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Floor Debate  
January 23, 2014

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[LB13 LB76 LB128 LB215 LB272 LB274 LB313 LB359A LB359 LB371 LB399 LB403  
LB464 LB470 LB513 LB514 LB597 LB656 LB657 LB658 LB659 LB660 LB668 LB687  
LB712 LB714 LB725 LB887 LB916 LB952 LB1001 LB1016 LB1102 LR404 LR405  
LR406 LR407 LR424]

SENATOR KRIST PRESIDING

SENATOR KRIST: Good morning, ladies and gentlemen, and welcome to the George W. Norris Legislative Chamber for the eleventh day of the One Hundred Third Legislature, Second Session. Our chaplain for today is Pastor Ray S. Wilke, Grace Lutheran Church in Norfolk, Nebraska, Senator Scheer's district. Please join us in prayer.

PASTOR WILKE: (Prayer offered.)

SENATOR KRIST: Thank you. I call to order the eleventh day of the One Hundred Third Legislature, Second Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

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

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

CLERK: Mr. President, yes there are. (Read corrections, Legislative Journal page 333.) That's all that I have, Mr. President.

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

CLERK: There are, Mr. President. I have a Reference report referring LB986 through LB1012 (also LB977, LR414, and LR416CA). Your Committee on Enrollment and Review reports LB359, LB359A, LB13, LB128, and LB399 to Select File, some of which have Enrollment and Review amendments attached. Your Committee on Banking, Commerce and Insurance, chaired by Senator Gloor, reports LB668, LB687, LB712, LB714 to General File. Notice of hearing from the Retirement Systems Committee; that's signed by Senator Nordquist. Appointment letters from the Governor to the Power Review Board, the State Racing Commission, the Commission for the Deaf and Hard of Hearing, and to the Coordinating Commission for Postsecondary Education. I also have an appointment from the state medical director to the Stem Cell Research Advisory Committee. That will be referred to Reference for a referral to standing committee for confirmation hearing. That's all that I have, Mr. President. (Legislative Journal pages 333-340.) [LB359 LB359A LB13 LB128 LB399 LB668 LB687 LB712 LB714]

SENATOR KRIST: Thank you, Mr. Clerk. We will now proceed to the first item on the

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agenda.

CLERK: Mr. President, LB656 is a Revisor's bill introduced by Senator Wightman as Chairperson of the Executive Board. (Read title.) [LB656]

SENATOR KRIST: Senator Wightman, you are recognized. [LB656]

SENATOR WIGHTMAN: Thank you, Mr. President, fellow senators. LB656 outright repeals sections of law held unconstitutional by the Nebraska Supreme Court in 1994. Just as a little backup to everyone that's here, although all but one I guess has been here the previous year. As you perhaps know, Revisor bills are technical correction bills prepared by the Revisor of statutes. Pursuant to our rules, Rule 5 Section 3, they are introduced by the Chairperson of the Executive Board and referred directly to General File. Revisor bills include such things as: the repeal of statutes or part of statutes that have become obsolete or, in case of one of the bills this morning, has been held unconstitutional by the Supreme Court of the state; (2) correcting internal references; and (3) harmonizing provisions. This year, there are four of those Revisor bills and the first one is LB656. Now as I said previously, LB656 outright repeals sections of law held unconstitutional by the Nebraska Supreme Court in 1964. The sections deal with telewagering at telercing facilities which the court held was the functional equivalent of offtrack betting and, therefore, unconstitutional. LB656 also harmonizes the statutes that reference the sections found unconstitutional. Thank you, Mr. President. [LB656]

SENATOR KRIST: Thank you, Senator Wightman. You've heard the opening. Is there any discussion? Seeing none, Senator Wightman, you're recognized to close. Senator Wightman waives closing. The question is the advancement of the bill to E&R Initial. All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB656]

CLERK: 32 ayes, 0 nays, Mr. President, on the advancement of LB656. [LB656]

SENATOR KRIST: LB656 advances. Next item. [LB656]

CLERK: LB657 by Senator Wightman as Chair of the board. (Read title.) The bill was introduced on January 8, referred directly to General File. [LB657]

SENATOR KRIST: Senator Wightman, you're recognized. [LB657]

SENATOR WIGHTMAN: Thank you, Mr. President. LB657 harmonizes provisions and repeals several obsolete sections of law relating to an electronic system for accepting and processing applications for handicapped or disabled parking permits. These provisions were to be implemented on or before January 1, 2013, and the sections being repealed gave consideration to some small...couple of sections of that bill would

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be in effect until the effective date of the bill and at this time should be repealed. Thank you. [LB657]

SENATOR KRIST: Thank you, Senator Wightman. The floor is open for discussion. Seeing none, Senator Wightman, you're recognized to close. Senator Wightman waives closing. The question is the advancement of the bill to E&R Initial. All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB657]

CLERK: 32 ayes, 0 nays, Mr. President, on the advancement of LB657. [LB657]

SENATOR KRIST: LB657 advances. Next item. [LB657]

CLERK: LB658 is by Senator Wightman as Chair of the Board. (Read title.) Introduced on January 8, referred directly to General File. [LB658]

SENATOR KRIST: Senator Wightman, you are recognized. [LB658]

SENATOR WIGHTMAN: Thank you. LB658 repeals the provision dealing with public power suppliers that terminated on December 31, 2007. It also harmonizes other sections of law that made reference to the obsolete provision. I'd appreciate your support in moving LB658 to Select File. [LB658]

SENATOR KRIST: You've heard the opening. Is there any discussion? Seeing none, Senator Wightman, you're recognized to close. Senator Wightman waives closing. The question is the advancement to E&R Initial of the bill. All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB658]

CLERK: 32 ayes, 0 nays, Mr. President, on the advancement of LB658. [LB658]

SENATOR KRIST: LB658 advances. Next item. [LB658]

CLERK: LB659, a bill by Senator Wightman as Chair of the Board. (Read title.) The bill was introduced on January 8 and referred directly to General File. [LB659]

SENATOR KRIST: Senator Wightman, you're recognized. [LB659]

SENATOR WIGHTMAN: Thank you, Mr. President. For the benefit of the body, this is the fourth and last one that we'll have this morning. The final Revisor's bill, LB659, repeals the statute requiring the adoption of rules and regulations for fingerprinting and federal criminal background checks for certain persons under the Radiation Control Act. The section terminated on December 1, 2008. I would appreciate your support in moving LB659 to Select File. Thank you. [LB659]

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SENATOR KRIST: You have heard the opening. Is there any discussion? Seeing none, Senator Wightman, you're recognized to close. Senator Wightman waives closing. The question is the advancement of LB659 to E&R Initial. All those in favor vote aye; opposed, nay. Have all those vote that wish to? Please record, Mr. Clerk. [LB659]

CLERK: 32 ayes, 0 nays, Mr. President, on the advancement of LB659. [LB659]

SENATOR KRIST: LB659 advances. Next item. [LB659]

CLERK: Mr. President, Legislative Bill...well, first of all, let me make an announcement, if I might. The Education Committee will meet in Executive Session at 9:30; Education Committee, 9:30 under the north balcony. Mr. President, LB403, a bill by Senator Seiler. (Read title.) Bill has been discussed both Tuesday and Wednesday of this week. Committee amendments have been adopted. When the Legislature left the issue yesterday, Senator Kintner had pending a motion to reconsider FA177. Mr. President, I understand Senator Kintner would like to withdraw his reconsideration motion. [LB403]

SENATOR KRIST: Senator Kintner. [LB403]

SENATOR KINTNER: That is correct, yes. [LB403]

SENATOR KRIST: By rule, this is a unanimous consent. Is there any discussion? Seeing none, it is withdrawn. [LB403]

CLERK: Mr. President, the next amendment I have to the bill, Senator Schilz, AM1672. (Legislative Journal page 331.) [LB403]

SENATOR KRIST: Senator Schilz, you're recognized. [LB403]

SENATOR SCHILZ: Thank you, Mr. President, members of the body. Good morning. And I hope that with this amendment we can put this issue to bed and move on. I think, very simply stated, what we'll do is provide that if you're going to sell a novelty lighter in the state of Nebraska, that that novelty lighter have a childproof device placed on it and that will become enforceable upon the effective date of the bill. And with that, we keep in mind the safety of the children that we're trying to protect and we keep alive the opportunity to sell these where appropriate. So with that, I would appreciate your support. I hope that this works. And if this does work, it's my understanding that we can move on and get down to the next bills on the list. So I appreciate your support and thank you very much. [LB403]

SENATOR KRIST: Thank you, Senator Schilz. Senator Seiler, you are recognized. [LB403]

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SENATOR SEILER: Thank you, Mr. President, members of the Unicameral. I support this bill as submitted. If we have a safety switch on this toy that is childproof, that is sufficient to keep the children from getting burned and that was the whole purpose of the bill. Thank you. [LB403]

SENATOR KRIST: Thank you, Senator Seiler. Senators wishing to speak: Carlson, Chambers, and Brasch. Senator Carlson, you are recognized. [LB403]

SENATOR CARLSON: Mr. President, members of the Legislature, I'd like to address a question to Senator Schilz, if he would yield. [LB403]

SENATOR KRIST: Senator Schilz, will you yield? [LB403]

SENATOR SCHILZ: Yes. [LB403]

SENATOR CARLSON: Senator Schilz, I'm in favor of AM1672, but I do have a question. If this becomes law and we know that right now there's all kinds of these lighters that are out in stores and perhaps even in...on shelves in storage someplace, how would this law then affect those that are in position to be sold right now? [LB403]

SENATOR SCHILZ: Well, it's my understanding that with the defeat of Senator Coash's amendment yesterday and where we were going to give time for those folks to sell those items like that, that would no longer be in play. So the effective date of this would really be a cutoff. And you can sell those up to that point, but once the bill becomes effective law then those sales of the nonqualified lighters would have to stop. [LB403]

SENATOR CARLSON: So there's a limited period of time that they could get rid of their inventory. [LB403]

SENATOR SCHILZ: Correct. [LB403]

SENATOR CARLSON: Okay. Thank you, Senator Schilz. Thank you, Mr. President. [LB403]

SENATOR KRIST: Thank you, Senator Carlson and Senator Schilz. Senator Chambers, you're recognized. [LB403]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, I have concerns about exhausting the existing inventory of these things, but I'm not going to speak against Senator Schilz's amendment. And I am branded as one who filibusters. I engage in extended debate. But because the popular perception of that is a filibuster, I think what happened yesterday and the day before was a "sillybluster," s-i-l-l-y-b-l-u-s-t-e-r, and gave a bad name to filibuster. So I want to thank Senator Schilz

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for bringing and end to the "sillybluster" and restoring, at least to some extent, the legitimacy of extended debate on issues warranting such. That's all I have. Thank you.  
[LB403]

SENATOR KRIST: Thank you, Senator Chambers. Senator Brasch, you're recognized.  
[LB403]

SENATOR BRASCH: Thank you, Mr. Speaker. And thank you for your patience, colleagues. I do support AM1672 and any legislation that would help to prevent harm from fire and children. However, I am hoping it doesn't come to legislation. What took me a few minutes to get to the microphone is I went out and I spoke, asking questions--and I will talk with the Grocers Association, the groups--have those two groups communicated with each other in an effort to not bring this to legislation? At this point, the Firefighters Association was not aware of this. I'm hoping we don't have to have legislation but an agreement between both groups that we don't need legislation but they can cooperate, work with the retailers, work with the grocers, any organizations, entities to step forward and say the Nebraska way is that we are just going to say no to lighters that look like toys for children. I'm hoping that our goodwill and free will and an effort similar to what we've said no to the U.S. Humane Society, HSUS, to say no, that we do the same thing with these novelty items. Could we have a spirit of cooperation and agreement where everyone agrees that toys should not also be lighters? If that does not happen, I do agree with Senator Schilz and others that say we need more safety measures. This is a safety concern. And several, several individuals have expressed, and not within this body but outside of this body, our second house is saying it is a freedom concern. We do want to make sure that children are safe. I believe the next step would be for the grocers to talk to the volunteer firemen and any other entities to let people know that an item like this is not welcome in Nebraska, it's not welcome on our shelves, that we are strong families, we are strong parents, and we can reason this out. That is something that I would strongly encourage both organizations to do. And I am hoping that LB403 will be pulled and is not successful. But I hope that the will of the people is where we find success. Thank you, colleagues, and thank you, Mr. President. [LB403]

SENATOR KRIST: Thank you, Senator Brasch. Senator Smith, you're recognized.  
[LB403]

SENATOR SMITH: Thank you, Mr. President, and good morning, colleagues. I rise in support of AM1672, as brought by Senator Schilz, and the then amended LB403. I want to thank Senator Seiler again for his compassion on this subject and for being reasonable in trying to bring this to a close and a compromise. I thank Senator Schilz for his interest and his resolution to this as well. And then also thanks to Senator Kintner and Senator Brasch and the others that have made points regarding the protection of commerce. But I do believe that the manufacturing and the purchase of these items can

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continue and go forward, and that this is a reasonable approach to ensuring that there's safety with these items. Colleagues, I ask for your support of AM1672 and the underlying bill of LB403. Thank you. [LB403]

SENATOR KRIST: Thank you, Senator Smith. Senator Kintner, you're recognized. [LB403]

SENATOR KINTNER: Thank you, Mr. President. And I want to thank Senator Brasch for her comments. I think she's right in what she said in her concerns. And Senator Smith also, I think he always tries to find good common ground to make these things work. And I want to ask Senator Schilz a question to make sure we're on the same page here, if you'll yield to a question, Senator Schilz. [LB403]

SENATOR KRIST: Senator Schilz, will you yield? [LB403]

SENATOR SCHILZ: Yes. [LB403]

SENATOR KRIST: Thank you. Sorry. [LB403]

SENATOR KINTNER: I just talked to Senator Seiler. It's your understanding that this will take effect...well, first of all, my concern is that if we pass this, you know, they don't have time to change their inventory and put safeties on these things. But Senator Seiler said that, you know, if we pass it now, by the time it takes effect, we're looking about six months out. Is that your understanding? [LB403]

SENATOR SCHILZ: That's normally how it works, yeah. We have some time in between when it's passed and when it actually becomes law. But I would say that if that's a concern, we would always have the opportunity on Select to bring a different effective date out there if you would want to try and give more time, and we could sure take a look at that. [LB403]

SENATOR KINTNER: Did anyone think to maybe ask anyone affected, maybe a manufacturer or someone who sells them, how long it would take to redesign these things and then get the Chinese to change their molding process and get it set up and...? [LB403]

SENATOR SCHILZ: Well, seeing...is that a question to me? [LB403]

SENATOR KINTNER: Yeah. [LB403]

SENATOR SCHILZ: Okay. [LB403]

SENATOR KINTNER: Has anyone thought to look into that or...? [LB403]

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SENATOR SCHILZ: Sure. Well, I'll tell you, I...to be honest, if there was somebody around that would identify themselves as being, you know, in the camp of the manufacturers, we might ask that. But since there's been no real interest from those folks here, we're kind of making it up as we go. So if you know somebody and they have some ideas on that, I'd be happy to listen. I'm sure Senator Seiler would too. [LB403]

SENATOR KINTNER: Thank you. That's all I had, Mr. President. Thank you so much. [LB403]

SENATOR KRIST: Thank you, Senator Kintner and Senator Schilz. Senator Bloomfield, you're recognized. [LB403]

SENATOR BLOOMFIELD: Thank you, Mr. President. I'm going to support AM1672. I think it's a huge step in the right direction. I don't know that it's going to get me all the way to support for LB403, but it certainly is a step in the right direction. The whole idea from Senator Seiler was to prevent burns. This should do that. I'd like to thank Senator Schilz for providing us with this amendment. And I'd also like to thank Senator Kintner for the extended debate that more or less forced this amendment to the floor. We can call it a "sillybuster" or anything we like to, but the fact is that without it we would not have had this amendment. Those sales would have been lost. And as far as any concern with the inventory that may be left after probably July 1, when I think this would go into effect, we still have the option of taking the lighters to a friendly neighborhood dealer in Iowa. They can still sell them, which is part of my reason I'm not sure that I'll be able to support LB403. Thank you. [LB403]

SENATOR KRIST: Thank you, Senator Bloomfield. Senator Garrett, you're recognized. [LB403]

SENATOR GARRETT: Thank you, Mr. Speaker. Good morning, colleagues. I rise in opposition to AM1672. I don't think this legislative body ought to be trying to become a Consumer Product Safety Commission. We've got a Consumer Product Safety Commission at the federal level. They have looked at novelty lighters. And as I mentioned yesterday, by statute, novelty lighters are subject to the safety standard that requires at least 85 percent of children in a test group must be unable to operate the lighter. That tells me that there's already safety features in effect here. For us to demand that we put another safety feature in there, you know, are we becoming the Nebraska Consumer Product Safety Commission? I just don't think that's our role. I think there's an institution that does that, that has safety experts, true safety experts that look at these things and examine these things. You know, children, children are funny. Congressman (sic) Chambers the other day mentioned having a bunch of children in his office and how he had to look at everything to keep them from harming themselves. Children are like little martial arts experts. They can walk into your office and they can



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turn everything in that office into a weapon or a safety hazard. You have to be responsible parents. There's a reason novelty lighters are made and they're not made to market to four-year-olds or toddlers. There are a lot of adults that want to buy these things, that purchase these things. That's why the companies make them. So a free-market capitalist, there's a market for these things. Again, I understand anything could be made into a safety hazard, but I just don't think it's the responsibility of this body to become a Consumer Product Safety Commission. We've got one and it does a pretty good job. Thank you, Mr. Speaker. [LB403]

SENATOR KRIST: Thank you, Senator Garrett. Senator Brasch, you're recognized. [LB403]

SENATOR BRASCH: Thank you, Mr. President. And I stand one more time here to identify the problem. The problem is that when you see a knife, you know the danger of a knife. When you see a lighter or a match or other items that can create harm for children, they're identifiable. The problem here is that this is a hidden danger that they are toys, but I don't think it's legislatively something that we need to address when we have retailers who use their discretion and their judgment of what they want to put on shelves. As one of my staff people, when they saw the example, they said that having a lighter look like a toy, quote unquote, is that's just messed up. Well, it's just messed up that we're putting these on our shelves. We need to have a voice as consumers and a voice as retailers and a voice as grocers. And it is my hope that if AM1672 cannot move forward, that LB403 also is pulled and we see if we can, the Nebraska way, just say no to purchasing them at a retail level, at selling them at a retail level, at the consumer level, that those will go away. They will go away on their own accord by men and women who stand up and know the dangers of what these hazards can bring. It is a hidden danger. It's something that's preventable, not by legislation but by common sense, common sense. And we do have common sense. We have too many laws. And we have some laws that are extremely necessary. And I'm saying one more time, let's put this into the hands of our good citizens, our second house, to make that determination. They should not be on the shelves and they should not be in the hands of children. Thank you. And I do look forward to a conversation with the Grocers Association in more detail on this. Thank you. [LB403]

SENATOR KRIST: Thank you, Senator Brasch. Senator Janssen, you are recognized. [LB403]

SENATOR JANSSEN: Thank you, Mr. President, members. I echo the words of Senator Garrett and Senator Brasch in their comments. While worthy of discussion, I think the free market could decide this. I'd also like to acknowledge the great work done by Senator Kintner for the second night in a row. As I go home, people are asking me who this guy is and where he's from, in a good way and that's positive, about fighting on an issue. And I keep hearing this morning in a meeting at my office in Fremont, they asked,

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what are you doing today? Well, we're talking about lighters. And they said, are you serious? I said, yes, and that's what we're doing. Worthy discussion, I won't say there's...you can say bad bill, good bill; a bill is a bill and this is what we're at. This amendment, I don't know where I'll be at on this amendment, honestly. I don't know that it really...if it helps pass this bill, I guess I'm against it, because I don't...I agree with Senator Brasch. It's not a necessary bill to have. I believe most of these already have a safety device, so I think we're passing a bill...an amendment to pass a bill that really will have no teeth in it in the long-run. So...and again, I'll agree with Senator Brasch, I think the free market decides this. If there's an unsafe product, parents won't buy them and they won't be in the hands of children. I've never heard of this being in the hands of children and where there's been some tragedy. I think we're reaching just a little bit. And we've been going for a long time on this, and I understand people are getting upset with how long we've gone on this. But it is what it is and here we are. So I guess I just kind of wanted to let it be known that, while the amendment seems worthy, I'm not certain where I'll be at because I think it will help pass a bill that is just simply not necessary. Thank you, Mr. President. [LB403]

SENATOR KRIST: Thank you, Senator Janssen. (Doctor of the day introduced.) Back to debate, Senator Hansen, you are recognized. [LB403]

SENATOR HANSEN: Thank you, Mr. President, members of the Legislature. Talked to my wife back at home last night and she said, what are you guys talking about today? She doesn't watch the Legislature, of course. She's got a job in the school system. So I said we were talking about novelty lighters. She thought for two days we were talking about novelty gliders, and I told her, no, it's these little lighters that you see at the checkout stand. She said, oh, my gosh, okay. She thought novelty gliders might be a better subject. But I just want to reiterate what I said yesterday when you buy...when you go into a hardware store and you buy a fireplace lighter, comes in a package, has childproof packaging to start out with, and it has two controls on it, one to arm the device and one to pull the trigger to get the fire to come out in the butane lighter. This amendment of Senator Schilz, I said yesterday I knew what it was and hopefully that it came, and it did this morning. I'm in favor of it. I support it. I am not sure about the timing of it. If it's going to be passed, it ought to be passed with the emergency clause and get those lighters off the shelves immediately that are there now, and the ones that they're replaced with will have a childproof switch on them. I think that's only common sense. I don't see any problem with it. I think we could move along, if Senator Seiler is on board with it, and Senator Kintner hopefully will be on board with it. I understand the...what Senator Garrett was talking about that we shouldn't take over a federal agency that does handle child safety, but this was brought to us. I think this is the only compromise that we can come up with that's logical and hopefully will pass. So that's all I have, Mr. President. Thank you. [LB403]

SENATOR KRIST: Thank you, Senator Hansen. Senator Kintner, you're recognized.

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[LB403]

SENATOR KINTNER: Well, thank you, Mr. Speaker. You know, in the Bible it says that...talks about seasons, a time for living, a time for dying, a time for talking, a time for listening. There's a time to fight; there's a time not to fight. And then sometimes there's a time to debate and there's a time to vote. Folks, I think it's time to vote and I appreciate Senator Schilz bringing this amendment. I think it takes what I consider to be a bad bill, makes it a little bit better, allows the free market to still function, although severely limited. And sometimes when you get lemonade...or lemon, you need to make some lemonade out of it. And I think it's time to do that. So I encourage anyone who wants to make this bill a little better to vote for the Schilz amendment, AM1672. Thank you, Mr. President. [LB403]

SENATOR KRIST: Thank you, Senator Kintner. Seeing no one else in the queue, Senator Schilz, you're recognized to close on your amendment. [LB403]

SENATOR SCHILZ: Thank you, Mr. President, members of the body. I, too, would like to say thank you to Senator Kintner for standing up for what he believes in. He should know that...he should know that by having this amendment, he has kept everything that he was fighting for alive. People will still be able to operate and then be able to sell these out there. And with just a safety feature on them, I think that gets to a long ways to what this Legislature's duty is--is to make sure and balance those interests. And when we look at safety and we look at the free market, those are two things that you need to be cognizant of. So I brought this amendment to move this forward. I'm hoping that...I'm hoping that everybody can step aboard, that we can get this done. And if there are changes that we need to do, little fixes, things like that, I would hope that we could go ahead, move this forward, do those on Select File, and accomplish it that way. I know we've got a busy schedule going on here the rest of the day, a few bills, one bill that I'd even like to get to, which comes up next. So with that, I would just ask everyone to support AM1672 and then support LB403 and pass it to Select, and we can move on from there. Thank you everyone, and have a good day. [LB403]

SENATOR KRIST: You have heard the closing to AM1672 to LB403. The question is, shall the amendment be adopted? All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB403]

CLERK: 31 ayes, 3 nays, Mr. President, on the adoption of the amendment. [LB403]

SENATOR KRIST: The amendment is adopted. [LB403]

CLERK: Mr. President, Senator Kintner would move to amend, AM1670. (Legislative Journal page 331.) [LB403]

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SENATOR KRIST: Senator Kintner, you are recognized. [LB403]

SENATOR KINTNER: Thank you, Mr. President. You know, we've had a great debate here, a debate that we sometimes should have more of, maybe sometimes less of these protracted debates. And, you know, Senator Hadley said yesterday that, you know, where do we draw the line? He thought that this bill was within the margin of where he thinks we should be legislating. Obviously, you know, I disagree with that. I think the free market should take care of who wants to buy and who wants to sell, and then the parents should take care of what goes on in the home and the safety features because after all they are the safety patrol for all the other fire and electrical implements we use and tools and all...and chemicals and all that stuff. But, you know, I want to thank Senator Seiler for his genuine concern. He's been steadfast in his support for this. You know, he's been one to talk. I mean, he does what we ought to be doing in this body. I think Senator Seiler embodies what a thoughtful senator should be. We may disagree on what we should be regulating, but I think he does things the right way and I appreciate his concern. I want to thank Senator Schilz also for his thoughtful amendment. Now I'm not ready to call him Solomon just yet, but he came up with a thoughtful amendment that he thought would make the...what a lot of us thought was not a very good bill a little bit better, and I think it did that. And I think that was a great idea and way to see it through. I want to thank Senator Brasch for her amendment. Very thoughtful. She's looked at this issue. She's studied it. She's sought input. She's done everything a senator should do. And this body can be very proud of Senator Brasch. And I hope that we very carefully pick what we regulate in this state. I think sometimes we're too quick to regulate. And that was my message from this whole thing and I hope that this body will heed that message. Mr. President, I would like to withdraw my amendment. [LB403]

SENATOR KRIST: Thank you, Senator Kintner. It is withdrawn. [LB403]

CLERK: I have nothing further on the bill, Mr. President. [LB403]

SENATOR KRIST: Seeing no one else wanting to speak, Senator Seiler, you are recognized to close on your bill. [LB403]

SENATOR SEILER: Thank you, everyone, for your debate. I'm not going to take any more time. I would ask that this bill be advanced to E&R Initial. Thank you. [LB403]

SENATOR KRIST: Thank you, Senator Seiler. You heard the closing. The question is the advancement of LB403 to E&R Initial. All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB403]

CLERK: 33 ayes, 5 nays on the advancement of LB403. [LB403]

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SENATOR KRIST: LB403 advances. Next item. [LB403]

CLERK: LB215 is a bill by Senator Schilz. (Read title.) Introduced on January 15, 2013, referred to the Government, Military and Veterans Affairs Committee for public hearing. The bill was advanced to General File. I do have committee amendments, Mr. President. (AM156, Legislative Journal page 607, First Session, 2013.) [LB215]

SENATOR KRIST: Senator Schilz, you are recognized. [LB215]

SENATOR SCHILZ: Thank you, Mr. President and members of the body. Good morning once again. Last year, I introduced LB215, and this bill amends the Visitors Development Act. It will clarify what these funds can be spent on and makes it possible for the Auditor to move...or to more adequately audit visitor fund spending by the counties. There are three lodging taxes would have been developed in state statute. The first is a 1 percent tax on all hotel, motel, and bed and breakfast rooms which is paid to the state Tourism Commission for the promotion of travel and tourism in the state. The second is the County Visitors Promotion Fund which is an additional 2 percent tax which is utilized generally by the convention and visitor bureaus in counties for promoting a local area to attract travellers and tourists. In 1989, Senator Tim Hall introduced the concept of a lodging tax to be utilized for improvement of visitor attractions and facilities in a county. And that third fund is a 2 percent lodging bed tax which is known as a County Visitors Improvement Fund. And this fund was established to approve those visitor attractions and facilities in the county. Current law outlines that the proceeds of the County Visitors Improvement Fund shall be used to improve the visitor attractions and facilities in the county, except that no proceeds shall be used to improve a facility in which pari-mutuel wagering is conducted. If the visitors committee determines that the visitor attractions in the county are adequate and do not require improvement, the governing body of the county, with the advice of the committees, may use the County Visitors Improvement Fund to promote, encourage, and attract visitors to the county to use the county's travel and tourism facilities. LB215, as introduced, changed the word "may" to "shall", meaning that if the committee determines the attractions are adequate, the governing body of the county shall use the funds to promote, encourage, and attract visitors to the county. Last year, we met with the State Auditor and him and his legal staff had advised us that we could have a better positive change if the language would state, may only be used to promote, encourage, and attract visitors to the county. You may ask why this clarification is needed, and under the current law if the attractions are adequate, the county may use the remainder of funds to promote tourism facilities. It leaves open that the funds may be utilized for other purposes by clarifying that the fund may only--with emphasis on only--it will assure that the intent of the original law is carried out. Many counties are doing a great job of judiciously expending these dollars for the appropriate purpose. And we need to make sure that the state is clear on how these funds should be expended. I'm aware that the Nebraska Travel Commission is in the process of setting up best management practice

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guidelines for expending these funds, and we look forward to those...to that advice and those rules from them. And with that, I would ask for your support of LB215 with the committee amendments and the following amendment that I have introduced. Thank you. [LB215]

SENATOR KRIST: Thank you, Senator Schilz. As the Clerk stated, there are amendments from the Government, Military and Veterans Affairs Committee. Senator Avery, as the Chair of the committee, you are recognized to open on the amendments. [LB215]

SENATOR AVERY: Thank you, Mr. President. Good morning, colleagues. The committee amendment AM156 is a simple amendment. It merely changes the word "shall" on line 19 on page 2, changes the word "shall" to "only". With this change, as Senator Schilz just mentioned, the amendment provides that if the visitors committee determines that the visitor attractions in the county are adequate, the governing body of the county may only use the County Visitors Improvement Fund to promote, encourage, and attract visitors to the county. This change was brought to committee by Senator Schilz and is supported by the State Auditor. The bill was advanced from committee on a seven to zero vote with one person being absent. Thank you, Mr. President. [LB215]

SENATOR KRIST: Thank you, Senator Avery. There is an amendment to the committee amendments. Senator...go ahead. [LB215]

CLERK: Excuse me, Mr. President. Senator Schilz would move to amend the committee amendments with AM1631. (Legislative Journal page 264.) [LB215]

SENATOR KRIST: Senator Schilz, you're recognized. [LB215]

SENATOR SCHILZ: Thank you, Mr. President. And basically what this is...what has come of this is the fact that we had discussions with Douglas County and some other folks that had a little bit of concern about this bill. So we came up with some language that everybody could agree to and through the process and through this amendment all the interested parties have come into agreement and are on board with this language. And basically let me read this to you. On page 2 line 22 after facilities, we will insert "or, with the advice of the visitors committee, make grants to organizations to promote, encourage, and attract visitors to the county to use the county's travel and tourism facilities, except that no proceeds shall be granted to an organization to promote parimutuel wagering." That's a pretty simple amendment. It just...once again as I said, it just outlines how those monies can be expended and further helps to guide counties and visitor committees in the proper expenditures of those funds. Thank you very much. [LB215]

SENATOR KRIST: Thank you, Senator Schilz. Those wishing to speak: Senator

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Nordquist and Senator Johnson. Senator Nordquist, you are recognized. [LB215]

SENATOR NORDQUIST: Thank you, Mr. President and members. I appreciate the amendment that Senator Schilz has brought to the committee amendment and I just want...probably will ask just for some clarification here. In Douglas County we have a very successful track history of providing grants to organizations to make sure that their events are successful. And because of that, just the other day I heard our tourism division director was on the radio saying we had, you know, a 6 percent increase year over year in our tourism. And I'm concerned that without the latter amendment we would jeopardize what has been very successful at promoting and hosting very successful events that draw in out-of-state tourists to Douglas County. And certainly now that we have Peyton Manning in-kind us a whole bunch of free publicity, I don't know if "the come to Omaha" ads would have as much effect anyway. But Senator Schilz, would you yield to a question? [LB215]

SENATOR KRIST: Senator Schilz, will you yield? [LB215]

SENATOR SCHILZ: I sure will. [LB215]

SENATOR NORDQUIST: So with your amendment AM1631, would you envision that Douglas County would be able to continue to make grants to organizations for their events that would incent, that would create an atmosphere that we would attract tourists to our county? [LB215]

SENATOR SCHILZ: Yeah, thank you, Senator Nordquist. The answer to that is yes. And the reason I know that is because when we presented it to the Douglas County representatives, they took it back, they took a look at it, and they were comfortable with the language there. And I think you're exactly right. These funds do need the flexibility to be able to go out there and attract folks to come into the communities to spend their money. And with this language, I think that we uphold that and still maintain the ability to do that. [LB215]

SENATOR NORDQUIST: Great. Thank you, Senator Schilz. And I'm thankful that with that amendment we will be able to continue what has been a successful process but also an open and transparent process for how those dollars are distributed. Thank you, Mr. President. [LB215]

SENATOR KRIST: Thank you, Senator Nordquist and Senator Schilz. Senator Johnson, you are recognized. [LB215]

SENATOR JOHNSON: Thank you, Mr. Speaker. Good morning, Nebraska. I support the amendments, all of them I believe or the two of them. It tightens up the process. I do have a question for Senator Schilz if he would yield. [LB215]

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SENATOR KRIST: Senator Schilz, will you yield? [LB215]

SENATOR SCHILZ: Yes. [LB215]

SENATOR JOHNSON: Thank you. I support the amendments and the process we're going through here. I do have a question. I've received some information and it's focused on Douglas County. Are there...how many other counties are you aware of that have utilized the 2 percent, and have you heard of any concerns in the other counties? [LB215]

SENATOR SCHILZ: You know, Senator Johnson, I don't have a specific number on how many counties are utilizing that, but there's quite a number of them. And the problem that we have is that every county is different, how they attract visitors and what they attract the visitors to are different. So as you look and you wonder about, when you say are there issues with other counties, well, it comes down to the fact that what we want to make sure is that when we do spend these dollars, they're spent in such a manner that it does bring people to town--as in tourists--and that it can be defended when and if somebody decided to question that. Because we must remember that these are tax dollars that are being expended for the good of the people of that county. And so that's what this language does, is to clarify that. Are there currently problems out there? I would suppose, I guess, it would depend on who you talk to. The one thing about this is, this is make sure that where there are questions that you can get to an answer and understand whether or not those funds are actually being spent on what they're supposed to be spent on. [LB215]

SENATOR JOHNSON: Thank you, Senator Schilz. And I do understand that counties, I've lived in probably ten different counties and they all are different. I guess my point I'm trying to make is, this gives flexibility to all the counties even though maybe Douglas County has been highlighted today, but it does serve the entire state and I believe it will serve the entire state very well with these flexibilities. So I do support the amendments and LB215. Thank you, Mr. Speaker. [LB215]

SENATOR KRIST: Thank you, Senator Johnson and Senator Schilz. Seeing no one else wishing to speak, Senator Schilz, you're recognized to close on your amendment to the committee amendments. Senator Schilz waives closing. The question is, shall the amendment to the committee amendments to LB215 be adopted? All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB215]

CLERK: 29 ayes, 0 nays, Mr. President, on adoption of the amendment to the committee amendments. [LB215]

SENATOR KRIST: The amendment passes. Seeing no one else wishing to speak,



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Senator Avery, you are recognized to close on the committee amendments. [LB215]

SENATOR AVERY: Mr. President, this amendment is very simple. On line 19 page 2, it changes the word "shall" to "only", and it has the support of all the principals involved in this issue. Thank you. [LB215]

SENATOR KRIST: Thank you, Senator Avery. The question is, shall the committee amendments to LB215 be adopted? All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB215]

CLERK: 30 ayes, 0 nays, Mr. President, on adoption of committee amendments. [LB215]

SENATOR KRIST: The amendment is adopted. Seeing no one else wishing to speak, Senator Schilz, you're recognized to close on your bill. [LB215]

SENATOR SCHILZ: Thank you, Mr. President, members of the body. Thank you for those two votes. I...this seems like a simple bill but it's important for tourism in the state of Nebraska and to make sure these funds are spent and respected and used the way they need to be. It's important to the state because I think as everybody notices, tourism here in Nebraska is very important to our economy, very important to the livelihoods of many people around the state. And with this bill, it will help to strengthen the opportunities to bring people to our attractions and to have the money there to promote and build the things we need to make tourism even more successful in the state. Thank you very much. [LB215]

SENATOR KRIST: Thank you, Senator Schilz. You have heard the closing. The question is the advancement of LB215 to E&R Initial. All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB215]

CLERK: 34 ayes, 0 nays, Mr. President, on the advancement of LB215. [LB215]

SENATOR KRIST: The bill advances. Next item. [LB215]

CLERK: LB470 was a bill originally introduced by Senator Scheer. (Read title.) The bill was introduced on January 22 of last year, referred to the Education Committee. The bill as advanced to General File. I do have Education Committee amendments, Mr. President. (AM444, Legislative Journal page 607, First Session, 2013.) [LB470]

SENATOR KRIST: Senator Scheer, you're recognized to open. [LB470]

SENATOR SCHEER: Thank you, Mr. President. I rise to introduce LB470 which originally was titled the Superintendent Pay Transparency Act. I should note that this bill

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has been merged with a bill introduced by Senator Nordquist. His bill also included the ESU administrators. So the combined bill through the amendment of Education Committee will deal not only with the superintendents, but also the ESU administrators. It's a fairly simple bill. It talks about providing the public and the rest of the school boards as well as Department of Education, the information available in regards to not only the contract amount of pay for its superintendent or the administrator but also the fringe benefits. One could ask why is it important. Well, first of all, it is the most important position within a school district. But if you are knowledgeable in how contracts are negotiated in school districts, I would simply just say that your clerical staff, your classified staff, is negotiated as a group with a couple of board members and an administrator to develop a package. Your staff, your instructional staff, is negotiated as a group with a school board and comes up with a contract. And, third, your administrators are negotiated as a group with the school board and are approved as a group. The only person in a school district that has an individual contract is the superintendent. Normally under normal circumstances that contract is negotiated with the president of the school board and is brought forward. The superintendent is also the only individual that I know of in a school district that has a multiyear contract. Most superintendents will have a two- to a three-year contract. Normally in January those contracts are extended for an additional year. And no pay or benefit information is provided because it doesn't come due for another couple of years. And so people lose track of the compensation and the benefits of that position. This brings it back to the forefront. Through the amendment of the committee, what it amounts to is that three days before a contract is renewed with the superintendent, the provisions of that contract, the amount and the benefits, need to be posted on the Web site of the local school district. And if they do not have one for whatever reason, it would be posted on the Department of Education's Web site. Originally I did not have anything in my bill that had to do with new contracts, and that was an error on my part. That was brought up on several occasions and I agree with the amendment being brought forth by the committee. It now gives a school district two days after a new superintendent is hired to post those items that would be agreed upon. This way this act does not interfere with the negotiations process of hiring a new superintendent. That information is made available within two days after that contract is agreed upon. I think it makes sense. I think it will be well received. It is a benefit for not only school districts because when you lose a superintendent it is nice to have a spot that you can go to, to look and find out what other districts in your array or in your area might be paying their local superintendents so that you know what the river crossing is going to be, how much you're going to have to be at, and perhaps that's more or less than you were at. It also is a benefit for superintendents or those that are wishing to be superintendents, because if you are offered a job in another district, it also gives you a very simple way of going to find out what that area is paying their local superintendents to know if you are getting what you should be receiving as fair compensation for that position. I would welcome any questions. I will waive the remainder of my time, Mr. President, to Senator Nordquist so that he may explain the portions and interests of his bill that was

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incorporated with mine. Thank you. [LB470]

SENATOR KRIST: Thank you, Senator Scheer. As the Clerk stated, there are amendments from the Education Committee. I'm sorry, I'm in error. Senator Nordquist, you have four minutes. [LB470]

SENATOR NORDQUIST: Thank you, and I'll be brief. I think Senator Scheer covered the substance in the bill and I appreciate his work and the work of the Education Committee on this. This is certainly issues that both our districts were hearing at the same time. My bill LB274, as Senator Scheer explained, included superintendents and ESU administrators. And I certainly believe that, you know, our school administrators have a great number of demands and responsibilities and their compensation should reflect the responsibilities that they have. But I do think as some of our highest-paid public employees in the state that it should require a higher level of scrutiny. I think this is a pathway to get to that. And I think it would just give the school boards making those decisions a little more pause as they make those decisions to know that there will be a higher level of transparency on the pay of school superintendents. So, again, I just appreciate Senator Scheer working with us to pull these two bills together. Thank you. [LB470 LB274]

SENATOR KRIST: Thank you, Senator Scheer and Senator Nordquist, and my apologies for skipping over that. As the Clerk stated, there are amendments from the Education Committee. Senator Sullivan, as the Chair, you're recognized to open. [LB470]

SENATOR SULLIVAN: Thank you, Mr. President, and good morning, colleagues. Senator Scheer and Nordquist have outlined not only the components of LB470 but the amendment AM444, but I will outline some of those specifics for you. First of all, it does retain the name of the act, the Superintendent Pay Transparency Act, which requires schools boards to publish superintendent contracts, the contract amendments, and associated cost, and require school districts to include an identification of the cost in the annual proposed budget statement. The cost would include estimates of all current and future costs and a description of the cost would also be required. Under this amendment, we also in addition to superintendent contracts, we are now including that ESU boards do the same for their ESU administrators. Another thing that this amendment changes is the requirement for the publication and the date changes included. If there are existing superintendent contracts and ESU administrator contracts, the publication requirement is three days prior to the approval. When we're dealing with new superintendent and ESU administrator contracts, the publication requirement is two days after the approval. And as Senator Scheer mentioned, there's a difference in terms of negotiation, particularly when you're dealing with new superintendent contracts, and that's why we changed the date to two days after approval. And as far as how this publication would be required, electronic publication on the school district Web site

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would suffice for publishing requirement if it's prominently displayed and the public access is allowed to the entire contract or the amendment. In addition, once this takes place, the boards would also be required to file a copy of the contracts and contract amendments with the Department of Education by August 1 following the approval of the contracts. Now I would underscore the fact that this in no way makes the department have to review all of these contracts. They simply receive them and then post them on their Web site. And as Senator Scheer indicated, this simply gives an opportunity for the public as well as school districts to look at what their neighbors and their partners are doing. So this was one of the reasoning behind that. Now this next condition is perhaps giving a little bit of heartburn to some entities because it says if the board fails to file, the Commissioner of Education would be required to withhold state aid or core service funds and direct the county treasurer to also withhold funds until the contract or amendment had been received by the Department of Education. I will tell you that this requirement does take place with other requirements that a school district has, so it's not necessarily anything new. And with the components of this amendment, we are giving a lot of latitude and a time span for districts and ESUs to comply with this. First of all, they have to file the contract with NDE by August 1, however, we're giving them until October 1 to file this report. I think when we are including this hammer, if you will in this, it says basically that we're serious about this. And also if they haven't met that deadline, they will receive notice from NDE, their board as well as the administrator and the superintendent will receive notice that they haven't complied and they have to do so by the October 1 deadline. They also have an opportunity to be heard. If there is some intervening circumstance that is keeping them from doing this, they can be heard by the Department of Ed. So I think that this, as I said, is not a hammer put in to be intentionally harsh to districts or ESUs. It simply means that we are serious about this and that we hope they...well, we want them to comply. And with the latitude they have and the time span to do so, not doing so really, if they don't, it seems like it would almost be intentional. So I hope you will look favorably on AM444 and I encourage the adoption. [LB470]

SENATOR KRIST: Mr. Clerk, there is an amendment to the committee amendment. [LB470]

CLERK: There is, Mr. President. Senator Sullivan would move to amend the committee amendments with AM1614. (Legislative Journal page 203.) [LB470]

SENATOR KRIST: Senator Sullivan, you are recognized. [LB470]

SENATOR SULLIVAN: Thank you, Mr. President. This bill was first heard last session and it had an operative date of July 1, 2013. Well, of course, we are in 2014 now, so this simply changes the operative date to July 1, 2014. Again, I encourage your adoption of this amendment. [LB470]

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SENATOR KRIST: Thank you, Senator Sullivan. Those wishing to speak: Senator Gloor, Senator Adams, and Senator Lautenbaugh. Senator Gloor, you are recognized. [LB470]

SENATOR GLOOR: Thank you, Mr. President. Good morning, members. I'm conflicted on this bill. And I'm sure the superintendent of my schools would be comfortable with me giving full disclosure in that he and I have messaged each other back and forth and he has no problem, if this becomes law, complying. But it's certainly got me to thinking. Part of my response to him was that because I was the head of a non-for-profit I fell under IRS regs that required the top, I think it was five paid positions, had to be reported and so it was possible for people to go on-line or contact the IRS and find out what my salary and benefits were. So I've fallen under this, but that also gives me an opportunity to provide a perspective on some of the unintended consequences of legislation of this sort. And again I'm conflicted, so don't take this as opposition, but I think we need to think about some of the unintended consequences. In my first job in hospitals, I was the head of human resources. And an interesting thing would happen when we gave pay increases. Employees, and this was back in the days of time clocks and actually handing paychecks to employees once every two weeks, I noticed that employees were gathering by time clocks after we gave pay increases. And what they were doing was comparing paychecks to see how much the other person had gotten and how much their salary was. It was an opportunity for them to do a quick salary survey as they compared paychecks after the pay raise. And people wouldn't leave until they found somebody who they thought was getting paid more than they were and didn't deserve it. (Laugh) And from a management theory standpoint, those of you who know that there's a study that talks about job satisfiers and dissatisfiers was proof that pay is a dissatisfier. You can't pay people enough money to do something they don't like or a job they don't like. It's just a basic tenet of management theory. It is a dissatisfier. My concern about this is that by having this as a transparency issue available for everybody, I can guarantee you that it will be used to hit the school board over the head or the superintendent over the head every time an issue of dispute comes up because very few people will look at that salary and say, this superintendent sure earns their keep. It just doesn't work out that way. It will be a subject of dispute added to whatever the real cause of the dispute may be within the district, whether it's curriculum change, whether it's a school bond issue. I think it's not likely that people will look at that pay and say, well, good. They're finally getting paid and I'm glad that they're making curriculum change earning their keep. Just want to put that out there from a perspective. The other comment I would make, again from personal experience is, when this information becomes accessible it will be looked at by other superintendents. And I think it will drive the superintendent salaries up because with all the other superintendent salary information available to other superintendents, it's a salary survey that they can comfortably look at and make their own decisions about negotiations with school boards. I doubt very much that it will result in driving down salaries for superintendents. I think it will be used to gain leverage for superintendents to ask for higher salaries. So

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again I like the transparency piece. Hard to argue against that certainly with constituents. But I believe there are a couple of unintended consequences, the one being, is it going to be a disrupter for more important issues that have to be discussed, and the other being will it inadvertently drive up the cost of salaries. Thank you for your consideration in my perspective, members. [LB470]

SENATOR KRIST: Thank you, Senator Gloor. Speaker Adams, you're recognized. [LB470]

SPEAKER ADAMS: Thank you, Mr. President. Would Senator Scheer yield to a question? [LB470]

SENATOR KRIST: Senator Scheer, will you yield? [LB470]

SPEAKER ADAMS: Senator, I have three questions for you. One of them is as much intended to satisfy me maybe or school board members who may be listening to this debate. How much or in what way are you really changing their public notice world with this? [LB470]

SENATOR SCHEER: I don't know that I'm changing their public notice other than it will be put in a manner or it will always be in a consistent space that the public will know where to find that information. [LB470]

SPEAKER ADAMS: So I can take from what you're saying then that currently school boards publish the salary of their superintendent. [LB470]

SENATOR SCHEER: Not all districts will publish that. They are not required to do so. [LB470]

SPEAKER ADAMS: Ah. [LB470]

SENATOR SCHEER: So they...nor are they required to publish the list of any other employee that they may have. [LB470]

SPEAKER ADAMS: Okay. [LB470]

SENATOR SCHEER: So from the vantage point, there may be some that are doing that; there probably are some that are not. And so in this case... [LB470]

SPEAKER ADAMS: So the intent of this would be everybody is going to be published in here. [LB470]

SENATOR SCHEER: It would be universal across the state... [LB470]

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SPEAKER ADAMS: Okay. [LB470]

SENATOR SCHEER: ...and it would always be in a consistent spot. [LB470]

SPEAKER ADAMS: Let me...so that I can get to the other two questions, you used the word future benefits. Can you elaborate what you were thinking with that kind of language? I'm a little concerned about vagueness. [LB470]

SENATOR SCHEER: Well, benefits with superintendents, their contract is unique and different to others because it will provide, for example, usually some form of transportation, either a dollar amount or perhaps the use of a district vehicle. It will also provide sometimes annuities or other benefits or dues that are provided in different organizations. All of those would be considered the benefits. So when we look at a salary that an individual would be making, it is not necessarily indicative of his total compensation. [LB470]

SPEAKER ADAMS: What about that word future though that's in the bill? [LB470]

SENATOR SCHEER: Future would be the annuities would go towards a future dollar amount paid to that individual. [LB470]

SPEAKER ADAMS: Okay. One final question, and thank you for your candor. I notice towards the end of the bill there are penalty clauses for schools not complying with this and the penalty clauses involve the reduction or withholding of equalization dollars. And I may stand corrected on this. It seems to me that typically when we use those, when we use TEEOSA as a penalty it has been associated with failure on the part of a school to meet their financial requirements as prescribed by law in the state Department of Ed. Now we're taking those same kind of penalties and applying them to what I would consider something different. Can you tell me what your...what the thought pattern was and maybe even the committee's thought when you decided to withhold TEEOSA rather than open meetings laws or wherever there may be another place? [LB470]

SENATOR SCHEER: Well, actually, Senator, we did look at...at least I did, look at other avenues. I do believe this is a financial proposal so it does fall within the realms of TEEOSA or dollars being presented from a county perspective going to the district. So from that vantage point I do not believe that it is any different than what those financial considerations are within other areas that you've mentioned. [LB470]

SPEAKER ADAMS: All right. Thank you, Senator Scheer. Thank you, Mr. President. [LB470]

SENATOR KRIST: Thank you, Senator Adams and Senator Scheer. Senator

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Lautenbaugh, you are recognized. [LB470]

SENATOR LAUTENBAUGH: Thank you, Mr. President and members of the body. I do rise in support of this. And I thank Senator Scheer for bringing this; I think this is a tremendous idea. And it lends transparency, and that's not a bad thing. I recall in my own school district when our last superintendent was...well, not necessarily last...a recent superintendent was on his way out, some were very surprised at the compensation package and levels involved. And I think, on the one hand, it's up to the public to be vigilant and diligent; on the other hand, I don't think we should make it harder for them. But this whole discussion dovetails...or at least brings to mind some things that I filed yesterday that I hope we'll consider this session or at least I'll be thinking about, if not this year, then beyond. And that is what is transparency, and what is accessibility in government? And I'm referring, of course, to the number of elected boards and officials we actually have. Yesterday I introduced bills to eliminate the State Board of Education, that was an amendment; to make the learning community board consist of the constituent superintendents or perhaps the presidents of the constituent school boards; to have community college boards appointed, ESU boards appointed. And why did I do that? Because, I think, in the interest of trying to have everyone responsible to the voters, we have completely and utterly created a system that is baffling to the voters, to the point where no one knows who is responsible for anything. And the example I used was the Millard school district, but it could have been OPS, could have been any other, where if you have an issue with education and you're a taxpayer and you're trying to figure out who's responsible, do you go to your school board member, your state school board member, your learning community coordinating council member, your...I'm forgetting one already...your regent, your community college member, your ESU member--that's the one I was forgetting, not surprisingly. Where does responsibility lie? They all cost money. They all exist. And it would be a shock if your next-door neighbor could pick any of them out of a lineup. In the interest of trying to make everyone responsible to the voter, we have created a system that is utterly baffling and impenetrable to the average voter. And this veers back to my experience, again--don't groan--as election commissioner, where I learned that our elections, particularly in Douglas County, are the most complex in the nation and perhaps in the world, literally, to program, because we elect more different levels of government, more different offices with more different subdivisions, and we rotate from precinct to precinct. So in a primary election in Douglas County, there are literally thousands of ballot faces--try to get your head around that--literally thousands of ballot faces because of the number of precincts we have. We elect so many people, you could not go to Douglas County...I mean, a lot of them, you know, may or may not know who their state senator is, but I guarantee you they don't know who their NRD member is. I guarantee you they don't know who their State Board of Education member is. I guarantee you they don't know who their ESU member is, especially in OPS, because most people don't even know we have one because it's the same as the OPS board, but that's a whole other topic. We have created complexity, and I don't think it was done with malice



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aforethought, but the practical result is, is that it does not serve the public well. And I realize this is a short session, and I don't expect us to completely re-form government this year. We're not off to what I would call a "rocket start" this year... [LB470]

SENATOR KRIST: One minute. [LB470]

SENATOR LAUTENBAUGH: ...where it looks like we're going to accomplish tons and tons of important things. Maybe...maybe we'll start flying along right now; maybe this is the turning point, and Senator Scheer is breaking the logjam with this, I don't know. But, please, think about what we're doing. And just because something exists, or just because it is how we have always done it, doesn't mean we need to continue it. And talk to your neighbors, and find out if they are well served by these various boards and entities and these various elected officials or if this hasn't resulted in a system where we hide the ball, not by intent but by result, and where no one knows who's actually responsible for anything all too often. But, again, veering back to the topic at hand, thank you, Senator Scheer, for bringing this; this is a good bill. And I will wholeheartedly support it, and I urge all of you to do the same, and the amendments thereto. And thank you, Senator Sullivan, as well. Thank you, Mr. President. [LB470]

SENATOR KRIST: Thank you, Senator Lautenbaugh. Senator Scheer, you are recognized. [LB470]

SENATOR SCHEER: Thank you, Mr. President. I just did want to clarify and answer a few of the questions that were posed. In relationship to Senator Gloor, there is a little bit of difference between the hospital and the school district, and I don't mean that in a condescending manner. But to the extent that when school districts provide pay raises, it is done on a contractual basis, negotiated as a group, and they are not different from each other, they may be by class, but they are not done on an individual basis. So if you're standing around the coffee cooler, if we've all been there eight years and we're all doing the same position, we're all going to receive the same thing. So, unfortunately, that's inherent in the system, so that type of discussion is not going to lead to dissatisfaction from the staff in regard to others. And I would also mention, and especially within school districts, the contract of the superintendent normally is known among all those that are working for the district. So this is not...when this is put on their Web site, it will not come as a surprise to those within the district. They would already fully know what the compensation of that superintendent is. As far as driving up the costs as an unintended consequence, I don't believe that to be the case. Right now, to a certain extent, Senator Gloor, the administrators association publish among themselves a report and a chart that shows the wages of the superintendents that participate in that organization and those that respond. So, for the most part, to those folks, a lot of that information is already available. So I don't believe that that necessarily would dictate a increase in salaries, simply because we are now posting it. And in relationship to Senator Adams, I did want to clarify the future costs. And I guess I was being a little

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slow at the switch, and I'm sure what the senator was referring to, which is the case...when we're talking about future payments; also in that would be dollars that would be going to future payments, either upon termination or retirement. So if a district has made financial obligations that would be received by the superintendent, either upon his termination...his or her termination or the retirement of the person from that position, those are the dollars that would also be shown in that response. So I just wanted to clarify those questions that had been brought. Thank you. [LB470]

SENATOR KRIST: Thank you, Senator Scheer. Seeing no one else in the queue, Senator Sullivan, you are recognized to close. Senator Sullivan waives her closing. The question is, shall the amendment to the committee amendment to LB470 be adopted? All those in favor, aye; all those opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB470]

CLERK: 30 ayes, 0 nays, Mr. President, on adoption of the amendment to the committee amendments. [LB470]

SENATOR KRIST: The amendment is adopted. Senator Nelson, you are recognized. [LB470]

SENATOR NELSON: Thank you, Mr. President. Members of the body, I have a...are we on to the LB470 now, Mr. President? Are we directing our attention to LB470 now? Is that correct. [LB470]

SENATOR KRIST: We are on the committee amendment to LB470. [LB470]

SENATOR NELSON: Committee amendment? All right, thank you very much. Just a question for Senator Scheer, if he's available. [LB470]

SENATOR KRIST: Senator Scheer, would you yield? [LB470]

SENATOR SCHEER: Yes, I will. [LB470]

SENATOR NELSON: Thank you, Senator Scheer. I, you know, I support the bill and the amendments; just as a matter of information, I'm wondering why...what's the procedure...why is it that we're not publishing anything about the contract of a new hire or a new administrator until...is that for purposes of secrecy or something like that as far as trying to get a new superintendent? Why isn't that brought...published and the new contract for a new person brought before the board and published beforehand? [LB470]

SENATOR SCHEER: Well, mostly it's twofold. In some of your smaller districts, notification isn't as quick as others. And sometimes, as well, Senator, when you're negotiating with a new superintendent, you may not have a fully agreed-upon

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agreement on Friday. Based on what this would be, if you met Monday, you would have to have it filed on Friday by 5:00. That individual may be moving into the community, so he and his wife and family, or she and her family, may be coming to the community to look around on Saturday, and you're going to finish up negotiations on Saturday. I don't want there to be erroneous information posted on Friday, nor do I want that to impede the negotiations process of hiring a new superintendent. Once they have reached an agreement, it will be provided on that Web site in a matter of a short time as well. So it's just simply to facilitate the negotiations process through its futility. [LB470]

SENATOR NELSON: But it doesn't give the public a chance to be involved in any comment or anything, when you... [LB470]

SENATOR SCHEER: It would if the public were at the meeting. Certainly that information would probably be disclosed at that point in time, so they would have that opportunity at the meeting. I'm just trying to make sure that in most cases you have that information in advance. [LB470]

SENATOR NELSON: All right, thank you, Senator Scheer. Thank you, Mr. President. [LB470]

SENATOR KRIST: Thank you, Senator Nelson; and thank you, Senator Scheer. Seeing no one else wishing to speak, Senator Sullivan, you're recognized to close on the committee amendments. [LB470]

SENATOR SULLIVAN: Thank you, Mr. President. Just to recap briefly what the amendment does. In addition to the requirement to publish superintendent contracts, this now includes the requirement for ESU boards to do the same for ESU administrators. It changes the date requirement for publication, which is, under this amendment, three days prior to the approval by the board for existing superintendents and ESU administrators; two days after approval by the board for new superintendents and ESU administrators. It also extends the time for the district or the ESU to file that contract with the Department of Education; they have an August 1 deadline, but we've moved out the actual drop-dead date, so to speak, to October 1; and if they don't meet that, then their state aid would be withheld, as will the aid from the county treasurer as well. But under this amendment they would have the opportunity to be heard by the Department of Ed, if there are circumstances that have not made that possible for them to file that. And also, the notice that they are in arrears would be sent both to the ESU board and the administrator as well as the superintendent and the district board. So I again encourage you all to approve AM444. Thank you. [LB470]

SENATOR KRIST: Thank you, Senator Sullivan. The question is, shall the committee amendments to LB470 be adopted. All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB470]

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CLERK: 27 ayes, 0 nays on adoption of committee amendments. [LB470]

SENATOR KRIST: Thank you, Mr. Clerk. (Visitors introduced.) Seeing no one else wishing to speak, Senator Scheer, you're recognized to close on your bill. [LB470]

SENATOR SCHEER: Thank you, Mr. President. Very quickly, I believe this brings another level of transparency, which has been in the forefront at least last year and now this year in regard to the legislative intent that we've looked at. It is not asking districts to do or compile anything that they do not already do so. It just puts them in a convenient and a universal position so that the public and all the different school districts know where to find that information. And I would ask you to support LB470 to Select File. Thank you. [LB470]

SENATOR KRIST: You have heard the closing. The question is the advancement of LB470 to E&R Initial. All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB470]

CLERK: 28 ayes, 0 nays on the advancement of LB470, Mr. President. [LB470]

SENATOR KRIST: The bill advances. Items for the record? [LB470]

CLERK: Thank you. A new resolution, Mr. President: LR424, offered by Senator Lathrop. Pursuant to that introduction, Speaker Adams has directed that LR424 be referred to Reference and referred to standing committee for public hearing purposes. I also have hearing notices from the Appropriations Committee, Natural Resources Committee, and the Judiciary Committee. That's all that I have, Mr. President. Thank you. (Legislative Journal page 341-344.) [LR424]

SENATOR KRIST: Thank you, Mr. Clerk. Next item.

CLERK: LB76, a bill by Senator Nordquist. (Read title.) Introduced on January 10 of 2013, at that time referred to the Health and Human Services Committee. The bill was advanced to General File. I have no committee amendments. I do have an amendment to the bill from Senator Nordquist. (AM1640, Legislative Journal page 244.) [LB76]

SENATOR KRIST: Thank you. Senator Nordquist, you are recognized. [LB76]

SENATOR NORDQUIST: Thank you, Mr. President and members. LB76, the Health Care Transparency Act, is really intended to shed light on how our healthcare dollars are being spent in our state. The market for healthcare services is probably one of the only markets in which consumers purchase products with little or no information about the true cost of the product and how the cost relates to quality. We wouldn't buy a car or

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buy a house without information about what kind of value we're getting for our dollar or even making that purchase without knowing what that ultimate cost, the end cost, is going to be. So...but yet we continue to blindly purchase healthcare services without any information on the value or the price. And we have very little coherent information about how healthcare prices are derived. As payers, we see a bill that gives little detail about the prices and what the costs of the inputs are to create that price. LB76, hopefully, is the first step in giving policymakers the tools to improve this process. It would create an advisory board under the direction of the director of the Department of Insurance. It would be made up of a number of key stakeholders in the healthcare sector. They would be appointed by the department director and would come back to us with a recommendation on the type of system that we should move forward with, what type of data would be needed in that system. Typically, the states that have moved forward with what's called all-payer claims database received information from payers, like health insurance carriers and Medicaid; some of them are working to try to get Medicare numbers as well. And then they aggregate that information. What you see before you...I handed out two handouts of a couple of the states that have moved forward with all-payer claims databases and the different avenues you can take. Certainly my goal for putting this in is to give consumers better information about what their costs are. So the handout from the state of Maine...and you can go to the link at the bottom if you want to click around a little more; or Google "Maine health costs," and it will come up. But this is just an example. You can put in your ZIP code, you put in your insurer, you say what procedures you're looking for. And this is an example of a colonoscopy, and you can see around...I can't remember the ZIP code I put in in Maine, but the prices range for a colonoscopy from \$900 to \$2,600 within about a 100-mile radius or so. This is the type of information, I think, if we give to consumers in the healthcare system, we will be able to drive better costs. Colorado hasn't gotten to that point yet of giving consumers information, but on the Colorado handout you can see what they're doing through the first couple phases with their all-payer claims database. And I printed off two examples. And again, if you go to [cohealthdata.org](http://cohealthdata.org), you'll be able to click around on their site as well. The ones I printed out: potentially preventable readmission rates; and I just picked the first few counties in alphabetical order. Alamosa County is only...is significantly lower in their potentially preventable readmission rates, only 61 percent of the statewide average. So you would look at that county and dig in a little deeper, and it even breaks it down by category, by service line. And you can see why is that county performing so much better at readmission rates than other counties. On ER visits, on the other side of that sheet, that same county is 54 percent above the statewide average in ER visits. And again, if you look by service line, you can see the variation there. This is the type of information that's needed at a consumer level, at a policymaker level. Our neighboring state of Kansas has implemented one where they compare private insurance payments...claims information to Medicaid. And we all always hear that Medicaid reimburses lower than private coverage, and that's generally true. But in the Kansas information release, it does vary by service line how wide that margin is, and even in some service lines, Kansas was paying more than private

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insurance and others, they're paying much, much less in their Medicaid program. But, essentially, this bill, hopefully, will get us to that point someday. But, first, we would need to bring together the experts in health insurance...in the healthcare field, from providers, from insurers, and say, what do we want to get out of this; what kind of value can we create for consumers; how can we get them accurate information so they have a better idea and are better consumers of healthcare and are more price conscious? This summer Senator Gloor and I had a number of meetings. And the one thing that's unique so far about Nebraska is we have had great buy-in in the initial discussions of this from the insurers, who would be...certainly would help provide the information; from healthcare providers, who would help provide the information. We have great buy-in from all the key players. And this would be a first step, that they would come back to us and make a recommendation of what the system would look like. They would recommend, you know, what it would take to make that system sustainable. It would be very similar, obviously much smaller in scale than the water funding task force. It would be a much smaller group and a smaller issue and, obviously, a much smaller price tag at the end of the day. So I'd appreciate your support for LB76. Thank you. [LB76]

SENATOR KRIST: Thank you, Senator Nordquist. Are there amendments to the bill, Mr. Clerk? [LB76]

CLERK: Mr. President, yes, sir, there is. Senator Nordquist would move to amend with AM1640. (Legislative Journal page 244.) [LB76]

SENATOR KRIST: Senator Nordquist, you're recognized. [LB76]

SENATOR NORDQUIST: Thank you, Mr. President. The amendment just moves the date back a year, from December 1, 2013, to December 15, 2014, to give the committee, the advisory committee, more time to operate. Thank you. [LB76]

SENATOR KRIST: Thank you, Senator Nordquist. Those wishing to speak: Senator Gloor, Senator Carlson, and Senator Campbell. Senator Gloor, you are recognized. [LB76]

SENATOR GLOOR: Thank you, Mr. President. I rise in support of AM1640 and the underlying bill, LB76. And my comments are going to make it sound like I don't, so if you're paying attention at all, stick with me and I'll get there. The charges that most people get on their hospital bill, on their doctor's bill have nothing to do with the cost; they have nothing to do with the provision of service. One of the enjoyable things for me about this increasing debate we're having about healthcare in this Chamber, in this country, regardless of what side you may be on in that debate is, we are educating ourselves in very important ways. And unless we educate ourselves, we are going to have a hard time working our way out of controlling spiraling healthcare costs. And the challenge with spiraling healthcare costs are, we seem to be not getting anything for our

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money. Our overall health status and life expectancy isn't expanding. One of the problems we have, as Senator Nordquist is trying to nail down here is, we don't have data that allows us, as consumers, to make intelligent decisions. And I go back to my comment of, "And cost is different than charges; revenue is different than overall expense streams that may be out there." This is complicated stuff. Senator Nordquist used the example of charge for a colonoscopy: \$900 at one place and \$2,600 for the other. But I will tell you, as a result of negotiations with insurance companies and whatnot, the actual cost to provide this service may be very comparable, and the actual reimbursement that is paid by the insurance companies or the government, ourselves included, may be very close to the same amount. So there's a case where charges may not, even though they look like they're considerably far apart, have no bearing at all on what the actual cost of providing those services are. But we don't know because we have no database. We have no way to do those sorts of comparisons, which is where we'd like to head. Let me talk about things like readmission rates. Most of the hospitals in this state are smaller, critical access hospitals that can only care for patients, on average, several days. So for the sickest patients, they then have to go on to some of your larger hospitals in the state. Who do you think will have higher readmission rates? Smaller hospitals that don't take care of nearly as critically-ill patients, patients that can be cared for and discharged in two or three days? Or hospitals that get the sickest patients in this state, who are, therefore, more likely to have relapses and go back in? So looking at readmission rates in and of itself isn't necessarily a fair judgment of the quality being provided by those institutions. This is complicated stuff. And one of the reasons that the providers and the insurers are happy to participate in this is that they are afraid that somebody, well-intentioned, within this body will introduce a bill that says, you have to report all this data, and, armed with this data, think we can make wise decisions; and, in fact, because of the complexity, we cannot. And that's the reason I give you those two examples. This is complicated stuff. What Senator Nordquist is trying to accomplish, what I would support is to, in fact, pull together some people who understand these numbers and understand the complexity involved to help us shape data that can be of benefit to us as policymakers and can be of benefit, ultimately, to consumers as they try and make wise decisions. This is not forcing the issue, as any of us could introduce a bill to do... [LB76]

SENATOR KRIST: One minute. [LB76]

SENATOR GLOOR: Thank you, Mr. President...but giving us information that we are not well versed in deciphering. It's a step in the right direction. This is one of the solutions, ultimately: having a common database that we can explore and use to make good decisions. This is one of the solutions to healthcare reform regardless of what side of the issue you may be on as it relates to the Affordable Care Act, Medicaid expansion. I would hope people would trust me when I say, this isn't taking a stand on any of those issues; it is, in fact, headed down a path that is a solution to some of the problems we have in our healthcare system. And I would urge a green light for both the amendment

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as well as the underlying bill. Thank you. [LB76]

SENATOR KRIST: Thank you, Senator Gloor. Senator Carlson, you are recognized. [LB76]

SENATOR CARLSON: Thank you, Mr. President and members of the Legislature. I would like to address some questions to Senator Nordquist, if he would yield. [LB76]

SENATOR KRIST: Senator Nordquist, will you yield? [LB76]

SENATOR NORDQUIST: Yes. [LB76]

SENATOR CARLSON: Senator Nordquist, looking at the bill...and I know in your introduction you referred to the Water Sustainability Task Force, which is a commission. And... [LB76]

SENATOR NORDQUIST: Um-hum. [LB76]

SENATOR CARLSON: ...I know that you know that I have a bill that is coming from that direction, and it does have a number of...it appears to have a number of additional people that aren't included in this group, healthcare database advisory committee. But I'm on page 3, and I do have some questions. [LB76]

SENATOR NORDQUIST: Okay. [LB76]

SENATOR CARLSON: Right at the top. These will be..."appointed by the Director of Insurance shall include, but not be limited to." [LB76]

SENATOR NORDQUIST: Um-hum. [LB76]

SENATOR CARLSON: Tell me what that means. [LB76]

SENATOR NORDQUIST: So this would be the required list that he would have to have, you know, at least one representative of hospitals; one of physicians; one of healthcare providers; one of small insurers, large insurers. And this, again, group is just making a recommendation back to us. But he, if he thinks that the director, Ramge, thinks that it would be more...it would be important to have, you know, a...I mean, we have people who use small group and large group, but if he thinks we need more business representatives or more insurance representatives, we don't want to say this is the...I mean, I...I don't feel like we need to say this is the absolute limiting amount of people; you can bring in whoever you think would help provide a good...help add to the recommendation that you're making. [LB76]



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SENATOR CARLSON: All right. Because I look at this, and I counted the number of groups to be represented, and there's ten. [LB76]

SENATOR NORDQUIST: Um-hum. [LB76]

SENATOR CARLSON: But then we have a "but not be"...or "at least one representative of hospitals"... [LB76]

SENATOR NORDQUIST: Yeah. [LB76]

SENATOR CARLSON: ..."at least one representative of health insurers." So there's quite a bit of room...it appears to me, there's quite a bit of room for growth in this group if the director feels that's appropriate. [LB76]

SENATOR NORDQUIST: I...absolutely. That would be the intent. [LB76]

SENATOR CARLSON: And with six of those categories where it says, "at least one," there is...and I don't think that's a negative, I'm just asking about it to clarify it. And, I believe, you...as our group has put a lot of time into putting this together, and so someone like me who now starts to ask questions, it sounds like cold water, and I don't mean it that way. [LB76]

SENATOR NORDQUIST: No, no, no. [LB76]

SENATOR CARLSON: But I guess I do have a concern in one area, and that would be "at least one representative of health insurers." And I don't think that you should change this; I think it might be some discussion with the director, and that's something I could do as well. [LB76]

SENATOR NORDQUIST: Yeah. [LB76]

SENATOR CARLSON: But "at least one representative of health insurers" does not necessarily include the contact person who sells the contract. And that's the person that whoever is buying looks to as the expert, looks to as someone who knows what's in that plan. And so I think that that would be pretty important. And again, I'm not saying add another category, but do you have any objection to an emphasis on someone who actually, in a sense, makes the sale, because the realism of it is, until something is sold, nothing happens. [LB76]

SENATOR NORDQUIST: Yes, I would agree completely that we probably need to have a producer and a carrier. And also, you know, we have a diversity of insurance companies in the state: we have for-profits, we have nonprofit, now we have a cooperative that's selling in our state as well. So I certainly think it would make sense to

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include representatives of all of those major carriers and even smaller carriers too.  
[LB76]

SENATOR CARLSON: Thank you. And I think with this... [LB76]

SENATOR KRIST: One minute. [LB76]

SENATOR CARLSON: ...type of thing...one minute? I think with this type of thing it might slide into a request for all kinds of benefits and not a whole lot of concern as to how those benefits are paid for. Because with a limited representative of health insurers I think that that could happen, and I would hope that that's really not the case. And when it says, "at least one," that may be a way of getting some more representation on there that also looks at cost. [LB76]

SENATOR NORDQUIST: Yeah. I, yeah, I certainly will trust Director Ramage to put together an appropriate committee that would look at the goals that we laid out and try to accomplish getting...basically, my biggest goal is getting information to consumers about costs so they could be better consumers. [LB76]

SENATOR CARLSON: Okay. Thank you, Senator Nordquist. Thank you, Mr. President.  
[LB76]

SENATOR KRIST: Thank you, Senator Carlson and Senator Nordquist. Senator Campbell, you are recognized. [LB76]

SENATOR CAMPBELL: Thank you, Mr. President. And good morning, colleagues. I, too, stand in support of the bill and the amendment and thought that I would share a couple of comments from two perspectives. One is, last year the body authorized LR22, which is a look at what healthcare should look like in the state of Nebraska in 10 to 15 years, and Senator Gloor and I have been working on this initiative. And this fall we held a conference, and 160 people came from, really, the broad spectrum of healthcare in the state. And we were very encouraged by the enthusiasm that group had, and the ideas. Healthcare is transforming in this country quickly. And we are beginning to look at value-based healthcare, the consumer being far more cost-conscious of their own healthcare as they begin looking at it. And we saw those kinds of ideas emerge from LR22. And, in fact, Senator Gloor and I have put in a resolution to continue that work so that we're ready for a health agenda by 2015. I would like to also add, from the perspective of the committee, in the hearing that we had, we had proponents to the bill; there were no opponents to the bill. And in the two that testified in favor...I just want to remark upon the testimony that was given from Blue Cross Blue Shield, in which they talked about the importance of this in promoting transparent data to the public as a tool to support initiatives aiming to improve healthcare quality, and identifying how much we spend on healthcare in Nebraska, and how common procedures vary in price across the

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state, and also that this legislation would begin to track the utilization patterns such as emergency room preventable readmissions, and metrics to suggest opportunities to better coordinate care. And then we also had a proponent from the hospital association, and I thought their testimony was very interesting in the fact that they indicated in their testimony: We recognize the value of healthcare information and use of healthcare data for a variety of benefits. And what is little known is that beginning in 1995 the Nebraska Hospital Association has maintained the Nebraska Hospital Information System, and this system is voluntary by Nebraska hospitals. And they have used that data, that electronic claims data, through the Nebraska Hospital Association, to begin looking at the kinds of trends and information that we will see, certainly, in LB76. I certainly respect Senator Nordquist for bringing this forward. This is the kind of information that we're going to need as we look at healthcare in Nebraska in the coming years. And it's a good piece to add to what is already being done by our insurers and our hospitals and, certainly, as our physicians look at data across the state also. Thank you, Mr. President. [LB76]

SENATOR KRIST: Thank you, Senator Campbell. Senator Wallman, you are recognized. [LB76]

SENATOR WALLMAN: Thank you, Mr. President, fellow members. And I appreciate Senator Nordquist bringing this forth. And he seems to be the guru on insurance. But having personally involved in emergency room in a southern state, we know...like Florida, this was Florida. So my family is involved with numerous...pays numerous in premiums for employees. So our healthcare costs have to be addressed. And it has to be...insurance companies have to know the truth, the whole truth, and nothing but the truth, and so should the people that buy the premiums. So, hopefully, this will make a difference. And that's all. Thanks. [LB76]

SENATOR KRIST: Thank you, Senator Wallman. (Visitors introduced.) Seeing no one else in the queue, Senator Nordquist, you are recognized to close on your amendment. [LB76]

SENATOR NORDQUIST: Thank you. Again, just the amendment changes the date a year, to 2014. [LB76]

SENATOR KRIST: Thank you, Senator Nordquist. The question is, shall the amendment to LB76 be adopted? All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB76]

CLERK: 28 ayes, 0 nays, Mr. President, on the adoption of Senator Nordquist's amendment. [LB76]

SENATOR KRIST: The amendment is adopted. Senator Nordquist, you're recognized to

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close on your bill. [LB76]

SENATOR NORDQUIST: Thank you, Mr. President. I appreciate the words of support. And I'm optimistic that we will have a robust recommendation from the stakeholders that we can talk about next year in how to move forward. Thank you. [LB76]

SENATOR KRIST: Thank you, Senator Nordquist. The question is the advancement of LB76 to E&R Initial. All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB76]

CLERK: 28 ayes, 0 nays, Mr. President, on the advancement of LB76. [LB76]

SENATOR KRIST: Bill advances. Items for the record? [LB76]

CLERK: Thank you, Mr. President. Committee on Education, chaired by Senator Sullivan, reports LB725 to General File. I have an amendment to LB464 from Senator Krist to be printed and a hearing notice from the Executive Board. That's all that I have, Mr. President. (Legislative Journal pages 344-345.) [LB725 LB464]

SENATOR KRIST: Thank you, Mr. Clerk. Next item.

CLERK: LB371 was a bill originally introduced by Senator Mello. (Read title.) Introduced on January 18, referred to the Government, Military and Veterans Affairs Committee. The bill was advanced to General File. I do have Government Committee amendments, Mr. President. (Legislative Journal page 614, First Session, 2013.) [LB371]

SENATOR KRIST: Senator Mello, you're recognized to open on your bill. [LB371]

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. Since becoming a member of the Appropriations Committee in 2009 and now as Chairman of that committee, I've long been an advocate for increased transparency in our state budget process. Unfortunately, our current system of state contracts, which accounts for more than \$2 billion of our state budget on an annual basis, is one area where I believe transparency still may be lacking. During the 2012 interim, my office made a request for basic summary information on contracts through the Department of Administrative Services. The extent of this request was fairly simple: the total number and dollar amount of DAS contracts both for the purchase of goods and for services, with a breakdown of the origin of those goods and services. The response that I received was essentially the same for each of these requests: Quote, there is no statutory requirement for DAS to track goods or services, therefore DAS does not track this information, end quote. LB371, which would adopt the Transparency in Government Procurement Act, stands for the simple proposition that DAS should be tracking basic information about state contracts and would require that such information be provided to

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the Legislature and made available to the general public. As some of you may note, the green copy of the bill contained more extensive reporting requirements that could have potentially generated a larger fiscal note, particularly due to the original requirement that DAS report information on subcontracts in addition to contracts and the question of whether the bill applied to all contracts or only new contracts moving forward. Following the public hearing, my office worked with Senator Avery and the Government, Military and Veterans Affairs Committee to narrow the scope of the original LB371, and the committee amendment should significantly reduce any potential fiscal impact. Ultimately, colleagues, the fact that the basic summary information about state contracts is unavailable should trouble all Nebraskans. While Senator Crawford's legislation last year to make copies of state contracts available as part of [nebraskaspending.gov](http://nebraskaspending.gov) Web site was an important step in the right direction, we shouldn't expect Nebraskans to have to view every individual contract on the Web site in order to get a good picture of the total spending we make on state contracts. LB371 received broad bipartisan support when it was introduced last session, in addition to the Veterans in Business Forum and the Nebraska AFL-CIO, who testified at the hearing. You should have also all received a copy of an article by the Platte Institute, who also encouraged support of LB371. LB371 was advanced by the committee on an 8-0 vote. And I'd urge the body to advance LB371 with the committee amendment to Select File. Thank you, Mr. President. [LB371]

SENATOR KRIST: Thank you, Senator Mello. As the Clerk stated, there are amendments from the Government, Military, and Veterans Affairs Committee. Senator Avery, as the Chair of that committee, you are recognized to open on the committee amendments. [LB371]

SENATOR AVERY: Thank you, Mr. President. This amendment, AM307, strikes the original sections of the bill and replaces them with the following provisions. Like the original bill, the amendment creates the Transparency in Government Procurement Act. The act will only apply to contracts awarded by the Department of Administrative Services on and after July 1, 2013. I understand Senator Mello has an amendment following the committee amendment to update this date to July 1, 2014. With this amendment, the Department of Administrative Services will create an annual report that includes the total number and value of contracts awarded by the department. The report will also include the total number and value of contracts awarded by DAS within the state and to foreign contractors. Finally, the report will include the number of contracts awarded by the department for which a preference was given. The amendment also eliminates all references to subcontractors and suppliers. With this change, only contracts will be included in the report from DAS. This was a particularly important change because of the impact on the fiscal note. The report will be submitted to the Governor and the Legislature on or before September 1 of each year. The first report will be submitted on September 1, 2014. Beginning on July 1, 2013, each contract awarded by DAS will require that the contractors provide the department any and all information needed for compliance with this bill. Again, I understand this date will be

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changed by a subsequent amendment filed by Senator Mello. The committee amendment make several changes to the original bill with the intent of reducing the fiscal note and responding to suggestions made by the Department of Administrative Services. We worked very closely with the department on this amendment. For example, changes to reduce the fiscal note include eliminating references to subcontractors and suppliers, as I previously mentioned; also, including contracts awarded by the Department of Administrative Services, instead of all state agencies, as proposed in the original bill; only including new contracts, that reduces the fiscal note; and striking language requiring the report to include the origins of goods and services. These are significant changes, have a significant impact on the fiscal note. I worked in close consultation with the interested parties. And the bill was advanced by the committee on an 8-0 vote. With that, I urge the adoption of AM307. Thank you, Mr. President. [LB371]

SENATOR KRIST: Thank you, Senator Avery. Mr. Clerk, there is an amendment to the committee amendment? [LB371]

CLERK: Yes, Mr. President, Senator Mello would move to amend: AM1591. (Legislative Journal page 113.) [LB371]

SENATOR KRIST: Senator Mello, you are recognized. [LB371]

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. As Senator Avery mentioned, AM1591 simply changes the date in LB371 to reflect the fact the bill was not enacted last session. With the amendment, the bill would apply to contracts entered into beginning on July 1, 2014. I'd urge the body to adopt AM1591 and the committee amendment, which becomes the new bill. Thank you, Mr. President. [LB371]

SENATOR KRIST: Thank you, Senator Mello. Seeing no one wishing to speak, Senator Mello, you're recognized to close. Senator Mello waives closing. The question is, shall the amendment to the committee amendment to LB371 be adopted? All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB371]

CLERK: 30 ayes, 0 nays, Mr. President, on the adoption of the amendment to the committee amendments. [LB371]

SENATOR KRIST: The amendment is adopted. Seeing no one wishing to speak, Senator Avery, you're recognized to close on the committee amendments. [LB371]

SENATOR AVERY: Thank you, Mr. President. Let me reiterate that this amendment was designed specifically to lower the fiscal note. And it does that. It does so in a very

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significant way. We also worked very closely with the Department of Administrative Services to craft this amendment. And I would point out that it was voted out of committee without dissent. This is an important issue of transparency. And this bill with this amendment and the one we just approved is worthy of adoption. Thank you, Mr. President. [LB371]

SENATOR KRIST: Thank you, Senator Avery. Question is, shall the committee amendment be adopted to LB371? All those in favor say (sic) aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB371]

CLERK: 31 ayes, 0 nays on the adoption of committee amendments, Mr. President. [LB371]

SENATOR KRIST: They are adopted. Senator Mello, you're recognized to close on the advancement of LB371. [LB371]

SENATOR MELLO: Thank you, Mr. President. Members of the Legislature, with the adoption of the committee amendment, LB371 now has been pared back dramatically from the original green copy of the bill. It still requires a new report to be issued in regard to state contracts by DAS, moving forward, in regard to tracking new contracts in which they enter into; that will be provided both to the Legislature and the public at large. With that, I'd urge the body to adopt LB371. [LB371]

SENATOR KRIST: Thank you, Senator Mello. You've heard the closing. The question is the advancement of LB371 to E&R Initial. All those in favor vote aye; opposed, nay. Have all voted that wish to? Please record, Mr. Clerk. [LB371]

CLERK: 31 ayes, 0 nays, Mr. President, on the advancement of LB371. [LB371]

SENATOR KRIST: LB371 advances. Next item. [LB371]

CLERK: LB272 is a bill by Senator Carlson. (Read title.) Introduced on January 16 of last year, referred to the Natural Resources Committee, advanced to General File. There are committee amendments, Mr. President. (AM433, Legislative Journal page 618, First Session, 2013.) [LB272]

SENATOR KRIST: Thank you, Mr. Clerk. Senator Carlson, you're recognized to open. [LB272]

SENATOR CARLSON: Thank you, Mr. President and members of the Legislature. I rise to present LB272. Chemigation permits are required for anyone using a process of applying chemicals to land or crops through a water-irrigation distribution system. The Natural Resources Districts, NRDs, are charged with inspecting chemigation safety

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equipment, receiving permit applications and fees, and issuing chemigation site permits. The Department of Environmental Quality, DEQ, coordinates the chemigation program and issues applicator certifications. Permit fees would help the NRDs and the department to carry out these duties. LB272 would set caps on chemigation permit fees and allow local Natural Resources Districts to individually set the fees to ensure their costs of administering the chemigation act are offset and to cover the cost of the annual inspection program. Caps would be set at no more than \$150 for new and special permits, \$100 for renewal permits, and \$500 for emergency permits. Current fees, which are \$30 for new and special permits, \$10 for renewal permits, and \$100 for emergency permits, have not been changed since 1986. The bill would also require that two working days be allowed before emergency permits could be issued, rather than 48 hours, to accommodate for weekends and holidays. The committee amendment changes the fees proposed in the original bill, which I will explain in detail when I open on AM433. Thank you, Mr. President. [LB272]

SENATOR KRIST: Thank you, Senator Carlson. As the Clerk stated, there are amendments from the Natural Resources Committee. As the Chair, Senator Carlson, you're recognized. [LB272]

SENATOR CARLSON: Thank you, Mr. President and members of the Legislature. AM433. The original bill raised concerns with some agriculture groups that the suggested fee amounts would not be in proportion to the actual cost of administering the chemigation permit program. The original language would have simply raised the fee to a set amount. To address those concerns, a committee amendment was drafted to place a \$500 cap for emergency permits, a \$150 cap for new and special permits, and a \$100 cap for a renewal permit. The amendment also adds language in the bill that allows the districts to establish permit fees which are to be sufficient to cover the reasonable ongoing administrative and inspection program costs. And, finally, the amounts that would go to the department would be \$5 for regular and special permits and \$2 for renewals. The groups are in agreement that it's time to adjust the chemigation permit fees and believe this can best be done by allowing the individual NRDs to set the fees so that they match their individual costs associated with running the chemigation program. Realizing that it's been 1986 since these fees have been changed, and realizing the amendment specifies that they can charge up to an amount but they can charge less if that fits their program, I would ask for your support on LB272 and AM433. I'd be happy to answer any questions. Thank you, Mr. President. [LB272]

SENATOR KRIST: Thank you, Senator Carlson. Seeing no one wishing to speak, the question is, shall the...sorry. You're recognized to close on your committee amendments. And Senator Carlson waives closing. The question is, shall the committees amendments to LB272 be adopted? All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB272]



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CLERK: 25 ayes, 0 nays on adoption of committee amendments. [LB272]

SENATOR KRIST: The committee amendments are adopted. Seeing no one wishing to speak, Senator Carlson, you are recognized to close on LB272. [LB272]

SENATOR CARLSON: Thank you, Mr. President. I appreciate those that were active in voting for the amendment. And now I would ask that those same people support the advancement of LB272. Thank you. [LB272]

SENATOR KRIST: Thank you, Senator Carlson. You've heard the closing. The question is the advancement of LB272 to E&R Initial. All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB272]

CLERK: 26 ayes, 0 nays, Mr. President, on the advancement of LB272. [LB272]

SENATOR KRIST: The bill advances. Next item. [LB272]

CLERK: LB514 is a bill by Senator Carlson. (Read title.) The bill was introduced on January 23 of last year, referred to Natural Resources. The bill was advanced to General File. There are Natural Resources Committee amendments, Mr. President. (AM412, Legislative Journal page 619, First Session, 2013.) [LB514]

SENATOR KRIST: Senator Carlson, you're recognized to open. [LB514]

SENATOR CARLSON: Thank you, Mr. President, and members of the Legislature. LB514 would change existing statute to allow the Clean Water State Revolving Fund additional options for low-cost loans to promote improved water quality. The Clean Water State Revolving Fund was established through the Clean Water Act of 1987 to provide loans at reduced interest rates to finance the construction of publicly owned water pollution control facilities, non-point-source pollution control projects, and management plans. And each state establishes a revolving fund program using grants awarded by the EPA. Each year approximately \$16 million to \$20 million in low-interest loans is provided to municipalities and political subdivisions. The program is administered by the state Department of Environmental Quality, DEQ. The bill authorizes a process of working with private lending institutions to have low-interest loans available for private uses such as septic tank repair and replacement, certain livestock waste-control facilities, and farm and ranch best management practices. Lending institutions would administer and disburse loans through a linked deposit/loan program. The bill would enable disbursements of loans to borrowers for pollution control projects through the program because the state would agree to accept a lower interest rate of return on an investment and a lending institution would agree to provide a loan at a similarly reduced interest rate. And instead of making grants to communities that pay for a portion of the wastewater treatment facilities, the program would allow low-interest

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loans to finance the entire cost of qualified projects. With this program, the state would be able to support a large number of projects. Thirteen states have successfully implemented a linked deposit program. Those targeted as loan recipients include, for example, homeowners who need to replace inadequate or failing septic systems; livestock producers who need assistance with manure management plans, structures, or equipment; and farmers needing to address sediment and nutrient control practices on ag lands. The bill also includes a component that provides communities the option of refinancing an existing Clean Water State Revolving Loan. DEQ anticipates that communities will use this option if they determine it's advantageous to get a lower interest rate on an existing loan. There is a committee amendment that makes a clarification, which I would open on next. Thank you, Mr. President. [LB514]

SENATOR KRIST: Thank you, Senator Carlson. As the Clerk stated, there are amendments from the Natural Resources Committee. As the Chair of that committee, Senator Carlson, you are recognized. [LB514]

SENATOR CARLSON: Mr. President and members of the Legislature, the committee amendment would clarify the definition of "eligible financial institution." Current language allows Nebraska-chartered banks or nationally chartered banks to participate in the program. The Department of Banking made us aware that there was another category of banks doing business in Nebraska, such as Great Western, which is chartered in South Dakota, and Bank of the West, which is chartered in California, which would be excluded from the bill. The committee amendment would broaden the definition of "eligible financial institution" so that an institution that's chartered in a different state, but authorized to do business in Nebraska, could participate in the program. I believe that AM412 is an appropriate amendment. I think LB514 is an appropriate bill. I would ask for your support, and I would answer any questions that you may have. Thank you, Mr. President. [LB514]

SENATOR KRIST: Thank you, Senator Carlson. Seeing no one wishing to speak, Senator Carlson, you're recognized to close on the committee amendments. Senator Carlson waives closing. The question is, shall the committee amendments to LB514 be adopted? All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB514]

CLERK: 25 ayes, 0 nays, Mr. President, on adoption of committee amendments. [LB514]

SENATOR KRIST: They are adopted. Seeing no one wishing to speak, Senator Carlson, you are recognized to close on your bill. [LB514]

SENATOR CARLSON: Thank you, Mr. President and members of the Legislature. LB514 is a law that will help in clean-water state issues. It helps individuals as well as

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small communities. I thank you for your support on the amendment. I ask for your support on the advancement of LB514. Thank you. [LB514]

SENATOR KRIST: Thank you, Senator Carlson. You've heard the closing. The question is the advancement of LB514 to E&R Initial. All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB514]

CLERK: 27 ayes, 0 nays, Mr. President, on the advancement of LB514. [LB514]

SENATOR KRIST: LB514 advances. Next item. [LB514]

CLERK: LB597, by Senator Larson. (Read title.) Introduced on January 23, referred to the Agriculture Committee for public hearing. The bill was advanced to General File. There are committee amendments, Mr. President. (AM346, Legislative Journal page 648, First Session, 2013.) [LB597]

SENATOR KRIST: Thank you, Mr. Clerk. Senator Larson, you are recognized to open on your bill. [LB597]

SENATOR LARSON: Thank you, Mr. President. LB597, as amended by AM346, makes changes to the statutes relating to county agricultural societies and how they spend assessments collected through existing levies assessed on their behalf by each county. LB597 will clarify some of the statutes that govern county agricultural societies and their levies and will bring these statutes in line with practices that have been ongoing in county agricultural societies for some time now. To be clear, this bill does not ask for additional levies, it merely gives county agricultural societies some flexibility on how to spend the assessments they already collect. The first part of this bill will allow county agricultural societies to make equipment purchases with the money they receive from county boards. LB597 would add a provision to the capital construction tax levy statute to allow county ag societies to use part of that money to purchase equipment. The revenue generated from capital construction tax levy would provide enough funding to cover the cost of the equipment they need to purchase. The second part of LB597, which is the portion amended by AM346, changes the statute relating to real estate transactions that allows county agricultural societies to sell their properties without restriction and to lease their real estate generally. As the statute is written now, if a county agricultural society sold a piece of its land, it would have to turn around and use those proceeds to purchase another piece of land. Currently, they are unable to use the proceeds of the land sale to do anything else but buy another piece of land. Allowing these societies to sell their land free of this restriction, currently set in statute, would give county agricultural societies more flexibility as to how they invest the proceeds from those sales. Additionally, AM346 will allow county agricultural societies the ability to lease their land. Giving the county agricultural societies the option to lease their real estate would be beneficial for a number of reasons. While it has been the practice for

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county agricultural societies to lease its real estate in the past, this practice is not explicitly allowed in statute. LB597 will catch up the statute to current practice. Leasing would also give county agricultural societies more options when it comes to managing its real estate and would further protect the counties' interest it has in that property. LB597's intent is to clear up some of the statutes relating to county agricultural societies in order to give more operational and management options to these societies. These changes will help strengthen and improve our county agricultural societies while ensuring their respective counties maintain an interest throughout. Thank you, and I would welcome any questions. [LB597]

SENATOR KRIST: Thank you, Senator Larson. As the Clerk stated, there are amendments from the Agriculture Committee. Senator Schilz, as the Chair of that committee, you're recognized to open. [LB597]

SENATOR SCHILZ: Thank you, Mr. President and members. As introduced, Section 2 of LB597 proposes amendment of Section 2-264 by striking a limitation in current law that confines any sale or exchange of real estate held by county agricultural societies only to the purpose of acquiring new fairground properties. In effect, as introduced, LB597 would no longer expressly limit ag societies from selling or exchanging fairground properties or using the proceeds of sale or exchange solely for the purpose of acquiring different real estate. The committee amendment replaces the changes to 2-264 contained in the original bill and essentially rewrites that section. The amendment makes the following specific changes. As introduced, the changes to 2-264 did not expressly authorize leasing of fairground properties. The authorization is included in the amendment. It is our understanding the agricultural societies around the state may have or would contemplate entering into lease arrangements for use of fairground property. During the hearing we were made aware of one such situation involving the Stanton County Ag Society leasing a portion of the fairgrounds by the local school district. There have been questions raised about whether the ag societies have authority under current law to enter into these lease agreements. Attorney Alan Wood, who testified before the committee, presented his assessment that the authority cannot be assumed from the general authorities granted pursuant to the act. Additionally, leasing authority is currently not expressly provided in Section 2-264, which limits permissible real estate transactions to sale or exchange of fairground properties for the sole purpose of acquiring new property. It does appear that ag societies would like the authority to lease, and there are many examples of how leasing arrangements would be beneficial to the fiscal management of county fairs and fairgrounds. Also, it appears that a number of such lease agreements have been entered into under a somewhat shaky assumption that this is allowed under current law. The committee amendment to LB597 is intended to remove any ambiguity on this point. Secondly, the bill as introduced did not expressly preserve the county's interest in ag society real estate as afforded in 2-263 to fairground properties. Section 2-263 provides that in the event a county ag society disbands or fails to hold a fair for two years, counties can obtain the title in property acquired with the

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county funds for the use of the ag society. Currently, 2-264 provides that the county's interest protected by 2-263 extends to any property acquired or exchanged in replacement of the original property. Because the bill expands the options for disposition of property beyond the limited purposes of sale or exchange for purposes of acquiring other property, the amendment provides that the county's interest under 2-263 extends as well to the proceeds derived from the sale of real estate or improvements funded by the tax levy. I point out the ag society's actions with regard to property management authorities that are authorized by this bill is subject to considerable oversight by the county. There is a natural check on the ag society planning, and the ag society levy authorized in 2-257 and additional levy authority in 2-259 are subject to the allocation of tax levy by the county pursuant to 77-3443. I would move the adoption of the committee amendment, AM346, and I would also push for the passage of LB597. Thank you, Mr. President. [LB597]

SENATOR KRIST: Thank you, Senator Schilz. Senator Schumacher, you are recognized. [LB597]

SENATOR SCHUMACHER: Thank you, Mr. President, members of the body. Would Senator Schilz yield to a question? [LB597]

SENATOR KRIST: Senator Schilz, will you yield? [LB597]

SENATOR SCHILZ: I will try, yes. [LB597]

SENATOR SCHUMACHER: Senator, a lot of these ag societies own considerable pieces of property that were allocated at one time to the county fair purposes. And the county, as you pointed out, has some residual interest in those particular pieces of property should the county ag societies cease to hold a fair. What would be stopping an ag society to sell off a large portion of its property which the county would otherwise be entitled to, upon it becoming defunct, and take the money and not spend it wisely? Shouldn't this have the consent of the county board, when there's any meaningful sale of underlying assets? It would seem to me that that's...if the county ag society goes defunct, that that money should be subject to county board authority. I guess I've asked two or three questions. [LB597]

SENATOR SCHILZ: Right. And let me just say...and the underlying thing here is, because that levy authority is underneath the county the whole time, I think that gives them that control over that and to be able to do that. So I would say that, you know, we could talk about that, we could look at it, but I think it's...I think the control comes with that levy authority and being able to control that over the ag societies. [LB597]

SENATOR SCHUMACHER: Thank you, Senator Schilz. It would seem to me that if you're looking at a liquidation of a substantial part of the assets of the agricultural

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society and not requiring that it be reinvested in other real estate, that the county board should be in the middle of the process at some point to make sure that, quite frankly, the assets aren't sold, the cash "misdeployed," and that the interest of the public and the county is accounted for. I think this otherwise is a good measure, and I'll maybe work with Senator Schilz a little bit between now and Select, see at what level the county board should be involved in a liquidation of substantially all the assets of the ag society. Thank you. [LB597]

SENATOR KRIST: Thank you, Senator Schumacher and Senator Schilz. Senator Schilz, you are recognized. [LB597]

SENATOR SCHILZ: Thank you, Mr. President. And, Senator Schumacher, thank you for that. And I fully agree, just talking here with Senator Larson, that if that's something that we need to put into the language, we could amend that on Select File and make that happen. It seems to me that that's just...the county should have that oversight. And if that's questioned here in the bill, if we don't know that's, you know, that's the way it is, then we could sure work together to change that. Thank you. [LB597]

SENATOR KRIST: Thank you, Senator Schilz. Senator Larson, you are recognized. [LB597]

SENATOR LARSON: Mr. President, is there anybody still in the queue? [LB597]

SENATOR KRIST: There is no one. [LB597]

SENATOR LARSON: Can I use this as my closing? [LB597]

SENATOR KRIST: The committee Chair will have to close on his amendment, and then your closing. [LB597]

SENATOR LARSON: I'll just say real quick that I'd be happy to work with Senator Schumacher and Senator Schilz to make sure that the counties have the appropriate oversight on LB597. This is very beneficial for a number of counties throughout the state. Obviously, Stanton County has had an issue; there's a few issues in rural Nebraska with some buildings that some county ag societies would like to sell to the city so they can be updated, some senior citizen centers. And it's also very...this...LB597 will be very beneficial to Lancaster County and the Lancaster County Event Center in helping that facility develop and become a great attraction within Lincoln, Nebraska. Thank you, Mr. President. [LB597]

SENATOR KRIST: Thank you, Senator Larson. Seeing no one else in the queue, Senator Schilz, you're recognized to close on your committee amendments. [LB597]

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SENATOR SCHILZ: Thank you, Mr. President. And as we said before and Senator Larson said too, we had a number of ag societies across the state that are interested in making this change. When we sat down, it was a pretty straightforward hearing. There wasn't...I don't...I don't believe, and maybe...maybe I'm wrong, but I don't believe there was any substantive opposition to this bill. And with that, I would ask for the vote for AM346 and the passage of the bill itself. Thank you. [LB597]

SENATOR KRIST: Thank you, Senator Schilz. The question is, shall the committee amendments to LB597 be adopted? All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB597]

CLERK: 32 ayes, 0 nays, Mr. President, on the adoption of committee amendments. [LB597]

SENATOR KRIST: The amendment is adopted. Seeing no one in the queue, Senator Larson, you're...and Senator Larson waives his closing. You've heard the closings, the question is the advancement of LB597 to E&R Initial. All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB597]

CLERK: 31 ayes, 0 nays, Mr. President, on the advancement of LB597. [LB597]

SENATOR KRIST: LB597 advances. Next item. [LB597]

CLERK: LB513 is a bill by Senator Carlson. (Read title.) Introduced on January 23 of 2013, advanced to General File. At this time I have no amendments to the bill, Mr. President. [LB513]

SENATOR KRIST: Thank you, Mr. Clerk. Senator Carlson, you're recognized to open. [LB513]

SENATOR CARLSON: Thank you, Mr. President and members of the Legislature. LB513 was introduced in response to Natural Resources Districts' need to more efficiently enforce groundwater management regulations. As you're aware, Natural Resources Districts are charged with the management of groundwater. The drought the state has experienced over the past few years has affected groundwater availability in some areas of the state. The NRDs, through their rules and regulations, in some instances place limits on water that could be pumped from an irrigation well. Regulation during a drought must be very timely to be effective. Currently, the Groundwater Management and Protection Act requires a ten-day notice that must be provided before a cease-and-desist order can be issued by an NRD. A person can use a lot of water in ten days, particularly if a person knows that a cease-and-desist order is coming, and the impact to other groundwater users could be substantial. The bill would shorten the notice time period from ten to three days. The bill would help NRDs more effectively

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manage groundwater and protect groundwater users who live in the same area. There were no opponents to the bill, and it was advanced unanimously. I would appreciate your support. And going back to the idea that a lot of water can be pumped, and the difference between ten and three, that's seven days, and I've calculated on a 1,000-gallon well that could be 31.5 acre-feet of water. That's a lot of water. And I think this is a reasonable request. I would ask for your support. Thank you. [LB513]

SENATOR KRIST: Thank you, Senator Carlson. Seeing no one wishing to speak, Senator Carlson, you're recognized to close on your bill. Senator Carlson waives his closing. The question is the advancement of LB513 to E&R Initial. All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB513]

CLERK: 27 ayes, 0 nays, Mr. President, on the advancement of LB513. [LB513]

SENATOR KRIST: LB513 advances. Next item. [LB513]

CLERK: Mr. President, the next bill is LB313, a bill originally introduced by Senator Christensen. (Read title.) Introduced on January 17 of last year, at that time referred to the Judiciary Committee, advanced to General File. I have no amendments to the bill, Mr. President. [LB313]

SENATOR KRIST: Senator Christensen, you are recognized to open on your bill. [LB313]

SENATOR CHRISTENSEN: Thank you, Mr. President. LB313 provides the Nebraska Department of Corrections the ability to ensure that the most appropriate inmates are placed in the Work Ethic Camp in McCook and also ensure the facility is utilized to its fullest extent. Currently, the courts, the Nebraska Board of Parole, and the director of corrections may place people at WEC. This bill would provide that only the director of corrections may make such placements. Inmates convicted of a capital offense or other crimes under Sections 28-319 to 28-321 would remain ineligible for placement. The Work Ethic Camp has become a male-only facility. Work Ethic Camp is a small facility and in close proximity to each other in the...or when it was male-and-female, it was a problem having them in close proximity. And we have corrected that already, going to male only. The majority of Nebraska Department of Corrections crowding is within the male inmates. Presently there is adequate space to provide for females in other centers is why that move has been made. The courts place probationers under age 18 at WEC on occasion. This is problematic because it violates federal guidelines established in the Prison Rape Elimination Act standards. While we recognize that courts need alternatives to prison, we also know that the court commitments to WEC have plummeted since May 2012. The Governor and the Appropriations Committee have made preliminary recommendations for several day reporting centers in this budget cycle, which probation administration has indicated will be as useful to this group of



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offenders. Probationers sentenced to WEC prior to the effective date would be allowed to finish their treatment. Currently now there are two probationers left at WEC. One is age 19 and will be discharged March 7. And the second one is age 33 and minimum discharge date of 5/14 of this year, and maximum date would be June 13, depending upon when their classes are finished. Thank you, Mr. President [LB313]

SENATOR KRIST: Thank you, Senator Christensen. Seeing no one else in the queue wishing to...sorry, Senator Chambers, you are recognized. [LB313]

SENATOR CHAMBERS: Thank you, Mr. President. I've been occupied otherwise, elsewhere. And I decided that hither is where I should hie myself, h-i-e, in order that I can engage Senator Christensen in a bit of back-and-forth on this bill, if he would yield. [LB313]

SENATOR KRIST: Senator Christensen, will you yield? [LB313]

SENATOR CHRISTENSEN: Yes. [LB313]

SENATOR CHAMBERS: Senator Christensen, who requested that you bring this bill? [LB313]

SENATOR CHRISTENSEN: Department of Corrections. [LB313]

SENATOR CHAMBERS: And it would place it solely within the power and discretion of the director of corrections to determine who would go to this work camp at McCook, is that correct? [LB313]

SENATOR CHRISTENSEN: Yes. [LB313]

SENATOR CHAMBERS: And you had stated that currently the courts and which other individuals or entities could make a determination, currently? [LB313]

SENATOR CHRISTENSEN: I'm sorry; say it again, I was... [LB313]

SENATOR CHAMBERS: Okay. [LB313]

SENATOR CHRISTENSEN: ...distracted. [LB313]

SENATOR CHAMBERS: Under the present state of the law, which entities or individuals are authorized to determine which individuals will reside at that work camp? [LB313]

SENATOR CHRISTENSEN: It would be the probationer or the director and parole, now,

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all of them are. And it would go to just the director. [LB313]

SENATOR CHAMBERS: And the court could also make that determination, is that correct? [LB313]

SENATOR CHRISTENSEN: Yes. [LB313]

SENATOR CHAMBERS: Did the director explain why the courts should be taken out of this process? [LB313]

SENATOR CHRISTENSEN: They want to better utilize the facility. There's about 140 there now, and they could have 175. And because they haven't been using their full amount, they have to reserve it, it has made it to be underutilized. [LB313]

SENATOR CHAMBERS: So which types of inmates does the director have in mind for filling those empty beds? [LB313]

SENATOR CHRISTENSEN: Well, it...I don't know if I can answer that direct, Senator, but it would be just like they have been sending there currently. [LB313]

SENATOR CHAMBERS: Well, why are the beds empty? [LB313]

SENATOR CHRISTENSEN: Because they have to maintain so many for the courts. [LB313]

SENATOR CHAMBERS: And what's wrong with that? [LB313]

SENATOR CHRISTENSEN: It's...probably nothing wrong with it if you want to not have it up to capacity and fully utilize it. I think it's better used if it's full. [LB313]

SENATOR CHAMBERS: Have there been complaints from some quarters, if you know, about the director using that work camp to relieve the overcrowding at one or more of the penal institutions? [LB313]

SENATOR CHRISTENSEN: I do not know, Senator. [LB313]

SENATOR CHAMBERS: I didn't understand you. [LB313]

SENATOR CHRISTENSEN: I do not know the answer to that, Senator. [LB313]

SENATOR CHAMBERS: At the time you brought this bill, was Bob Houston the director of corrections? [LB313]

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SENATOR CHRISTENSEN: Yes. [LB313]

SENATOR CHAMBERS: Have you talked to the current director of corrections about this bill? [LB313]

SENATOR CHRISTENSEN: Yes. [LB313]

SENATOR CHAMBERS: And what did Mister...is Kenney his last name? [LB313]

SENATOR CHRISTENSEN: Yes. [LB313]

SENATOR CHAMBERS: What did Mr. Kenney tell you about this bill? [LB313]

SENATOR CHRISTENSEN: They said they supported the bill; he said they would like to better utilize the facility and bring it up and that it allows them the freedom--because they do have crowding, as you mentioned, other places--to better utilize the space. [LB313]

SENATOR CHAMBERS: When I asked you about Mr. Kenney, you immediately used a plural pronoun, "they." Is Mr. Kenney a split-personality person, or is he a trinity, or exactly why should one individual be referred to as "they"? [LB313]

SENATOR KRIST: One minute. [LB313]

SENATOR CHAMBERS: Or is that the royal "they" that you're using in connection with Mr. Kenney? [LB313]

SENATOR CHRISTENSEN: (Laugh) Well, Dawn-Rae (phonetic) was there also, and they were both visiting with me about it, Senator. [LB313]

SENATOR CHAMBERS: Who else was there? [LB313]

SENATOR CHRISTENSEN: Dawn-Rae. [LB313]

\_\_\_\_\_ : Dawn-Renee. [LB313]

SENATOR CHRISTENSEN: ...Renee. Dawn-Renee. Works for the Department of... [LB313]

SENATOR CHAMBERS: Oh, is this the spokesperson for corrections, if you know? [LB313]

SENATOR CHRISTENSEN: I do not know. [LB313]

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SENATOR CHAMBERS: How much contact have you had with the Department of Corrections... [LB313]

SENATOR CHRISTENSEN: I just... [LB313]

SENATOR CHAMBERS: ...as far as the individuals who are in the upper echelons? [LB313]

SENATOR CHRISTENSEN: I just had them come into my office here the first week to discuss this bill, see if they were still good with it and anything that they didn't want or if they were still good. They said, yes, we still want it; please go forward with...and that was about the end of the conversation. [LB313]

SENATOR CHAMBERS: Did you ask them to come to your office, or did they invite themselves for this discussion? [LB313]

SENATOR CHRISTENSEN: I asked them to come. [LB313]

SENATOR CHAMBERS: Well, Senator Christensen... [LB313]

SENATOR KRIST: Time, Senator. And, Senator Chambers, you're recognized. [LB313]

SENATOR CHAMBERS: Senator Christensen, my comments in no way are designed to be critical of you for bringing the bill. And I want that in the record. I don't trust the people who run the department of corrections. At this time, I think it would be unwise to change the law with reference to an existing institution when we have had no opportunity to make very important decisions as to how the department of corrections will be run. Now, my colleagues may not be of a mind to participate in the discussion at this point. I did not know that these other bills would move so rapidly, so I'm going to have to do like they do in the U.S. Senate when it comes to certain judicial appointments and others; I'm going to have to put a hold on this bill. And the only way I can do that is carry us until noon. And I can do it by offering a motion of some kind, which I would rather not do. But instead of saying things which I think need to be coherent, I don't want to get half of a statement in, then we leave overnight and come back tomorrow, should the world not end in the meantime. You never know...one never knows what might happen, does one? So, Senator Christensen, at this point I'm going to put a motion on this bill, and I will talk to you between now and tomorrow to let you know what my interests and concerns are and not blindside you. Had I thought that this bill would come up today, I would be more prepared to say some of the things that I have in mind. It's not that I don't know what I want to say, but I'm thinking about the way that I want to say it. So far, Mr. Kenney has not done anything of consequence as the director. But Mr. Kenney has a history. I'd like to ask Senator Christensen a question, if I

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may. [LB313]

SPEAKER ADAMS PRESIDING

SPEAKER ADAMS: Senator Christensen, would you yield? [LB313]

SENATOR CHRISTENSEN: Yes. [LB313]

SENATOR CHAMBERS: Senator Christensen, do you know what Mr. Kenney's position was before he became director? [LB313]

SENATOR CHRISTENSEN: No. I know he worked in the department, but that's all I know. [LB313]

SENATOR CHAMBERS: Okay. Thank you. I don't see Senator Ashford or anybody else who might...I don't see Senator Coash. I would like to ask somebody whose presence we're not often blessed with; I'd like to ask Senator Pirsch a question. [LB313]

SPEAKER ADAMS: Senator Pirsch, would you yield? [LB313]

SENATOR PIRSCH: I would. [LB313]

SENATOR CHAMBERS: Senator Pirsch, have you paid much attention to what happens in the Department of Corrections to the extent of being familiar with Mr. Kenney? [LB313]

SENATOR PIRSCH: Yeah, I wouldn't say I have a broad familiarity with Mr. Kenney, no. [LB313]

SENATOR CHAMBERS: You don't have any...? Okay, thank you. I'm trying...oh, I would like to ask Senator Mello a question, if he would answer. [LB313]

SPEAKER ADAMS: Senator Mello, would you yield? [LB313]

SENATOR MELLO: Of course. [LB313]

SENATOR CHAMBERS: Senator Mello, do you have some familiarity with Mr. Kenney in terms of his position prior to becoming director? [LB313]

SENATOR MELLO: Unfortunately, Senator Chambers, I've never met Mr. Kenney in my time in the Legislature, nor have I met him this year as he's been appointed the interim director of the Department of Corrections. [LB313]

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SENATOR CHAMBERS: Do you know anything about him by way of reputation, rumor, innuendo, or anything else? [LB313]

SENATOR MELLO: I know nothing about him, except that he was employed in the Department of Corrections prior to being appointed as the interim director by the Governor. [LB313]

SPEAKER ADAMS: One minute, Senator. [LB313]

SENATOR CHAMBERS: Thank you. I would like to ask Senator Karpisek a question. [LB313]

SPEAKER ADAMS: Senator Karpisek, would you yield? [LB313]

SENATOR KARPISEK: Yes, I would. [LB313]

SENATOR CHAMBERS: Senator Karpisek, are you familiar with Mr. Kenney before he became director? [LB313]

SENATOR KARPISEK: No, Senator Chambers, I had never even heard the name before we brought it up today on the mike. [LB313]

SENATOR CHAMBERS: Thank you. It seems that he might be a stealth candidate, and that doesn't necessarily mean that there is anything negative. But I am not prepared to accept his imprimatur on this change in the law when he may not know anything about it. I'm going to ask Senator Christensen this final question. [LB313]

SPEAKER ADAMS: Senator Christensen, would you yield? [LB313]

SENATOR CHRISTENSEN: Yes. [LB313]

SENATOR CHAMBERS: Senator Christensen, did Mr. Kenney say he had anything to do with the drafting of this legislation or the development of this idea? [LB313]

SENATOR CHRISTENSEN: He did not mention. [LB313]

SENATOR CHAMBERS: Thank you. [LB313]

SPEAKER ADAMS: Time, Senator. Senator Seiler, you're next in the queue. [LB313]

SENATOR SEILER: Thank you, Mr. President. Members of the Unicameral, I'd like to ask Senator Christensen a question. [LB313]

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SPEAKER ADAMS: Senator Christensen, would you yield? [LB313]

SENATOR CHRISTENSEN: Yes. [LB313]

SENATOR SEILER: Senator Christensen, why are we taking the court system out of the decision-making, at least to the point where they're not coordinating with the corrections system? [LB313]

SENATOR CHRISTENSEN: Well, the intent was we've got a number of beds that aren't being fully utilized because they had to preserve up to 12-15 of them for them. And they wanted to better utilize the facility, due to other...overcrowding in other places. They said they're very willing to try and take anyone that the courts want to send; they'd just talk to them, they'd be willing to work with them. The only concern that's been in the past is when they have sent someone under age 19 that was against the federal rules, and they didn't want to be concerned. But that's a communications problem that can be handled there. So it's just better utilization. [LB313]

SENATOR SEILER: I would like to suggest that maybe we ought to have a coordination addition to your bill that says the court, wanting to send someone there, works with the corrections to accomplish that. And then if they screw up out there, they can go straight to a major facility. [LB313]

SENATOR CHRISTENSEN: I... [LB313]

SENATOR SEILER: But at least it keeps the court in. And when they're making a decision on sentencing, it appears to me that this is a viable alternative. [LB313]

SENATOR CHRISTENSEN: I think that would probably...I haven't asked them, but as long as they're going to contact them and say, we'd like to send someone...they have told me they would work with them. I think it's very workable. [LB313]

SENATOR SEILER: Thank you, Senator. That's all I have. [LB313]

SPEAKER ADAMS: Thank you, Senator Seiler. Mr. Clerk. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LR404, LR405, LR406, and LR407. Mr. Clerk. [LR404 LR405 LR406 LR407]

CLERK: Mr. President, a reminder that the Reference Committee will meet upon adjournment. Name adds: Senator Bloomfield to LB1001, LB1016; Senators Hansen and Krist to LB916; Senators Pirsch and Avery to LB371; Senator Ashford, LB1102; Senator Dubas, LB660, LB887; Senator Scheer to LB952; Senator Pirsch to LB470. (Legislative Journal pages 346-347.) [LB1001 LB1016 LB916 LB371 LB1102 LB660 LB887 LB952 LB470]

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Mr. President, Senator Schumacher would move to adjourn the body until Friday morning, January 24, at 9:00 a.m.

SPEAKER ADAMS: Members, you have heard the motion to adjourn. All in favor indicate aye. Opposed. We are adjourned.