that they're going to look to

Floor Debate
May 08, 2013

do near Benkelman in the southwestern part of the state. There's one that they're looking to do in Johnson County in the, kind of, southeastern portion of the state. And there's another one that's going to be a little bit north, ultimately, of, kind of, the Butler County/Lancaster County/Seward area, somewhere around those kind of triadic counties. Those are three areas right now that they expressed was a concern of having dead spots right now within the current statewide radio system. I could easily follow up with Brenda Decker, the Chief Information Officer, and find out, in regards to your request, if there's other things they could consider doing of expanding the network by utilizing other towers. But it's our understanding, from some of the dialogue that Senator Harms, myself, and Conrad have had in private meetings, as well as the Appropriations Committee in its entirety has had in an Executive Session, is that the state chose not...the state chose a very unique system when, ultimately, they moved forward on this that required a certain bandwidth that was different than what was being asked for by a number of local municipalities, local law enforcement agencies. And we're waiting to get some more information back from the Chief Information Officer's department of why they chose the path that they did, who made that decision and, ultimately, if there's ways to enhance and expand the network now and what cost that would be to the state. [LB195]

SENATOR DAVIS: We cannot ignore that we've got serious problems with the program and we've...we need to find a solution to that. I know of two or three dead spots in the Panhandle that I can talk about, so, I mean, we may have tower after tower that we have to build. We have some radio equipment that was brought in after 9/11 as part of Homeland Security money that has been sitting in crates in some of the offices around the state. [LB195]

SENATOR KRIST: One minute. [LB195]

SENATOR DAVIS: So I would certainly hope that we can double down and find a solution to this problem before we have a loss of life because if we have a loss of life we're going to have a lawsuit. And with that, I'll yield the rest of my time to Senator Mello. [LB195]

SENATOR KRIST: Senator Mello, 40 seconds. [LB195]

SENATOR MELLO: Thank you, Mr. President, members of the Legislature. And I appreciate Senator Davis' questions as well as his concern, and I think I...it would...I would be remiss not to share my appreciation to Senator Harms and, I would say, ultimately, his work of reaching out with other Panhandle senators in regards to the issues that happened over the last year in regards to the statewide radio system. It's something that, yes, while in Omaha we have our own system, with some of the issues that happened in Alliance, in regards to the standoff, as well as some of the issues in the Panhandle regarding the wildfires and the lack of communications systems that was

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

Floor Debate
May 08, 2013

available for volunteer firefighters, we've come to realize this is a significant issue facing the state. And while it may not be a General Fund issue, the Legislature will need to exercise its oversight authority moving forward, to ensure what Senator Davis just said, that we don't see a loss of life moving forward. [LB195]

SENATOR KRIST: Time, Senator. [LB195]

SENATOR MELLO: Thank you, Mr. President. [LB195]

SENATOR KRIST: Thank you, Senator Davis and Senator Mello. Senator Dubas, you're recognized. [LB195]

SENATOR DUBAS: Thank you very much, Mr. President. I just would like to stand up and echo what Senator Davis has said and Senator Harms. I became aware of this situation last summer through the wildfire issues that our state was very much involved with and how it was impacting our firefighters, who are all volunteers, and how they were not able to communicate with each other and how it actually did put a group of those firefighters in harm's way because they weren't able to receive the directions that they needed to make sure that they were getting out of the way. And so I've kind of been nibbling around the edges of this issue and trying to get some answers to questions, and I have not been able to get those answers. So I do appreciate Senator Harms's involvement with this and, if he would yield to some questions, I would appreciate it. [LB195]

SENATOR KRIST: Senator Harms? [LB195]

SENATOR HARMS: Yes. [LB195]

SENATOR DUBAS: Thank you, Senator Harms. And, I mean, this is very, very critical. This is one of the major functions of government, as far as I see it, and that's public safety and how we help our law enforcement and those public safety officials communicate with each other in order to do their jobs. The question I've been trying to grasp or get better understanding of is, who actually has oversight? Where does this program, this radio program, come out of? Does it come out of the Legislature, or is...does it come out of the executive branch? [LB195]

SENATOR HARMS: It comes out of the executive branch. It comes out of the...Brenda Decker's office. [LB195]

SENATOR DUBAS: Okay. So does the Legislature have any involvement with it other than just appropriating money? [LB195]

SENATOR HARMS: That would be it, appropriation of the money. But we can also put

Floor Debate
May 08, 2013

together a special committee, if you wanted to, to review the issue to try to get deeper into it. Could give it to the Executive Committee, your committee could take it, or a special committee could take it. Yeah, we do have...we could find...go further into the process. I will tell you, since this has surfaced in the Appropriations Committee, they have made some progress. And I think we're seeing some progress taking place, particularly on the training side and the planning side. I think in time we'll get it resolved, but the...like...my concern is that I'm afraid we're running out of time. Something is going to happen and it would be a tragedy. And the sad thing about it is I just don't know whether or not our smaller communities and sheriffs and local police will have the ability to talk to the highway patrol other than going through dispatchers and that. In my discussion with the folks, people that I have been dealing with have said that doesn't give them a very comfortable feeling. When they're in a situation and they want to talk to a specialist from the highway patrol, they want to talk to him directly and say, this is a situation I have, I need your help or assistance, please advise me. They can't do that because they've got to transfer between two different people. It's my understanding that it just doesn't go very well. [LB195]

SENATOR DUBAS: Well, thank you very much, Senator Harms. You know, I raised this question this morning when we were talking about ACCESSNebraska and the additional appropriation we gave to help with the communications center/call center issues that were involved with ACCESSNebraska. Senator Campbell talked this morning about the MMIS system. It appears that we don't have a really good track record when we're putting these new programs or additional programs in place. And whether it's through planning or whatever it is, I mean, we're spending sizeable amounts of dollars trying to put, you know, the appropriate types of technology in place so that we can make these programs work. This is, in my mind, a priority program that needs our attention now. And while it appears to come out of the CIO's Office, I think the Legislature does need to get involved... [LB195]

SENATOR KRIST: One minute. [LB195]

SENATOR DUBAS: Thank you, Mr. President...so that we have an understanding of, okay, we're investing this money in these towers, is this really getting us where we need to go. Are we just throwing some more money at the issue or are we understanding that there's a plan in place and this is moving us forward. And I think, as Senator Harms just mentioned, the impact this will have on our local governments, our counties, our rural counties, our smaller counties, their ability to handle this financially, should there be financial requirements. But public safety goes across the board. It shouldn't matter where you live, whether it's urban or rural or the smallest community or the largest community, the richest communities or the smallest communities. These are the things that we as a state have an obligation to make sure are in place, are in working order, and are doing the types of things that they need to do. So I am certainly interested, as an individual senator and as the Chair of the Transportation and Telecommunications

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

Floor Debate
May 08, 2013

Committee, to help this Legislature get a better handle and understanding on (recorder malfunction)... [LB195]

SENATOR KRIST: Time, Senator. Thank you, Senator Dubas. Senator Wallman, you're recognized. [LB195]

SENATOR WALLMAN: Thank you, Mr. President, members of the body. You get what you pay for, folks. When you're dealing with radios--and I have experience in this FM stuff myself--you get what you pay for. And this is one area we have to be very careful how we spend our money, whether it be for towers or whether it be for radios or whether it be for Senator Schumacher as a vendor, because there's so much difference in the quality. And I think this is where Homeland Security should come in and we should coordinate this. And we have a place in Lincoln here that's FEMA headquarters--I mean NEMA--and so radio is security. Police, fire, you know, all these things, it'd be nice if we could tie them together on the same frequency instead of having it all over the place, and military radios would do this. And so thank you, Mr. President. [LB195]

SENATOR KRIST: Thank you, Senator Wallman. Senator Janssen, you're recognized. [LB195]

SENATOR JANSSEN: Thank you, Mr. President and members. And I'm getting more and more interested into this amendment, or, actually, even just this actual part of it, because I know somebody that's in this industry. Probably not as well versed as Senator Schumacher or Senator Price, who I usually yield to on the Telecommunications Committee, where we both serve. So it's interesting to me to learn a little bit more about this, about the dead spots that Senator Harms mentioned, the safety issues that are out there. And I would like to learn more about that, and I'm in the process of doing that as we speak. But would Senator Davis yield to a question? [LB195]

SENATOR KRIST: Senator Davis, will you yield to a question from Senator Janssen? [LB195]

SENATOR DAVIS: Yes, I will. [LB195]

SENATOR JANSSEN: Thank you, Mr. President. Thank you, Senator Davis. I heard something that you spoke, and I think it was after I spoke...I know it was after I spoke last time. And I'll paraphrase and give you a chance to correct me, but is this...you said, I don't want to speak to the process, we need to move this along and stop being sharp and obstinate. Does that sound familiar? [LB195]

SENATOR DAVIS: It sounds somewhat familiar, yes. [LB195]

Floor Debate
May 08, 2013

SENATOR JANSSEN: So obstinate about the budget, we need to move this along...thank you, Senator Davis. I mean, I disagree with you, but thank you for answering the question because I didn't want to say something that you didn't say. I think that that is not the approach we need to take. We need to look through these issues. I think it's important to your district, Senator Davis, what we're talking about here. Do we need to move it along? Yes, correctly. And I believe Senator Wallman said something, we...you don't do something cheap. Now the more I learn about this, we did something on the cheap, is the way I understand it, and it's not working, not working the way we intended. I don't think that makes me obstinate. I don't think that makes me sharp--inquisitive, maybe, wanting to learn something about an issue a little bit more in depth before I vote on it and go back and tell this individual in my district, who happens to put up towers and works in the telecommunications industry, this is why we did it and this is what we did it for. Or somebody that says, Senator Janssen, you're this party or that party, what are you spending money here for? Well, I'll tell you why, because I was on the floor of the Legislature and I got a chance to talk with Senator Harms, Senator Wallman, Senator Mello, you name the senator, that told me why and justified why we are spending this money. And I'd look at that person and say, guess what, we're spending \$7.8 billion, give/take, if you will, and I think we're going to take some time on that because I want to understand it better and better so I can tell you about it. There's nothing wrong with that. We should do that, and I think we all agree with that. We just need to understand we're just all trying to understand this. Maybe we're all not. I am, a little bit better, understand our budgeting process. And, yes, as it was so eloquently pointed out by Senator Carlson, we have different political parties. We do. Nonpartisan, yes, you can call it that, but we do have different political ideologies, regardless of the "R," "D," "I," or, I guess, even "L," even though we don't have any Libertarians here in name. But we all have different philosophies. But I think, somehow, we're... [LB195]

SENATOR KRIST: One minute. [LB195]

SENATOR JANSSEN: Thank you, Mr. President...somehow we're talking about this, we're learning about this, and I'm more open to the...this sounds like a decent enough idea. You're talking about the emergency workers, which Senator Harms was talking about. So let's find out. If that's going to save a life or save lives, let's find out why there's a dead spot in this, how we can help it, why we got there, did we go too cheap in the beginning, because we do need to spend money for necessary services, and public safety is one of them, but we do need to question why or why not. That's appropriate. That's appropriate, and I'll just leave it at that, Mr. President. Thank you. [LB195]

SENATOR KRIST: Thank you, Senator Janssen. Senator Larson, you're recognized. [LB195]

SENATOR LARSON: Thank you, Mr. President. I rise in support of AM1320. I think I...numerous senators have talked about...throughout this process there have been real

Floor Debate
May 08, 2013

concerns with the statewide radio system throughout the past years. And as they've tried to implement it, I think what happened in Alliance is something that has been well-documented. And when I talk to State Troopers, specifically, throughout my legislative district, which has some dead spots in it currently with the statewide radio system, I think, even though we do have over that 95 percent coverage, these places need to be fixed. You know, Knox County, a place that Senator Lautenbaugh was able to visit over the interim, he did welcome...say that he was happy that the folks of Holt County were welcome to accept him, and I was whispering in his ear, Knox, Knox, and he corrected himself so aptly. (Laugh) But in Knox County, your county seat is Center, Nebraska. I don't know how many of you have heard of Center or driven through the lovely town of 90-some, maybe. It might crack the century mark right now, but I doubt it. There is no cell phone reception, none. No carrier gets cell phone reception there, and the statewide radio system doesn't work in Center. That's the county seat. That's where your...the local sheriff is. If something were to happen in Center, Nebraska, God forbid, something similar to what happened in Alliance, not only would the State Patrolmen not be able to call out on their radio system, they wouldn't even have cell phone service to call out and contact other State Patrolmen. So there's a real issue here when it comes to State Patrolmen communications and communications among governments, and, you know, hopefully, by making sure that we can cover more of the state through something such as AM1320, we can ensure and enable local sheriff departments, such as the Knox County Sheriff's department, to come onto this statewide radio system and allow the State Patrolmen to have better communications. You know, Center isn't the only issue in my district in the...in a district, especially in the north part, that has a lot of...with the Niobrara running through it and the Eagle Creek, have a lot of dips and valleys where, if you look at the statewide coverage map of the new system, that don't have coverage. So that's something being in rural Nebraska that's very concerning, and we want to make sure that we have better than 95 percent coverage, we have better than 96. We have to continue to strive to have that full coverage. And Ms. Decker that came in from...I think she was with the CIO, came in and talked about what...how that is a goal, and that's an important goal. Oftentimes, you know, you can say rural Nebraska gets left out in some of these things and...people...senators from Omaha and Lincoln take for granted or forget what county they're in or don't know what county they're in and make a wrong step. But it is important to those communications. I think the people that were in Alliance handling the shooting that day did a wonderful job of communicating with what they had. But we need to make sure that it works. [LB195]

SENATOR KRIST: One minute. [LB195]

SENATOR LARSON: And this does help that. Also, I...to comment quickly, I think that LB195 is, as I stood up at the beginning, a document that is a fairly good document. I expressed my concerns in terms of the amount of spending increase compared to our percentage revenue growth. But it is a document, I think, that needs substantial discussion. And I don't think there's anything more important than the budget. And it's

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

Floor Debate
May 08, 2013

been a pleasure to learn about the budget as a member of the Appropriations Committee. And, I mean, my view is, and I'd hope that other members of the body, as well as the Appropriations Committee, know as well that there's nothing more important that we have to do this year as a body than pass almost \$8 billion in taxpayer dollars. [LB195]

SENATOR KRIST: Time. [LB195]

SENATOR LARSON: Thank you. [LB195]

SENATOR KRIST: Thank you, Senator Larson. Senator Lathrop, you're recognized. [LB195]

SENATOR LATHROP: Question. [LB195]

SENATOR KRIST: The question has been called. Do I see five hands? I do see five hands. The question is, shall debate cease? All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB195]

CLERK: 27 ayes, 2 nays to cease debate. [LB195]

SENATOR KRIST: Debate ceases. Senator Mello, you're recognized to close on your amendment. [LB195]

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. AM1320 is an amendment to the Department of Administrative Services' Chief Information Officer's budget request that appropriates roughly \$1.4 million in revolving fund authority that currently is already in their revolving funds. It's nothing that they have to, ultimately, charge more to any one user in regards to this statewide radio system infrastructure and network expansion. But ultimately it's something the Appropriations Committee had a little bit of an oversight in regards to when we were digging in and learning more about the statewide radio system, and it's something that we caught, the Chief Information Officer brought to our attention. It was something that we had forgot to address when we released our final budget. And so I bring AM1320, which has been voted on and supported by the Appropriations Committee, in front of you. Colleagues, I've taken great, I would say, interest in some of...some members' dialogue over the last couple of hours in regards to this desire and this need to have this great, healthy debate on our state budget. And by all means, I started off, when we discussed LB196 and LB197, that I expected we would have a debate. But ultimately, as I've reminded individuals, look, I've been on the Appropriations Committee for four years; Senator Wightman, Nelson, Conrad, and Harms, six years; Senator Nordquist, four years; and we have three members this year--Kintner, Larson, and Bolz--who this is their first year on the committee. The reality though is everyone I've heard so far of having this burning

Floor Debate
May 08, 2013

passion to discuss how we're spending \$7.8 billion, I'm going to look and see what kind of discussion we had when we spent \$7.5 billion the last biennium and see what kind of great debate we had then, or the biennium before that, where we had a great debate when we spent \$6.9 billion. My point is this, is I fully expect that we're going to continue to discuss LB195. I saw that Senator Schilz and Senator Lautenbaugh have amendments to the mainline budget. We still have to get to the Capitol construction budget, ultimately, the cash reserve transfer. And we end, ultimately, the budget bill debate with our deficit appropriation bill, which, as we had a little preview this morning, we'll have, probably, a little lengthy conversation about what the Appropriations Committee decided to do in regards to purchasing one specific state aircraft. But I just want to make sure for the public record, or for the Legislative floor record, and for those who may be watching us at home and, obviously, for those senators who may be new to the legislative process and the budget process we've had a lot of debate. We had it within the Appropriations Committee, and I would never tell another member, ever, that we shouldn't have healthy floor debate on any particular issue that affects this Legislature or affects the state. Just be cautious in regards to how we use words, of saying why we need to do something or why we don't need to do something, because the last four years didn't just disappear, colleagues. Our last four budget debates didn't just, poof, not being a public record and see who spoke on what, why they spoke on what, when they advocated or opposed something that was done over the last four years, and why their views may now have changed all of a sudden. It's just something that I want everyone to be cognizant of because it's something that I think every member ultimately wants to be consistent when they share a perspective, when they share a view, or when they advocate in support of something or in opposition of something. I appreciate Senator Chambers, Senator McCoy, and Senator Krist, who have all brought amendments to the mainline budget over the last couple of days. They've all approached me individually, said, this is what I'm planning on doing, I wanted to let you know, I wanted to see if there was any questions you had. Senator McCoy and Senator Krist both had a number of questions that we discussed before we even got to their amendment. [LB195 LB196 LB197]

SENATOR KRIST: One minute. [LB195]

SENATOR MELLO: I appreciate the work that they did of trying to have a dialogue and a discussion with myself, the Fiscal Office, prior to us getting to their floor amendments. But ultimately, colleagues, we're going to be here for a while, and that's okay. I'm okay with that. I know Senator Harms is okay with that. Senator Conrad, Senator Wightman, Senator Nordquist, Senator Bolz, and Senator Nelson are okay with that. I assume Senator Kintner is okay with that, and I assume Senator Larson should be okay with that. If we're going to have a big debate, colleagues, let's have that big debate then. All we have to do the remainder of the session is pass a budget. I said that when we opened up on the bills. I'll say that every day we discuss the budget. That's all we have to do constitutionally the rest of session. If you have any other ideas, any other bills, or

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

Floor Debate
May 08, 2013

any other legislation you want to pass, keep that in mind. Ultimately, we have a lot of work to do, and I look forward to continuing the dialogue on future amendments and in future bills. With that, I'd urge the body to adopt AM1320. Thank you, Mr. President. [LB195]

SENATOR KRIST: Thank you, Senator Mello. You've heard the closing on the amendment to the committee amendments to LB195. All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB195]

CLERK: 40 ayes, 0 nays on adoption of the amendment to the committee amendments. [LB195]

SENATOR KRIST: The amendment is adopted. Mr. Clerk for items. [LB195]

CLERK: Mr. President, before the next amendment, some items: a Reference report referring a gubernatorial appointee; Executive Board reports LR155 back to the floor for further consideration; amendments to LB198, to LB407, LB195, LB194, LB497 to be printed. Communication from the Governor: (Read re LB44, LB68, LB69, LB205, LB240, LB423, LB487, LB585, LB589, LB595, LB595A, and LB646.) (Legislative Journal pages 1281-1283.) [LR155 LB198 LB407 LB195 LB194 LB497 LB44 LB68 LB69 LB205 LB240 LB423 LB487 LB585 LB589 LB595 LB595A LB646]

Senator Schilz would move to amend with AM1259. (Legislative Journal page 1283.) [LB195]

SENATOR KRIST: Senator Schilz, you are recognized to open. [LB195]

SENATOR SCHILZ: Thank you, Mr. President, members of the body. I suppose I'm not too popular of a guy right now. And you know what? That's okay. I've sat here and listened to the budget discussion, and I have to admit that I've learned a lot about what's happening and what goes on and how the budget gets put together, how the money gets spread around, and how that process happens. And I'm glad that we've taken the time to do that this year. This is now my fifth year in the Legislature and, as I said before, this is the longest that we've ever spent on the budget. And I would like to thank Senator Mello and all those for all the work that they've done, everybody on the Appropriations Committee, Fiscal staff, everybody, because it's hard work. And I commend them for standing up and being able to, you know, withstand all the questions that have happened. But this is the budget debate, and we are doing exactly what the people of the state of Nebraska, what our constituents, sent us here to do. And it's exactly what is the most important to the people of our state. You know, we've heard a lot this year about taxes and tax reform and how best to do it. We've had bills introduced, bills pulled back, studies introduced, still in process. We've talked a lot about income tax. We've talked a lot about who should and who should not pay sales tax on

Floor Debate
May 08, 2013

different items, other bills that are coming through to give incentives to people by not having to pay sales tax on equipment and things like that. These are the questions we have. My amendment here today, is to start the discussion, the serious discussion, about the one tax that I have heard about every single day that I've been in the Legislature, and that's property tax. And I know this bill or this amendment just looks at \$15 million worth of property tax relief. I know it's not a lot. It's a drop in the bucket, really. But our constituents need to know that we're thinking about this. They need to know that we're not just out here spending money, left and right. They need to know that we're thinking about how to fix our tax system, what we need to do. Senator Schumacher's LB613, if it goes into place--and I hope it will--I want to make sure that property taxes are front and center in that debate. And that is why I rise before you today. I want to take this opportunity to have that discussion because it's a discussion that's not had enough debate and enough discussion. Whether you are in agriculture, business, industry, or just a homeowner, this tax affects you. Even if you're renting, I'd dare to say, this tax affects you. And it's one of those things that we need to talk about. So here we are, and we're going to talk about this. What is the proper mix of taxes? What should go out? And I'll...you know, we've heard people say, well, \$15 million, that's not a big deal, that's not enough to worry about. Of course, then again, if you look at the property tax situation and the \$230 million right now that we give back for that, is that enough? Have people stopped complaining? And when I say complaining, I'm not talking about whining. What I'm talking about is people standing up and saying, we're taxed too much, this isn't working. I have a friend that just moved back here from Arkansas. He's from Paxton, Nebraska, originally. He's lived all over the country, done all sorts of work for all sorts of different entities and consulting and marketing and things like that. He moved back to the state of Nebraska where him and his wife own a business, a consulting business, and a call center. He told me the other day, he says, Ken, I can't figure out why I moved back, my property taxes are three times what they were in Arkansas. And he said, oh, yeah, the weather is better too. We have a state of 1.5 million people. We have a lot of cost on a lot of programs out there that are essential to people. But the question is, how, moving forward, do we make sure that we're looking at this in the proper manner? How, moving forward, do we make sure that the right mixes of taxes are in place, whether it be through fees, whether it be through property tax as we know it, sales tax, income tax, take your pick, whatever? These are the questions that our constituents want us to ask. Most people out there don't think about politics much. It doesn't enter into their lives a whole lot. But I can tell you this: The one thing they do think about is taxes and how much they have to pay and who is getting that money and is it being spent efficiently. And back to my point about \$15 million not being so much, on an average house or average home here within the state, somebody told me--and I'll take their word for it--that it works out to about \$7. And everybody may say, well, that's not a lot of money, that doesn't mean very much. But I can tell you this: We had another bill come out this year, LB362, that looked to put a \$7 charge, wherever it is, I don't care, put it on your house, put it on our car, put it on whatever. That \$7 was said to be a big issue for a lot of folks, and I don't deny that. So if \$7 is a big issue for

Floor Debate
May 08, 2013

people to pay for, quote, unquote, park entry, then if we give them \$7 back, that should be a benefit. And remember, guys, this isn't our money, it's the taxpayers' money. We are the custodians. We are to be the stewards of that money, and I hope we're the wise stewards of that money. It's good to see that the budget...or it's good to see that our revenues are growing. It's good to see that we didn't...that we had opportunities and we had stuff in reserve and we had some help to get through the really tough times. But the best way to ensure against the tough times is making sure that people, businesses, entities, individuals, and families have enough money to take care of themselves moving forward. And that's why I'm here today standing up, talking about something that, you know, with the lateness of the evening and with how that all comes about, looking at the budget, not being a very popular discussion to have, but I think it's one that we need to have. And I'm happy to stay here as long as it takes to make sure that we do have this discussion. I'm not trying to pull anybody into a fight. I'm not trying to waste and delay time. [LB195 LB613 LB362]

SENATOR KRIST: One minute. [LB195]

SENATOR SCHILZ: Thank you. But when was the last time you could remember that we had a substantive debate on property tax on the floor of the Legislature? I'm trying to think back. I...maybe somebody can correct me. I can't remember one. So let's have it now, let's discuss it, and let's think about it. Let's critically think about how we move forward. And keep it in the back of your mind as we move forward through the rest of this session, in to the interim, and on to next session, so that we can actually do the people's work and figure out the best way to fund this government for the best interest of the people of Nebraska. Thank you very much, Mr. President. [LB195]

SENATOR CARLSON PRESIDING

SENATOR CARLSON: Thank you, Senator Schilz. Members, you've heard the opening on AM1259. The floor is now open for debate. Senators wishing to speak include: Smith, Larson, Conrad, Karpisek, and others. Senator Smith, you're recognized. [LB195]

SENATOR SMITH: Thank you, Mr. President, and good evening, colleagues. I started out with a good morning and a good afternoon and now we're into good evening. And I just wanted to tell my colleague, Senator Schilz, that I stand with him. I am in full agreement that we need to stay here as long as we need to in order to have adequate debate. Senator Janssen...may I ask Senator Janssen to yield to a question? [LB195]

SENATOR CARLSON: Senator Janssen, would you yield? [LB195]

SENATOR JANSSEN: Yes. [LB195]

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

Floor Debate
May 08, 2013

SENATOR SMITH: Senator Janssen, I know you're probably traveling the state. Tell me, roughly, how many Nebraskans are there? [LB195]

SENATOR JANSSEN: Well, I think we've got about 1.7, 1.8 million. [LB195]

SENATOR SMITH: Senator Janssen, how are those Nebraskans represented in this body? [LB195]

SENATOR JANSSEN: Well, by this body and in this particular body, we basically divide that number by 49 and get a population. I think you'd talk to somebody in the committee that did that last year, but it's around, like, 37,000. Somebody can correct me, but it's somewhere in that area, per representative down here. [LB195]

SENATOR SMITH: Thank you, Senator Janssen. Would Senator Schilz yield to a question? [LB195]

SENATOR CARLSON: Senator Schilz, would you yield? [LB195]

SENATOR SCHILZ: Yes. [LB195]

SENATOR SMITH: I think you've already answered this question when you were on the mike, but I'm going to ask you again. Senator Schilz, whose money are we talking about in LB195? [LB195]

SENATOR SCHILZ: We're talking about the money that is the people of the state of Nebraska, the taxpayers. [LB195]

SENATOR SMITH: And kind of tying that into Senator Janssen's statistics, I'm not going to ask you to do any calculations, but how do we address the concerns of our citizens in this body with how their tax dollars are used? [LB195]

SENATOR SCHILZ: Well, in my case, when people bring up a concern to me and bring up questions and ideas, I bring those questions to the Legislature, whichever committee it needs to go to, whichever bill it needs to be attached to. And you're right, that's where this comes from. Constituents are asking questions on what we're going to do and how we're going to take care of the tax situation, as we see it, because they are overburdened. [LB195]

SENATOR SMITH: Thank you, Senator Schilz. And that's correct. That's our legislative process. And it goes through the committee process, and Appropriations is a committee process as well. And there's lots of decisions that are made within those committees, and then it comes to the floor for discussion. A discussion is not simply introducing the bill and everyone getting on board and supporting it. We're supposed to have

Floor Debate
May 08, 2013

discussion, colleagues. That's what our constituents sent us here to do is to discuss and to challenge. And as these amendments come up, some of these amendments I am in agreement with. Some of them, I'm not, particularly, in agreement with. But you know what's great is that we're having discussion. And there are some in this body that are trying to limit that discussion from occurring. Have we had a lot of discussion on budgets in the past? Maybe not. I've...this is my third year, and I think this is the most discussion I've ever seen. But is that necessarily bad? No. The same old thing is not, necessarily, a good thing. It's good to have discussion. And we do have money this year. And we do need to be prudent with the taxpayers' dollars. We have much, much discussion ahead of us. I mean, if you look at this budget book, colleagues, there's an awful lot of issues that we have to discuss yet that are sizeable dollars compared to what we've been discussing up to this point. [LB195]

SENATOR CARLSON: One minute. [LB195]

SENATOR SMITH: But every dollar is important to every Nebraskan. So thank you, Senator Schilz, for bringing forward this amendment. Let's have discussion. Let's stay as late tonight as we need to, to make certain we take care of the constituents that sent us here to take care of their money. Thank you, Mr. President. [LB195]

SENATOR CARLSON: Thank you, Senator Smith. Senator Larson, you're recognized. [LB195]

SENATOR LARSON: Thank you, Mr. President. And I was in the...behind...wasn't in the Chamber when Senator Mello commented, but I am willing to stay here as long as it takes. So we'll start on that. And the number one issue--and I think I've said this before, whether it was on the mike or in committee--I hear about is property taxes. And in rural Nebraska, in a district that...districts like I represent, not only do I hear about it from, you know, people that live in the towns. I really hear about it from the people that live in the country, the farmers and ranchers that make District 40 go around, that make the state of Nebraska go around, really, because agriculture is our number-one industry and will continue to be our number-one industry for a long time. I had a similar motion to this in committee--and I'm sure that may be brought up later on by committee members--that failed, with a 2-2 vote. Mind you, there are nine members in the Appropriations Committee. But this did fail in committee, and I'm happy to see it back because, like I said, the number-one thing I hear in my district is property taxes. Anticipating what's going to be said about AM1259...and it may not come up, but I'm going to anticipate. And Senator Schilz touched on it a little roughly--and it might be a little more, a little less, but I'll throw out a rough number--that this will only mean \$7 on \$100,000 home in your property taxes. And Senator Schilz brought it up, too, earlier, LB362 came to this floor, Senator Avery's bill or priority bill. I think it was his bill. And a lot of members said that \$7 was too much on a car registration fee. And that's...that was their prerogative. I supported Senator Avery's bill. I have two wonderful state parks in my district, and I

Floor Debate
May 08, 2013

want to do everything I can to support those state parks. But \$7 was such a significant number there and, a few years ago, \$5 was such a significant number when we talked about increasing park permit fees. So it may be in the single digits but, regardless the amount, it's important. And we've made those points on the floor here before: \$5, \$7, it's out of these people's pockets. So I'm sure we'll hear that argument. The other argument, I'm sure, we'll hear are that the biggest landowners across the state are going to be the big beneficiaries. Well, we do a lot of things in this Legislature. And while I'll focus on sales tax exemptions now, in which the biggest payers have the biggest benefits, I support Senator Dubas' sales tax on...or sales tax exemption for repair and replacement parts. But the largest ag producers will see the biggest benefit if that passes. I support Senator Lathrop's LB104, the wind energy. The biggest producers will see the benefits to that. Now the state of Nebraska will see benefits to both of those as well, and it will help. Both of those bills, I believe, will help the Nebraska economy and the rural Nebraskan economy as well, in AM1259. [LB195 LB362 LB104]

SENATOR CARLSON: One minute. [LB195]

SENATOR LARSON: So we're going to hear, as, again, I'm anticipating we're going to hear, that this just goes to the biggest people and it doesn't matter to the little person. That's wrong. Every dollar matters. We hear that in debates in terms of raising fees. Every little dollar matters. So I'm interested to see what members do or don't say about property taxes. And as a new homeowner myself, it's something that I'm really interested in. And we haven't even started. And we can even look at state aid to schools. I live in an unequalized school district. My property taxes, besides the income tax rebate or... [LB195]

SENATOR CARLSON: Time. [LB195]

SENATOR LARSON: Thank you. [LB195]

SENATOR CARLSON: Thank you, Senator Larson. Senator Conrad, you're recognized. [LB195]

SENATOR CONRAD: Thank you, Mr. President. Good evening, colleagues. I rise in opposition to this amendment, which is a political move, and I rise in opposition for a variety of reasons. Number one, let's just set the record straight. This appropriation level, this alleged tax cut, is not a tax cut at all. This is a spending program. We can all agree on that in terms of how it interfaces with our budget. So for any member who has had reservations or concerns about the percentage of spending growth contained in the budget, I would expect they will be voting against this amendment because it increases our state spending to the tune of about \$15 million over the biennium. So then let's also think about that \$15 million price tag in increased additional spending. That means that we have about \$15 million less of the \$54 (million) that has been allocated to the floor

Floor Debate
May 08, 2013

for other bills, like wind bills, like water studies, like childcare subsidies, like any and all of the bills that we have before us that have price tags on them. So there are consequences not only with increasing state spending, which AM1259 does, but also in terms of hindering the ability of some of those other senator priority issues from moving forward. So let's be clear about that. The other thing that I think that we need to remember is that in running the numbers on this, it's not \$7 per person. It's \$4.56 per \$100,000 valuation. So let's not inflate what I'm characterizing as, I guess, the smallest tax cut in state history. I'm not sure. Maybe there's been one smaller, but...and let's keep in mind that that's a very generous estimate. Senator Larson and others can say what they will about the program but, again, the facts speak for themselves. Each year, less and less money in this spending program goes to residential homeowners and, rather to commercial interests and to large landowners. So let's be clear about that. The facts are clear. And let's talk about how this program was conceived because it was part of LB367 in 2007. It created the Property Tax Credit Cash Fund with a variety of other tax proposals that was, indeed, the largest tax cut in state history and that I supported and that I voted for. But let's also be clear and honest when we talk about this or other issues. The Nebraska Legislature has been good stewards of the taxpayer dollars. That's evidenced in our balanced budgets. That's evidenced in our conservative approach to shoring up our Cash Reserve. That's evidenced in our return of millions of dollars in tax cuts and preferential tax treatment over our tenure in the Legislature. That's evidenced in the mainline budget bill, which we see, in the homestead exemption alone, tax relief for those who most need it, \$72.5 million this year, \$74,900,000 in the next biennium. In the Property Tax Relief Fund, in this budget, without this amendment, \$110 million this biennium, \$113 (million) each year, moving forward. There is significant and serious tax relief in the mainline budget. So to pretend as if AM1259 is our only opportunity to provide minimal tax relief to our citizens is disingenuous. Let's also not forget that this Legislature has been diligent in terms of cutting taxes and providing preferential tax treatment over our short tenure together. [LB195]

SENATOR CARLSON: One minute. [LB195]

SENATOR CONRAD: Thank you, Mr. President. In addition to LB367, in 2007, with a \$425 million price tag, there was: LB888, which caused state revenue to drop \$1.7 million a year; LB895, which caused \$5.5 million in preferential tax treatment. There was, also, last year, LB970, related to reform of income tax, which had a price tag of about \$97 million that we are just now beginning to pay for in this biennial budget. Let's not forget LB970 and LB84 took away \$129 million in state revenues through earmarks and other mechanisms. There is significant and serious tax relief contained in the mainline budget. This Legislature has been incredibly responsible, in terms of meeting its balanced budgetary obligations and providing tax relief, when provided the opportunity. [LB195]

SENATOR CARLSON: Time. [LB195]

Floor Debate
May 08, 2013

SENATOR CONRAD: Thank you, Mr. President. [LB195]

SENATOR CARLSON: Thank you, Senator Conrad. Senator Karpisek, you're recognized. [LB195]

SENATOR KARPISEK: Thank you, Mr. President, members of the body. I'm glad Senator Conrad warmed up the mike. We've discussed discussing the bill. I don't know how many times I've heard that we're discussing the bill. We've discussed that. I've got it. We're doing...we're discussing the budget bill. There have been years that we flew through it too quickly, I'll agree. So that's fine. We can do this now. But we are discussing it. I read in the paper the other day that--I got the impression, anyway that these bills were going to go fast. I knew that there...that wasn't going to happen. But I didn't know there would quite get to be this much. I appreciate what Senator Schilz is doing here. I've got an amendment just kind of floating around my desk that I wasn't going to bring yet tonight but I still might. If we're really going to stay and we want to mess around, I've got a nice bomb to drop. We'll see how that goes. And I bet you some of the people that want to talk about this will...duh, we can't do that. But we'll see. We did have the largest tax relief in history. I don't know if it was my first year here. I'll tell you what, and I've said it on the mike before, I would not vote for that bill again, ever, no way, because all I've heard from anyone about that ever since we did it, is, well, if that's the best you could do, you might as well kept it. Well, I wish we would have. We wouldn't have had some of the hard times that we've had in the last few years. So now, to add on to it, no. If we really want to do some things, maybe we should give back to city and county, state aid. Now that might actually do some good. This would do some good. And I like to see, when I get my property taxes every year, that there is a little bit that the state picked up. It helps. I don't disagree with that. I also don't complain about my taxes much. I don't like to pay them, but I see what they do. And I hear about property taxes all the time too. We all do. We all do but, once again, there is nothing on that property tax that says, state of Nebraska. None of it comes here from your property taxes. We do a lot of things that affect what they have to do. I don't like a lot of the things that we do to make them raise property taxes. I've said that many times too. But when we do things like this, who does it get to? Gets to people, absentee landowners. We hear the "Ted Turner" effect a lot of times. How much money would this give Ted Turner back that we don't have in the budget? I don't know, quite a bit. And I'm sure that he doesn't really care. Maybe he does. I guess I shouldn't speak for Ted. But there's many things that we fight over--how much money is going here, how much money is going there--when we have...when we give a lot of money out in property tax relief that, in my opinion, nobody appreciates. [LB195]

SENATOR CARLSON: One minute. [LB195]

SENATOR KARPISEK: Nobody likes to pay taxes. I don't. You don't. And I'd also like to

Floor Debate
May 08, 2013

remind people that, well, when we talk about people, the taxpayers, that's me too. I pay them too. Some of the good accountant/lawyers in here probably don't, but the rest of us do. But when people e-mail, call, complain about we, the taxpayers, I am one too. Think we have other places to put this money. My amendment, coming later, also talks about a place where I think we can take some money and give it somewhere else. Thank you, Mr. President. [LB195]

SENATOR CARLSON: Thank you, Senator Karpisek. Senators wishing to speak include: McCoy, Hadley, Lautenbaugh, Wallman, and others. Senator McCoy, you're recognized. [LB195]

SENATOR MCCOY: Thank you, Mr. President and members. I stand in support of Senator Schilz's amendment, AM1259 to AM656. I'm sure you'll all remember that I introduced LB405 and LB406 earlier this session that attempted to deal with tax reform. Seems like an eternity ago. That was, obviously, early this session. But as all of us know who sit on the Revenue Committee, and two days of testimony and public hearings on those two bills, along with other pieces of legislation that we heard in the Revenue Committee this session, property taxes are a huge and fundamental component of what the citizens of Nebraska are concerned about. I heard time and time and time and time again, how can you say that you are dealing comprehensively with tax reform in the state of Nebraska if we're not going to address property taxes to a greater extent than what we are now? It's what I think this amendment does. It helps. It helps every working family in Nebraska who is fighting to get by, probably two-income, paying for childcare for their children, trying to set aside some money for their kids' college educations or weddings or, maybe, a vacation, just to get away for the weekend that they'd love to do, those hardworking American families, Nebraskan families, who are just trying to live the dream, have a better life, provide a better life for their families. It's a little bit, I'll grant you that. But we all look at it when we go to pay our property taxes. It's right there on our property tax statement. You know, I'll never forget when Senator Dierks was a member of the body. He was very passionate about this issue, too, Senator Larson's predecessor from District 40. I'll never forget. "Cap" came to me one day, Senator Dierks came to me one day, with tears in his eyes, said, I just talked to another ranching family from my district, five generations, and they're selling the ranch because they can't afford the property taxes anymore. He's like, it breaks my heart. You know what? I'm a fourth-generation ranch family. Breaks my heart too. This affects agriculture; this affects those who live in urban settings. It affects us all. And to Senator Karpisek's point that there may be wealthy landowners that don't live in Nebraska that may somehow benefit from this, well, guess what? They pay property taxes. Same goes for if there's a company or...I mean, we've heard these arguments before. Those who pay the property taxes get property tax relief under this program. I think they should get more. We all get asked this question by constituent after constituent after constituent... [LB195 LB405 LB406]

Floor Debate
May 08, 2013

SENATOR CARLSON: One minute. [LB195]

SENATOR McCOY: Thank you, Mr. President...and for good reason. It's got to be frustrating to people across Nebraska that we haven't done more on this issue. It's frustrating enough for all of us or, at least, most of us. So I stand in support of this amendment. I think it's a valued part of this discussion as we talk about the budget. Thank you, Mr. President. [LB195]

SENATOR CARLSON: Thank you, Senator McCoy. Senator Hadley, you're recognized. [LB195]

SENATOR HADLEY: Mr. President, members of the body, I have a few things to say about this. First, if you remember a few years ago, we pounded our chests and said, boy, we cut our budget, we cut the budget, we made it balance. Well, one of the ways we did it is to cut aid to cities and counties. But we pounded our chests and said, we balanced our budget. I believe, counties, their only source of revenue is property tax. Am I correct? But we pounded our chest and said, we're really good. Then we had LB405 and LB406 this year. We started at 1:30 in the afternoon and we quit at 11:30 at night, 85 people opposed to LB405, 3 people in favor. Senator Larson, Senator Schilz, you're talking about the ag people. Do you remember those bills? Remember LB405? That was going to tax inputs to agriculture, sales tax on inputs to agriculture, inputs to manufacturing, sales tax, do away with the income tax. So out of that somebody says, well, we've got to do a study now, let's study our tax system. Everybody assumes this study is going to lower people's...that's what we're hearing right now, let's lower property taxes. If we do this study--and I'm beginning to become a little more disillusioned every day--are you going to be willing to sit here, next year, and say, yes, we need to do property tax relief and it's going to cause an increase in income taxes and a broadening in increase in sales taxes? Are you going to be willing to vote for that? Are you going to be willing to press the green button to increase taxes on one set of Nebraskans so you can give tax relief to another set of Nebraskans? I'll bet you, most of you are going to say no. Remember, this study that we're supposed to be doing is to talk about equity, not cutting taxes. If you want to cut taxes, now is the time to do them with this bill. Just go down the list and there's \$530 million in increases in the General Fund. All we've got to do is wipe out every one of those increases and put it to property tax relief. If you want tax relief, you've got to go to the spending side of the equation. So I assumed that property taxes would be a part of our study next year. But the property taxes, sure, we can lower property taxes, but unless you lower spending in the state of Nebraska, appropriations, where are you going to get the money? It's my understanding that there has never been a tax increase that's been approved by the Governor in the state of Nebraska since he's been in office. Somebody can correct me if I'm wrong. But we sat there and heard, time after time after time, in LB405 and LB406, don't tax inputs to agriculture, don't tax inputs to manufacturing. So what are we going to do? If we're going to have meaningful property tax relief, we're going to have to send money to

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

Floor Debate
May 08, 2013

schools, cities, and counties because that's where it's spent. If we're going to send more money to them, where are we going to get it from? [LB195 LB405 LB406]

SENATOR CARLSON: One minute. [LB195]

SENATOR HADLEY: One of the ways to do it is to go, right now, and just cut the heck out of the budget, stop what we're doing. If we pass this amendment, I'm going to say there is no reason next year to study taxes, because we can do it on the fly, we can just do it next year. We can raise sales taxes, income taxes, and have property tax relief, just by passing a bill. If that's...if everybody is convinced that's the problem, let's do it. We don't have to study it. We can do it. Thank you, Mr. President. [LB195]

SENATOR CARLSON: Thank you, Senator Hadley. Senator Wallman, you're recognized. [LB195]

SENATOR WALLMAN: Thank you, Mr. President. Taxes, taxes, where we going to shift them to next? That's what we do in here. We shift taxes, folks. I remember last year a couple of us didn't vote for the budget because we earmarked some funds for roads. Huh. That could have went in here for property tax relief. But did we choose to do that? No. We should have put more fuel tax on...a use tax on fuel. We didn't do that. We earmarked some funds, sales tax funds, for roads and all of a sudden the debate was done. Senator Conrad, would you answer? [LB195]

SENATOR CARLSON: Senator Conrad, would you yield? [LB195]

SENATOR WALLMAN: Was there much discussion on the... [LB195]

SENATOR CONRAD: For Senator Wallman, always. [LB195]

SENATOR WALLMAN: Was there much discussion on the budget last year when it come to the road funding? [LB195]

SENATOR CONRAD: No. When it came to the passage of LB84, there was a considerable amount of discussion extended in protracted debate. [LB195]

SENATOR WALLMAN: Thank you. So we shifted taxes, and that's what we do in here. And I'm not for this amendment because, they say, once the money comes in here, you'd better leave it in here. Former state senators told me this. Executive branch has told me this. And if we're going to change taxes, folks, Senator Wightman and I had an amendment in there for school financing. You get a local option, sales, and income. We couldn't get that out of committee. So better watch out what you say here. Thank you. I'd yield the rest of my time to Senator Mello. [LB195]

Floor Debate
May 08, 2013

SENATOR CARLSON: Thank you, Senator Wallman. Senator Mello, 3 minutes.
[LB195]

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. AM1259, so the public can hear and so everyone in the body can hear--and Senator Conrad, ultimately, helped correct the record--gives a homeowner of \$100,000, \$4.56 back. That's what AM1259 does. Senator Schilz, I don't know if you have this information but when the bill was passed in 2007, roughly 55 percent, almost 56 percent of the property tax credit was going to residential homeowners; now, roughly 46.9 percent. Colleagues, what you're seeing is a program that, to some extent--was created on the fly by the Legislature in 2007--is a regressive tax cut. Senator Schilz and Senator Larson, others, Senator Smith, Senator McCoy, may believe, philosophically, that if you pay a million dollars in property taxes, regardless if you're a Nebraskan, regardless if you own a home, you should get property tax relief at the same rate that someone who owns a \$75,000 home should get. That's a philosophical belief, colleagues. I'm not going to disagree. I don't subscribe to that philosophical belief. I think the Legislature over the last couple of years have tried to take more of a targeted approach in regards to what we do when it comes to reforming our tax code. I had a bill, LB977, last year that gave residential homeowners a \$250 property tax credit, just residential homeowners. Senator Schilz, Senator Larson, Senator Smith, Senator McCoy, none of them cosponsored it last year. Instead, they supported the Governor's proposal which was a regressive tax cut to millionaires. That's fine. That's a philosophical difference. We can have those. That's okay. But what we're trying to talk about in AM1259 of why we need to do property tax relief and why this has to occur, Senator Hadley, colleagues, gave a perfect example. If you want to do property tax relief, it may increase income tax. It may increase sales taxes. Ultimately, it may decrease spending and raise property taxes at your school district level because we're not fully funding TEEOSA at a level the Education Committee thinks we need to fund it. [LB195]

SENATOR CARLSON: One minute. [LB195]

SENATOR MELLO: A tax code, colleagues, isn't created in a vacuum. And when you make changes, you don't see those results in a vacuum so, yes, if we wanted to adopt a \$7.5 million increase to a program that, by the way, Governor Heineman has not increased this fund since it was created, neither has the Legislature. Why? Because Senator Conrad is right, it increases spending. But the second part is that, ultimately, it's a very regressive tax cut. It's not helping the people that, ultimately, we thought we wanted to help when we passed it, which is why I'm a firm believer that, LB613, we'll look at this program, we'll look at property tax relief because those who want to clamor for it only want to look at it in a vacuum. They won't want to look at the cities, the counties, the NRDs, the school districts, all the other levels of property tax generation that happens that we want to pretend doesn't occur. [LB195 LB613]

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

Floor Debate
May 08, 2013

SENATOR CARLSON: Time. [LB195]

SENATOR MELLO: Thank... [LB195]

SENATOR CARLSON: Thank you, Senator Mello. Senator Murante, you're recognized. [LB195]

SENATOR MURANTE: Thank you, Mr. President and members. I didn't realize I was up so quickly in the queue. I rise in support of AM1259, and I thank Senator Schilz for bringing it today. I think this is a good discussion. I'll start a little bit with recalling my days, once again, as a legislative aide and listening intently to the floor discussion when, at the time, I didn't really have a microphone to state my opinion and really didn't even state an opinion off the microphone. I recall back in those days. I remember listening to debates where the Legislature was willing to spend eight hours talking about prairie dogs. They'd spend eight hours talking about roadside traps. They'd spend eight hours talking about whether to...which agency should regulate automated phone calls, and then they'd spend 45 minutes on the budget. And I distinctly recall, and I think he was sitting in that chair, Senator White standing up, Senator Tom White from Omaha, at the time standing up and talking about just how absurd of a process that was, how many billions of dollars we were spending without even analyzing what we were doing and how much time was being dedicated to matters that were so trivial in nature that they probably didn't really impact anybody's life in any sort of noticeable way. So I support what we're doing today. I support Senator Schilz in his discussion. I think we get into a dangerous road when we talk about tax relief that is too insignificant for a taxpayer to notice while, at the same time, political subdivisions around Nebraska talk about raising taxes, whether they be property taxes or sales taxes or adding new taxes, occupation taxes. And the argument, typically, when those taxes come along is that they're so small in nature that the average taxpayer isn't going to notice. And what happens over time is those taxes keep getting increased, bit by bit, slowly but surely, and those taxes never come back down. And the rationale that's used to raise those taxes are never used when we have the opportunity to lower them. And we have an opportunity today to provide just a little bit, to put...as we talked about earlier today, to make a step in the right direction. It's not a giant leap in the right direction. I think I spoke of Senator Smith's bill earlier today and said that it was a baby step in the right direction, and that was probably an overstatement. And maybe the same can be said about AM1259, but at least we're headed in the right direction. And I think that AM1259 says a lot about the priorities of the Legislature. I think it sends a message to the people of Nebraska that we are listening and that the priorities that are most important to them are the priorities that we are going to take into consideration. [LB195]

SENATOR CARLSON: One minute. [LB195]

SENATOR MURANTE: Thank you, Mr. President. And as we are sitting here today,

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

Floor Debate
May 08, 2013

passing the budget, which is all about priorities, that the issue that is most important to them, which I think we can all agree--all 49 of us, in each one of our districts, all of us went door to door, all of us talked to our constituents about the issues that are most important to them--and I doubt there's a member of the Legislature who has a constituency who does not believe that property taxes is the single most important issue facing their lives, relative to state government. And this is our message to the people of Nebraska that we are listening, that what they care about we are actually going to do something. [LB195]

SENATOR CARLSON: Time. [LB195]

SENATOR MURANTE: Thank you, Mr. President. [LB195]

SENATOR CARLSON: Thank you, Senator Murante. Speaker Adams, you're recognized. [LB195]

SPEAKER ADAMS: Thank you, Mr. President. We have a lot of work to do. And I know that I had originally said 6:30 and we've pushed beyond that, and we still have work to do. I think that we'll end it here. I realize that some of you are anticipating a long drive home. Tomorrow night there will be food available, and plan to stay. We have work to do. Thank you, Mr. President.

SENATOR CARLSON: Thank you, Speaker Adams. Mr. Clerk, any announcements, items for the record?

CLERK: Yes, Mr. President, an amendment to LB195 to be printed, by Senator Lautenbaugh. (AM1195, Legislative Journal page 1284.) [LB195]

And Speaker Adams would move to adjourn the body until Thursday morning at 9:00 a.m.

SENATOR CARLSON: Thank you, Mr. Clerk. Members, you've heard the motion. All in favor say aye. Opposed, nay. Motion carried. We are adjourned until 9:00 tomorrow morning.