

McKenzie, and Suttle to serve on said committee.

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

STATE OF THE STATE ADDRESS

ONE NEBRASKA - AHEAD OF ITS TIME

Sixty years ago, the legendary Senator George Norris stood here in this chamber now bearing his name in a Capitol building just five years old. He was here to address the very first session of the Nebraska Unicameral, the non-partisan body he fought so hard to establish.

He reminded them that the entire country was watching this great Nebraska experiment. This Unicameral was part of Senator Norris's vision for his home state. He saw Nebraska as a national leader, a state that took risks, a state on the cutting edge.

As most of you know, Senator Norris has been a hero and an inspiration to me since I was a young boy growing up in McCook, the hometown we share. His vision for the state, his willingness to explore new ideas, his belief in the spirit of Nebraskans - those are qualities I have made a living part of my public service.

Like Senator Norris, I am not content to stay in the comfort zone - that familiar area where all too often, change is avoided. And I believe it is a mistake for our state to stay in its comfort zone simply because "that's the way we've always done it." The comfort zone is a place of no growth, a place that allows others to pass you by. And that's not what Nebraska is all about.

This is a state that has progressed from the Pony Express to e-mail, from textbooks to a virtual university. Even this historic chamber has a different look this year. The stacks of bills we're used to seeing on your desks are gone - replaced by lap-top computers. I'm using a state-of-the-art computer to help me deliver this message, which you'll also be able to find on the state's home page on the Internet.

In the six years I've been in office, we've become leaders in welfare reform, mandate relief, education, job growth, ethanol production and promotion, international trade, technology and re-inventing government.

By working together, we can keep this state ahead of its time as we move into a new century.

Now, I know stepping outside of that comfort zone can be difficult; and we are not always anxious to embrace changes, especially those that appear to be over-whelming and risky. I was reminded of that last month when I was asked to conduct a little experiment for the television show "Candid

Camera."

We brought unsuspecting people into the Governor's office, where I told them that I had decided to change the name of the state. We needed something more futuristic to position us for the next century, I said, something like "Zenmar" or "Quentron."

As you can imagine, most of our victims looked at me as if I had gone mad. One woman accused me of forgetting my Nebraska heritage. After struggling for an answer, our Secretary of State diplomatically told me the idea was "bold."

Of course, some thought it would be a good idea. Eight-year-old Tyler Bullock thought Zenmar would certainly be easier to spell. Wanda Essex said the idea was worth considering, but thought we should let the young people decide. One has to wonder how the visionary George Norris would have responded!

What can we learn from this experiment?

First, that Nebraskans truly treasure this state we call home, and that we are very proud of our past. But it's also clear that Nebraskans are looking ahead to the beginning of a new century. They are wondering how we can position our state to remain a world competitor, how we can work together to take Nebraska into that 21st century ahead of its time.

No, we don't want to change the name of the state. But we know we need to move this state into a 21st century way of doing business. And we all know that this is the time to do it.

All big changes begin with a change in attitude. And too often, progress is defined in terms of the negatives. We hear about unemployment, and not about those who are employed. We hear about young people in trouble, not about those who are turning their lives around. We hear about government inefficiency and waste, but not about individuals, organizations and agencies that are working together to save taxpayer dollars.

I'm certainly not saying we should ignore our problems. But I believe we must move away from expecting the worst to planning for the best.

When I took office six years ago, I started with the recognition that Nebraska has both demographic and geographic challenges - we have a relatively sparse population scattered across a vast landscape.

Instead of giving in to these challenges, we developed the idea of One Nebraska - pulling together these very different areas of the state to achieve our common purpose.

We've helped develop partnerships and build consensus with a reliance on

local decision-making. And we've built on the belief that government doesn't have to grow for the state to grow.

Today, we are seeing the results:

- * More than half of our counties are now growing in population.
- * Over the last decade, we've seen a 30-percent increase in manufacturing, compared to 10 percent for our neighboring states and a decline nationally.
- * Our exports have more than tripled since 1990.
- * Our unemployment rate continues to be the lowest in the nation; or to state it more positively, our employment rate continues to be the highest in the nation.
- * National and state experts predict our economy will outpace the nation during the next two years with continued growth in jobs and income.
- * Our quality of life is unsurpassed - we live in one of the safest and healthiest states in the country and one of the best states for raising families.

Now is the time to recapture Norris's vision of Nebraska as a leader. Now is the time to renew our efforts to pull this state together, to continue this great experiment we call One Nebraska into the new century ahead of our time.

The challenge Senator Norris issued that very first day of the Unicameral was this:

Your constituents do not expect perfection...but they do expect and have the right to expect absolute honesty, unlimited courage and a reasonable degree of efficiency and wisdom.

Six decades later, that remains our challenge. This is where the future begins. And every day, every hour counts.

No state can progress unless it has a firm financial foundation, and ours is solid. That strong economy did not happen by accident or chance. Our economy grew job by job, community by community, with state and local leaders working side by side.

With an emphasis on fiscal restraint, we have rebuilt our state's cash reserve fund - our number one budget priority last session. We have provided for a pay increase for our valued state employees over the next two years. And our projections show a continued surplus in tax revenue.

The projected surplus is expected to spark a firestorm of proposals for new programs and new spending. But I want to make it clear right now that those surplus dollars should be off the table. We must continue to spend only what we must, save what we can and give the rest back to Nebraskans through tax cuts.

For the third year in a row, I am proposing that we share our economic success with Nebraskans by letting them keep more of their hard-earned dollars. Our Economic Growth Income Tax Reduction is an across-the-board income tax cut of five-and-a-half percent for the average Nebraskan. The reduction recognizes the investments Nebraska taxpayers have made to our economy and gives them a return on that investment.

Reducing the property tax burden remains a priority in Nebraska. There is no doubt that voters gave us a mandate in the last election - a mandate to continue to work for true, long-lasting property tax relief.

This past session, we delivered important property tax relief measures by working together to curb local spending. We also will continue to provide funding to local school districts under the LB 1059 state aid formula, with increases totaling \$47.3 million over the biennium.

This session, I am also calling for the adoption of a Resident-Homeowners Property Tax Credit. This \$160 annual credit would be direct relief, much like the former food tax credit.

Together, the income tax cut and the property tax credit would provide \$450 in tax relief to the average Nebraska homeowner over the biennium. That's a reduction in the average homeowner's tax bill of nearly 20 percent each year.

I am also supporting a one-year study of a Local Option Property Tax Relief measure. That measure would give taxpayers the option, with local voter approval, of initiating a local income tax, not for new spending, but only for directly reducing local property taxes.

This is a bold idea and deserves careful consideration. A task force would conduct the study of how a local income tax fits into the state aid formula and our current levy and spending limits. Our goal is to enact this measure during the current biennium.

Our state budget priorities must be clear - spending only what is necessary for the continued prosperity of Nebraska.

To continue to remain a state that's ahead of its time, we need to invest in job training, to customize that training and to provide state-of-the-art equipment for that training. By working as partners with the University, the community colleges and the private sector, we will make those investments work for Nebraska.

Agriculture continues to be the driving force behind Nebraska's economic prosperity. Our farmers and ranchers will generate nearly \$9 billion in economic activity in Nebraska this year.

The past year has been a good one with a near record harvest and high grain prices. But challenges remain, especially for our beef producers. As the nation's number one exporter of red meat, the concerns of the cattle industry concern all of us.

Ten leading beef states have now supported the report of last year's Beef States Summit in Omaha, and we continue to press Congress and the Secretary of Agriculture for action on our recommendations. I have directed our State Agriculture Department to pursue re-implementation of a state meat inspection program. And we are requesting funding to increase livestock market reporting.

Our goal is to keep Nebraska on the cutting edge. That includes expanding international trade, promoting the "good life" through our "Work Nebraska" campaign and building on the success of the Nebraska Cooperative Initiative. It's a cutting edge that includes improving Enterprise Zones, working for more affordable housing, helping small businesses get started and boosting the efforts of our Tourism Division and Film Office.

By working together, we can position Nebraska as a state willing to work with employers and customers worldwide to establish long-term successful partnerships.

One of the keys to selling Nebraska as the good life is our safe streets. An essential public safety issue - one we have delayed too long - is to clarify the aggravating circumstances under which the death penalty can be applied. We owe it to our law enforcement officers to pass legislation, clearly spelling out that the killing of an officer while in the performance of his or her duties is such an aggravating circumstance.

Public safety is an area we can't afford not to invest in. Because we have been putting more dangerous offenders behind bars for longer periods of time, our prisons and other correctional facilities have become overcrowded. Immediate action is necessary to keep this issue in the hands of Nebraskans instead of federal courts.

The Public Safety Act of 1997 will mean adding space for more than 1,100 offenders over the next four years. That includes a medium-security facility for 800 inmates, more space for inmates who need to be separated from the general prison population and a work camp and treatment center.

Together, we must find ways to prevent our young people from turning to crime and to keep those who are in trouble from becoming more serious offenders.

We propose a \$5-million investment to increase community services and provide more help for young people and their families closer to home. This investment will ease the burden on our youth facilities in Geneva and Kearney.

We must also support continued funding for the DARE program and funding to match federal dollars for gang prevention.

The key is to give our young people in Nebraska a good start in life by giving them and their families the kind of support they need to be successful.

That's why I'm so pleased we will begin statewide implementation this year of our "Employment First" welfare reform program - a program that is improving the lives of welfare recipients like Rhonda Strong of Lincoln and her two daughters.

Rhonda was featured in a newspaper article just last month. This single mom had trouble keeping a job before she signed the program's self sufficiency contract. Today, she's been working for more than a year at a day care center and is planning to open her own center this year.

I've been paired with a welfare recipient through the "Walk a Mile" program and have learned firsthand that most of these Nebraskans want to get out of the spider web of welfare - that what they really need and want is a safety net to help them turn their lives around.

Rhonda and others like her are living proof that with the right kind of programs, we can move people from welfare to the workplace and improve the quality of life for all.

The restructuring of our human services agencies will also have a positive impact on Nebraska families needing help. Our new system was designed by Nebraskans for Nebraskans. It will result in better service and taxpayer savings. Interest from across the country proves that, once again, Nebraska has taken the lead in finding a better way to do business.

The project was led by Lieutenant Governor Kim Robak. Kim, I want to thank you for your excellent work.

An essential component in building strong children is financial and emotional support from both parents. In Nebraska, we believe all children have a right to that support. That's why we must go after the parents who deprived their children of \$52 million in child support in Nebraska last year alone. They are cheating their children and they are cheating the taxpayers, who so often end up paying the bill.

We need to let parents know that failing to pay child support could cost them their professional, occupational, driver's and recreational licenses.

This is one of the few areas where Nebraska has fallen behind - 39 other states have already found that license suspension laws work.

I remain opposed to federal mandates, but there's no escaping the fact that the federal welfare reform bill has added a new financial dimension to this year's debate. Failure to pass a license suspension bill will cost this state \$11 million in federal child support enforcement funds. Passing the law will increase collections by an estimated \$10 million. The choice is clear for both our children and our taxpayers.

We also owe it to our children to keep our environment healthy. That remains a major priority for my administration, and I am proud of our accomplishments.

We have taken the lead through the Nebraska Environmental Trust Fund by providing more than \$14 million in lottery funds for environmental projects statewide.

Nebraska has taken the lead in the area of renewable and sustainable energy. And I believe we must continue working toward a future in which we produce more energy in this state than we consume.

This state also took the lead in promoting common sense reforms in the federal Safe Drinking Water Act to reduce the expensive federal mandates imposed on our communities.

We can keep that lead by helping the many communities that still face major expenses in bringing their water systems into compliance with federal regulations. We propose enrolling in a federal low-interest loan program that will provide those communities with the funds they need to test and treat their drinking water.

It is also essential that we strengthen our efforts to clean up the piles of old tires - 2.5 million tires - and the illegal dumpsites that fill too many ditches and ravines in our beautiful state. The resources are there, but we need to make them easier to use so we can leave our children with a cleaner environment.

It is said that our children are 20 percent of our population, but 100 percent of our future. And perhaps no issue is more important to that future than education. This past year, we brought together parents, teachers, administrators, business people and community leaders for the first Nebraska Education Summit. We now have a draft of statewide academic standards which go to the public for comment this spring.

I strongly support the idea of establishing broad standards and letting local communities decide how best to meet them. And I believe those standards are necessary if we expect our children to be ahead of their competitors in the global marketplace of today and of the 21st century.

We are blessed in Nebraska with dedicated, committed and caring teachers - classroom heroes like Jane Edwards of Southeast High School in Lincoln, who recently won the American Teacher Award as the nation's outstanding vocational educator.

Our students are high achievers compared to many of their peers across the nation. What we need to do is to keep those best and brightest here in Nebraska, to stop the "brain drain." My budget includes additional funding for scholarships and the establishment of a grant program to promote a "brain gain" by providing incentives for graduates of Nebraska's institutions of higher education to live and work in Nebraska.

A major priority in our educational efforts is the rapidly growing technology that is reshaping our future. It is said that today's average consumers wear more computing power on their wrists than existed in the entire world before 1961.

We have a record in Nebraska of not just keeping up with high tech advances but taking the lead. The century date change issue is just one example where others are looking to Nebraska to see how we are solving the problem.

"Wired Magazine" says "most of the progress (in technology) is inevitable. Government, however, can block or accelerate progress...a state can do right or wrong in this area." We must work together to see that we "do right" in Nebraska.

The Information Science, Technology and Engineering Institute is a key to those efforts. It's an idea whose time has definitely come. This Institute will use the latest technology to teach the latest technology.

Like the Institute of Agriculture and Natural Resources based in Lincoln, this new Institute will have statewide benefit. Although the actual bricks and mortar will go up in Omaha, students in Scottsbluff will be able to attend this virtual university without leaving their hometown. Workers in Valentine will be able to get the latest job training on site.

University of Nebraska President Dennis Smith calls the Institute "the future of economic development in our state." It will provide the educational resources needed to help keep our best and brightest in Nebraska and to train our work force for the jobs of tomorrow. It also ties directly into our continued planning for the Western Governors University, our multi-state university without walls.

As we march into an increasingly high-tech future, we must also be careful not to let our history slip away. And I want to assure all the schoolchildren who are listening today: I promise you that we will not let our State Capitol fall down!

This beautiful building is a symbol of all that is good in Nebraska - our appreciation of history and nature, our common vision and our common sense, especially our good financial sense. It took ten years to build. But when it was dedicated, this Capitol was paid for.

It's been an important year for our Capitol. With last November's dedication of the eight murals in the Memorial Chamber, this building, as originally designed, was finally completed.

This year we also found out that it will take twice as much to repair the Capitol as it originally cost to build.

Of course, we all care about our Capitol. But our schoolchildren have a special attachment to this grand building that they call their own. Thousands of young Nebraskans tour this building every year.

Students across the state have already started projects to raise money for the Capitol. I want to thank them for those efforts, and I want to help them out by including, in our budget, funding to begin the restoration of our Capitol this year.

I hope the restoration of the Capitol will come to symbolize a restoration of optimism across Nebraska. I came across a new term for our times from the editor of an international techno-culture magazine. He refers to outbreaks of "pro-noia" - the sneaking feeling that someone is conspiring behind our backs to help us.

I hope we will see outbreaks of pro-noia all across Nebraska - that people will see that their leaders are working on their behalf to help them improve their lives and to prepare this state for the future. Together, we can do it.

To our Senators, I'd like to offer these words of advice on the hundreds of bills that you'll be facing this session:

Some legislation is needed at each session of the Legislature.
Much legislation is seldom needed. Let us remember that a successful session can be based on what is not done as well as by what is done.

Those aren't my words. They are the comments of Governor Robert Leroy Cochran to the first Unicameral shortly after Norris's historic address 60 years ago.

Your job is to decide what we don't need as well as what we do. Those are very difficult decisions, and I call on you to muster the honesty, courage and wisdom of Senator Norris to make the best decisions possible.

One of the lawmakers who was in that very first Unicameral in 1937 was Senator Charles J. Warner, who later became Lieutenant Governor. His son,

Jerome Warner, has served in the Unicameral longer than any other Senator. With their combined service, there has been a Warner in the Unicameral for 41 of its 60 years.

Senator Warner, all Nebraskans owe your family a great deal of appreciation for your commitment to this state.

The historical ties that bind us together in this state are strong. My parents were of the generation that financed and built this great Capitol. My new granddaughter's generation will be using the new Information Science, Technology and Engineering Institute.

Our generation is the one making today's decisions. We must never forget Nebraska's role as a leader, a state on the cutting edge.

Every once in a while someone will be tempted to promote the idea of making political parties a bigger factor in how we run our state. But Senator George Norris knew how divisive excessive partisanship can be. And this non-partisan Unicameral he envisioned has now been validated by 60 years of experience.

I am confident that this body will continue to reject calls for increased partisanship. I believe this body realizes that we have something unique and special in Nebraska. And I know we all recognize that we have achieved our greatest successes when we have worked together as One Nebraska.

For continued success, we must avoid the temptation to put personal and partisan agendas ahead of Nebraska's agenda. Politicians may get headlines, but statesmen and women get things done.

I challenge you to keep that in mind as you make the decisions for the future of this state and its people, decisions that will keep this One Nebraska ahead of its time.

The Committee escorted Governor Ben Nelson from the Chamber.

BILLS ON FIRST READING

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

LEGISLATIVE BILL 382. Introduced by Will, 8.

A BILL FOR AN ACT relating to elections; to amend sections 32-560, 32-604, and 49-14,103.01, Revised Statutes Supplement, 1996; to prohibit multiple office holding; to change provisions relating to filing petitions for nomination; to eliminate provisions relating to multiple office holding; to harmonize provisions; to repeal the original sections; and to outright repeal section 70-624.04, Reissue Revised Statutes of Nebraska.