

	inconvenience operator's license	X	
176	Study issuance of dealer license plates		X

Urban Affairs

LR	Subject	Completed: Report Issued	Completed: No Report Issued	Deferred
154	Study of general issues within jurisdiction of the Urban Affairs Committee		X	
155	Study issues of municipal expansion, planning and zoning authority and community development as it relates to municipal growth and governance in fringe areas		X	
156	Review recent activity under the Municipal Natural Gas Regulation Act and discuss potential changes as the result of recent regulatory experience with the Act		X	
157	Study feasibility of municipalities contracting with private enterprise for the provision of some municipal services			X

RESOLUTION

LEGISLATIVE RESOLUTION 209. Read. Considered.

LR 209 was adopted with 29 ayes, 0 nays, and 20 not voting.

MOTION - Escort Governor

Mr. Hefner moved that a committee of five be appointed to escort the Governor of the State of Nebraska to the Legislative Chamber to deliver his State of the State Address.

The motion prevailed.

The Chair appointed Mmes. Bohlke, Nelson, Messrs. Chizek, Hefner, and Rogers to serve on said committee.

The committee returned and escorted Governor Ben Nelson to the rostrum where he delivered the following State Budget Address.

STATE OF THE STATE ADDRESS

MADAM PRESIDENT, MR. SPEAKER, AND MEMBERS OF THE LEGISLATURE; FELLOW NEBRASKANS:

WHEN I TOOK OFFICE ONE YEAR AGO, I PLEDGED TO WORK WITH THIS LEGISLATURE AND THE PEOPLE OF NEBRASKA TO ADDRESS A NUMBER OF ISSUES AFFECTING OUR STATE. I FIRMLY BELIEVE THAT THE FAITH OF CITIZENS IN THEIR GOVERNMENT DEPENDS ON OUR WILLINGNESS TO FOLLOW THROUGH ON THAT WHICH WE PROMISE. WITH YOUR HELP, WE HAVE ACCOMPLISHED MUCH ALREADY.

WE HAVE HALTED THE OUT-OF-CONTROL GROWTH IN THE STATE BUDGET. WE HAVE SHOWN THAT TOGETHER, WE CAN HOLD THE LINE ON SPENDING AND STILL PURSUE OUR DREAMS -- PROTECTING THE QUALITY OF OUR ENVIRONMENT; BUILDING A WORLD-CLASS EDUCATION SYSTEM; SUSTAINING ECONOMIC GROWTH THROUGHOUT NEBRASKA.

NEBRASKANS WILL HAVE THE OPPORTUNITY TO APPROVE A STATE LOTTERY THIS NOVEMBER. COMMUNITIES NOW HAVE A NEW ECONOMIC DEVELOPMENT TOOL THROUGH LB 840. A NEW POSTSECONDARY COORDINATING COMMISSION AND APPELLATE COURT ARE IN PLACE. INVESTMENTS IN TECHNOLOGY NOW PROVIDE COMMUNICATIONS LINKS THROUGHOUT THE STATE VIA SATELLITE AND FIBER-OPTIC CABLE.

DESPITE OUR RESOURCE LIMITATIONS, OUR ACCOMPLISHMENTS ARE MANY: WE SHOULD BE PROUD. BUT OUR WORK IS NOT FINISHED.

AS WE ENTER 1992, NEBRASKA IS DARKENED BY THE CLOUD OF AN UNPRECEDENTED PROPERTY TAX CRISIS. OVER THE PAST TWENTY YEARS, WE HAVE INCHED, STEP BY STEP, TOWARD THE EDGE OF A CLIFF.

TODAY, WE STAND AT THE BRINK.

THE PEOPLE OF NEBRASKA ARE WATCHING TO SEE IF THOSE IN WHOM THEY HAVE PLACED THEIR TRUST WILL PULL THEM AWAY, OR ALLOW THEM TO TOPPLE OVER THE EDGE.

MUCH IS AT STAKE:

1. UNLESS WE ACT NOW TO REPAIR OUR CONSTITUTION AND TAX LAWS, BUSINESS AND AGRICULTURAL INVENTORIES WILL BE TAXED ONCE AGAIN. THIS PROSPECT POSES AN INTOLERABLE, AND UNNECESSARY, RISK TO NEBRASKA'S ECONOMY;

2. UNLESS WE ACT NOW TO IMPLEMENT A FAIR, STABLE AND PREDICTABLE TAX SYSTEM, NEBRASKA'S BUSINESS CLIMATE WILL SUFFER, AND OUR OWN COMPANIES WILL BE TEMPTED TO

RELOCATE TO OTHER STATES (AND BELIEVE ME, THEY ARE BEING COURTED);

3. UNLESS WE ACT NOW TO STABILIZE THE LOCAL TAX BASE, THE PUBLIC SERVICES WE VALUE MOST - FROM TEACHING OUR CHILDREN TO FIGHTING FIRES AND PROTECTING THE PUBLIC SAFETY - ARE IN SERIOUS JEOPARDY.

OUR CHOICES ARE SEVERELY LIMITED BY AN ALL-TOO-FAMILIAR SERIES OF LAWSUITS THAT HAVE LED OUR SUPREME COURT TO LAY IT OUT IN BLACK AND WHITE: THE EXEMPTIONS GRANTED BY PREVIOUS LEGISLATURES ARE UNCONSTITUTIONAL, AND THEREFORE, PERSONAL PROPERTY HAS BEEN RETURNED TO THE TAX ROLLS AND WILL BE TAXED IN 1992, UNLESS WE ACT NOW.

AFTER THE UNICAMERAL PASSED LB 829 LAST YEAR AS A TEMPORARY, ONE-YEAR APPROACH, I APPOINTED A GROUP OF LEGISLATIVE AND EXECUTIVE BRANCH LEADERS TO DEVISE A PERMANENT SOLUTION. THE 3-R COMMITTEE, DESPITE ALL PREDICTIONS TO THE CONTRARY, HAS DEVELOPED A SOLUTION WHICH I BELIEVE IS THE BEST SOLUTION TO THE TAX CRISIS. I SUPPORT THE 3-R PROPOSAL, AND I URGE ITS ENACTMENT BY THE LEGISLATURE.

THE 3-R PROPOSAL CONTAINS FOUR ELEMENTS, WHICH I BELIEVE ARE ESSENTIAL TO THE PROPERTY TAX SOLUTION:

*FIRST, THE PROPERTY TAX BASE SHOULD BE BROADENED BY USING A NET BOOK DEPRECIATION TAX. IN OTHER WORDS, ONLY TANGIBLE PERSONAL PROPERTY THAT IS DEPRECIATED, INCLUDING CENTRALLY-ASSESSED PROPERTY, WILL BE TAXED AT THE LOCAL PROPERTY TAX RATE;

*SECOND, INVENTORY SHOULD NOT, AND WILL NOT, BE TAXED;

*THIRD, THERE MUST BE A LID ON LOCAL GOVERNMENTS SO THAT ANY INCREASED TAX BASE IS USED TO LOWER PROPERTY TAX LEVIES, PUTTING MONEY BACK IN THE TAXPAYER'S POCKET AND NOT INTO NEW AND EXPANDED PROGRAMS.

*FOURTH AND FINALLY, A CONSTITUTIONAL AMENDMENT MUST BE SUBMITTED TO THE PEOPLE IN ORDER TO ALLOW A TAX OTHER THAN BY VALUE, AND TO ALLOW REAL AND PERSONAL PROPERTY TO BE TREATED SEPARATELY.

SENATORS JEROME WARNER, DAVID LANDIS AND RON WITHEM WILL, ON MY BEHALF, INTRODUCE A CONSTITUTIONAL

AMENDMENT AND LEGISLATION THAT ACCOMPLISHES THESE FOUR GOALS. I BELIEVE THESE PROPOSALS OFFER THE FAIREST POSSIBLE SOLUTION TO THE PROBLEM. THEY DO NOT SHIFT A BUSINESS TAX TO INDIVIDUAL TAXPAYERS.

I FIRMLY BELIEVE THAT THESE PROPOSALS WILL SOLVE THE PROPERTY TAX CRISIS FOR 1992 AND BEYOND.

HOWEVER, THE ISSUE OF LAWSUIT REFUNDS REMAINS. MY ADMINISTRATION WILL WORK WITH SENATOR DENNIS BYARS AND OTHER MEMBERS OF THE LEGISLATURE, AS WELL AS LOCAL OFFICIALS TO DEVELOP AN EQUITABLE SOLUTION TO THE REFUND ISSUE.

THE URGENCY OF THE PROPERTY TAX CRISIS WILL, WITHOUT A DOUBT, DOMINATE YOUR TIME, AND MY TIME, AND THIS SESSION; BUT THERE ARE OTHER IMPORTANT ISSUES ON OUR AGENDAS. MANY WILL HAVE TO WAIT, BUT THERE ARE SEVERAL OBJECTIVES THAT CAN, AND SHOULD, BE ACCOMPLISHED THIS YEAR.

FIRST, THERE IS NO REASON TO DELAY IN CORRECTING THE INEQUITIES IN THE STATE'S INCOME TAX SYSTEM. THE LEGISLATURE MADE THE RIGHT DECISION TO DECOUPLE FROM THE FEDERAL INCOME TAX; NEBRASKA SHOULD NOT DEPEND ON THE FEDERAL GOVERNMENT TO SET OUR INCOME TAX POLICY.

AS A CONSEQUENCE, HOWEVER, THE AVERAGE WORKING FAMILY WAS UNFAIRLY BURDENED WITH A DISPROPORTIONATE SHARE OF THE TAX LOAD. SENATOR DAVID LANDIS AND A BIPARTISAN GROUP OF SENATORS HAVE TAKEN THE LEAD TO CHANGE THE INCOME TAX SO THAT IT IS MORE PROGRESSIVE, MORE EQUITABLE, AND MORE FAIRLY DISTRIBUTED AMONG ALL INCOME LEVELS. I INVITE ANY OF YOU WHO SHARE OUR BELIEF THAT THE INCOME TAX SHOULD BE RESTRUCTURED TO SIGN ONTO THIS LEGISLATION.

SECOND, THERE ARE SEVERAL ENVIRONMENTAL IMPERATIVES TO BE CONSIDERED. LAST FALL, I SPENT A VERY INFORMATIVE WEEK TALKING WITH NEBRASKANS ACROSS THE STATE ABOUT THE QUALITY OF OUR ENVIRONMENT. WE SHARED OUR APPRECIATION OF THE NATURAL WONDERS OF THIS GREAT STATE, WHICH TOO OFTEN GO UNNOTICED.

WE ALSO SHARED CONCERNS ABOUT WHETHER THE QUALITY OF NEBRASKA'S ENVIRONMENT CAN BE SUSTAINED FOR FUTURE GENERATIONS. I HEARD CONCERNS ABOUT CONTAMINATION OF OUR WATER; SOIL CONSERVATION; AIR QUALITY; AND WASTE DISPOSAL ISSUES RANGING FROM RECYCLING TO KEEPING

NEBRASKA FROM BECOMING A DUMPING GROUND FOR OTHER STATES' WASTE.

I EVEN HAD ONE THIRD-GRADER ASK IF "RED TAPE" WAS HARMFUL TO THE ENVIRONMENT. I SAID, "YES! HOW DO WE FIX IT?"

WE HAVE ESTABLISHED A NEW VISION OF ENVIRONMENTAL PROTECTION THROUGH MANAGEMENT CHANGES IN THE DEPARTMENT OF ENVIRONMENTAL CONTROL, SOON TO BE KNOWN AS THE DEPARTMENT OF ENVIRONMENTAL QUALITY WITH THE HELP OF SENATOR DON WESELY AND THE MEMBERS OF THIS BODY.

WITH THE ADDITIONAL HELP OF SENATOR CHRIS BEUTLER, I AM ASKING THE LEGISLATURE TO ESTABLISH THE ENVIRONMENTAL TRUST FUND. ADMINISTERED BY A BOARD OF DIRECTORS CONSISTING OF PRIVATE CITIZENS AND STATE OFFICIALS FROM AGENCIES DEALING WITH ENVIRONMENTAL INTERESTS, THE FUND WILL PROVIDE A MEANS FOR A WIDE RANGE OF GROUPS TO ACCESS THE RESOURCES NECESSARY TO PURSUE INNOVATIVE PROJECTS IN ENVIRONMENTAL PROTECTION.

APPROXIMATELY \$7.5 MILLION ANNUALLY WILL FLOW INTO THE FUND FROM AN ADDITIONAL TWO-CENT CIGARETTE TAX, COUPLED WITH ONE-FOURTH OF THE PROCEEDS FROM THE STATE LOTTERY. THESE PUBLIC RESOURCES CAN BE USED TO LEVERAGE ADDITIONAL PRIVATE DOLLARS FOR INVESTMENTS IN SUCH THINGS AS HABITAT PRESERVATION, WATER QUALITY PROTECTION, AND PROMOTING THE DEVELOPMENT OF RECYCLING.

THE FUND IS NOT INTENDED TO REPLACE EXISTING PROGRAMS, BUT RATHER TO ENHANCE THEIR EFFECTIVENESS BY PROVIDING SUPPORT FOR NEW, PROACTIVE APPROACHES TO PROTECTING THE QUALITY OF OUR ENVIRONMENT.

ANOTHER ENVIRONMENTAL CONCERN THAT DEMANDS OUR ATTENTION IN THE COMING YEARS IS SOLID WASTE MANAGEMENT. TWO YEARS AGO, THIS LEGISLATURE HAD THE FORESIGHT TO INITIATE A COMPREHENSIVE PLANNING PROCESS FOR SOLID WASTE MANAGEMENT. I COMMEND SENATOR SPENCE MORRISSEY AND THE SOLID WASTE ADVISORY COMMITTEE FOR THEIR TIRELESS WORK IN FASHIONING A SOLID WASTE MANAGEMENT PLAN THAT WILL BE PLACED BEFORE YOU THIS SESSION.

THE BENEFITS OF SOUND WASTE MANAGEMENT TO ENVIRONMENTAL QUALITY ARE CLEAR, BUT THEY ARE ALSO COSTLY. IT WILL BE A CHALLENGE TO COME UP WITH THE ESTIMATED QUARTER OF A BILLION DOLLARS TO IMPLEMENT THE MANAGEMENT PLAN'S OBJECTIVES.

THIS IS A "BUDGET BUSTER" FOR BOTH STATE AND LOCAL GOVERNMENTS, AND IT HAS THE POTENTIAL TO BE AN "ECONOMY BUSTER" IF NOT DEALT WITH PROPERLY. THE SOLUTION WILL NOT EMERGE OVERNIGHT, BUT WE MUST BEGIN NOW TO IDENTIFY ALTERNATIVES. MEMBERS OF MY ADMINISTRATION AND I WILL CONTINUE TO SUPPORT LOCAL GOVERNMENT EFFORTS TO DEVELOP A WORKABLE FINANCING PACKAGE.

THIRD, OUR ELEMENTARY/SECONDARY EDUCATION SYSTEM CONTINUES TO BE ON THE CUTTING EDGE OF SCHOOL REFORM IN THE UNITED STATES. BUT WE CAN DO BETTER, AND WE WILL DO BETTER. COMPETITION ON A GLOBAL SCALE REQUIRES A HARD LOOK AT THE BASIC ASSUMPTIONS OF AMERICAN EDUCATION, AND I'M PLEASED THAT EDUCATORS IN THIS STATE ARE WILLING TO DO JUST THAT.

THE NATION'S GOVERNORS HAVE MADE ELEMENTARY AND SECONDARY EDUCATION A PRIORITY, AND NONE AMONG US HAS BEEN AS ACTIVE AND DEDICATED AS GOVERNOR ROY ROMER OF COLORADO. IT WAS AN HONOR TO HAVE GOVERNOR ROMER CALL JUST LAST WEEK TO ASK ME TO SERVE AS ONE OF EIGHT GOVERNORS ON THE NATIONAL EDUCATION GOALS PANEL. I WILL BE ATTENDING A MEETING OF THE GOALS PANEL LATER THIS MONTH IN WASHINGTON, AND I WILL BE ASKING FOR INPUT FROM EDUCATORS, SCHOOL BOARD MEMBERS, AND OTHER COMMUNITY LEADERS.

NEBRASKA'S CLASSROOM TEACHERS BORE THE BRUNT OF AN UNBALANCED BUDGET AT THE END OF THE 1991 SESSION. IN ORDER TO MEET MY CONSTITUTIONAL MANDATE TO BALANCE THE STATE BUDGET, IT WAS NECESSARY TO VETO \$8 MILLION FROM THE SECOND YEAR APPROPRIATION UNDER LB 91. OUR TEACHERS DESERVE BETTER, AND I AM RECOMMENDING RESTORATION OF THIS \$8 MILLION AS PART OF THE LB 1059 STATE AID PACKAGE TO LOCAL SCHOOL DISTRICTS FOR FY 92-93.

FOURTH, THE EFFECTIVENESS OF OUR EDUCATION SYSTEM IN SUPPORTING NEBRASKA'S ECONOMY CAN BE ENHANCED BY A MORE FOCUSED APPROACH TOWARD RESEARCH AND TECHNOLOGY TRANSFER. A STATE PLAN FOR RESEARCH IS CRITICAL FOR FUTURE ECONOMIC GROWTH AND DEVELOPMENT IN NEBRASKA.

TOWARD THAT END, NEBRASKA IS FORTUNATE TO HAVE BEEN SELECTED TO PARTICIPATE IN EPSCoR, THE EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE RESEARCH. EPSCoR IS FUNDED IN PART BY THE NATIONAL SCIENCE FOUNDATION. LAST SPRING, I APPOINTED A PLANNING TEAM REPRESENTING BUSINESS

AND INDUSTRY, GOVERNMENT, HIGHER EDUCATION AND THE SCIENTIFIC COMMUNITY.

THEIR CHALLENGE IS TO DEVELOP BOTH SHORT- AND LONG-TERM GOALS, PRIORITIES AND EVALUATION CRITERIA FOR NEBRASKA RESEARCH PROJECTS. I AM ALSO RECOMMENDING THAT THE PLANNING AND EVALUATION PROCESS FOR THE EXISTING RESEARCH INITIATIVE BE MERGED INTO THE EPSCoR PROJECT BY AUGUST 15, 1992.

NATIONAL SCIENCE FOUNDATION FUNDS ARE CONTINGENT UPON A STATE MATCH. I AM RECOMMENDING A COMBINATION OF NEW GENERAL FUNDS, REALLOCATED UNIVERSITY FUNDS, AND PRIVATE DOLLARS TO GENERATE THE \$1.3 MILLION NECESSARY TO COMPETE FOR AN EQUAL AMOUNT OF EPSCoR DOLLARS.

WHEN I TOOK OFFICE ONE YEAR AGO, NEBRASKA STATE GOVERNMENT WAS SPENDING MONEY FASTER THAN IT WAS COMING IN. MID-TERM INCREASES IN BIENNIAL BUDGETS HAVE BEEN SUBSTANTIAL, WITHOUT EXCEPTION.

THE ACCELERATOR WAS NEARLY TO THE FLOOR, BUT TOGETHER WE HAVE SUCCESSFULLY BEGUN TO APPLY THE BRAKES TO STATE SPENDING. ACROSS-THE-BOARD CUTS TOTALLING 5% FOR THE BIENNIUM ARE BEING IMPLEMENTED IN STATE OPERATIONS.

I HAVE DIRECTED STATE AGENCIES TO CAREFULLY REVIEW ALL VACANCIES BEFORE FILLING THEM. WE ARE CLOSELY MONITORING TRAVEL POLICIES, AS WELL AS OTHER AREAS OVER WHICH WE HAVE ADMINISTRATIVE DISCRETION.

IT IS MY BELIEF THAT SUCH MANAGEMENT ACTIONS MAY AVOID MORE SEVERE COST-CUTTING MEASURES, SUCH AS TOTAL HIRING FREEZES OR LAYOFFS, THAT HAVE BEEN NECESSARY IN OTHER STATES.

STATE EMPLOYEES ARE TALENTED AND PRODUCTIVE PUBLIC SERVANTS. CAREFUL MANAGEMENT OF AGENCY RESOURCES CAN MAKE OUR STATE EMPLOYEES EVEN MORE EFFECTIVE.

I AM ALSO ASKING THE LEGISLATURE TO GRANT THE GOVERNOR AUTHORITY TO CONTROL THE RATE AT WHICH APPROPRIATIONS ARE SPENT DURING A GIVEN YEAR, AND TO ADMINISTRATIVELY REDUCE APPROPRIATIONS IF AND WHEN ACTUAL REVENUES FALL BELOW ESTIMATES.

THIS AUTHORITY WOULD SUBSTANTIALLY ENHANCE THE MANAGEMENT ABILITY OF THE ADMINISTRATION DURING

REVENUE-SHORT PERIODS. SIMILAR AUTHORITY IS PRESENTLY GRANTED TO THE GOVERNOR IN FORTY-ONE OF THE FIFTY STATES. IT'S TIME TO DO IT IN NEBRASKA.

AS ALWAYS, YOU WILL BE CONFRONTED BY REQUESTS FROM GROUPS WITH VALID REASONS TO EXPAND SERVICE LEVELS OR EVEN START NEW PROGRAMS. LET ME REINFORCE SOMETHING I SAID A YEAR AGO: STATE GOVERNMENT CANNOT BE ALL THINGS TO ALL PEOPLE, EVEN WHEN IT MEANS SAYING 'NO' TO ANY NUMBER OF WORTHWHILE AND ATTRACTIVE IDEAS.

IN THEORY, THE WORD 'NO' SHOULD BE THE RULE RATHER THAN THE EXCEPTION DURING THE MID-YEAR OF THE BIENNIUM. THE EXCEPTIONS TO THE RULE SHOULD BE ONLY FOR EMERGENCIES AND UNFORESEEN CIRCUMSTANCES. THAT HAS NOT BEEN THE CASE THUS FAR; BUT MY MID-BIENNIUM PROPOSAL SAYS 'YES' VERY SELECTIVELY, AND WITHOUT RELIANCE ON INCREASED GENERAL TAX RATES.

WE ARE MAKING PROGRESS IN THE AREA OF FISCAL RESPONSIBILITY AND SPENDING DISCIPLINE. I AM RECOMMENDING MID-BIENNIUM BUDGET ADJUSTMENTS OF LESS THAN TWO-TENTHS OF ONE PERCENT, WHICH ROUNDS TO ZERO. BUT THERE IS ANOTHER FOOT ON THE GAS PEDAL. NEARLY ALL OF THAT AMOUNT IS DIRECTED TOWARD MEDICAID DEFICITS, AND WE ARE NOT IN THE DRIVER'S SEAT. THERE ARE FEDERAL MANDATES ARE DIRECTLY RESPONSIBLE FOR THIS DRAMATIC INCREASE.

*THE FEDERAL GOVERNMENT HAS REDUCED THEIR MEDICAID MATCH RATE FROM 64% TO 61% BECAUSE WE HAVE A GREATER "ABILITY TO PAY" THAN MANY OTHER STATES DUE TO OUR RELATIVE ECONOMIC SUCCESS.

*PROGRAM EXPANSIONS MANDATED BY CONGRESS, COUPLED WITH THE REDUCED MATCH RATE, WILL COST NEBRASKA AN ADDITIONAL \$14 MILLION NEXT FISCAL YEAR, AND \$18 MILLION MORE EACH YEAR THEREAFTER;

*A PENDING LAWSUIT OVER MEDICAID REIMBURSEMENT RATES COULD LEAD TO MILLIONS MORE IN MEDICAID EXPENSES.

IN ORDER TO PLUG THE GAP CAUSED BY SKYROCKETING MEDICAID COSTS, SENATOR DON WESELY IS WORKING WITH THE DEPARTMENT OF SOCIAL SERVICES AND AFFECTED GROUPS TO EXPLORE THE POSSIBILITY OF A PROVIDER FEE AS AUTHORIZED LAST YEAR BY CONGRESS, AND AS IMPLEMENTED ALREADY IN SEVERAL OTHER STATES.

THE ALTERNATIVE IS A SERIES OF MASSIVE PROGRAM CUTS THAT WILL SEVERELY RESTRICT ACCESS TO MEDICAL CARE FOR MANY NEBRASKANS.

THERE ARE SOME COMPELLING NEEDS THAT HAVE BEEN DEFERRED TOO LONG THAT SHOULD BE CONSIDERED THIS YEAR, AND I AM PROPOSING THAT THEY BE ADDRESSED THROUGH AN INCREASE OF TEN CENTS IN THE CIGARETTE TAX. AS I MENTIONED, THE PROCEEDS FROM TWO CENTS SHOULD BE PLACED IN THE ENVIRONMENTAL TRUST FUND. THE REMAINING INCREASE WILL BE DISTRIBUTED IN FOUR WAYS, WITH EACH TWO CENTS TRANSLATING TO \$2.6 MILLION ANNUALLY.

FIRST, WE HAVE AN OBLIGATION UNDER THE FEDERAL AMERICANS WITH DISABILITIES ACT TO ENSURE STATE BUILDING ACCESSIBILITY FOR DISABLED INDIVIDUALS. I RECOMMEND THAT TWO CENTS BE ALLOCATED FOR COMPLIANCE WITH ADA.

SECOND, WE HAVE MADE SUBSTANTIAL INVESTMENTS IN CAPITAL CONSTRUCTION OVER THE YEARS. UNFORTUNATELY, WE HAVE NOT PROVIDED ADEQUATE MAINTENANCE ONCE THE PAINT IS DRY.

RESPONSIBLE MANAGEMENT REQUIRES THAT STATE BUILDINGS BE MAINTAINED AND THAT WE PROTECT SAFETY OF EMPLOYEES AND CITIZENS WHO WORK AND DO BUSINESS IN STATE FACILITIES. UNLIKE NEW BRICK AND MORTAR, THESE ARE NOT GLAMOROUS PROJECTS, BUT THEY ARE ESSENTIAL. I RECOMMEND ALLOCATING TWO CENTS TO THE LB 309 TASK FORCE TO HELP CLEAR UP THE BACKLOG OF MAINTENANCE NEEDS.

THIRD, I PROPOSE SETTING ASIDE TWO CENTS FOR THE HIGHER EDUCATION INCENTIVE FUND, TO BE ADMINISTERED BY THE COORDINATING COMMISSION FOR POSTSECONDARY EDUCATION. THIS FUND WILL BE USED TO PROMOTE POSITIVE CHANGE IN ALL POSTSECONDARY INSTITUTIONS IN NEBRASKA, BY ADDRESSING NEEDS SUCH AS STUDENT FINANCIAL AID, FIRE AND LIFE SAFETY PROJECTS, RENOVATION, PILOT INSTRUCTIONAL PROGRAMS AND RESEARCH.

FOURTH, I RECOMMEND THAT TWO CENTS BE PLACED IN A NEW CITIZEN PUBLIC SAFETY FUND FOR THE PURPOSE OF FINANCING RECOMMENDATIONS OF MY TASK FORCE ON PRISON ALTERNATIVES. I'M CONFIDENT THAT THEIR WORK WILL LEAD TO LESS-COSTLY ALTERNATIVES THAN LARGE-SCALE PRISON EXPANSION AS A MEANS OF PROTECTING PUBLIC SAFETY.

IT'S CLEAR THAT NEBRASKANS ARE CONCERNED ABOUT PUBLIC SAFETY. DRIVE-BY SHOOTINGS, ASSAULTS ON POLICE OFFICERS, AND DRUG AND GANG ACTIVITY ARE CREATING FEAR AND ANGER AMONG LAW-ABIDING CITIZENS. RECENT ACTIONS BY THE STATE PAROLE BOARD, AND LEGAL QUESTIONS ABOUT THE PROPER ROLE OF THE BOARD OF PARDONS SERVE ONLY TO COMPOUND THE PROBLEM.

ACCORDINGLY, I HAVE ASKED SENATOR JERRY CHIZEK TO INTRODUCE LEGISLATION TO STRENGTHEN PAROLE BOARD PROCEDURES. I WILL ALSO BE WORKING CLOSELY WITH SENATORS ERIC WILL AND CAROL PIRSCH TO CHANGE THE WAY PARDON DECISIONS ARE MADE.

AS YOU ARE WELL AWARE, THESE ISSUES AND MANY OTHER IMPORTANT POLICY QUESTIONS WILL BE PLACED BEFORE YOU THIS SESSION. BUT, AS SPEAKER BAACK HAS SAID TIME AND AGAIN, THE HALLMARK OF THIS LEGISLATURE WILL BE YOUR RESPONSE TO THE PROPERTY TAX CRISIS.

I REALIZE THAT FINDING A SOLUTION TO THE PROPERTY TAX ISSUE IS A DIFFICULT ONE. BUT THIS DECISION CAN WAIT NO LONGER. THE CONSTITUTION MUST BE AMENDED TO ALLOW THE LEGISLATURE, YOU AS A BODY AND NOT THE COURTS, TO DETERMINE TAX POLICY.

THE PEOPLE OF NEBRASKA MUST HAVE THE OPPORTUNITY TO VOTE ON THAT AMENDMENT DURING THE MAY PRIMARY ELECTION. IN ORDER TO DO SO, THE CONSTITUTIONAL AMENDMENT MUST BE PASSED BY THE LEGISLATURE NO LATER THAN MARCH 12TH OF THIS YEAR.

THIS ISSUE TRANSCENDS POLITICS.

WE CAN'T DECIDE THIS ISSUE AS DEMOCRATS OR REPUBLICANS;

AS URBAN OR RURAL;

AS LEGISLATIVE OR EXECUTIVE.

WE MUST APPROACH THIS PROBLEM AS NEBRASKANS. THE ECONOMY AND WELL-BEING OF OUR STATE ARE AT STAKE.

AS YOU CONSIDER A PERMANENT RESOLUTION TO THIS CRISIS, ASK NOT ONLY HOW IT AFFECTS YOU, BUT HOW IT AFFECTS YOUR NEIGHBORS.

I URGE YOU TO ACT NOW.

I URGE YOU TO SET ASIDE YOUR PERSONAL DIFFERENCES AND FIND A SOLUTION THAT BENEFITS ALL NEBRASKA.

I URGE YOU TO ADOPT AND SUPPORT THE 3-R PROPOSAL IN ORDER THAT THE STATE OF NEBRASKA MAY FLOURISH.

THANK YOU. I KNOW YOU'RE UP TO THE TASK. I WISH YOU WELL.

The committee escorted Governor Nelson from the Chamber.

EASE

The Legislature was at ease from 10:58 a.m. until 11:15 a.m.

BILLS ON FIRST READING

The following bills were read for the first time by title:

LEGISLATIVE BILL 1007. Introduced by Withem, 14.

A BILL FOR AN ACT relating to the Tax Equity and Educational Opportunities Support Act; to amend section 79-3805, Revised Statutes Supplement, 1990, and section 79-3806, Revised Statutes Supplement, 1991; to change provisions relating to tiered cost per student and equalization aid; and to repeal the original sections.

LEGISLATIVE BILL 1008. Introduced by Horgan, 4.

A BILL FOR AN ACT relating to cities of the metropolitan class; to amend sections 14-102, 14-1108, and 14-1109, Reissue Revised Statutes of Nebraska, 1943; to authorize the charging of fees for garbage and refuse removal or disposal; to provide a means for the collection of such fees as prescribed; to harmonize provisions; and to repeal the original sections.

LEGISLATIVE BILL 1009. Introduced by Wehrbein, 2.

A BILL FOR AN ACT relating to securities; to amend section 8-1120, Reissue Revised Statutes of Nebraska, 1943, and section 85-122, Revised Statutes Supplement, 1990; to create a fund; to state intent; to provide for transfers from the Securities Act Cash Fund; to harmonize provisions; and to repeal the original sections.