

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Floor Debate May 10, 2021

**HUGHES:** Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the seventy-fifth day of the One Hundred Seventh Legislature, First Session. Our chaplain for today is Senator Blood. Please rise.

**BLOOD:** Friends, please join me in prayer. Grant us, Lord God, a vision of your world as your love would have it, a world where the weak are protected and none go hungry or poor, a world where the riches of creation are shared and everyone can enjoy them, a world where different races and cultures live in harmony and mutual respect, a world where peace is built with justice, and justice is guided by love. We pray for all those who have fallen victim to hatred and inhumanity because of misinformation or mistrust, for the mothers and fathers and others who must then try to explain the unexplainable. Lord, hear our prayer. We pray for all those who have been forced into unemployment, who long to return to work, for all those who continue to struggle to support their families. We ask that you lift them up and give them the courage they need to persevere. Give us the inspiration and courage to build your vision of a better world. Give us the strength to stand up for what is truly right to help all Nebraskans, and not just a political party or the noise of rhetoric-- through Jesus Christ, our Lord. Amen.

**HUGHES:** I recognize Senator Arch for the Pledge of Allegiance.

**ARCH:** Please join me. I pledge allegiance to the flag of the United States of America, and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

**HUGHES:** Thank you, Senator Arch. I call to order the seventy-fifth day of the One Hundred Seventh Legislature, First Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

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

**HUGHES:** Thank you, Mr. Clerk. Are there any corrections to the Journal?

**CLERK:** I have no corrections.

**HUGHES:** Thank you. Are there any messages, reports, or announcements?

**CLERK:** Mr. President, your Committee on Judiciary, chaired by Senator Lathrop, reports LB54 to General File with the amendments and LB139 to General File with amendments. Amendments to be printed: Senator Wayne

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to LB496; Senator Blood to LR107; two Attorney General's Opinions, one to Senator Erdman, the second to Senator Morfeld (LB228). That's all that I have this morning, Mr. President.

**HUGHES:** Thank you, Mr. Clerk. We will now move to the first item on the agenda, which is Final Reading. Members should return to their seats in preparation for Final Reading. Mr. Clerk, the first bill is LB100.

**CLERK:** Mr. President, Senator Blood would move to return the bill for a specific amendment, AM817.

**HUGHES:** Senator Blood, you're recognized open on AM817.

**BLOOD:** Thank you, Mr. President. LB100 apparently is problematic when it crosses the Governor's desk, so we've had a discussion. I don't want to be part of that problem. We're going to go ahead and remove my portion of the bill and return LB100 to Select.

**HUGHES:** Thank you, Senator Blood. Seeing no one in the queue, colleagues, the question before us is the adoption of AM817 to LB100. All those--

**ASSISTANT CLERK:** The vote is to return the bill to Select.

**HUGHES:** The vote is to return the bill to E&R-- to Select File. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**CLERK:** 33 ayes, 1 nay on the motion to return the bill, Mr. President.

**HUGHES:** Debate is now open on AM817. Senator Erdman, you're recognized.

**ERDMAN:** Thank you, Mr. President. Good morning. I was wondering if Senator Blood would yield to a question.

**HUGHES:** Senator Blood, will you yield?

**BLOOD:** I will.

**ERDMAN:** Senator Blood, I-- I read this briefly, but tell me exactly what issue we're trying to solve here with your amendment.

**BLOOD:** So there is a bill that makes it more accessible for people to receive oral contraception, especially for our rural citizens. But apparently contraception is a controversial issue, and it might cause

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issues for LB100, so we're asking that the bill be returned to Select so we can remove that part of the bill.

**ERDMAN:** So you're removing the opportunity for them to get oral contraception? Is that what you're doing?

**BLOOD:** Right. But the bill will still be heard at a later time.

**ERDMAN:** OK. Thank you.

**HUGHES:** Thank you, Senators Erdman and Blood. Seeing no one in the queue, colleagues, the question before us is the adoption of AM817 to LB100. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**CLERK:** 34 ayes, 0 nays on adoption of the Select File amendment.

**HUGHES:** AM817 is adopted. Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move to-- what is it? Mr. President, I move to advance LB100 to E&R for engrossing.

**HUGHES:** Colleagues, you've all heard the motion. All those in favor say aye. All opposed say nay. LB100 is advanced. Mr. Clerk.

**McKINNEY:** Mr. President, LB561. Senator Hilgers would move to return LB561 for purposes of considering AM1256.

**HUGHES:** Speaker Hilgers, you're recognized.

**HILGERS:** Mr. President. Good morning, colleagues. I'm asking for your green vote on the-- this motion to return LB561 to Select File for AM1256. I'll describe briefly what AM1256 does, and then I'll take a step back and describe for you why it is that I'm bringing this particular motion. So AM1256 does, simply strips out the keno, the expanded keno portions of LB561. If you recall, we had a debate on General File and at Select about doing that, and AM1256 is identical to-- except it's a Final Reading amendment-- to what Senator Brieser brought at Select File to strip out the keno portion. That's what it does-- very simple. And I'd ask for your green-- green light on the motion, and then, when we get to the amendment, on the amendment as well. Let me tell you why I am bringing this. And it's-- it is about the policy to a very small degree, but it-- that's really not-- I wouldn't bring that at Final Reading. That-- the policy battle has been fought. But I'm bringing it for a different purpose. And to be clear, I do oppose the expanded keno, but that's not why I'm bringing the amendment. As you all know, Nebraska voters in November expanded

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gaming in Nebraska to allow for casino gaming here in the state. And in doing so, they gave the primary responsibility to create the regulatory-- regulatory structure to the Legislature. That is the responsibility that was given to us and entrusted in this body. Now in order for us to do that-- and Senator Briese, as Chair of the General Affairs Committee, has done an outstanding job with that committee to put together that regulatory structure. In order for us to do that, the constitution requires that we have 33 votes in order to put that into place. And the reason is, is because this regulatory structure does modify the petition that was passed in November. So we have to have 33 votes. Forget about cloture, forget about filibuster, forget about a veto override or anything like that. In order, constitutionally, for us to modify the petition, in order to put forward this regulatory structure, we have to get 33 votes on Final Reading. And I think this is a very important point for any of the-- and for the body in general. But for any members who have said on the floor at various points on-- on bills that they have brought-- and I can think of, maybe, the consumption tax in one example, or maybe medical marijuana in another, where we have argued and said, well, the-- the-- the people of Nebraska at some point will bring forward a bill, and we will then have-- we will then have to implement the regulatory structure. If we fail to do this, colleagues, if LB561 fails to get 33, we will have failed in our responsibility to put forward this regulatory structure. There will be some regulations, as included within the initial petition, but we-- there will not be a commission authority to be able to govern and put in the rules and regs to allow this to happen. I think that would be a black mark on this institution. I think that would be a significant failure on our part to not allow that to happen. The reason I bring this amendment is, colleagues, I actually think that might not happen. Keno was not part of the expanded gaming that was passed by the voters, and there are a large number of members in this body who, on principle, oppose expanding keno. And I am not convinced. In fact, more likely than not, I believe there are not 33 votes on Final Reading to pass this without-- if that keno portion that expands keno is in this particular bill. And that is not the tail that should wag this particular dog. So what I'm asking, because-- what I'm asking is that you vote green on this to pull out the keno portion, which goes above and beyond our responsibility to do-- to put forward a regulatory structure on casino gaming, so that, constitutionally, this Legislature can get the 33 votes to make sure that we can actually put in that structure. So I think this is a critical amendment. I'm not bringing it up on the policy. I voted-- I voted on General File and Select on the-- on the policy. And if it was just about the policy, I would not be standing up right now, because that battle had been fought and lost. It is not

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about the policy. This is about potentially not having the votes to put forward this structure. So I think it's really critical, colleagues, that this motion passes, AM1256 gets 25 votes. And then it will-- I think it will clear the way for us to fulfill our responsibility, which is to make sure that we've got the regulations in place to expand-- to implement the expanded gambling that the voters passed in November. I have spoke to Senator Briese about this. I also spoke to Senator John Cavanaugh about this, as well. I've spoken to a number of you, and I'm happy to answer any questions. But I think it's fairly straightforward, and I ask for your green vote, both on the motion and then the amendment. Thank you, Mr. President.

**HUGHES:** Thank you, Speaker Hilgers. Debate is now open on the return motion. Senator John Cavanaugh, you're recognized.

**J. CAVANAUGH:** Thank you, Mr. President. Well, I rise in opposition to the return motion. I think Speaker Hilgers kind of nicely put a bow on the whole situation. I'm sure everybody remembers the number of times we've had this debate. And I-- I appreciate that he concedes that the policy debate has been resolved. For me, the question is: What is the right policy to implement for the state of Nebraska? And the reason that we have this amendment, the reason that we had a hearing on this amendment, and the reason that it is still in this bill is because this portion makes better policy for the state of Nebraska. There are-- the-- the voters approved expanded casino gambling. That will have some-- some ancillary effects aside from the casinos themselves, which is, will hurt the long established businesses of keno, which was brought up at our committee hearing, which was addressed in the subsequent committee-- committee hearing. And this portion of this bill is designed to address-- to mitigate some of the harms that these businesses will suffer as a result of the ballot initiative. So they are intrinsically tied to each other. They are this-- when we pass LB561, which we should do, this part that we're seeking to take out, if we take it out, will allow businesses to be further harmed. And so that's why this is in here. That's what the policy argument was about. That's why we kept it in here, I think, is that most everybody agrees with that position. This bill, after voting to keep this portion in, had 37 votes from General to Select; 37 of us agreed to advance this bill at that point in time. Nothing else has changed since then, other than the Attorney General has come out with an Opinion that further reinforced the harm that these established keno parlors will suffer, which is casinos will be allowed to do even more than this amendment allows keno parlors to do. They will be able to use phones. They will be able to do games at a more-- a faster interval than keno parlors. This amendment, the current portion of the statute, does not allow

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keno parlors to increase the speed of games, but casinos will be able to do that because they are going to be regulated differently. So like Senator Hilgers said, we've already had this policy discussion. We've already agreed that this is the right policy. The question is whether or not we have enough votes. We had enough votes from General to Select. Many people here do not like this small portion, but agree with the bill as a whole. That is the nature of a compromise legislation. We get-- everybody gets some things they like, they get some things they don't like. The question for everyone here is, and the-- the integrity of this body is whether we pass a bill that we agree is good policy or not, based off of some sorts of concerns outside of this room. This bill, LB561, as it is currently written, not returned, will-- is the right policy. Senator Briese has done a lot of work with a lot of people on this. It is in good shape right now. It is the right action we should take, and we should leave it as is. There's no need to go and rehash this discussion a fourth or fifth time. So I'd ask for your red vote on the return to Select. I think it's important to keep the bill as it is. I think that it is sound and good policy going forward. So I'd ask for your red vote on the return to Select. Thank you.

**HUGHES:** Thank you, Senator Cavanaugh. Senator Briese, you're recognized.

**BRIESE:** Thank you, Mr. President. Good morning, colleagues. First, I want to thank Speaker Hilgers for offering this amendment, and I certainly support him in this effort. And I really have the greatest respect for Senator Cavanaugh and his efforts to keep the electronic portions-- the electronic version of keno in place. But I agree with Speaker Hilgers and others. We need to pass this amendment. So a little history. The ballot proposal in November, passed by the voters overwhelmingly, did not address keno. I introduced LB560 and LB561 to help implement the ballot proposal and put some parameters around the implementation of the ballot proposals. Initially, they contained nothing relative to keno, but LB560 did provide for sports betting and some other items, as authorized by the public vote. And it was brought up by at least one keno proponent at the hearing on either LB560, LB561-- don't remember which-- that they would like to have an electronic version of keno available. And so Senator Cavanaugh offered an amendment to LB560 to allow for the use of electronic keno tickets. And we, as a committee, agreed to put that in place on a-- into LB560 on a 6-2 vote, and then LB560 was rolled into LB561. On the floor on General File, Senator Cavanaugh had the question divided. And we addressed various things, including, individually, the keno provisions, and it encountered considerable opposition, but it did

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advance. And at the debate on General, Speaker Hilgers pointed out that we did not have a separate hearing on the keno provision, so we did do that on March 25. And at the hearing-- I think the committee statement is updated to reflect what happened at the hearing, but we had half a dozen proponents, maybe three or so opponents regarding the electronic keno. And generally, the opponents-- excuse me-- the message of the proponents was that electronic keno would help them preserve their revenue stream, things of that sort. And the opponents expressed concern that it is a form of expanded gambling. So what was my take away from the hearing? It confirmed a couple of things for me. First, the benefits to the industry from electronic keno are fairly speculative. It's conjecture and supposition that leads one to suggest that it can help the keno industry, and it wasn't clearly established in my view. But secondly, and most importantly, there is a perception out there that allowing electronic keno tickets is an expansion of gambling. And out of-- out of respect for that perception and the lack of verifiable data that this will help the industry, I decided to pull the keno portion. So on Select File, I offered an amendment that did several things, but also included the removal of the keno provisions, and there Senator Cavanaugh moved to divide the keno question, and we had a good debate on that issue. And after the debate, my attempt to pull the keno provision failed, maybe as a-- with 22 votes or something like that. So we're on the same issue here again today, and we-- we really have an obligation to implement the will of the voters and see that it gets done. We can't leave this up to the courts, and can't really leave it entirely up to the commission. And I agree with Speaker Hilgers that inclusion of electronic keno jeopardizes LB561 and jeopardizes our ability to do what we're supposed to do here. And I submit that LB561 is far too important to the responsible implementation of the ballot proposal to risk its future with what-- what's currently in there. Within the final copy we have many important provisions, and we're requiring sports betting to take place at the casino itself in a designated area where we're-- we're prohibiting the use of credit cards. We're requiring licensees to establish a verifiable procedure to demonstrate that they can prohibit the use of credit cards.

**HUGHES:** One minute.

**BRIESE:** We're prohibit-- thank you, Mr. President. We're prohibiting betting on high school games or below, prohibiting proposition betting and in-game betting on Nebraska games. We're doing several things to help facilitate the responsible implementation-- implementation of this ballot proposal. And these items are too important to jeopardize. So I would suggest, as Speaker Hilgers has, that we need to pass this

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to ensure that we have sufficient votes to put LB561 in place, and get it enacted into law, and do our duty in this regard. So I would ask for your support of AM1256. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Briese. Senator Bostelman, you're recognized.

**BOSTELMAN:** Good morning. Thank you, Mr. President. I'll speak briefly on this. I do support AM1256, but I also want to speak on another matter that-- that Senator Pansing Brooks and myself have-- have talked about, and we've talked about in AM807 on the bill before. There was just as many people absent from the floor or absent from voting when this-- when that bill came out; and that was 18. This-- this is specifically talking about not being able to bet on a university or college event in the state. And I think that's an important thing. I think there were some discussions with Senator Briese on this matter that we are still-- that we talked about. We've talked about a little bit more about a different amendment this morning. There is going to be some more discussion on this. I think there's-- there might be enough-- I guess the same thing we were talking about today-- opposition. If you need 33, you're going to have to have 33 on it to take care of-- to make sure the bill crosses the finish line on Final Reading. And-- and this is something we both feel very strongly about on sports betting. Should you or should you not feel you should not be able to vote for a-- a college or university event in the state? We will be bringing that-- or I'll look at that. I'll be talking to Senator Briese a little bit more about this. We'll be looking to not today to bring this back, but we're going to consider this, and we'll be talking with you about bringing it back the next time this bill comes on Final Reading. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Bostelman. Senator Pansing Brooks, you're recognized.

**PANSING BROOKS:** I will-- good morning, colleagues. Good morning, Nebraska. I just wanted to echo some of what Senator Bostelman just said. I'm actually quite surprised that Senator Briese hasn't come to us when we've spoken to him quite seriously about our concerns about sports betting, and the fact that I am wholeheartedly against making sports betting a part of this. I think it's too much pressure on the Nebraska students. I think it's inappropriate. I think that there-- there-- we know that there are 13 states that have already limited this. And so we will be bringing an amendment on the next time it's up on Final Read. And those of you who have agreed it's not-- as Senator-- as Speaker Hilgers said, it's not about cloture; it's about



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33 votes. And those 33 votes are not there. Senator Briese, are you listening? Because those 33 votes are not there for sports betting. So I care a lot about the kids. And I know Senator Morfeld teases me and says they're-- they're adults, and they are adults. And the other thing is, I've gone to almost every football game since I was in-- since I was a little girl. My dad used to take me, and I even took the Football 101 class that-- that Coach Darlington taught at one point. I know a lot about football, at least more than most people think a woman would know, since we're sort of misogynistic at times in this body. But I just-- I know what's going on and why people scream and why people-- you know, we're considered the best fans in the world. But boy, when we add betting to it, we are-- we're going to be screaming about them taking a knee. We're going to be screaming about them making a decision not to run up the score. And I think it's wrong. And 13 states and the District of Columbia agree with that. So I stand-- I don't have a problem with keno, but we are bringing back an amendment because, you know, even the World-Herald, in their editorial, said that if the voters pass casino gambling in November, sports betting will still not be allowed. Organizers would keep the money, hope the Legislature would then pass a bill allowing sports betting. Yeah, we have the authority to do it. We have the authority to do a lot of things that we shouldn't do. And I care about those kids. I care about Nebraska. I care about our kindness, as a people, when we go into that stadium, and our sportsmanship. And I don't want money and whatever money. And you know what? People say, well, they're going to go to Iowa anyway. Let them. If they want to go do something that's illegal, go right ahead. You're welcome to do so. Senator Briese, we've got a lot of votes. I think that you should try to meet with us. There's not been an effort, and I don't think you're taking us seriously, which I find surprising. I will continue to work on this. There was a-- it was clear, even Lance Morgan said that Nebraska has limitations on how much you can authorize in one measure. Having sports betting there created a risk. It created a risk. It was so much risk, they didn't want to do it in the initiative-- in the ballot measure. It can be made up later. So it wasn't authorized, it wasn't considered. It wasn't part of the initiative petition. Let's keep Nebraska fun. Let's keep our sports, all of our collegiate sports fun. We don't have to bet on that. I really-- I hope you'll all be with me. And we will be working with Senator Briese, I think, unless he gives up and just wants to push it and see if he gets the 33 votes.

**HUGHES:** One minute.

**PANSING BROOKS:** Thank you, Mr. President.

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**HUGHES:** Thank you, Senator Pansing Brooks. Senator Lathrop, you're recognized.

**LATHROP:** Thank you, Mr. President. Colleagues, good morning. I am in opposition to this motion, and I'll tell you why. First of all, I don't understand why we would make a distinction between a casino parlor and a casino, a gambling casino. So what's at stake here, if I understand it correctly, is that casinos, these new casinos that we'll be regulating with this bill, if I want to go there and play the lottery, I can do it on my phone. What Senator Cavanaugh has tried to do is allow the casino parlors to have that same opportunity. That's currently in the bill, and Senator Hilgers wants to strip that piece out and tells us it might threaten the bill if we don't. I don't understand why anyone would care whether the casino parlor has the same opportunity these big casinos will have, once this bill goes through. But let me tell you what-- what it means to Ralston. OK? Ralston sits-- their casino parlor sits at about 72nd and Q. If you travel ten blocks down the street to the east, down Q Street to about 63rd, we will see Horsemen's Park blow up into a full-blown casino. That's what the people want. In that casino, folks can play lottery-- play the lottery on their phone, not ten blocks to the west where Ralston has their casino parlor. Why is that important? Colleagues, I hope if you have one of these in your community, you're listening, 'cause it doesn't feel like that many people are. But I want you to understand what it means. For Ralston, keno is-- represents about 10 percent of their receipts, 10 percent of their revenue. And they got to compete with a casino going in ten blocks to the east. Why we would take and undeliberately leave the field uneven, I don't understand. This-- this doesn't make sense. And I-- we have in the constitution-- Article III, Section 24 gives us the opportunity to regulate. We have all the authority we need to regulate the lottery. Every year, I think somebody puts a bill in to shorten the time in between. No one thinks that's unconstitutional expansion of gambling. Now we're going to let them play keno like they can at the big casinos, and we stand up and say this is an expansion of gambling and may be unconstitutional. That doesn't make sense. I will-- I'll just be-- I'll be perfectly clear. If this is because you're worried about getting 33 votes, if you do this, I'm off of it. So put me in the "no" column. This doesn't make sense. It makes no sense. I can't understand why anybody would-- would advocate for this. I don't even understand the policy for advocating for this. But I do know that Ralston Casino-- or Ralston Keno, pardon me-- is going to be ten blocks down Q Street from a full-blown casino-- full-blown casino where you can play the keno on your phone. It's not speculative, Senator Briese; it's real for these people.

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**HUGHES:** One minute.

**LATHROP:** It's 10 percent of their budget. And this isn't an expansion. This isn't an expansion, an unconstitutional expansion of gambling. It's the regulation of keno, which we're authorized to do right in the constitution. I know that there's a number of you in this room whose communities depend upon these keno parlors for revenue. And you may not be ten blocks away from a casino like Ralston will be, but La Vista isn't that far away. I understand that people voted to expand gambling. They voted to expand gambling, but don't-- that-- that is going to be like-- I was a-- when I-- so I grew up in Omaha. I'm 64 years old. I remember when we had horse racing out at Ak-Sar-Ben. It was a big deal.

**HUGHES:** Time, Senator. Thank you, Senator Lathrop. Senator Blood, you're recognized.

**BLOOD:** Thank you, Mr. President. Fellow senators, friends all, two senators have already-- already very eloquently said much of what I wanted to say. So I'm going to keep this very short. I just want to echo and remind you that, once the casinos go in, it's going to make our community keno parlors obsolete because of technology. All we are asking is for an even playing field. If you have not looked at your municipalities, and the budgets, and how-- the role that keno plays, you need to do that before you vote on this bill because you need to vote red on the amendment-- excuse me. Yeah, you need to vote red on the amendment. That amendment should not go through. This bill should go through as is. Lincoln received \$1.6 million in keno dollars; Norfolk, Nebraska, \$312,000; Omaha, \$2.5 million; Beatrice, \$275,000. The list is long. I'm not going to read the whole list. This isn't about gambling or not gambling. I think it's about something that we need to air out today. With that, I would ask that Senator Briese yield to a question. Hello?

**HUGHES:** Senator Briese, will you yield?

**BRIESE:** Yes.

**BLOOD:** Senator Briese, is this because you don't believe you'll have 33 votes or that you believe the Governor will veto this bill, as is?

**BRIESE:** I would be worried about 33 votes that are necessary to pass this on Final Reading.

**BLOOD:** And this is your bill-- your bill.

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**BRIESE:** Yes, LB561 is my bill.

**BLOOD:** And you and I went through training together. And what is our job, as a senator, when we have a bill that we need to get passed and we need a certain amount of votes?

**BRIESE:** Well, to make changes to it necessary to get those votes. And that's what this amendment does.

**BLOOD:** All right. So I-- I tend to disagree, and I hear this a lot. I think there's a difference between negotiating and then stripping out important things to your bill. I'm-- I'm with Lathrop. I'm not going to be a vote if we take this out, because you're killing keno. Too many people in here have voted for unfunded mandates, the municipalities and counties, and making it hard for them to balance their budgets. Now you're going to take away keno, which is exactly what is going to happen. Unintended consequences, I hear this on the mike all the time, especially from that front row up there. This is going to be an unintended consequence. And Senator, I ask that you get somebody out with a vote card, and you see how many votes you have, 'cause we do have a constitutional responsibility to push this bill through. And it is not responsible, Senator, if we do not address the keno issue as part of that. That will be an unintended consequence. Thank you, Senator Briese. Folks, Bellevue needs to be able to improve their technology. We are heavily dependent on keno funds when it comes to community betterment. Ralston is, Lincoln is, Beatrice is, Fremont is. I doubt there is anybody in this body that doesn't have keno dollars somehow touch down in their district for the betterment of their communities. So unless you have somebody wealthy who's going to step up to the plate and write these big checks, which I don't think is going to happen, I don't think we need to amend the bill. I think we need to push it through, as is, and let the chips fall where they may. If people aren't going to vote in support of people's wishes on the ballot because one part of the bill is something they don't like, so be it. But let's see who those people are instead of amending it and getting them off the hook. Let's see who supports our voters and what they wanted constitutionally. Right? They said they wanted gambling. What we did was just add in--

**HUGHES:** One minute.

**BLOOD:** --a section that creates an even playing field so our municipalities don't lose out once more because of something that we did at the state level. Thank you, Mr. President.

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**HUGHES:** Thank you, Senator Blood. Seeing no one else in the queue, colleagues, the question before us is the-- to return LB561 to E&R-- to Select File. Excuse me. Senator Hilgers, you get your close.

**HILGERS:** Thank you, Mr. President. Good morning again, colleagues. I appreciate the conversation. I want to just sort of, again, reframe what it is that we're talking about. I understand that if it gets pulled out, there might be one or two folks who will want to vote no on this. It isn't about a handful of people who might-- it's not about 45, 46. I've seen vote counts. I've seen it. I've talked to a lot of members. I've been in this body now five years. I know where people stand on a lot of these core gambling issues. And I-- I believe there's real risk that this doesn't get passed without AM1256 going through. And if it doesn't get passed, I'm just going to ask you-- you should all ask yourselves what happens the next time someone wants to make the argument that will-- the people of Nebraska are going to decide this, but the Legislature will then discharge its responsibility for putting forward a regulatory structure. If this fails, and LB561 goes down, colleagues, it's a black mark on the body. I understand there's disagreements on policy. If this was a keno bill in the first instance that had-- or some other gambling bill that was just a policy bill, and we would have lost on Select File, I would not bring this up. This goes to whether or not we have the constitutional threshold under Article III to get the 33 to be able to put this structure in place. And if we don't, I think that's a very black mark on this-- on this body. It's not a pol-- this isn't about the policy. This is about ultimately getting enough votes to make sure we get this done. And I've talked to enough senators who, on principle, disagree with the expansion of keno, to know that if AM1256 doesn't go on, it puts it at real risk. So with that, I would ask for your green vote on AM1256-- I'm sorry, on the motion to return to Select File, and then on the amendment. And I will-- I will say two-- couple things, 'cause I've had some people ask. This vote doesn't take 33, just needs 25. If the motion is successful, I will open briefly on the amendment. That takes 25. If that is successful, we will not then do Final Reading on LB561, because we have to lay over another day. So it's just going to be two quick votes, and we will move on to the next item on the agenda. So I'd ask for your green vote on the motion, and then I'll come back for the amendment. Thank you, Mr. President.

**HUGHES:** Thank you, Speaker Hilgers. Colleagues, the question before us is the return-- vote to return LB561 to Select File. All those in favor vote aye; all those opposed vote nay. Have you all voted?  
Record, Mr. Clerk.

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**CLERK:** 27 ayes, 11 nays on the motion to return.

**HUGHES:** Debate is now open on AM1256. Senator Groene, you're recognized.

**GROENE:** Want me? Thank you. Doesn't Senator Hilgers open on AM1256? But I'm not going to open for him, but I voted for the amendment. Originally I supported it in committee, doing this for the nonprofit keno. But after thinking about it and what I've heard, we were wrong in committee. What we are doing here is enacting regulations around the people's petition. There was no mention in that petition about nonprofit keno operations that are legal in our state. So we should not be adding things to a bill that is directly related to what the people decided in the petition process. Number 2, keno-- racetracks will now be able to have keno-- for-profit keno because it is gambling. They can't use a phone. Since we passed this amendment, they can't use a phone. They have to use a piece of paper and a crayon, too, in the casino, because in the bill, it-- you can only use a phone for sports betting. So the casinos do not have an advantage on keno. In an nonprofit lounge or bar in North Platte, they will use a crayon and a piece of paper. They will have to do the same, I believe, in a casino. So it's-- it's a fairness issue. I would ask Senator Briese a question, if he would take it.

**HUGHES:** Senator Briese, will you yield?

**BRIESE:** Yes.

**GROENE:** Am I correct, in your opinion, that because keno is a game of chance, that the casinos could have a for-profit keno?

**BRIESE:** Yes, they could. And the Attorney General's Opinion dated 4-7 of '21-- it was an opinion requested by Senator Lowe-- essentially confirms that, that because keno is a game of chance, it is probably allowed--

**GROENE:** Well,--

**BRIESE:** --at these--

**GROENE:** --second question.

**BRIESE:** --racetrack casinos.

**GROENE:** Will they have an advantage if-- because we passed that amendment? Would they have an advantage on their keno to be able to use a phone application?

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**BRIESE:** I do not believe so, Senator. But I'm-- I'll look in-- look a little closer and I'll double check on that.

**GROENE:** Thank you. Well, the way I remember debate in the committee and on the floor the first time, the phone application now will only be for sports betting. So the fairness issue between the two would-- is mute about how it operates. Anyway, I go back to this. We are enacting regulations around what the people enacted through the petition process. And we delved into keno, nonprofit keno that exists in our constitution and our statutes already. And I think that was a road too far. And we should respect the process and the people's initiative that we only follow the parameters of what their-- their petitions covered. So I stand in favor. I guess we didn't pass it yet. All we did was move it to Select File. But I stand in favor of AM1256 out of respect for the people's process and the initiative process. Thank you.

**HUGHES:** Thank you, Senators Groene and Briese. Senator Lathrop, you're recognized.

**LATHROP:** Thank you, Mr. President. Would Senator John Cavanaugh yield to a couple questions?

**HUGHES:** Senator Cavanaugh, will you yield?

**J. CAVANAUGH:** Yes.

**LATHROP:** Senator Cavanaugh, I want to make sure-- I did not read the Attorney General's Opinion, but I want to make sure where we're at right now. At-- at a full-blown casino-- I'll call it Horsemen's Park-- they will be able to do keno in-- at Horsemen's Park, as part of the expanded casino. Is that true?

**J. CAVANAUGH:** Yes.

**LATHROP:** And when they do keno at Horsemen's Park, will they be able to do it on your phone?

**J. CAVANAUGH:** Well, I'm reading the Attorney General's Opinion right now. I'm trying to find my-- because my eyes aren't as good as they should be. But I can just read it to you: As an expanded method of payment for keno tickets, this law has no bearing on the determination of the game's status as a lottery. Finally: the five-minute time limit between games required would not apply to keno conducted or authorized gaming operator at a licensed racetrack because it would not involve lottery conduct.

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**LATHROP:** OK. Well, let's talk about that one, because that's--

**J. CAVANAUGH:** OK.

**LATHROP:** --the one I wanted to get to. So if I'm running a full-blown casino at Horsemen's Park and I offer keno, right now, at Ralston or La Vista or Bellevue or any one of these small town casino operators, there is a time that must pass between games. Is that right?

**J. CAVANAUGH:** Yes.

**LATHROP:** And the Attorney General's Opinion suggests that that time limit will not apply to casinos. Is that also true?

**J. CAVANAUGH:** That is true.

**LATHROP:** OK. So here's-- let me-- let me see if I understand what we're-- what we're concerned about. Right now, 17 people, apparently, because we're concerned that we won't have 33 votes to pass the regulation of-- of casinos, we're going to strip out of the bill a provision that allows Ralston Keno and like facilities to play keno on your phone like you can at the casinos. So you got to use paper. You're subject to a time limit. But down the block, ten blocks to the east from Ralston is going to be a casino where I don't have a-- I'm not restricted between time between games, and I can do it on my phone. And somewhere in this body, there are apparently 17 people that are so offended by that, that they're going to peel off of LB561. It doesn't make sense to me. It doesn't make sense to me. That-- that we're afraid that LB561 won't have 33 votes, that doesn't make sense. Why would 17 people peel off because the operators in towns like Ralston and La Vista and Bellevue and the-- the ones in your community would be able to play it, not from their couch, but in the casino on a phone, just like the casinos, who also have the advantage, by the way, of not being restricted by time? Now there's 17 of you that offends? I don't believe it. I don't believe it. It-- it does not pass the smell test. I'm opposed to the amendment, and I really, really-- please stop for a second and think about those communities that have keno that rely on the revenue like Ralston does, like Bellevue does, I'm sure La Vista does, and other communities around the state, who are now going to be competing with large casinos. I encourage you to vote no on AM1256. Thank you.

**HUGHES:** Thank you, Senator Lathrop and Senator John Cavanaugh. Senator John Cavanaugh, you're next in the queue. You're recognized.



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**J. CAVANAUGH:** Thank you, Mr. President. Well, I rise in opposition to AM1256, and I think Senator Lathrop kind of hit a lot of the points I was going to hit, but figured I would still say my piece. We did ultimately-- and I-- Senator Groene kind of addressed this, that talked about why in the committee, we talked about this before we voted it, to add it to the bill. And we talked about it in the context of these communities that Senator Lathrop's talking about. Ralston just happens to be the best example because they are so close to one of these casinos. But there will be casinos in Lincoln. There will potentially be casinos in Sarpy County. There'll potentially be casinos, I believe, in Columbus and Sioux City-- South Sioux City. There will be casinos that are going to affect and go-- going to be close by to a lot of these existing cas-- keno parlors. And these keno parlors are-- do generate revenue that communities rely on for this community betterment money. And we've had these conversations already where we've talked about the importance of that money to these different communities. And what this amendment does-- well, what the current nature of the bill does without this amendment is allows for those parlors that people have built, relied upon in those communities that have invested in for the last 30 years, to have one small piece of improvement in their offering to their customers. It's a customer service question and a parity question. Senator Lathrop talked about the parity, the fact that the casinos are going to be able to play the games at a much accelerated rate. And that-- that's not something we're changing here for the keno parlors. All we're asking, all we're saying is keno parlors are allowed to sell the ticket inside the facility, constrained by geography inside-- inside of a place that they can already sell a ticket on a phone through a verified process. This is something that we will be doing at casinos, at least for some gaming. I guess I don't know if it necessarily applies to the keno that we'd have at-- at game-- at casinos, but they will be able to have these more broadly offered games at casinos, which will hurt even further the games that are being offered at other places. And so this is a parity question. This is a fairness question. This is-- this is a-- providing a hand to help stabilize businesses that are going to be hurt by this expanded gambling. So we've talked about it many times. We've already had a majority of people here agree that this is good policy. There are a number of people who are opposed to any type of gaming in this state who are against this bill. And so I guess this, in my mind, is a-- is a sincere question and conversation from people who are trying to preserve communities that-- on this issue. And so I'd ask for your red vote on AM1256, and then I think we can move on to the next thing. I don't think we need to debate keno any more this year. Thank you.

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**HUGHES:** Thank you, Senator Cavanaugh. Senator Briese, you're recognized.

**BRIESE:** Thank you, Mr. President, and good morning again, colleagues. And Senator Groene asked me about the use of electronic keno at these casinos. And as I look more at it, the use of electronic keno tickets at these casinos does not appear to be prohibited. And as such, presumably they could go that route if they decide to. But there's been a lot of concern about-- expressed about the impact of these casinos and the lack of electronic tickets on the casino facilities. And so what I was looking for at the hearing was what impact electronic keno would have on the incidence or the amount of play. What impact would it have for these casino-- or excuse me-- keno operators? And I was trying to decide if it'd make much difference either way. And a similar question was asked by almost everybody on the committee, of different witnesses-- you know, in effect, what impact would a lot-- electronic keno playing have? And the answers range from I "believe" it will help mitigate the impact, my "observation" is that it would help. Another one said it's "hard to identify"-- excuse me-- "hard to quantify." Another one said, "I just can't imagine" that it wouldn't help. Another said "don't know there is any way to quantify it for sure." And when asked if we're speculating as to the beneficial impact of electronic keno for these parlors, one proponent admitted: Yes, we are really speculating. So the bottom line is there really-- no-- no one really presented any verifiable data or studies relative to the impact of electronic play. And that's why I suggested earlier, it is fairly speculative. And somebody mentioned that, well, it's not an unconstitutional expansion of gambling. I-- I didn't say it was unconstitutional, but it's objectionable to a lot of folks. But I would suggest to those who support the inclusion of electronic keno, that they bring a bill or perhaps a package of bills next year, and it'll get a hearing, and we can flesh out some of these issues at a hearing, and it would get Execed on. But that's where I would leave it for now. And I would encourage your support of AM1256 so we can keep this important policy proposal moving. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Briese. Senator Hunt, you're recognized.

**HUNT:** Thank you, Mr. President. Good morning, colleagues. Good morning, Nebraskans. I-- I rise in agreement with my colleagues, Senator John Cavanaugh and Senator Lathrop. I have pretty consistently opposed gambling, opposed the expansion of gambling. I don't like gambling. I don't think it's good for people. I think that it targets the poor, and people in poverty, and people who struggle. And instead

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of expanding gambling, which to me is basically redistributing the wealth of the poor to the wealthy people who own the gambling companies and own the casinos, it should be really going the other way. So I have some philosophical problems with gambling, just given the reality of the culture and society that we live in, where we tend to empower and pass policies and norms in our culture that support the wealthy and powerful, and not the people who are most vulnerable, who suffer the most from expanded gambling. With that said, given the will of the voters that we will be expanding gambling in Nebraska, and we have to pass some kind of regulatory mechanism for that to happen through LB561, I agree with what Senator John Cavanaugh and what Senator Lathrop have said about parity in the regulations that we have around gambling, especially around keno, which we already have. Keno has been approved by voters in every county where keno has a lot-- has-- is currently allowed. And if we're going to have electronic betting for the casinos that will be built, if we're going to have electronic betting for horse racing, which already occurs, we really ought to have it for keno, too, just to bring parity and fairness for the communities that rely on this revenue. I think that a lot of the opposition to that portion of LB561 honestly comes from some ignorance about how the technology works. As many have said, it's not that you're going to be sitting at home on your couch or you're going to be driving in your car, making bets for keno on your phone. Geofencing exists so that you can only do it in the establishment where the keno is allowed. There's time limits that exist. All of this is completely controllable. And frankly, colleagues, I'll say out loud what I haven't heard said out loud yet on the floor, which is the opposition to that portion of LB561 is coming from the Governor, not really organically from people in this body. But there's a fear that if we don't take that keno portion out, it'll get a veto. Well, colleagues, I'll say the thing that I-- I often say, which is we are a separate branch of government. We get to decide what bills we pass. And if the Governor doesn't like it, then we can override his veto with 30 votes, unless you don't have the fortitude to do that. This is the right thing to do for Nebraskans. I'm not a lover of gambling. I'm not a lover of a lot of things that people choose to do. But people have personal liberty, and people make choices. And we do have plenty of guardrails in place for the technology that goes around gambling. So I thought it was important to get that on the record. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Hunt. Senator Lathrop, you're recognized.

**LATHROP:** Thank you once again, colleagues. I hope I'm not wearing out my welcome. Even if I am, I still got something to say. So Senator

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Briese made some points that I hope you were listening to. He said: Well, I had people come in and they said we can't verify what effect it will have. Of course, you can't until it happens. Right? The-- the fact that the casinos will have an impact on keno is-- should be obvious to anyone exercising common sense. It will clearly have an impact. The question is how much of an impact and is there anything we can do to blunt that? So let's review what we heard this morning. Big casino, ten blocks down the street from Ralston Keno, will have keno. It will not be subject to a time limit so they can do it one a minute, one game a minute if they want. They can do it on your phone. We had an opportunity to regulate that to help the people who are offended by the casino parlors having keno operations done by phone. And we don't. We have done nothing to regulate the casinos and how keno is conducted there. And now we're to believe that more than 17 people are so offended that Ralston might be able to do it on their phone with a time limit. By the way, the proceeds go to good causes and not to profit of the casino operator. This doesn't make sense, colleagues. Ralston relies on that. It is 10 percent of their revenues. The argument doesn't make sense. The argument doesn't make sense. If 17 people are offended by the idea that someone would play casino [SIC] at Ralston on their phone, but we do not regulate it in this bill if it's being played in a casino, means that that isn't the reason we're having this debate. That isn't the reason we're having this debate. What's Ralston supposed to do? OK? Here's my choice. I like to play keno and I can go down the street to the casino where there's no time limit and I can play it on my phone or I can sit in Ralston where they time me between games and I got to fill out a paper and go up and pay. What do you think's going to happen? This feels like one of those deals that's already been baked, and an excuse has been offered, and it doesn't make sense. I would just ask you to vote against this amendment. I can tell you-- I can tell you that this is-- this is consequential to my community. This is important to my community. And a rational argument hasn't been made because if this were a rational argument, we would've regulated keno inside of the profit-making casinos that we are now attempting to regulate. Please vote no on AM1256. Thank you.

**HUGHES:** Thank you, Senator Lathrop. Senator Pahls, you're recognized.

**PAHLS:** Thank you, Mr. President. I requested some information from the city of Omaha to see what-- how keno affects it because, to be honest with you, you say it affects Ralston. It's next door to Omaha, if not in Omaha, the way I look at it; it's that close. But taking a look in 2020, the city of Omaha received \$6 million in revenue from the keno, and they have budgeted for 2021, \$7.5 million. I know a lot of these

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dollars go for community betterment grants, as well as-- as-- it just dawned on me that we have actually even purchased police cruisers. I have the total amount that keno does for the state. I'm-- I'm not going to quote all those figures, but I would suggest those of you who have keno throughout the state should take a look at what it does for your community. Again, I see this in the Omaha area, since we do have the casinos right next door, if not in, actually-- well, within walking distance of Omaha. So, again, it would be the potential of a significant loss. That is a reason why you-- you will see or did see red on my vote. Thank you.

**HUGHES:** Thank you, Senator Pahls. Senator Brandt, you're recognized.

**BRANDT:** Thank you, Mr. President. Thank you, Senator Hilgers, for bringing this bill. LB561 is a primary responsibility of the Legislature. Sixty-four percent of the people voted for gaming for property tax relief in Nebraska. And we almost got her over the finish line, folks-- almost, not quite. We're going to need 33 votes. I don't know if you've got them anymore. This does not expand keno. This basically puts some simple rules on existing keno. This is about better policy for existing keno. And I would urge you to vote against AM1256 and for LB561. Thank you.

**HUGHES:** Thank you, Senator Brandt. Seeing no one else in the queue, Speaker Hilgers, you're welcome to close on AM1256.

**HILGERS:** Thank you, Mr. President. Thanks again for the conversation this morning, colleagues. I appreciate the first vote that we had. And I would ask for your green light on AM1256. This one, again, takes 25. If it passes, we will lay it over and come back to do Final Reading on another day. Thank you, Mr. President.

**HUGHES:** Thank you, Speaker Hilgers. Colleagues, the question before us is the adoption of 12-- AM1256. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**CLERK:** 27 ayes, 11 nays on the adoption of the amendment.

**HUGHES:** Amendment is adopted. Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move to advance LB561 to E&R for engrossing.

**HUGHES:** Colleagues, you've heard the motion. All those in favor say aye. All opposed say nay. LB561 is advanced. Mr. Clerk, next item.

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**CLERK:** Mr. President, Select File bill. Senator McKinney, LB540. I have no amendments to the bill.

**HUGHES:** Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move to advance LB540 to E&R for engrossing.

**HUGHES:** Colleagues, you've heard the motion. All those in favor say aye. All opposed say nay. LB540 is advanced. Next item.

**CLERK:** LB296, Senator. I have no amendments to that bill.

**HUGHES:** Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move to advance LB296 to E&R for engrossing.

**HUGHES:** Colleagues, you've heard the motion. All those in favor say aye.

**CLERK:** You have a light on.

**HUGHES:** Excuse me. My apologies, Senator Hunt. Your light is on; you're recognized.

**HUNT:** That's a debatable motion. Thank you, Mr. President. Colleagues, I rise in support of LB296. As I said last week, I am in great opposition, however, to LR107, which is a legislative resolution introduced by Senator Groene and signed by 30 other senators, many of whom didn't read the resolution. It's a very partisan and very divisive resolution. And I've heard rumors that it's scheduled to be debated on the floor at the end of the session, which opens the door for some scheduling shenanigans, I guess. And I decided to introduce a legislative resolution every day or every few days. And I-- and until I introduce my next one, I wanted to get a chance to speak on the record about the ones I've already introduced. I already introduced a legislative resolution to condemn the insurrection at the U.S. Capitol on January 6, 2021, because that's something that we haven't yet spoken about on the floor. I had also introduced LR121, which pertains to the COVID-19 pandemic, and I wanted to read that into the record before I continued introducing more resolutions. I'll also be following up to make sure that these resolutions do get scheduled for hearings in the Executive Committee, because these are just as substantive and serious as LR107 was, and I expect them to get the same kind of treatment from our body in terms of due process for

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moving them through for consideration. LR121: Now, therefore, be it resolved by the members of the One Hundred Seventh Legislature of Nebraska, First Session: 1. That we hereby reaffirm our solemn oaths of office by expressing a firm resolution to maintain and defend the American people and right of all Nebraskans to an urgent, robust, and professional response to the public health and attendant economic crises caused by the COVID-19 pandemic. 2. That we are greatly alarmed that a factious and contentious spirit manifested itself in some former and current members of the state and federal governments during the coronavirus emergency of 2019 and 2020, emanating both from the legislative and executive branches, with the desire to obstruct the dissemination of scientific evidence regarding the severity of the COVID-19 pandemic and methods for its mitigation. This design appears to have no other end except to signal an adherence to principles of personal liberty without regard for one's fellow human beings, the obvious tendency and inevitable consequence of which would be to contribute to hundreds of thousands of preventable deaths in the United States. 3. That we extend our appreciation to the membership of the current federal executive and legislative branches for decisive action taken to produce pandemic relief policies, which are grounded in best practices in science, medicine, and public health and promote common purpose, trust, transparency, and accountability. 4. That we express appreciation for the efforts of Nebraska's mayors, city councils, public health workers and officials, and other local government workers who adhered to scientific best practices in implementing mask requirements and safety measures designed to protect our citizenry. We similarly appreciate the efforts of the University of Nebraska Medical Center and all frontline health workers who placed themselves at extraordinary risk in serving the public during the COVID-19 pandemic. 5. That we celebrate the widespread accessibility of the COVID-19 vaccination--

**HUGHES:** One minute.

**HUNT:** --available to Americans at no cost and acknowledge that society has reached this remarkable achievement as a result of the diligent and sometimes thankless work of the scientists, doctors, and frontline workers, each of whom played a vital role in reaching this point. And Mr. President, I'll continue on my next time speaking. Thank you.

**HUGHES:** Thank you. Senator Hunt. You are next in the queue, so you may continue.

**HUNT:** Thank you, Mr. President. 6. That the Legislature requests cooperation from the Governor of Nebraska, the Nebraska Attorney General, the President of the United States, the President pro tempore

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of the United States Senate, the Secretary of the United States Senate, the Speaker of the United States House of Representatives, the Clerk of the United States House of Representatives, and the presiding officers of each of the legislative houses in the several states in defending the Constitution of the United States, the several states, and the American people against future pandemics. 7. That the Clerk of the Legislature shall transmit copies of this resolution to the Governor of Nebraska, the Nebraska Attorney General, the President of the United States, the President pro tempore of the Senate, the Secretary of the United States Senate, the Speaker of the House of the United States House of Representatives, the Clerk of the United States House of Representatives, and to the presiding officers of each of the legislative houses in the several states. That's the extent of LR121, which pertains to COVID-19. I introduced that in addition to another legislative resolution condemning those who stormed the Capitol on January 6, 2021. And the language in all of these resolutions completely mirrors the resolution that Senator Groene filed, LR107, from saying things like this design appears to have no other end, that we-- that we condemn, that we're greatly alarmed, that a factious and contentious spirit manifested itself. And then the final two paragraphs of each resolution are basically the same, as well. I wanted these resolutions to be as consistent as possible, because if LR107 is the kind of thing that this Legislature feels is worthy of a hearing, is worthy of floor debate, and above all, is worthy of passage with the support of 31 senators, you know, asking the Governor and the Attorney General to take action against the current presidential administration on issues that there is literally no danger of happening, things like voter suppression, things like taking away Second Amendment rights, vaccine passports, mandatory vaccines. None of that is going to happen. So there is a definite spirit of conspiracy, and mistrust, and bad faith that is coming from one side of the political ideology. And if that's something that we're going to take seriously, then we also need people in the body who will stand up for reason and science and evidence. And that's what I have attempted to embody with LR121. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Hunt. Seeing no one else in the queue, to get us back on track, Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move that LB296 be advanced to E&R for engrossing.

**HUGHES:** Colleagues, you've all heard the motion. All those in favor say aye. All opposed say nay. LB296 is-- is advanced. Mr. Clerk.

**CLERK:** LB313, Senator, I have E&R amendments, first of all.



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**HUGHES:** Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move that the E&R amendments to LB313 be adopted.

**HUGHES:** Colleagues, you've heard the motion. All those in favor say aye. All opposed say nay. LB313-- E&R amendments are adopted.

**CLERK:** Nothing further on that bill, Senator.

**HUGHES:** Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move that LB313 be advanced to E&R for engrossing.

**HUGHES:** Colleagues, you've all heard the motion. All those in favor say aye. All opposed say nay. LB313 is advanced. Next item.

**CLERK:** LB521, Senator. I have no amendments to the bill.

**HUGHES:** Senator Erdman, you're recognized.

**ERDMAN:** Thank you, Mr. President. I appreciate that. LB521 had come up before, and I had spoken about that and didn't move the needle very far; got one vote-- mine. But let me-- let me share something with you on LB521. If you look at the fiscal note, the last sentence says: if an organization doesn't fill out the form correctly with a value, it will no longer be exempt. You'll be denied exemption. In my district where I live, if you use churches, for example, most of the people who are treasurers for their churches have either been appointed by someone, elected by someone, or volunteer to do that. And they're going to be in charge of filling out the form for the exemption. And if they don't put the correct number there, then the next year that church is going to be taxed. What do you think is going to happen to the person who filled out the form incorrectly? This is all about the assessors and the Revenue Department or whomever the state understanding how much property is exempt. So I was wondering if Senator Friesen would yield to a question.

**HUGHES:** Senator Friesen, will you yield?

**FRIESEN:** Yes, I would.

**ERDMAN:** Senator Friesen, can you explain to us what the purpose of knowing this number is?

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**FRIESEN:** Well, again, it's like I said earlier, when we talk about this, they're in our tax expenditure report. There is a requirement from the Department of Revenue to report how much tax-exempt properties are in the state of Nebraska. But whenever I've asked for that report, they tell me that since the data is not being collected properly, they don't even release a report because they don't have accurate data because they're not requiring anybody to send it in. And if you look in the statutes, it's-- it's not required by statutes to fill it out. So, again, I've-- I've said if-- if we don't want to collect information, why are we putting it on the form?

**ERDMAN:** OK. So when you get that information then, it'll be valuable in what way? What will you use that information for?

**FRIESEN:** Well, I think we can view it as any other tax expenditure that we do out there. Is it-- is it meeting our expectations for what we have done? It's like, I guess, numerous other tax exemptions and things-- policy we've done. If we don't keep track of it and-- and see once if maybe it should have a sunset on it to see if it's still accomplishing its purpose. We need to collect the data, and it's-- if just for the sake of seeing what is out there.

**ERDMAN:** OK. So if I'm the person filing for my church, and I put \$10 in that line, is that acceptable?

**FRIESEN:** I-- again, if you look at the directions regarding filling it out, if-- if you file a protest on your other property, and you put \$10 in your requested valuation, is that acceptable?

**ERDMAN:** Yes.

**FRIESEN:** And what will they do when you fill that out? They will come up with a different number or reject your application.

**ERDMAN:** Well, generally they reject your application no matter what you put there.

**FRIESEN:** So they'll have-- they'll have that same choice.

**ERDMAN:** So--

**FRIESEN:** They can either accept it or reject it.

**ERDMAN:** So I've heard from-- I spoke with the people at NACO, and they said, well, one could put in the value that the property is insured for. So let me give you an example. My house is insured for two times

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of the value for replacement costs. If I'm filling out the exempt form and my church is-- is-- has insurance the same way, and let's say--

**HUGHES:** One minute.

**ERDMAN:** --my church is worth \$400,000, but I have it insured for \$800,000, I'm surely not going to write \$800,000 in that blank. And so most of these people have volunteered their time to do this, have no opinion of what property is worth or real estate is worth, and you're going to ask them to fill this out. So what it is going to do, it's going to force people to lose their exemption because they didn't know how to fill it out correctly.

**FRIESEN:** It doesn't say you would lose your exemption by putting in a different number. It says nothing about that.

**ERDMAN:** But it says if you do not fill it out correctly, you are unexempt for a year or whatever it is. So consequently, what we're doing here, we're focusing on the Revenue Department, the state of Nebraska, the assessor, whoever wants this information. And we've total-- total disregard for those who are exempt. This is a problem, and I think this bill is a solution looking for a problem. I don't understand the difference between having the incorrect number as having a zero. They're both wrong,--

**HUGHES:** Time, Senator.

**ERDMAN:** --and it doesn't make any sense.

**HUGHES:** Thank you, Senator Erdman and Senator Friesen. Senator Friesen, you're next in the queue. You're recognized.

**FRIESEN:** Thank you, Mr. President. Again, this goes back to: Are we going to collect information or are we not? Let's either take things off of our forms or let's fill them out. And if you're a board member of a church, I think it's your duty to at least know the value of that building. Otherwise, I'd say you're being derelict in your obligation to serve that body because you are required to maintain facilities. You should know what its value is. You should know what to insure for. So to say that you don't know that value would basically say that you're not doing your job. So again, we're collecting this data like we do all kinds of other data. We collect data to see if what we're doing is still meeting what the intent of the Legislature back in the day was. And if there is a tax expenditure report that's supposed to include this number, I think it's our obligation to see to it that they have numbers to put in there, or let's change the law to do that.

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I chose to require people to fill out the information on a form that we're sending out. So I think it's-- it's data that's valuable. It can look at-- at percentages of how much of a community might be exempt, and it has all sorts of implications, as we base all our state aid numbers on all these values. And if we exempt half of a community, we don't know what-- why or what they're doing-- tax-exempt organizations where left it up to the assessor. But if we don't know the value of that, if we don't recognize that number, I think we're derelict in our job. So I urge you to vote green on LB521. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Friesen. Senator Clements, you're recognized.

**CLEMENTS:** Thank you, Mr. President. I'd like to read-- oh, excuse me-- I had some tech support here and at an inopportune time. Thank you. If you look on page 2, starting on line 8, the change in this bill says-- when I get to it-- "Applications that lack an estimated valuation, or any other required information, shall result in the denial of the requested exemption." That's really hard and fast. And as I became aware of this, I thought there would be ways to make this acceptable to add an appeal process to the Board of Equalization, or change "shall" to "maybe," you know, and it may be approved for failure by reasonable cause. We just had a bill on homestead exemptions for a reasonable cause to be able to file one of those late. We could change "shall deny" or change it to "may result in a denial," and give the County Board of Equalization the authority to do that, but not force them to deny everything just because somebody didn't know how to fill out the form or especially a religious exemption. There are nonprofits that probably do this with more certified or trained staff, but I know that religious organizations end up with people that come and go. And for one year you could end up with a million dollar property that has a big detrimental effect to a budget of a church. And so I would like to see some reasonable changes to this rather than applications that lack a-- a valuation or any other required information shall result in denial. And so I am not able to vote for it in its current form. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Clements. Senator Erdman, you're recognized.

**ERDMAN:** Thank you. Thank you, Mr. President. So going forward, what I'm asking you to do is make a decision here on the fact that we're going to treat these people-- what shall I say-- according to what Senator Clements mentioned about no-- no opportunity for appeal or opportunity to file late or whatever it is. And so we begin to look at this information as being proprietary. And it's important. And I had a

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conversation with somebody that asked: Wouldn't you want to know how many properties or what's the value of the property exempt in your county? I guess I don't really care. They're exempt unless-- this is the unless-- unless you're thinking about, at some point in time taxing these people, taxing these properties, then it's important that you develop a value. So what has happened that I've experienced is the real estate company I work with have sold several churches. And from the time we signed the purchase agreement until the time we close, the county assessor has figured out what the value of that church is. And so it would make a lot more sense to me to have the county assessor put an estimate of value in that form than asking somebody who has no clue what real estate does or how it sells. And so the assessor is the one that should be putting that there. So if Senator Friesen wants to know what a-- a more accurate estimate of value, that's where he should start, not with the people filling out the form. And I don't know that Senator Friesen has ever sat across from people-- people who have lost their exemption and tried to understand what may have happened so that you could fix it. Under this bill, you have no opportunity. When that person or that organization receive notice that they're nonexempt, they understand that we approved it. And when they lose their exemption, they're going to wonder why. And when we tell them you didn't fill out your form right, it's not going to work. So I would encourage you to vote no on LB521. It's taking into consideration those who collect and spend the taxes, and it never takes into consideration those people who pay the taxes. So I'm a no on LB521, and I encourage you to be the same. Thank you.

**HUGHES:** Thank you, Senator Erdman. Seeing no one else in the queue, Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move that LB521 be advanced to E&R for engrossing.

**HUGHES:** There's been a request for a record vote. All those in favor-- all those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**CLERK:** Voting aye: Senators Aguilar, Blood, Bostelman, Brandt, Briese, Machaela Cavanaugh, Day, DeBoer, Flood, Friesen, Geist, Ben Hansen, Hilgers, Hilkemann, Hughes, Hunt, Kolterman, Lathrop, McCollister, McDonnell, McKinney, Morfeld, Pansing Brooks, Slama, Williams, Wishart. Voting no: Senators Albrecht, Arch, Brewer, Clements, Dorn, Erdman, Gragert, Groene, Halloran, Lowe, Moser, Murman, Sanders. 26-- Senator Pahls voting yes. 27 ayes, 13 nays, Mr. President, on the advancement.

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**HUGHES:** LB521 advances. Next item.

**CLERK:** Mr. President, LB209. Senator, I have E&R amendments, first of all.

**HUGHES:** Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move that the E&R amendments to LB209 be adopted.

**HUGHES:** Colleagues, you've heard the motion for the adoption of the E&R amendments. All those in favor say aye. All opposed say nay. E&R amendments are adopted.

**CLERK:** I have nothing further on that bill, Senator.

**HUGHES:** Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move that LB209 be advanced to E&R for engrossing.

**HUGHES:** Colleagues, you've all heard the motion. All those in favor say aye. All opposed say nay. LB209 is advanced. Next item, Mr. Clerk.

**CLERK:** LB407. I have enrollment and review amendments, first of all, Senator.

**HUGHES:** Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move that the E&R amendments to LB407 be adopted.

**HUGHES:** Colleagues, you've all heard the motion. All those in favor say aye. Opposed nay. E&R amendments are adopted.

**CLERK:** Senator McDonnell would move to amend with AM1282.

**HUGHES:** Senator McDonnell, you're welcome to open on AM1282.

**McDONNELL:** Thank you, Mr. President. Good morning, colleagues. Simple-- hopefully improvements. Line 1, page 4-- excuse me, page 4-- the first improvement-- line 38 [SIC]: strike "and" and put "or," and number 2, on page 4, line 31, page 5, after "jail" insert "in a high-population county." Thank you, Mr. President.

**HUGHES:** Thank you, Senator McDonnell. Debate is now open on LB1282 [SIC--AM1282]. Senator Albrecht, you're recognized.

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**ALBRECHT:** Thank you, President. Would Senator McDonnell yield to a question?

**HUGHES:** Senator McDonnell, will you yield?

**McDONNELL:** Yes.

**ALBRECHT:** Can you define with a number the-- when you say on your amendment that it's a defined high- population county, how many--

**McDONNELL:** Three hundred thousand or more.

**ALBRECHT:** Three hundred-- is that just the standard that we should-- we would know that?

**McDONNELL:** It's in the bill.

**ALBRECHT:** OK, but it just says high population. It doesn't--

**McDONNELL:** No,--

**ALBRECHT:** --give a number.

**McDONNELL:** --it says 300,000 in the bill.

**ALBRECHT:** It does?

**McDONNELL:** Yes.

**ALBRECHT:** I'll look. Thank you.

**HUGHES:** Thank you, Senator Albrecht and Senator McDonnell. Seeing no one else in the queue, Senator McDonnell, you're welcome to close on AM1292 [SIC--AM1282]. Senator McDonnell waives closing, even though-- colleagues, the question before us is the adoption of AM1282 to LB407. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**CLERK:** 35 ayes, 0 nays on the adoption of Senator McDonnell's amendment.

**HUGHES:** AM1282 is adopted. Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move to advance LB407 to E&R for engrossing.

**HUGHES:** That is a debatable motion. Senator Abrecht, you're recognized.

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**ALBRECHT:** I'm just looking on the amendment and I don't see the actual number of 300,000, so that's why I was asking. And I was wondering why other counties wouldn't be involved in this. So that was just my concern.

**HUGHES:** Thank you, Senator Albrecht. Seeing no one else in the queue, colleagues, the question is the advancement of LB407 to E&R for engrossing. All those in favor say aye. All opposed nay. LB407 advances. Next item, Mr. Clerk.

**CLERK:** Senator McKinney, LB90. I have no amendments to the bill.

**HUGHES:** Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move that LB90 be advanced to E&R for engrossing.

**HUGHES:** Colleagues, you've all heard the motion. All those in favor say aye. All opposed nay. LB90 advances. Next item, Mr. Clerk.

**CLERK:** LB166, Senator. I have no amendments to the bill.

**HUGHES:** Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move that LB166 be advanced to E&R for engrossing.

**HUGHES:** Colleagues, you've all heard the motion. All those in favor say aye. All those opposed nay. LB166 advances. Mr. Clerk.

**CLERK:** LB166A, Senator. I have no amendments to the bill.

**HUGHES:** Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move that LB166A be advanced to E&R for engrossing.

**HUGHES:** Colleagues, you've all heard the motion. All those in favor say aye. All those opposed say nay. LB166A advances. Next item, Mr. Clerk.

**CLERK:** LB317, Senator. I have no amendments to the bill.

**HUGHES:** Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move that LB317 be advanced to E&R for engrossing.



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**HUGHES:** Colleagues, you've all heard the motion. All those in favor say aye. All those opposed nay. LB317 advances. Mr. Clerk.

**CLERK:** LB317A, Senator. I have no amendments to the bill.

**HUGHES:** Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move that LB317A be advanced to E&R for engrossing.

**HUGHES:** Colleagues, you've all heard the motion. All those in favor say aye. Opposed nay. LB317A advances. Mr. Clerk.

**CLERK:** Senator, LB256. I have no amendments to the bill.

**HUGHES:** Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move that LB256 be advanced to E&R for engrossing.

**HUGHES:** Colleagues, you've all heard the motion. All those in favor say aye. Opposed nay. LB256 advances. Next item, Mr. Clerk.

**CLERK:** LB479, Senator. There are Enrollment and Review amendments pending.

**HUGHES:** Senator McKinney, you're recognized.

**McKINNEY:** Mr. President, I move that the E&R amendments to LB479 be adopted.

**HUGHES:** Colleagues, you all heard the motion. All those in favor say aye. All opposed nay. E&R amendments are adopted.

**CLERK:** I have nothing further on that bill, Senator.

**HUNT:** Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move that LB479 be advanced to E&R for engrossing.

**HUGHES:** Colleagues, you've all heard the motion. All those in favor say aye. All opposed nay. LB479 advances. Next item, Mr. Clerk.

**CLERK:** LB628, Senator. There are Enrollment and Review amendments pending.

**HUGHES:** Senator McKinney for a motion.

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**McKINNEY:** Mr. President, I move that the E&R amendments to LB628 be adopted.

**HUGHES:** Colleagues, you've all heard the motion. All those in favor say aye. All opposed nay. E&R amendments are adopted.

**CLERK:** I have nothing further on that bill, Senator.

**HUGHES:** Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move that LB628 be advanced to E&R for engrossing.

**HUGHES:** Colleagues, you've all heard the motion. All those in favor say aye. Opposed nay. LB628 advances. Next item, Mr. Clerk.

**CLERK:** Mr. President, General File. LB568 is a bill by Senator Pansing Brooks. It's a bill for an act relating to juveniles; it changes the jurisdiction of juvenile courts; it changes provisions and terminology related to truancy; it eliminates obsolete language; and changes provisions of the Community-based Juvenile Services Aid Program. Introduced on January 19, at that time referred to the Judiciary Committee. The bill was advanced to General File. There are committee amendments, Mr. President.

**HUGHES:** Thank you, Mr. Clerk. Senator Pansing Brooks, you're welcome to open on LB568.

**PANSING BROOKS:** Thank you, Mr. President. Good morning, colleagues. I am-- LB568 is an important step forward to ensure our kids receive the appropriate interventions to help them remain in school and out of our juvenile justice system. Specifically, LB568 removes truancy as a juvenile status offense under court jurisdiction, and, instead, increases diversion opportunities for children with excessive absenteeism. I want to thank Judge Gendler and Judge Turnbull, and others who helped me to write this, and also Department of Education. It's a huge group of people that have come together to create this-- this bill. I brought this bill after LB393 [SIC--LR393], an interim study that I introduced last session, which revealed that most of the children who end up in probation for status offenses are there because of a truancy violation. Probation data shows that there were 935 status youth in fiscal year 2018-2019. Of those, 647, 70 percent-- 70 percent were truancy adjudications. For comparison purposes, only 15 percent of these cases were for minor in possession offenses. That's a lot of children going through our court system just for truancy violations. As part of LB393 [SIC--LR393], we brought together judges,

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court administrators, county attorneys, educators, child advocates, and others to share their ideas and suggestions for how to revamp our truancy statutes to ensure that these kids are getting the services that they need instead of going out through our court system. According to the Annie E. Casey Foundation, one of the most well respected organizations in the country on juvenile justice issues, "In some jurisdictions, status offense cases are referred to social service agencies or family crisis units that can offer young people guidance and support. Other jurisdictions rely on the juvenile justice system, despite evidence that punitive responses to these types of behaviors are ineffective." With that in mind, LB568 establishes that the goals of juvenile pretrial diversion programs include providing juveniles who have excessive absenteeism from home or school with diversion services to address the needs of juveniles and his or her family-- brings in the family. A juvenile pretrial diversion program shall be offered to the juvenile when practicable, following a referral from a school, parent, guardian or custodian in regarding to excessive absenteeism. When the county attorney receives a referral from a school from which a juvenile is excessively absent, the county attorney shall work with the school to refer the juvenile and his or her family to community-based resources available to address the juvenile's behaviors, provide crisis intervention, and maintain the juvenile safety in the home. LB568 also provides that the State Board of Education may adopt and promulgate rules and regulations to carry out the statutory provisions related to excessive absenteeism. The court may continue to address excessive absenteeism from school as a part of interconnected disposition hearings. In supporting LB568, the Nebraska Commissioner of Education, Matt Blomstedt, says: Chronic absenteeism is a key indicator of inequities in school communities. Nebraska, like much of the nation, experiences disparate rates of chronic absenteeism for students of color, students with disabilities, the economically disadvantaged, and English learners. We must collectively commit to addressing the underlying causes of student absence. And this bill would support the creation of a culture of prevention and proactive courses of action. For those wondering what replaces the courts if removed-- if we remove the status offense violation, i.e. the hammer, the most remarkable and best answer to that question would only require you to take a look at the fiscal note on LB568. This fiscal note shows that probation would save \$3.5 million in costs by removing these truancy cases from the courts. That money would be so much better spent on the kids in diversion programs LB568 would mandate. Though-- through community best-- through community-based aid, we currently allow about \$6,048,000 for juvenile services. Of that, \$1,158,083 goes toward truancy specific funding, according to research by Dr. Anne Hobbs from the UNL-- UNO Juvenile

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Justice Institute. So only 15 percent of total juvenile programming funded through community-based aid goes toward truancy diversion, even though 70 percent of community-based aid-- even though 70 percent of status offense cases are truancy. This means we can triple funding for truancy diversion with the passage of LB158 [SIC--LB568]. Great things are happening across the state, all across the state, with our diversion programs. There are still a few counties that do not offer diversion, and this will allow them to get funding to set up the programs, and allow other counties to expand their diversionary programs, all while the kids go to school. More money into community aid will be extremely helpful for our counties and transformational for our kids in state. Community aid has never been funded to the level intended by the Legislature. We can fix that and do better for our Nebraska children and families. Further, excessive truancy is most frequently coupled with problems going on in the home. We can better solve these problems more effectively without sending these cases through the courts. Kids should not be the ones mainly punished when the problem actually lies most frequently with the parents. In fact, our Nebraska laws require that we primarily punish the parents in truancy cases. That is not happening. By enhancing diversion, we can provide early interventions. However, when necessary, DHHS is already statutorily obligated to serve these kids; and sometimes DHHS is a necessary track. Taken as a whole, LB568 reduces the risk of a juvenile coming into contact with the juvenile justice system unnecessarily. Nebraska's current approach to improving school attendance is reliant upon a court system that the evidence shows is not the best place for our kids. We need to address excessive absenteeism in a more constructive way through diversion. Deploying best diversion practices will also free up probation to focus on those at-risk youth to come to the court for offenses that actually need to be handled in the court and the juvenile justice system. And I want to thank Senator Lathrop, Chair of the Judiciary Committee, and the Judiciary Committee for prioritizing this bill as a committee. And with that, I ask you to vote green on LB568 and AM264 that you'll hear soon. Thank you. Thank you.

**HUGHES:** Thank you, Senator Pansing Brooks. As the Clerk stated, there are committee amendments. Senator Lathrop, as Chair of the Judiciary Committee, you're-- you're welcome to open on AM264.

**LATHROP:** Thank you, Mr. President. Colleagues, good morning. LB568 was heard by the Judiciary Committee on February 5, 2021. The committee voted to amend and advance the bill on a 6-0 vote with two members present not voting. This was made a committee priority. And I will just tell you, it was made a committee priority at my suggestion

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because this is an important topic and this bill represents an important reform. Section 43-2404.03 currently includes legislative intent language to appropriate \$5 million each year to Community-based Juvenile Services Aid Program. This program provides aid to counties to support their juvenile justice and diversion programs. The original bill would have increased that amount to \$10 million each year. AM264 would instead increase the amount to \$8.5 and delay the increase until 2024. Colleagues, I was here-- years ago, I was on the Judiciary Committee when then Chair Ashford spent the summer working on truancy issues. Recognizing the relationship between truancy and problems later on in life, we acted. The bill that was advanced and passed by the Legislature back then increased involvement in the courts in the truancy issue. It was the right idea, perhaps in hindsight, not exactly the perfect approach. Here's the-- here's the challenge and what Senator Pansing Brooks's bill does. Right now, these kids are-- we engage the juvenile justice, the juvenile court, and the county attorney in the process of addressing truancy. By the way, after this bill passes, we can still do that if it-- if it shows bigger problems. What we have is an opportunity for diversion. Let's talk about that because, for those of you that are still here, the kids-- kids are involved in truancy for a variety of reasons. It might be that they're being bullied at school. It might be that they are-- parents aren't getting them up in the morning or getting them to the schoolhouse. It might be that there are things in the family that need to be addressed that are the-- the base issues for the truancy. It might be that the family is moving around or they don't have a home or they're not near the school. Most of the problems with truancy can be addressed outside of engaging the county attorney and the court system. That's what Senator Pansing Brooks's bill does. That's the change we're making. And colleagues, it doesn't foreclose the juvenile courts in-- in circumstances where these efforts fail. I strongly encourage you to support the amendment, as well as the bill. And this is something that was impressive in the hearing in terms of the scope of the stakeholders that appeared, either personally or by written testimony, in support of this approach. Senator Pansing Brooks has done something very thoughtful here. It is a good reform. This isn't being soft on kids. This is about being smart with our resources and dealing with the fundamental basic problem on a child-by-child basis, instead of engaging the juvenile courts and the county attorneys. And for that reason, I would encourage your support of the amendment and the bill. Thank you.

**HUGHES:** Thank you, Senator Lathrop. Mr. Clerk.

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**CLERK:** Mr. President, Senator Pansing Brooks would move to amend the committee amendments with AM1209.

**HUGHES:** Senator Pansing Brooks, you're recognized to open on AM1209.

**PANSING BROOKS:** Thank you, Mr. President. Good morning again, colleagues. AM1209 makes several changes in the administration of community aid to help the Crime Commission better-- better meet the needs of our counties. The additional provisions in this amendment came about through dialogue I had with Senator Bostelman, Colfax County Attorney Denise Kracl, officials at the Crime Commission, and officials at NACO. First, AM1209 includes language from the committee amendment, AM264, which Senator Lathrop just spoke of, establishing legislative intent to fund community-based aid services-- Community-based Juvenile Services Aid at \$8.5 million, starting in fiscal year 2023-2024, and each fiscal year thereafter. This increase from the current \$5 million is equivalent to the cost savings identified by the Supreme Court's Office of Probation for truancy only cases. These cost savings were provided by the courts on the fiscal note. Page 1 of the fiscal note shows that for fiscal year '20, the savings would have about \$3.5 million-- would have been about \$3.5 million if the effects of this bill were already in place. Therefore, as amended, LB568 is revenue neutral. The Fiscal Office recommended this amendment in order to create a revenue-neutral bill whereby funds would have a de facto transfer from probation to the Crime Commission. The intent is for probation to receive a reduction of \$3.5 million and for the Crime Commission to receive an additional \$3.5 million in funds in 2023-24. This process has been validated by both probation and community-based aid. AM1209 also broadens community aid to include at-risk youth and families so that the juvenile can appropriately receive services before coming into contact with the juvenile justice system. Early intervention is key for these kids, and including their parents is important. In addition, AM1209 provides flexibility for the Crime Commission to apportion funds on a needs basis to all school-aged children by eliminating the statutory formula for distributing-- for distributing aid, and instead specifies that population, geography, and availability of local services will all be factors in distribution of aid across the state to all at-risk, school-aged children. Elimination of the current formula will allow the Crime Commission to better respond to local needs. In addition to the formula changes which remove the 12-18 age requirement, allowing it to go to-- to be-- include younger children, the changes on page 4 also reinforce that funds shall be available to all school-aged youth for excessive absenteeism and family diversion. AM1209 also cleans up language to reinforce eligibility of tribes, and allows the tribe--

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the Crime Commission to retain funds not distributed by the counties or tribes to implement pilot projects, program development training, or other statewide initiatives. The commission may also award unspent, returned, or de-obligated funds to any new or existing grant recipient under the program who exhibit a need for additional funds. This is important because some of these statutory restrictions-- under those restrictions, counties have had to return the money, hindering long-term and ongoing planning. Finally, AM1209 creates a director of absenteeism, prevention, and intervention within the Crime Commission. The director shall be responsible for developing, fostering, promoting, researching, and assessing new and existing excessive absenteeism prevention and intervention programs in collection with-- in connection in-- sorry-- in collaboration with cities and counties. The new section outlines specific duties for the position. AM1209 makes improvements to the process of receiving community aid and, thereby, helps better achieve the goals of LB568. Smaller communities will be able to get diversionary support they have never received, ultimately saving money for the counties. I ask you to vote green on AM1209, committee AM264, and LB568. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Pansing Brooks. Mr. Clerk for items.

**CLERK:** Yes, Mr. President, I do. Thank you. Senator Flood-- amendment to be printed to LB131. Your Committee on Health and Human Services reports LB376 to General File with committee amendments attached. Senator Vargas offers LB258A. It's a bill for an act to appropriate funds to implement LB258. Senator Hunt offers LR130, Mr. President. Pursuant to its introduction, a communication from the Speaker directing LR130 be referred to Reference for referral to the appropriate Standing Committee for hearing. Notice of hearing from the Health Committee. And Mr. President, priority motion, Senator Sanders would move to recess the body until 1:30 p.m.

**HUGHES:** Colleagues, we will take up LB568 and pending amendments after lunch with the queue intact. You've all heard the motion to recess. All those in favor say aye. All opposed nay. We are in recess.

[RECESS]

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

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

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**HILGERS:** Thank you, Mr. Clerk. Do you have any items for the record?

**CLERK:** Just an item, an amendment to be printed to LB595 by Senator Linehan. That's all that I have.

**HILGERS:** Thank you, Mr. Clerk. We'll now proceed to the first item on the afternoon's agenda.

**CLERK:** Mr. President, LB568 is pending along with the committee amendments and Senator Pansing Brooks has an amendment to those committee amendments, AM1209.

**HILGERS:** Returning to debate on AM1209. Senator Groene, you're recognized.

**GROENE:** Thank you, Mr. President. I-- I stand in opposition to AM1209, AM264, and LB568. This is, I don't know how to say it, a good-- a feel good bill. This-- I'm going to summarize it. I'll jump all over the place. But this takes truancy out as an individual, as an individual crime. No longer can it be referred to the juvenile court as just a juvenile crime. The only time the court can address it, if it's in conjunction with another felony and then they can address truancy in their court orders or their probation. This bill also takes probation out of it, out of truancy. It creates a-- a referral system to-- let me get to the referral. "Following a referral from a school, parent, guardian, or custodian in regard to excessive absenteeism;" we just, the bill itself cures truancy because it makes it nonexistent, refers to the county attorney, and then they do the diversion program. Existing law says, "being wayward or habitually disobedient, is uncontrolled by his or her parent, guardian, or custodian; who deports himself or herself so as to injure or endanger seriously the morals or health of himself, herself, or others;" and who will-- and "who is habitually truant from home or school." These are the individuals that my county attorneys are telling me about that get charged with truancy. Now, here you got a kid who thumbs his nose at his mother; tells his teacher where to go; student's counselor tries to talk to him and tells them what direction to go. Administrators are out of it. So mom or the school administrator is-- this kid is truant or excessively absent and goes to the county court and says this child needs to be put in diversion. Now, what do you think the kid's going to tell the-- in our county, we have this thing that's called Family Skills Builders [SIC]. It's a private nonprofit that we, the county, the probation people refer them to. So now they're going to tell him, county attorney says, Mom, send your kid here. You think the kid will ever show up? Do you think this kid who thumbed his nose at everybody else is going to show up at Families Skills Builders [SIC]? Now, when



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they put him in diversion, if they do not do the diversion, they can refer them back to juvenile court. Then they can be put in probation and they can be-- put a monitor on them, can be drug tested, can even go after the parents. That's all gone with this bill. It's a feel good bill. This kid that's revolting against society is going to now voluntarily show up at the "nonproblem"-- nonprofit Family Skills Builder, oh, by-- by the way, they take the word nonprofit out of the bill, too, so that-- try to make sure it's a government entity. Then we're going to create more government bureaucracy by creating a whole new in the amendment--

**HILGERS:** One minute.

**GROENE:** --division at the Crime Commission is going to come up with all sorts of fancy ideas and plans, but no funding. In my probation district, there's 17 counties; 2 have a diversion program or can afford it: Lincoln County, Keith County has a small one my probation office thought. Only four counties have kids that are involved in-- that have been gone through the court system because the counties can't afford it. So now we're going to do all this pie in the sky, fancy feel good legislation, and the rural counties don't have anywhere to send these kids. There's no enforcement, no enforcement to make him go to the diversion program. So anyway, I'll be back in the queue, give you some more facts.

**HILGERS:** Thank you, Senator Groene. Senator Slama, you're recognized.

**SLAMA:** Thank you, Mr. President. And good afternoon, colleagues. I-- I rise today and before I get started, I just want to thank Senator Pansing Brooks for her work during her time in the Legislature with juvenile justice. She's really been a champion for kids. That-- that being said, I do have to rise today in opposition to LB568, AM264, and AM1209. If you look at your committee statement, you'll see that I was present not voting on this bill out of committee. There are just some fundamental issues that I have with this bill. I think that we're eliminating a great tool for the courts to step in and intervene in a juvenile's life when they start skipping school, but before their behaviors start escalating. Senator Ashford did an extensive amount of work towards this end and completed a lot of research that pointed to excessive absenteeism being that first sign of something going wrong in a child's life. So he enabled the body through-- it's LB-- I'm struggling to find the number of the bill right now-- but in any case, we received some great feedback on LB568 and some of the consequences it would have for the youth in our system. And I worry that passage of LB568 is merely pushing the timeline back for when courts can intervene and when programs can intervene in students' and their

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families' lives to ensure that these kids are in school and not starting to commit crimes on the street. I want to read now an email that pretty well summarizes my concerns with this bill in relation to how we're handling our juvenile justice system in this state right now. It's from Sandra-- Sandra Markley out of the Sarpy County Attorney's Office in their juvenile division. And Sandra sent this email to everybody. It should be searchable. I watched the hearing today with interest regarding LB568, the bill that removes truancy jurisdiction from the juvenile court. I'm writing to you as the deputy county attorney, the person who is responsible in the juvenile court system to file both the (3) (a) cases of educational neglect and the (3) (b) cases of truancy, as well as divert youth to our diversion program. I would like to address some of the issues that were brought forward during the committee hearing. I was disappointed that the juvenile court system was characterized as a hammer. The juvenile court system is a court that helps youth and works in a developmentally appropriate way to help our youth. We don't send kids to jail and we are not a hammer. You heard Judge Gendler speak today about all of the programs we have in Sarpy County to address truancy issues. Those are not hammers, but assistance directed to-- to solve truant-- resolve truancy. If truancy is removed from the jurisdiction of the juvenile court, that will impair access to those programs that now serve our youth with success. You were told not to worry about enforcement of truancy for those youth who do not voluntarily participate in divisions-- diversion services because we could, quote, just file a (3) (a) end quote, and get HHS involved. As the person who files (3) (a)s, that is not the case. Our (3) (a) filings that involve HHS custody must first involve an HHS investigation. HHS currently will not accept hotline referrals for truancy because it is not a safety issue. If this law should pass, there would be need to be a provision added that HHS is required to accept and investigate any hotline call where educational neglect or excessive absenteeism is the issue. If we file (3) (a)s without HHS custody,--

**HILGERS:** One minute.

**SLAMA:** Thank you, Mr. President. --we cannot access services until the court places the youth in HHS custody, which may be months down the road. I did note that there were no prosecutors involved as proponents of this bill. I am unaware if any were asked their opinion as this bill was being crafted. As a practitioner in juvenile court system for 25 years, with our current law, we have changed the lives of youth who have been helped through the court system. The law as it currently reads-- the bill as it currently reads, would not be helpful to our youth in Nebraska and would, in fact, be harmful. Again, that's from

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Sandra Markley of the Sarpy County Attorney's Office, their juvenile division head. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Slama. Senator McKinney, you're recognized.

**McKINNEY:** Thank you, Mr. Speaker, I rise in support of LB568, AM264, and AM1209. I rise in support of this because it's important to me to do whatever I can as a leader and an individual that represents my community to try to close the school-to-prison pipeline. I do not believe that just because a student is truant that they should ever end up in the-- in the justice system, whether that's juvenile or adult. We should be doing more things to focus on making sure those kids-- to focus on their needs. A lot of kids that miss school a lot more than likely have issues in the home that aren't being addressed. They may be going to sleep without lights, water, food. They may have seen things the night before that causes them not to go to school the next day. That's what we have to think about. It shouldn't be, oh, this kid missed school, let's sit him in front of the courts. It makes no sense. I've had many family members end up in this situation, and I would say from experience going to the courts didn't help their situations. They were still living in poverty. They still were dealing with issues that weren't addressed. All we're doing is exposing them to the criminal justice system for no reason at all, just because they miss school. We should be pulling those kids into a room and trying to figure out what's going on at home, not, oh, you missed school. You need to go in front of a judge and we-- we need to be tough on you for this. Where's the empathy at from this body to make sure that the needs of these kids are being addressed, not sending them through the juvenile justice system for no reason and not helping them? That-- that doesn't solve the problems of my community just sending every kid that is truant through the criminal justice system. We have to think about that. And that's why I support this bill, because diversion is a way to make sure that we pull them in, but we're not exposing them completely to the criminal justice system because it's important to close the school-to-prison pipeline. I know a lot of other districts or senators may not have to deal with that, but I do. And it's very important to me to limit the amount of kids in my community that are going through the juvenile justice system because the juvenile justice system, a criminal justice system, has not treated individuals from my community fairly throughout the years. And that's why I support this bill. And I would ask you all to vote green on the two amendments and also the bill as well. Thank you.

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**HILGERS:** Thank you, Senator McKinney. Senator Erdman, you're recognized.

**ERDMAN:** Thank you, Mr. Speaker. And good afternoon. I appreciate the opportunity to discuss LB568. I'm not in favor of any of those amendments that are on the board as well as LB568. It is my understanding that we currently have probation officers who are trained in truancy, who understand what it is to deal with those young people who are truant. So we also, I believe, transfer \$5 million to do that. And so Senator Pansing Brooks said that AM1209 takes away the financial obligation of the fiscal note. And I was wondering if she would yield to a question or two.

**HILGERS:** Senator Pansing Brooks would you yield?

**PANSING BROOKS:** Yes. I'm sorry. I had a computer going crazy over here.

**ERDMAN:** That's OK.

**PANSING BROOKS:** So I didn't hear. If you asked me a question, I didn't hear it. I'm sorry.

**ERDMAN:** I haven't asked yet.

**PANSING BROOKS:** OK.

**ERDMAN:** OK. Do we currently transfer 12-- \$5 million to probation to handle truancy?

**PANSING BROOKS:** Pardon me?

**ERDMAN:** Do we currently transfer \$5 million to probation for truancy items?

**PANSING BROOKS:** Yes. Yes.

**ERDMAN:** OK, so you said in your-- I believe you said in your amendment opening that this would take away the fiscal note. Is that what you said?

**PANSING BROOKS:** So what's happened is that it's another \$3.5 million that probation will, by moving it to community aid, probation will save \$3.5 million. That-- that's why I didn't have it happen until 2024.

**ERDMAN:** So how much will this bill cost, \$8.5 million, then?

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**PANSING BROOKS:** \$8.5 million? No. You mean in 2024?

**ERDMAN:** Every year.

**PANSING BROOKS:** Every year, this bill is costing three-- it's diverting \$3.5 million from probation. So it shouldn't cost anything. We're already spending that.

**ERDMAN:** You're transferring part-- you're taking \$3.5--

**PANSING BROOKS:** Yep.

**ERDMAN:** --from the \$5 million we currently transfer to probation?

**PANSING BROOKS:** From probation to community aid--

**ERDMAN:** OK.

**PANSING BROOKS:** --and they have no problem with that. And community aid is fine and probation supports this.

**ERDMAN:** So you're-- you're creating a Director of Absenteeism, correct?

**PANSING BROOKS:** Yes, excessive absenteeism. I'm not, but--

**ERDMAN:** I mean, that's what the bill does.

**PANSING BROOKS:** Yeah, that's what the NACO wanted me to do and what community aid wanted me to do--

**ERDMAN:** OK.

**PANSING BROOKS:** --to help [INAUDIBLE].

**ERDMAN:** So who-- who will the Director of Absenteeism report to?

**PANSING BROOKS:** To the Crime Commission.

**ERDMAN:** OK. So will the Crime Commission be the one that sets up and establishes the rules for the absentee director?

**PANSING BROOKS:** Yes.

**ERDMAN:** OK. So what-- what is our-- what is our main issue why we need to do this? What-- what problem are we trying to solve?

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**PANSING BROOKS:** Thank you for asking. Well, as you remember, to me, this is really addressing the beginning of the prison overcrowding system. Seventy percent of our kids that end up in juvenile justice system end up going on to adult prison. And so this is solving the problem of not having these kids have interaction with the courts, but instead go first to diversion. They still have an ability for the county attorneys to come after them as an uncontrollable child or as somebody that is-- is not following what-- what's required of them.

**ERDMAN:** I believe the goal would be to get these young people in education. Is that correct?

**PANSING BROOKS:** Yeah, to get back to school.

**ERDMAN:** So under the current program we have under truancy, that's the same goal. Would you agree?

**PANSING BROOKS:** I think that that was the initial intended goal. But actually, students are-- are losing an average of five days more of school than they already were by going through the juvenile justice system. So it may be their goal, but it's not working that way.

**ERDMAN:** Well, we don't have any proof that this goal is going to work either, because there's no enforcement in your program. Is that correct?

**PANSING BROOKS:** There's-- there's enforcement. They have the-- the diversionary program. And then--

**HILGERS:** One minute.

**PANSING BROOKS:** --if the-- if the county attorney feels that that-- that has not gone well enough, education is under (3)(a) so they can still file for excessive absenteeism and they can also file under (3)(b) for uncontrollable child.

**ERDMAN:** OK. So let me see if I'm clear on this. So the end result if they violate the absenteeism rules or they violate the current truancy rules, they wind up in exactly the same place. Is that correct?

**PANSING BROOKS:** They could, yeah, but not-- but most of the kids, the statistics show that-- that these diversionary-- diversionary programs work. And I'll give you that information when I-- when you have more time or I have more time on the mike.

**ERDMAN:** Yeah. So if these kids don't adhere to what they're supposed to do because of the threat of-- of probation and whatever else, I

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don't know how going to a diversion program is going to make them any more encouraging to attend diversion than they did probation. It-- I-- I think this is a solution--

**HILGERS:** Time, Senator.

**ERDMAN:** --looking for a problem. Thank you.

**HILGERS:** Thank you, Senator Erdman and Senator Pansing Brooks. Senator Pansing Brooks, you're next in the queue.

**PANSING BROOKS:** OK, thank you. Thank you for the questions, Senator Erdman. The-- the statistics continue to show that by creating a-- a mandatory diversion program that, like we are doing, we are strengthening provisions that allow student-- schools to work with county attorneys. And there's-- there's no evidence that court involvement is actually effective at increasing attendance. In fact, the evidence to the contrary. Some of the data and research on intervention shows that the-- the work done by Dr. Hobbs in the Juvenile Justice Institute shows targeted interventions based on data specific to that community and that those are the most effective repercussions for truancy. The needs of Colfax County are very different than the-- than the needs in Lancaster, Douglas, and Hall. But we have the people, the tools, the models in the state to help these kids and help these communities to employ best practices. You know, Utah has-- has implemented a bill largely like this, and it was sponsored by Representative Lowry Snow, a Republican, and Senator Todd Weiler, a Republican, and passed with near unanimous support in the legislature. And it's intended to keep youth who can be safely supervised in the community out of costly residential placements, expand community-based programs, standardized practices to reduce outcome disparities across racial and geographic lines, and to divert youth charged with less serious offenses from formal court proceedings. We have case after case. CSG has stated that they released a report last summer called Rethinking the Role of the Juvenile Justice System: Improving Youth's School Attendance and Educational Outcomes. This comprehensive analysis of the South Carolina school attendance shows that, quote, Youth who become involved with the juvenile justice system missed on average five additional days of school, a statistically significant difference. Let me repeat, pushing kids through the juvenile justice system actually increases the number of days that they miss. Solving school attendance in the courts is actually counterproductive to the goal of school attendance. Doesn't it seem absurd to you to punish kids for skipping school by placing them in a courtroom whereby they miss more school? I think it just doesn't even make any sense. And Senator Slama read a

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note from a county attorney. I, too, have a note from a county attorney, Denise Kracl from Colfax County. And she said Colfax County has a community team who decides what services youth in Colfax County need the most. That team is composed of clergy, law enforcement, school personnel, mental health providers, and many others. We use data from the Juvenile Justice Institute at UNO to help us determine these options. Colfax County then submits a community-based aid grant application asking for funding for these programs. It is my understanding that the additional \$3.5 million in funding would go to the community-based aid pool and boost the possible amounts that the counties and tribes can apply for. We would use these additional dollars to provide more services to children in our county, Colfax County, to identify why youth are chronically absent from school and to remove those barriers so youth are in school. My goal is to keep the kids in the classroom and out of the courtroom. That's the goal, folks, keeping the kids in the classroom and out of the courtroom. This isn't a-- a problem in solve of a-- or a solution in-- in search of a problem.

**WILLIAMS:** One minute.

**PANSING BROOKS:** This is a problem that exists. It exists because 70 percent of the kids-- let me get these statistics. The status of youth by adjudication type, 647 kids in fiscal year '18-19 were adjudicated for truancy; 153 kids were adjudicated for MIP; 186 kids were adjudicated as uncontrollable, so 986 total status youth. But we're not solving things by putting kids that-- that aren't bad kids into the system. If they continue to be uncontrollable, there are ramifications and ways the county attorneys can go after them. Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator Pansing Brooks. Senator Lathrop, you're recognized.

**LATHROP:** Thank you, Mr. President. Colleagues, good afternoon once again. I thought I would give a little historical perspective to my colleagues because the movement to address truancy and absenteeism at school happened while I served on the Judiciary Committee. As Senator Ashford oftentimes did, he chaired that committee for the eight years that I served previously, and I served on the committee all eight years. Senator Ashford would get done with a session and find something that he was going to work on during the interim. He did a lot of different things, came up with a lot of broad policies through his work that he did in the interim. And he would-- he spent a lot of time at it and put a lot of energy into it, and he would go to different towns where things were being done well. So I bring that up



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so that you understand where the-- where the movement started to get ahead of truancy. There were a lot of folks, primarily in Omaha, but not exclusively, who recognized that kids that don't go to school and aren't in the seat in the classroom end up having bad outcomes. They-- they drop out more often, they get in trouble more often, and this is the idea of getting ahead of the problem before it becomes a big problem and before kids start getting in trouble. And, of course, it affects whether they can even graduate. So this movement started-- this movement started, I'll say, from the people who care about the kids. What we did is involve the county attorneys and involve the juvenile court much more than had previously been the case. And that, of course, created some backlash. There were a lot of parents, a lot of them were in my district that said, you know, my kid missed school because they had a-- they have a chronic illness and now you're trying to criminalize them. Senator Ashford took a lot of heat for that bill and there have been some changes to it. But what Senator Pansing Brooks is doing is recognizing that the place to start isn't at juvenile court, but rather try something with some social services before we get to the juvenile court courtroom. Why does that make sense? Colleagues, stop and think about why kids are truant, why are they not going to school? It is a lot of things that you probably can't even imagine. It might be they're being bullied. A lot of them have to do with the circumstances in their own home. This isn't a case where we're asking you to be soft on juveniles that won't listen to their parents. These kids are experiencing trauma in their homes. They're experiencing maybe-- maybe mom's moving around and doesn't have a place. Maybe the school is not near where they're living or staying. There are a lot of things that someone can look into it and say, oh, we can solve this without sending this kid to juvenile court and going through a whole juvenile court proceeding. That's what we're doing here. That's what we're doing here. Look at the list of people that supported this, by the way. And-- and for those of you that don't know Judge Gendler, besides being a personal friend of mine, he is considered the dean of juvenile court judges. He's been in juvenile court law since he started in the Sarpy County Attorney's Office. He's been a wonderful resource for the Legislature and the Judiciary Committee as we try to craft policy. And senator or pardon me, Judge Gendler was on board. Kim Hawekotte--

**WILLIAMS:** One minute.

**LATHROP:** --is another one. Kim Hawekotte has been involved in juvenile court matters, I think she was in the county attorney's office, worked on juvenile court matters, in private practice, juvenile court matters. She's been the head of the, if you're watching, Kim, I

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apologize, various boards and various positions that deal with-- with juveniles. This is good policy. It's a good policy. And it's not being soft on kids. It's recognizing that most of these kids have some good reason while they're not there. And we ought to explore those reasons outside of the juvenile court process. Colleagues, this bill makes sense. Senator Pansing Brooks has worked with virtually everyone to craft a solution that so many of the proponents that you see on the committee statement who are experts in the field appreciate and signed off on.

**WILLIAMS:** Time, Senator.

**LATHROP:** Thank you.

**WILLIAMS:** Thank you, Senator Lathrop. Senator McKinney, you're recognized.

**McKINNEY:** Thank you, Mr. President. I rise again in support of LB568. And I'm talking again because I just want to point out that the county attorneys come in to the Judiciary Committee and oppose bills like this, and we're expected to try to trust them going forward when we get through other issues going into the next year. This is a good bill to keep kids out of the juvenile justice system. I don't see what's wrong with that. I don't really understand the opposition. Most of the time when a kid is truant, there is something going on in the home that's not being addressed. It doesn't mean a kid should end up in court and face the possibility of sitting in a youth center or something like that. We have to do all we can to make sure that kids aren't going through the justice system and we're not perpetuating the school-to-prison pipeline. That's something to think about when you vote for this bill. I would encourage you all to vote green because this is the things we should be doing in this body, making sure that we take care of our kids in this state and not send them through the criminal justice system. The county attorneys oppose all things that would do something to help people. It's let's be tough on this and say no to this all the time. They don't come to the Judiciary Committee and say, hey, this is a good bill that would limit the amount of people going through the juvenile justice system or the criminal justice system. It's always let's be tough or if somebody comes up with a bill, they're always no and unwilling to budge. And it makes no sense. And that's all I got to say. I yield the rest of my time to Senator Pansing Brooks. Thank you.

**WILLIAMS:** Thank you, Senator McKinney. Senator Pansing Brooks, you're yielded 3:00.

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**PANSING BROOKS:** Thank you, Senator McKinney. Thank you, Mr. President. I think I just wanted to read some of the information from the transcript that I thought was really important. I'm so grateful because Judge Gendler from Sarpy County came down in alternate to what the-- the information that Senator Slama read. But she wrote about-- he-- he talked about that you would have jurisdiction or authority not only over the child, but the parent or the guardian to work some magic. That's what this bill does. And actually state-- Nebraska state law requires a parent to be responsible. If you look at-- at 79-201(2) A or A and B, sorry, (2) B, it says that: Except as provided in subsection (3) of this section, every person residing in a school district within the state of Nebraska who has legal or actual charge or control of any child who is of mandatory attendance age or is enrolled in a public school shall cause such child to enroll in, if such a child is not enrolled in, and attend regularly a public, private, denominational, or parochial school which meets the requirements for legal action prescribed in-- in Chapter 79. How many of you have ever heard of an adult being responsible for the truancy of a child? That's what our law states. But instead, of course, the easiest thing to do is to bring the kids in, punish the kids. Don't bring the parents in who are responsible. So there was another part about-- that discussed that by Dr. Hobbs from the Juvenile Inst-- Juvenile Justice Institute in Omaha. And she said, quote, I'd like to close this by saying I hadn't prepared to say this, but it occurs to me that as a parent of five children, the hammer under a (3)(a) is actually a lot more daunting--

**WILLIAMS:** One minute.

**PANSING BROOKS:** --daunting to me if I go into a diversion program and they say your son or daughter is going to be filed in court if you don't get them to this programming. I'm still like, well, that's the consequences they'll have to face. But if you say you're going to be, you, the parent are going to be subject to a (3)(a) filing as a parent, my incentive to get that child to that program just shot up significantly, end quote. Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator Pansing Brooks. Senator Machaela Cavanaugh, you're recognized.

**M. CAVANAUGH:** Thank you, Mr. President. Good afternoon, colleagues. I stand in support of LB568, AM264, and AM1209. I actually am not entirely clear on what the opposition to these bills are. I think we-- we've all discussed pretty robustly this year that our justice system is overburdened and this is a very low barrier-- bar entry into the justice system at a young age. And anything we can do to keep kids out

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of being justice involved I think we collectively, I would assume I guess, the vote will tell me if I'm correct or not in my assumption, but I would assume that we all are working towards that end together, that we want to collectively keep children out of the justice system, not in the justice system. Because the earlier they become justice involved is the more likely that they will have longer term interactions with the justice system and Corrections ultimately. And that would be very unfortunate. So I support Senator Pansing Brooks's bill and the amendments. And I hope that we will all come together to support this as well, because this is a great step in helping kids. I was just telling a story about how-- to some of our colleagues. So I-- I know I've talked before that my eldest daughter has asthma and it's been she's only seven. And it's already been kind of a terrifying journey for us. And at times during this past year, of course, has made me even more hypervigilant as a parent. But even prior to having this pandemic that we're involved in, she had been hospitalized for her asthma. She's had been in an ambulance for her asthma. And so there were times, she's in first grade now, there were times last year when she was in kindergarten where she had to be home for multiple-day stretches because her asthma was so bad that we had to just work really hard to get it under control before she could be going outside. So she was home for six days. And if you're out of school for more than nine days, you're truant. And this was just for one specific thing. If she had had another illness, if she had gotten the flu, she would have easily been out for 10 days that-- that year. And this is a six-year-old kid with two parents who are, you know, I mean, I'll say one parent. My husband is on top of it. I'm not going to give myself that credit because I'm here for half the year. But my husband's on top of it and a diligent parent. And, you know, we could have had a kindergartner who was considered truant. I mean, it's-- it-- it is easy to become truant in school. If you've got just one big illness or two back-to-back illnesses, you're truant. And so anything we can do to, you know, raise the barrier to entry into the juvenile justice system, I think we should be working towards. And I very much appreciate Senator Pansing Brooks for bringing this bill forward and for her passion and commitment to our young people in this state and making sure that they realize their full potential and divert them away from being justice involved as-- for as long as possible. Thank you.

**WILLIAMS:** Thank you, Senator Machaela Cavanaugh. Senator Wishart, you're recognized.

**WISHART:** I will yield my time to Senator Pansing Brooks.

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**WILLIAMS:** Senator Pansing Brooks, you're yielded 4:50.

**PANSING BROOKS:** Thank you, Senator Wishart. Thank you, Senator Williams or Mr. President. So going on with this, I-- I just want to talk more about what was said in the hearing. And again, Dr. Hobbs had said, the other reason I'm a strong proponent of diversionary programs and truancy programs is because the Juvenile Justice Institute currently evaluates these programs. And so over the roughly 10 years that I've been a director, we've evaluated dozens of truancy programs. And what we know, with the exception of one over all of the years, is that they do, they are successful at working with youth and family and getting them to schools. So I think this is so important that we-- that we go forward and provide another option for our kids not to end up in the juvenile justice system. And if they need to ultimately end up in the juvenile justice system, we know that they will. But why not be giving kids an opportunity, a chance to go through diversion? And for the counties that claim that they don't have enough money for diversion, we now are going to be able to take \$3.5 million from the program, the diversion from the probation program and direct it towards community aid. So I-- I feel so positive about this. We tried what Senator-- Senator Ashford did for a number of years and it hasn't been working. The numbers have been increasing in truancy. And so that-- that shows that it has not-- not been working. I'm trying to find one of my other notes about this. Anyway, I hope you'll all be supportive of it. And just a second. Oh, I-- I think it's also good because for the Crime Commission to have more discretion with the dissemination of these grant dollars, because they've done a really good job on the-- on the grants historically. And according to the feedback from the commission and from the grantees, the largest issue has been some of the statutory restrictions that prevent counties from planning ahead. So we're fixing that. And if more changes are necessary later, then the Legislature has the ability to change these statutes and add more requirements to the Crime Commission. But they've done a great job of administering this program. And because they've been so integrally involved in diversion, it makes sense for a new position to be-- to be placed there that can work with all the different counties and schools. And I-- I just feel so positive about what has come out of this huge study with all the advocates, with the school people, with the county attorneys, with the judges. And granted, the county attorneys are sort of split on this. But county attorneys aren't split on the fact that diversion is good and valuable. And so I think that this solution of helping kids stay out of prison unless they have to and, yeah, maybe some of those kids that we put into diversion programs are going to be-- have to be taken out of diversion and put back in the juvenile justice system. But why not

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take the first method first? The first step first is to try to get them a program and help them and-- and reach out to their parents and find out if the parents are the problem or not and go forward.

**WILLIAMS:** One minute.

**PANSING BROOKS:** I-- I hope you'll support AM1209, AM264, and LB568. Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator Pansing Brooks and Senator Wishart. Senator McCollister, you're recognized.

**McCOLLISTER:** Thank you, Mr. President. Good morning-- good afternoon, colleagues. Time moves quickly. I support this bill and Senator Pansing Brooks's amendment, AM1207 [SIC--AM1209]. As I look at the committee statement, I-- the case for this bill is pretty compelling. Of the committee members, 6-4 and two present not voting. Proponents were a bunch: Senator Patty Pansing Brooks, Laura Opfer, Lawrence Gendler, Kim Hawekotte, Shellie Cowan, and others. And very few people were in opposition, in fact, none. I have some personal knowledge of this particular issue. Senator Brad Ashford, the former senator for District 20, told me that-- that initially when they took up this bill six or seven or eight years ago, that, you know, they went a little hard on it. And so I think that we need to make a good judgment on this bill and take up Senator Patty Pansing Brooks's solution. Senator Brad Ashford, I know, would agree with that analysis. Mr. President, I would yield the balance of my time to Senator McKinney.

**WILLIAMS:** Senator Pansing Brooks, you're yielded 3:30. Senator McCollister.

**McCOLLISTER:** That was Senator McKinney.

**WILLIAMS:** I'm sorry. I misunderstood you.

**McCOLLISTER:** I yield the balance of the time to Senator McKinney.

**WILLIAMS:** Senator McKinney, you're yielded 3:30.

**McKINNEY:** Thank you. We're not even in some cases meeting the needs of some of these juveniles. It's kids, you know, going to sleep without running water or food to eat. And that's why they miss school. Would you want to go to school and your-- your clothes are dirty and you're living in poverty? But our state isn't doing anything to meet your needs. But would like to send you through the juvenile justice system because you live in poverty and you didn't wash your clothes the night

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before or you don't have a washer or dryer at your home and your parents can't afford to go to the laundromat. That's-- those are the kids that are being truant here. It's kids that are living house to house and living in shelters and things like that we're not thinking about here. Should the fact that you have to live house to house and maybe live in a shelter or your clothes aren't clean, a reason for you to end up in the juvenile justice system? Or let's find another solution, diversion or something else that can try to meet your needs and try to figure out what's going on and why you're missing school. A lot of times when a-- when a kid is exposed to the criminal justice system, they stay-- stay exposed to the criminal justice system for the rest of their lives, especially from my district. We have to make sure that we're not criminalizing poverty. That's what the opposition to this sounds like to me, is criminalizing living in poverty and not having your needs met. That's what that sounds like to me. We have to find better alternatives to not addressing the issues in our communities. It's not lock everybody up because that's the solution. You-- you should go in front of a judge to scare you straight. That doesn't work. Being tough on crime hasn't worked. Please come to my community and tell me being tough on crime works or-- or solve the solutions that we deal with every day. It doesn't. We have to figure out what's going on in these homes and address--

**WILLIAMS:** One minute.

**McKINNEY:** --the needs of these kids. It's not to be tough on them or you need to go see a judge to scare you straight. Doesn't even make sense. What is the judge going to do about me not having food to eat at night? What is that judge going to do about the lights being off and me not being able to wash my clothes and things like that? It's not to send them in front of a judge and expose them to the juvenile justice system. We have to close the school-to-prison pipeline as much as we can in this Legislature. And we wouldn't have to have this problem with overcrowding in our-- in our state. We have to address it at the head and not just say let's be tough on them to be tough on them. Thank you.

**WILLIAMS:** Thank you, Senator McKinney and Senator McCollister. Senator Groene, you're recognized.

**GROENE:** Thank you, Mr. President. Let's make it clear. First, the community-based juvenile service aid program Senator Erdman asked Senator Pansing Brooks, that's just not for truancy. That's for all diversion programs. All the juvenile cases that put through diversion, that money is shared with that. So this isn't \$8.5 million for truancy, not even close. Parental responsibility, yes, is a (3) (a)

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case and truancy is anywhere from kindergarten on up. And believe it or not, which is sad, a lot of little kids don't show up in school. The county attorneys then charge the parents. That's what-- and it does happen because the little eight-year-old kid is not showing up in school. That happens. They're charging the parents. But we're talking here about the 14-, 15-, 16-year-old who doesn't listen to the parents anymore, is revolting against society. Let me give you statistics on the prisons. Of the 1,924 new inmates in 2020 in the-- in the Nebraska department of criminal system, 42.3 percent of them had a GED or high school education. So 58 percent of them didn't, didn't. We're talking about the kids here who are just in their teens, who are dropping out of school and then taking pre-entry into the university of the State Pen because they're entering into crime, they're roaming the streets, and they're in trouble. That's who we're talking about here, those teenagers. The county attorneys do not support this bill because they've seen success. It is the last chance for them kids. They don't look at it as punishment. It's the last chance for those kids that if they can get them in the juvenile court system and then refer them to diversion with the hammer, that if they do not do diversion, they can go in the court system. They don't go right to the court system. Senator Pansing Brooks is wrong. She says if the kid doesn't do diversion voluntarily like and go to the-- go to the-- the private system being referred from the county attorney, that they can go in the court system. They cannot. They absolutely cannot. It takes completely out. Section 4 would amend Section 43-247 to remove school truancy from the juvenile court (3)(b) student jurisdiction. This section would clarify that a juvenile court may address excessive absenteeism in other cases, but is no longer an independent basis for juvenile court jurisdiction. According to this bill, if the kid does not voluntarily go over to the diversion where he was sent, he cannot come back to the court system and be charged for truancy alone. So the same kid who thumbed his nose at the teacher, thumbs his nose at the parents, you're expecting them to voluntarily show up at a private diversion with absolutely no soldiers on the ground, no probation officers involved, nobody. Just parent complains or school administrator complains to the county attorney and they refer them to this program if you're lucky enough to have a county that's big enough that has a diversion program. Fourteen of the 17 counties in my probation district have nothing, have nothing but the court system to send the kid to court--

**WILLIAMS:** One minute.

**GROENE:** --and then use the probation system, which is statewide. And it ends up the same way. They end up in the diversion, but at least



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the state has stepped in with probation officers. You cannot send it back to juvenile court. The statute says you cannot. It's all voluntary. We're talking about the teens on their last hope, their last hope that somebody, adults are going to step in and say, no, you're going to school, we're going to monitor you. We're going to drug test you. I'm bringing an amendment will put more teeth into diversion if that's what we need. They're begging for-- the probation officers and the county attorneys are begging for more teeth so that when you're on diversion you can drug test them, so you can monitor them on diversion. You can't do that now. They have to be in the probation system. To take away their driver's license if they're 16 to 18, take that away from them unless they go to school. A lot of states are doing that. Take a kid's driver's license away and you'll find out in a hurry he'll go to school.

**WILLIAMS:** Time, Senator. Thank you, Senator Groene. Senator Erdman, you're recognized.

**ERDMAN:** Thank you, Mr. President. I appreciate Senator Groene's comments. I think he is-- he's on to something. I want to read something I received from the Deputy Dodge County Attorney. The statement is expecting diversion to be able to offer all services and provide assistance to families into perpetuity is unrealistic and not financially sustainable, even with the increased proposed funding. As-- as was said, not every county utilizes community-based aid funding. All right? So applying for the grant is going to be tedious. It's going to be cumbersome and it's going to require significant resources of county employees and their time. Funding, once granted, is limited to the budget provided and the counties are not able to move their funds around as needed. So if the funds are designated for a certain specific thing, that's all they can be used for. Any subgrant adjustments must be approved and there's no guarantee they will be. Many in the county would incur a cost for a service needed by a juvenile and unable to pay for it with a grant and will have to ask the county taxpayers to pay for it. Senator Blood, that looks like an unfunded mandate to me. Any unused funds cannot be carried over and must be returned to the state. An example if a county applies for a grant and estimates \$5,000 for therapy and \$2,000 for medication, but needs to spend \$7,000 on therapy services and doesn't have any medication referrals, it cannot take the \$2,000 from the medication item, line item. It must either cap services of \$5,000 or find some other way to pay for the extra \$2,000. This unsustainable-- this is unsustainable where the counties cannot redirect high needs cases to probation, where more resources are available and the current diversion services are not improving the attendance. So we talk about

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issues where young people are truant. Let me give you an example. Here's a juvenile who missed 23 days the first semester. The juvenile began school as a virtual student, but struggled to make the progress in the classes. And with attendance documentation, the schools work with the family to resolve the technical-- the technological issues. For the second semester, the juvenile was redirected to attend classes in person. He attended two days the first week and has not been in class since. Referral was made to the county attorney's office. The juvenile had been satisfactorily released from juvenile probation over the previous summer from previous criminal charges, but was still referred to juvenile diversion to assist in resolving truancy issues, redirected a letter from diversion office that reads following. Since the intake of February 18, '21, the juvenile has continued to miss days in school. His violent behavior has escalated towards authority figures at the school. And we have offered therapy to the juvenile and his mother but both turned it down, citing they did not need it. Think about that. They offered to help and they said it wasn't needed. If we have no teeth in the bill that we're going to pass here today, that's exactly what they'll do. There have been multiple weeks where we-- we made attempts to make contact with him. Our message-- and our message would go unanswered for weeks. The juvenile had an incident in the high school this week where he threatened students at the high school and used racist language when addressing the school staff. Due to these continued behaviors, we are redirecting his case at this time. So if they have probation now that's in charge of this and they have the authority to do what they need to make them adhere to the things they agreed to, and we're going to make it voluntary and we're going to make it a diversion and these young people are just going to step up and do that. That's wishful thinking.

**HILGERS:** One minute.

**ERDMAN:** Thank you. And so what we have now may not be what some like, but I'm going to tell you it's a lot better than what we're proposing in LB568 and those two amendments that are there. It's very difficult for me to understand why, when people have a difficult time with our laws, that we always try to change the law rather than make people adhere to the laws. The truancy laws are there for a reason, to make young people go to school, to make young people, well, shall I say that differently, to offer instruction so young people can become educated so they don't wind up in our prison system. But we want to soften all the time, every time somebody has a problem with a law, instead of saying you need to adhere to the laws that we passed. So we want to make them easier so people can circumvent what we're trying to

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do to accomplish learning in this state. LB568 is a bad idea and it needs to be voted down. Thank you.

**HILGERS:** Thank you, Senator Erdman. Senator Vargas, you're recognized.

**VARGAS:** Thank you very much. So there are a few of us here in this-- in this body that have been teachers. I believe that is Senator Walz and myself. And I mean K-12 teachers as Senator DeBoer is looking at me longingly to correct that. I've said this on the mike before. My background has been in education policy. I've worked with school districts, states' departments of ed and-- and the like. My position is-- is simple. I do support LB568 and the underlying amendments. One of the main reasons I support this pragmatically is because Senator Pansing Brooks worked with judges. And I've worked with judges in the past on-- on policy. And when you find some common ground, especially with juvenile judges, it's-- it's particularly encouraging because they're the ones that tend to see what happens when it's something is placed in their jurisdiction, when largely they have concerns whether or not that's the best place it should be. I've talked with enough judges where there are many, and this is what this is righting, that don't see this as part of this jurisdiction. It is currently they deal with what they receive. But when they're making changes like this or encouraging them, it is-- it is encouraging. Probably the most important reason that I'm-- I'm supportive of this and Senator McKinney shared this is in my career I continue to see the disproportionate representation of kids of color, black and brown kids in the system, and specifically in regards to truancy. As some people have shared on the mike, when we look at our system, we look at our public defenders and the work that they're doing and the youth that they're working with. You know, Senator Groene's right. There are instances where parents need to do a better job and have to take some-- some role in that. But what we've actually seen within the system is students of color, black and brown kids, Latino and African-American kids are the ones that are most disproportionately impacted and are more likely to be truant compared to their white counterparts. In 2009, among eighth grade students who missed three or more days of school nationwide, American Indian and Alaska Native students had the highest rates at 28 percent, followed by African-American students at 23 percent, Hispanic students at 22 percent. This data is telling us what's going to happen down the road unless we change something about it. Changing the jurisdiction is going to have an impact on the long run on whether or not we are putting kids of color in the school-to-prison pipeline. And if you wonder about how expensive it is if we are starting so early, it is extremely expensive. These are the issues that have come up in the

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juvenile detentions alternative initiatives. Senator Pansing Brooks has worked with me on that. This is meant to make it easier for kids of color to not end up in our system. And we know that they disproportionately end up in every single instance of our law system, in our justice system. And then when I get asked or have been asked to go into school district to help solve the problem, one of the first things I tell them is let's try to address things like truancy. Let's try to address the issues that get before truancy. But we also have to address issues like this within the court system so that it's not the only outcome. There are states that are doing really creative things with truancy, trying to make sure that kids are not being referred at all to the court system like what we're talking about, and instead to community support services, creating community--

**WILLIAMS:** One minute.

**VARGAS:** How much time do I have?

**WILLIAMS:** One minute, Senator.

**VARGAS:** Thank you. So that's-- that's what this bill is about. This isn't-- this is something that's going to push us in the right direction for kids that honestly look like a few of us here in this room. We talk about our prison population and we're trying to address these issues way, way upstream. That's what this does. And as a teacher that has worked with kids, when kids get truancy and they get in the system, there's almost no going back statistically. So we have an opportunity to change that right now with our black and brown kids in our state. Please support this bill. Please support the underlying amendments. Thank you very much.

**WILLIAMS:** Thank you, Senator Vargas. Senator McCollister, you're recognized.

**McCOLLISTER:** Thank you, Mr. President. Good afternoon again, colleagues. I think LB568 tries to cure a program that is just not working. It's not working for the judicial system. It's not working for parents and it's not working for school systems. Why do I know this? Well, when this bill first passed seven or eight years ago, the judicial system got involved with these kids. And the-- the outcry in the school systems was immediate. Westside High School had any number of kids that were stuck in the judicial system through no fault of their own. Maybe the parents didn't properly notify the school that the kid wasn't able to be at school or maybe some kind of sickness that made it impossible for the kid to go to school. Or maybe the family moved. Any number of reasons made-- made reporting difficult

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for parents to the school systems, and then you get stuck into the judicial system. And what a mess that can be. You know, you have judges that really don't want to deal with these kinds of problems. You know, they haven't surfaced or risen to the point that they needed to be involved. So I think this bill solves some problems that we need to get-- get fixed. I can remember even some of the school systems, Millard and OPS had the same kinds of issues and the parents would end up at the school board meetings complaining about a system that they supported. And my good friend Brad Ashford admitted to me that, you know, they went too far when they did this bill seven or eight years ago. So I think this is clearly a bill that needs to be repaired, and I think LB568 does just that. Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator McCollister. Senator McKinney, you're recognized and this is your third opportunity.

**McKINNEY:** Thank you, Mr. President. Rise again in support of LB568 and the underlying amendments. There's a proverb I wanted to-- to say on the mike and put it on the record. The best time to plant a tree was 20 years ago. The next-- the next best time is now. The best time to address the failure of the criminal justice system was 20, 30, 40 years ago when being tough on crime without considerations of systemic inequity was thought to be a solution. The next best time to address the failures of the criminal justice system it's now. It starts with the kids. Are we asking why those teens are rebelling and missing school prior to trying to send them into the juvenile justice system? Are we asking what's going on? Or is it you're rebelling, you need to go in front of a judge? Are we sitting down and figuring out why they decided to rebel against their parents? No, we're not. But we have people standing up saying just send them in front of a judge. That's the solution. Not get the kid in a room and figure out what's going on. Maybe it's a mental health issue. Maybe it's a problem in a home. But we don't address that by just saying, oh, you rebelled and you didn't show up to school. You need to go in front of a judge. Most people, most teens that are missing school, like has been stated, I would almost guarantee there's an issue going on in the home or with the person that's not being addressed. We have to think about that. The courts won't and haven't solved this issue. We need to keep as many kids as possible out of the system. How can we even stand up and say we need to give more teeth to diversion programs when there's so many kids in our state living in poverty? How can you send a kid to juvenile court that's living in poverty, who is only missing school, whether that's as a kid or as a juvenile in their teens because their basic necessities aren't being met? And from my experience so far in the Legislature, there's a lot of hesitancy to address those basic

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needs. The parent might, you know, have a drug conviction on their record so that-- that becomes an issue with SNAP. And I think the kids could still get SNAP. But that creates another issue. We're not thinking about those things when we stand up and say, let's be tough on our kids. Yeah, I'm-- I'm for having some type of structure and, you know, basic discipline, but not on this. I think we have to support diversion programs and things to keep kids out of the criminal justice system. The school-to-prison pipeline is real in my community and Senator Vargas' community and Senator Wayne's community. And it's probably real in a lot of rural districts as well. I guarantee it. We have to think about the kids when we do legislation, when we support and don't support things. We have to look at it through a holistic lens and think about what are the outcomes. I would have never supported sending kids to court for truancy in the past. It's definitely not working. So we need to pass this bill through to, you know, prevent kids from going through the criminal justice, the juvenile justice system. Senator Pansing Brooks has brought a great bill, a-- a good solution--

**WILLIAMS:** One minute.

**McKINNEY:** --to a bad problem that we have in our state. And I would ask that you all support LB568 and the underlying amendments. Thank you.

**WILLIAMS:** Thank you, Senator McKinney. Senator Wishart, you're recognized.

**WISHART:** Thank you, Mr. President. I rise in support of LB568 for many of the same reasons that Senator McKinney discussed, but also from my own personal perspective as a licensed foster parent. My husband and I have been licensed foster parents for a while through CEDARS Home for Children. And one of the things that we go through when we-- when we do foster care training in-- in order to get a license is we go through a lot of lessons on trauma-informed learning, on truly understanding what a lot of these kids are going through who have entered into our foster care system as state wards. And I have to be honest, when I was coming up here today, a little bit late for the discussion, I was pretty shocked to hear that there are people who are opposed to this legislation. There is very few reasons in my mind that a kid who is truant, usually for no reason of their own, would be going through our criminal justice system. Have we really gotten to the point where we can't figure out a better way to address a kid not going to school, especially when if you looked at all of these kids and what they're going through in their life, mainly for no fault of their own, that our thought process is, if they don't show up to

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school, let's bring them into the justice system? I've heard a lot of people talk today about, you know, kids going to school and the fact that when kids go to school, they're far less likely to get into the judicial system. I agree with that. So let's figure out how to address truancy, but arguing that kids going to school keeps them out of the judicial system and then in the same hand voting for a bill where if they don't, you put them at a young age into the judicial system makes absolutely no sense to me at all. So I went and looked at the committee statement here and went and looked at the proponents: Nebraska Children's Commission, Nebraska State Education Association, Voices for Children, Children and Family Coalition of Nebraska, Nebraska Youth Advocates. Do you really think that this many youth serving organizations that are supporting this legislation don't actually understand, probably better than all of us and, frankly, a lot better than county attorneys, what is best for youth? Colleagues, I am-- I'm pretty shocked that we would not or potentially have enough opposition to tank a bill that is obviously makes a lot of sense. And with that, I'll yield the remainder of my time to Senator Pansing Brooks. Thank you.

**WILLIAMS:** Senator Pansing Brooks, you're yielded 1:35.

**PANSING BROOKS:** Thank you, Senator Wishart. Thank you, Mr. President. Again, I-- I really appreciate the words that Senator Wishart said. We-- we have-- and Senator McKinney-- we have a choice of putting kids immediately into the system or giving them a shot, giving them a chance. And I just-- I'm so dumbfounded that some people are-- are confused or surprised about this. We had a big study this past summer that went really well. We made lots of-- of changes and agreements and amendments and listened to so many different people. And at one point, I was just talking to one of my colleagues and he said, well, you're even changing it to softer words like excessive absenteeism. Well, the reason that we changed it--

**WILLIAMS:** One minute.

**PANSING BROOKS:** --to that is that-- thank you, Mr. President,-- is that we-- we got rid of the word "truancy" because the goal is to get that out of our juvenile justice system. And instead, excessive truancy is something that can be dealt with. And that's-- that's consistent with what is discussed in the statutes regarding education. And so I-- I will have more to say in a minute on-- on some other things. But I just wanted to thank Senator Wishart for the time.

**WILLIAMS:** Thank you, Senator Pansing Brooks and Senator Wishart. Senator Machaela Cavanaugh, you're recognized.

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**M. CAVANAUGH:** Thank you, Mr. President. OK, colleagues. So I've gone around and talked to a few of you to see where you're at on this bill. And much like Senator Wishart, I was a little surprised to hear people in opposition to this bill as it moves the truancy cases out of the juvenile courts and into HHS, which considering that so much of what happens with juveniles is under HHS already, this seems like a very smart move that makes a lot of sense. I know that Senator Wishart went through and read some of the people that came and testified in support. I'd like to know one that is particularly important, I think, is the Nebraska Children's Commission. This is a commission that is appointed by the Governor. This is the Governor's commission. And this is something that they came out in support of because it's good public policy. So we're on year two of the YRTC, the Youth Rehabilitation Treatment Center Oversight Committee. There's a new committee being formed. And so there's new people in this body that are going to embark on learning all there is to know about the YRTCs in Nebraska across this state. And this is where our youth, who really don't have any other option, where they go. And it's youth that become justice involved, perhaps through truancy or their family just, there's no place for them. They have behavioral issues as a result of all the trauma that they've had in their lives, and they can't be cared for in or won't be cared for in other private facilities. And so they are the state's responsibility. And I believe this body has heard a significant amount about what our youth rehabilitation treatment centers are and what they've been through and the trauma that the youth have been through in the instability of that structure. And we're now getting to a point where there's a five-year plan and we're creating some stability in the structure and we're getting things back on track. Why would we want to put more children in the judicial system? Why would we not want to do everything possible to get them out of the judicial system? I really don't understand what the arguments are here. This isn't getting rid of-- rid of excessive absenteeism. It's just moving who's in charge of it to what every advocate and expert in the field believes to be the more appropriate space for them to be, which is in DHHS. These are not hardened criminals. These are children who have excessive absenteeism and DHHS is better equipped to deal with their needs. Why do they have excessive absenteeism? Is it housing insecurity? Is it food insecurity? Is it mental health problems? Is it some sort of trauma? Are they being trafficked? These are things that HHS can help with. These are assessments that HHS can make and ensure that they are getting the appropriate services that they need. The judicial system does not have that ability. They don't even have that flexibility to say, oh, you showed up here today because you're truant and it's because you're homeless. Well, let's get you some rental assistance or



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get your parents some rental assistance or get you some housing security or get you into a shelter. That's not what the judiciary-- that's just not their role. That is HHS's role. This is a very baffling opposition.

**HILGERS:** One minute.

**M. CAVANAUGH:** Thank you. But I see that there are others in the queue after me. Maybe we'll actually get a genuine answer as to what the opposition is, because so far I haven't heard an answer that actually explains why it's bad to have children be cared for by our Department of Health and Human Services, whose motto is to help Nebraskans live their best lives. Why would we not want that for our children? Thank you.

**HILGERS:** Thank you, Senator Cavanaugh. Senator Slama, you're recognized.

**SLAMA:** Thank you, Mr. President. And good afternoon, colleagues. I rise-- I'm not going to take all my time on the mike with this turn. I-- I do appreciate that we are having extended discussion. First off, I am still opposed to LB568, AM264, and AM1209. But I would like to take issue with what Senator Machaela Cavanaugh just said on the mike. And it really gets to the core of why I hit my button and why I'm speaking again on LB568 is that there seems to be a lot of misinformation going around on this bill, whether it's proponents of LB568 saying that the opposition isn't genuine to senators, such as the one who directly preceded me, showing a complete misunderstanding for how this system works and how our youth fit into this system. So first off, piece of misinformation I've been hearing going around on the floor is that the county attorneys are currently split on this bill. The county attorneys are opposed to LB568. They remain opposed. They were opposed at the committee hearing and they are still opposed. So just to be clear, there-- there is opposition to this bill. It has remained unchanged since the committee hearing. So LB568 shifts the in-- the court interventions from happening on the front end when a student is first showing signs of being disinterested in school, not attending to the back end of judicial intervention, which is dealing with misdemeanors and felonies that they commit as a result of escalating behaviors. So several county attorneys have reached out to me, both urban and rural, and they've outlined to me that this system is being completely misrepresented on the floor right now. The way that truancy statutes are enforced isn't, well, this little Johnny has missed a few weeks of school now, we're going to stick him in front of a judge. County attorneys only use this option when it is a last-stitch effort when they have exhausted every other opportunity.

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And LB568 takes those tools that the court system has away. So this isn't a bill-- opposition to this bill isn't trying to add kids to the judicial system. Quite the opposite of that. The opponents of LB568 just want to see a system where county attorneys, where a judicial system has the option to intervene early and to ensure that truancy is the behavior that doesn't escalate to these kids being in front of the judge a few weeks later for misdemeanors and then a few months down the line for felonies. It's getting early intervention. And as they always say, an ounce of intervention is worth a pound-- an ounce of prevention is worth a pound of treatment. LB568 takes away that prevention. So I would really encourage your red vote on LB568. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Slama. Senator Pansing Brooks, you're recognized.

**PANSING BROOKS:** Thank you, Mr. President. That's exactly-- I-- I don't think Senator Slama could have stated our position more clearly. The goal is to try to get to the kids prior to getting into the justice system and to divert them so that they don't have to get into the justice system, the juvenile justice system. As I've said multiple times, 70 percent of the kids who end up in the juvenile justice system end up in our adult system. That leads to overcrowding. That is part of our mess that we are in. And this doesn't mean that we're being soft on crime on any of these kids. The-- the fact is that there is a way if the-- if the kids go into diversion and the parents are also forced to be involved to make sure that they do this. And if it doesn't work, then the county attorneys can come back and file a status offense on an uncontrollable child. They can also-- that's under (3)(b), they can also file a (3)(a) because education is-- is included there. So I don't know what all this Henny Penny, the sky is falling discussion is. It's just not true. And that's why we had so many people involved and-- and working with us. In 2019, Elaine Menzel from the-- from-- from the Nebraska Association of County Officials said in 2019, an informal survey indicated that 80 counties and one tribe reported offering some form of a juvenile pretrial diversion program. That was an increase from 2013, when there were only 57-- only 57 counties. And two years ago in 2019, 80 counties and one tribe had diversion, diversionary programming. So I'm-- I'm really surprised because this bill is really a good bill. It's the culmination of a lot of work, of a lot of different individuals. It helps protect our kids so that it gives them another chance. It gives them a chance to-- to straighten their ways, not miss more school, as going into the juvenile justice system does. As I mentioned, there are-- there are an average of five more days of school that kids miss by going into the

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juvenile justice system. How much sense does that make? Basically none in my opinion. It-- it's-- it's really shocking that we are even having this ongoing discussion about that. The other thing that I wanted to mention that-- is that in Utah, the annual report that was released in January 2019 by their Juvenile Justice Oversight Committee-- which I do think that we should have a juvenile justice oversight committee-- they found that since the reforms similar to this were enacted, fewer youth are entering the juvenile justice system. Quote, The long-term trend of declining juvenile court referrals continued as they fell another 23 percent between fiscal years 2016 and 2018. That's what's happening in Utah. And then the other thing is that detention admissions are down 44 percent between fiscal year 2016 and 2018, including a 69 percent decline for contempt. At the same time, the juvenile justice system expanded home detention programs, ensuring that every judicial district in the state has access to at least one nonresidential detention alternative. But juvenile justice nonsecure out of home--

**HILGERS:** One minute.

**PANSING BROOKS:** --placement continues to decline. The number of youth in community placement during the first quarter of fiscal year 2018 in Utah after this legislation was down 29 percent from the two years before in keeping with that long-term trend. So it's not like we're reinventing the wheel and-- and I feel really proud of that. And we discussed that. And we've made it-- there are some amendments we've-- we've added to make it a Nebraska bill. But this is an important bill to help with our overcrowding crisis. Guess where the overcrowding begins? Right at the beginning with truancy and the status offenses that lead our children on the path down to the adult system. Thank you, Mr. Speaker.

**HILGERS:** Thank you, Senator Pansing Brooks. And you have your close remaining on the amendment. Senator John Cavanaugh, you're recognized.

**J. CAVANAUGH:** Thank you, Mr. Speaker. I was all the way off on the side there listening. So I-- I have been listening to what folks have been saying about this, and I think Senator Slama made a very good point there about an ounce of prevention is worth a pound of cure. And I think that's exactly what Senator Pansing Brooks is attempting to get at in this bill, where right now we have a system where if kids miss school, we put them into the justice system and treat them like criminals. And that is certainly not prevention. You can call it intervention, but I don't think you can call that prevention because being in the criminal justice system has a desensitizing effect upon people. And one of the things that we're seeking to resolve here is by

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preventing the amount of time that people spend in the justice system. And so that if we can push off the date at which a child, juvenile adolescent, finds their way into the justice system, if we can prevent them from ever getting into it in the first place, we decrease the likelihood that they become-- get into the adult system. So that's what we're seeking to do here is to decrease interactions with the courts. And we're also seeking to find what is the root cause of the problem here, which that is prevention. That is intervention. That saying that kids need some sort of assistance when they miss school, let's find out why they're missing school. Senator McKinney has given us ample examples of reasons why people are missing school. That maybe or not just because they're bad kids, it is always easy to say there's just bad kids. They're not going to listen no matter what we do to them. What about all the kids that we're catching up in this system who are not bad kids, who have problems at home because of their parents, because of their-- their financial situation, because of mental health issues, things that are-- are cry-- this is-- we should be viewing it as a cry for help where kids need something, not that they are ignoring us or flouting the system? And so that is what we're trying to turn this-- this into is say this is an opportunity for us to intervene and to help people and not to put them in the system and treat them as criminals. Because the next time when they do come back on that misdemeanor, that's not going to be a big deal to them either. And then when that's not a big deal, the next thing's not a big deal. And eventually we find ourselves in a situation where the criminal justice system has proceeded on a staircase approach to more serious offenses until someone is going to prison and we say, why are our prisons so full? Well, we started making it the-- the trajectory there by-- by putting people in the system for minor offenses that are not their fault. We need to stop doing that sort of thing. We need to stop criminalizing. We need to stop punishing people for things that are not crimes. We need to stop treating people who are in themselves needing help as though they are-- they are the cause of the problem; and that's what the opportunity presented to us in LB568 is. It is to take a situation, one small part of the juvenile justice system, and say this is most times a kid in crisis and we need to help them. We do not need to treat them like they're a bad kid. There are going to be bad kids who present in the same way. But that is not-- we should not take the entire system and mold it to that situation. Those-- those kids who are skipping school because they're bad and not because--

**HILGERS:** One minute.

**J. CAVANAUGH:** --their parents haven't been there or because they have some other problem, those kids are going to present in one of those

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other ways as well. Once we start trying to help them and find-- find ways to help them, they're going to present in those other ways that Senator Pansing Brooks just talked about where they will then be under the jurisdiction of the-- of the court for these other types of services. So this is just saying the data shows that the opportunity to help these kids outside of this system works better. So it is an ounce of prevention is worth a pound of cure. And that is the objective of this bill. And that is what we should be doing. That's why I'm going to be voting for AM1209, AM264, and LB568. Thank you, Mr. Speaker.

**HILGERS:** Thank you, Senator Cavanaugh. Senator Wishart, you are recognized and it's your third opportunity.

**WISHART:** Thank you, Mr. President. Again, I rise in support, in strong support of LB568. The status quo is that we have a system right now that criminalizes kids for truancy. That's the status quo. And what we're looking at doing is changing that and finding better solutions to address a kid not showing up to school. And let me give you one example of a crisis situation where a kid might not go to school and could end up right now with the status quo in our criminal justice system. My husband and I, we were-- we were told about a young kid, he was 13 years old, who was up for adoption and needed a placement; and fortunately, he's found a home. He was born in Colombia. He went through eight different orphanages. He was sexually assaulted at a very young age. He was adopted internationally to Nebraska, relinquished by his adoptive parents, and then relinquished by another set of adoptive parents and as a little 13-year-old was sitting in CEDARS shelter for months. This is the-- this-- these are the kids that we're talking about right now. These are the kids that are going to a court because they're truant for no reason of their own, but for their life situation. There has got to be a better alternative than the status quo. And I think LB568 is that. With that, I will yield the rest of my time to Senator Kolterman.

**HILGERS:** Senator Kolterman, 3:20.

**KOLTERMAN:** Thank you very much, Senator Wishart and Mr. President. I rise in support of LB568 as well as the attached amendments. And I do so from the perspective of what we've had hasn't worked. It's not working. Being tough on crime like we once thought, that's not necessarily the way we want to go. And, you know, we've spent the last two or three years looking at different scenarios. Look at what's happened in Geneva and Kearney and some of those areas. Truancy is something that-- that-- that Senator Wishart just talked about. But as I-- and I'm not an expert in this area by any means, but I would tell

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you this as I look at the people that testified at this hearing and the people that helped put this legislation together, it just makes sense to me that we-- that we give this a try. What's been working is expensive, just like with the problems that we have in our-- our state prison systems. Do we really want to get these kids started at an early age down that road? We-- we have a judge, Judge Lawrence Gendler. I had an opportunity to work with him this past year on some legislation. He's been a child advocate for years. He-- he helped find CASA and we all know how well that works. So why wouldn't we listen to the people? Kim-- Kim from Douglas County Board that I-- I can't pronounce her last name correctly, Hawekotte, but she-- she was in child of the-- she-- she-- she took charge for a long time on Foster Care Review. She understands kids. These are the people. And then when you read this fiscal note with the idea that the Supreme Court estimates that this is going to save us money over time, why aren't we listening to those people? For the fiscal conservatives in here, are, you know, are you afraid that we're going to save money on this bill? I don't-- I don't get the-- the question about why. Why are we trying to fight this bill? I think we've got enough people to advance the bill. Let's give it an up and down vote--

**HILGERS:** One minute.

**KOLTERMAN:** --and see where it goes. If-- if we don't advance it, fine. But if we do advance it, let's-- let's get it to-- let's get it to the next stage and let's figure out a way to help these kids without throwing them behind bars. Thank you very much.

**HILGERS:** Thank you, Senator Kolterman and Senator Wishart. Senator Matt Hansen, you're recognized. I don't see Senator Hansen on the floor. Go to the next speaker, Senator Groene.

**GROENE:** Thank you. Let's correct a little misconception here. This bill creates no new diversion programs. It adds more money to the Juvenile Services Aid Program, which exists. It creates a commission that's supposed to come up with some more ideas for talking to these kids. Kids are not thrown in the judiciary system for truancy 90 percent of the time. The truancy officer at the school, the administrators work as hard as they can to work with the parents to try to solve the issue. In many cases, it's done. If it's a young truancy, then the county attorney decides to press charges against the parents because you can't press charges against eight- or nine-year-old, can't do it. Got to be 12 or over, I believe. Then we're talking about 14-, 15-, 16-, 17-year-old kids, those if they-- if the count-- if they are referred by the school administration for truancy, the school has done everything it can to try to get-- talk to

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the parents, everything they can. School didn't fail them. And then the county attorney decides, I will try to refer them to diversion. They refuse. No use charging the parents, you got a 16-year-old kid, single mom, you think that mom, you throwing her in jail, that's going to change a kid's mind? The county attorney knows that. They press charges in juvenile court against the kid. It's his last chance. It's his last chance, and that's why the county attorneys are so fired up about this. They have seen that last chance work for that kid. Don't try to mislead that you're creating something new here. The only thing you're doing here is taking that last chance away from that kid. That's all you're doing. Well, now he's got pressure from a-- a truancy officer, I mean a probation officer. He can go back to the court. Court really can't do anything. Basically, what the court can do is put monitoring on him, drug testing, try to scare the kid. That's all they can do. They can't send him to the YRTC for truancy. So don't try to exaggerate that the system-- this creates no new programs. It's put 3.5 more million dollars. It takes-- there's no foot soldiers on the ground. There's no probation officers there to help make sure they attend these-- these diversion programs. This is feel good. You're taking away this kid's last chance. Forty-two point three percent of the kids going-- people going into state prisons don't have a GED or-- presently 5,300 that are incarcerated, 3,208 have a GED. That raised from 42 to 60.5 percent. You know why? Because the prison system has a high school. And you know what this-- do you know what this body did? If you were under the age of 22, the prison system said you had to return class-- attend GED classes. No, we decided to pass a rule that says after 18, you can't make them do anything. There isn't anybody eight-- under 18 in the State Pen. You took away a tool from the State Pen because we're nice. This bill does nothing but take away hope for them kids on their last leg, the one last thing that a caring county attorney, a caring judge, and a--

**HILGERS:** One minute.

**GROENE:** --caring probation officer will team up and give that kid one more hard chance. That's what this bill does, because you care. No, I care. That county attorney cares. That judge cares. I got an email from somebody in Cuming County. We got one, we heard about Colfax County. They already have programs. Why? Because the Juvenile Services Aid Program already exists where the truancy officer refers them to them, already exists. You're taking away their last chance, some of these individuals, their last chance to stay out of the university of the State Penitentiary. Read the bill and then read existing law; creates no new diversion programs. That's already existing. And 14 out of 17 counties--

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**HILGERS:** That's time, Senator.

**GROENE:** --in my probation district, it's-- are so small, they have no program,--

**HILGERS:** That's time, Senator.

**GROENE:** --will never have any program. Did you say time?

**HILGERS:** That's time, Senator. Thank you, Senator Groene. Seeing no one else in the queue, Senator Pansing Brooks, you're recognized to close.

**PANSING BROOKS:** Thank you very much, Mr. Speaker. You know, Voices for Children had a good quote in their letter. They said, quote, The problem with Nebraska's current approach to improving school attendance through the court system is that the financial support is targeted at the end of the system, rather than investing in early intervention to address the situation before it becomes chronic. Further, these cases clog the court system and do not allow probation to focus on higher risk youth who do warrant system supervision and services. LB568 is designed to correct that issue by investing in community-based interventions that have proved effective to encourage and support school attendance. I ask that you support LB8-- AM or AM1209. And as-- as you may remember, that is the amendment that changes the age so that-- that there can be diversionary proceedings earlier in a-- in a child's-- in a child's case where they're missing or having excessive absences from school. And it allows the-- it allows the funds to be directed from probation to community-based aid in 2024, 2023-24. And so I hope you will vote green with me on AM1209. And next time, please, if you have concerns with the bill, would you please come and talk to me ahead of time? That's sort of a collegial way to act in this body. I had no idea that there was this concern or consternation with this bill. And now all of a sudden, everybody is running around like, how could you bring a bill like this? This is crazy. And it's not crazy. It's what's happening in Utah. It's best practices. And I feel very proud and grateful for the people who worked with me to get this bill to this point. Thank you, Mr. Speaker.

**HILGERS:** Thank you, Senator Pansing Brooks. The question before the body is the adoption of AM120-- there's been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Please record, Mr. Clerk.

**CLERK:** 20 ayes, 3 nays, Mr. President, to place the house under call.



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**HILGERS:** The house is under call. All unexcused senators please return to the floor. All unauthorized personnel please leave the floor. The house is under call.

**PANSING BROOKS:** Reverse order, please.

**HILGERS:** Roll call vote in reverse order has been requested. Senator Matt Hansen, Senator Wayne, Senator Walz, Senator Arch, please return to the floor. The house is under call. All unexcused senators are now present. The question before the body is the adoption of AM1209. A roll call vote in reverse order has been requested. Mr. Clerk, please call the roll.

**CLERK:** Senator Wishart voting yes. Senator Williams voting yes. Senator Wayne voting yes. Senator Walz voting yes. Senator Vargas voting yes. Senator Stinner. Senator Slama voting no. Senator Sanders voting no. Senator Pansing Brooks voting yes. Senator Pahls voting yes. Senator Murman voting no. Senator Moser voting no. Senator Morfeld voting yes. Senator McKinney voting yes. Senator McDonnell voting yes. Senator McCollister voting yes. Senator Lowe voting no. Senator Linehan. Senator Lindstrom voting yes. Senator Lathrop voting yes. Senator Kolterman voting yes. Senator Hunt voting yes. Senator Hughes voting no. Senator Hilkemann voting yes. Senator Hilgers not voting. Senator Matt Hansen voting yes. Senator Ben Hansen not voting. Senator Halloran not voting. Senator Groene voting no. Senator Gragert not voting. Senator Geist not voting. Senator Friesen not voting. Senator Flood voting yes. Senator Erdman voting no. Senator Dorn not voting. Senator DeBoer voting yes. Senator Day voting yes. Senator Clements voting no. Senator Machaela Cavanaugh voting yes. Senator John Cavanaugh voting yes. Senator Briese not voting. Senator Brewer. I'm sorry, Senator. Not voting. Senator Brandt voting yes. Senator Bostelman voting no. Senator Bostar voting yes. Senator Blood voting yes. Senator Arch not voting. Senator Albrecht voting no. Senator Aguilar voting no. 25 ayes, 12 nays, Mr. President, on the amendment.

**HILGERS:** AM1209 is adopted. I raise the call. Mr. Clerk for an amendment.

**CLERK:** Senator Groene would move to amend.

**HILGERS:** Senator Groene, you're recognized to open on AM1324.

**GROENE:** If I can find my amendment. AM1324, basically, what it does is strike all the original language, but add some more tools in the toolbox. So most of the original language besides changing the definition of truancy is the tools that are available now through the

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Juvenile Services Aid Program, just as I said, takes away the motivation for older truancy kids to take advantage of their last chance. But I've been talking to some county attorneys. We have some problems with the diversion program, two major ones. Now, I haven't been able to double-check with this, but the Crime Commission might be listening and they can inform us. But I've been told that the Crime Commission has told county attorneys that if a kid's on diversion, you cannot drug test them nor can you monitor them. So what the county attorney in a questionable case, who would rather put them on diversion with voluntarily a kid saying-- and this is in all diversion instances, that voluntarily being monitored with a bracelet or anklet or voluntary drug test, if they have a questionable that the home life, there might be drugs in the home, meth and stuff, they have no choice but to charge them and then put them on probation. Because when they're on probation, you can monitor them and you can drug test them. So when they test positive for meth then, boy, they're out of the home. They're brought back to court and they're out of the home. So what we need to do is give those county attorneys and probation more tools and to allow them to drug test and to monitor youths on diversion. The third one it came to me by, Senator Brandt brought me to this attention, that some states are starting to tie truancy to driver's license. That if you are truant and under diversion or probation, you lose your-- your driver's license and you can only use it while you're on diversion or probation to go to school or a job afterwards. You can't go to a job unless you also are attending school. So this gives another tool. This amendment says county attorney, probation, you can ask the court to restrict 16- to 18-year-old student their driving privileges. Now, that gets their attention. That gets their attention. They lose a car, it's worth going to school. I believe Arizona just did it. Maybe it was Nevada. But these are three tools that would really help existing diversion programs, would put more kids on diversion. And those ones that ride on the rim, the county attorney says I'm taking them to court because I don't trust that there's not drugs in their life or that they will show up for school. Now, that's just common sense. But I understand it's coming, not coming from the left. And the left is the only one that cares about kids in their definition. But believe it or not, conservatives really care about kids. We want them to be successful, be taxpayers, to enjoy their freedoms. But first, you have to learn boundaries and you have to have responsibilities, and that's what juvenile court is all about. It's not to punish. It's not used to punish kids. I know at least two kids in North Platte who went through YRTC, it changed their lives around. They didn't get punished. It changed their lives around. So when you hear from the left that YRTC's terrible, juvenile courts are terrible, that's false. The purpose is

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to help, and that's what we need, more tools to help, to put discipline in their lives, to give them boundaries to these kids. Monitoring does that. Monitoring allows the kid to say no to his peers. I can't go to that party. They know where I'm at. Drug testing tells that kid, no, I can't take drugs with you or get drunk with you. I have to take a drug test. It works. It works. But no, they took that away from the county attorneys in diversion cases. Common sense, common sense. Some may think that punishes a kid. Those of us who want to help the kids say, no, it helps the kid. Gives him a rational reason to not fold to peer pressure. So anyway, I would appreciate support for AM1324. It strikes all the redundancy that's in-- in LB568 about diversion, which, as I said, it's already there. The programs exist. I don't know what the percentage is, but I'm betting it's over 90-some percent of all kids related to truancy are put in diversion now. It's the ones that really need the help that these things are needed. And truancy needs to remain a juvenile offense as a tool, give that kid one last shot-- one last shot and the support from the system that you better go to school no matter what your home life is. Can't fix that through juvenile court, but we can give that kid a reason to go to school with some societal pressures, which we all face. So with that said, I appreciate AM1334 [SIC--AM1324]. If that becomes the bill, I will support the bill. But AM1324 is the direction we need to go to help these kids. Thank you.

**HILGERS:** Thank you, Senator Groene. Debate is now open on AM1324. Senator Lathrop, you're recognized.

**LATHROP:** Thank you, Mr. President and colleagues. I stand in opposition to Senator Groene's amendment, but I do think the amendment is worthy of our attention because I think it illustrates a different world view. So for Senator Groene, in his experience, all you have to do is punish somebody by taking the car keys away and that should bring them around, or don't let them go to prom and-- and they should be fine. They'll start going to school. And I have no doubt in my mind that Senator Groene believes that and that it is consistent with his experience. So what I'm about to say isn't directed as a personal statement, but I think it illustrates the-- the-- the way that we are talking past one another on this bill. These kids that have problems getting to school are not going to care if somebody says you don't get to go to the high school basketball game tonight or that somebody is attempting to restrict their driving privileges to only going to school. We're talking about children, some of whom-- some of whom just need to-- you just need to sit down and talk to them. But the kids that we're talking about have more stuff going on in their life and getting to the basketball game on Friday night or to prom or

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homecoming isn't-- it's not even on their top ten. They're dealing with bigger things than that. They're dealing with bigger things than that. If all we had to do was have the parents say, Timmy, you don't get to go to prom tonight or you don't get to go to the basketball game or you don't get to use the car keys, and they go to school, then there's no-- we're not even talking about those kids today. We're talking about the kids that have bigger issues than that. They are the kinds of things that we've heard Senator McKinney and Senator Wayne talk about that are going on in their life, things that I did never experienced as a kid, probably most of us haven't experienced as a kid. But-- but thinking the solution is giving the court authority to keep somebody from going to prom and all of a sudden we've solved the problem, misses the point and it illustrates that we're not even talking about the same children because the children this is going to work on, mom and dad can make that happen. But the kids that are-- that are going to be involved in this process are kids that are having troubles that extend beyond school and their attendance at school is a symptom of something bigger that cannot be corrected simply by taking the car keys away. So, colleagues, I think AM1324 is useful for us as we consider whether we're talking about the same kids and the same problem. I don't think we are. I don't think AM1324 is the answer. I think we should continue adopting the Judiciary Committee amendment and passing LB568, but not with the Groene amendment affixed to the bill. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Lathrop. Senator Erdman, you're recognized.

**ERDMAN:** Thank you, Mr. Speaker, and good afternoon again. I listened to Senator Lathrop's comments. Naive he may be. Just got to sit down and talk to these kids, that's all. It's all you need to do, just talk to them. OK, let me give you an example of talking to them. Here's an example. A young lady missed 30-plus days of school. Juvenile transferred-- they transferred this juvenile to alternative learning environment already having earned excessive attendance-- already earned excessive attendance problems at the high school. The father, the ther-- therapist and the school representative met with the juvenile to come up with an attendance plan for behavior for school. However, the juvenile chose to refuse and contribute to the conversation other than to say that she wants everyone else to leave her alone, it's her life. Her productivity is isolated to school time-- her productivity is isolated to school time and is not productive academically, emotional, or anything else for her. It goes on to say they had a team meeting held on February 12 and a plan was created to get assignments to the juvenile to complete on a weekly

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basis. The juvenile agreed to this plan. Now listen to this. The juvenile agreed to the plan. They sit down and talk to her and she agreed. So, Senator Lathrop, that's talking to them, there you go. She picked up her assignments and only twice has she yet-- she picked up her assignments twice and she has yet to return any of them. There have been reports of her missing-- of a missing juvenile due to her parents not knowing where she is. She stays with friends often and is involved with a local gang. So sitting down and talking to them really helped in this situation, and it's going to help in all situations. All you got to do is talk to them. How naive do we think people are? We're going to talk to them. We're going to say, hey, you need to do this. She says, get out of my life, I don't need to talk to you, so how do you get their attention? Oh, you're going to talk to them. You're going to put them in the corner, let them sit in the corner, look at the corner of a wall for an hour and a half or two hours. What are you going to do to them, time-out? None of this makes any sense. And we get the impression that every time one of those juveniles comes in front of a judge, they send them directly to the State Pen. That's not the case. That's not the case. These judges have common sense. They're concerned about the well-being of these young people. They're trying to do the best thing they can for them. They're not sending them all to jail and all to prison immediately upon their first visit. I think Senator Groene has it right. We need to get their attention, whatever that takes, because if we don't get their attention, on their last visit in front of a judge, they will go to the State Pen and that is the problem. So that bill got 25 votes last time we voted. It may not get 25 the next time. I hope not. I'll be voting for Senator Groene's amendment, but I won't be voting for the bill. Thank you.

**HILGERS:** Thank you, Senator Erdman. Senator Pansing Brooks, you're recognized.

**PANSING BROOKS:** I thought I was next. I just am standing to say, please, that this is not a friendly amendment. I wish Senator Groene had talked with me and maybe we could have found some common ground. I don't think this amendment is germane to the bill. If somebody wants to bring a bill next year on giving alcohol tests and drug tests to juveniles who are-- who are entering diversion, that sounds like an idea that should be considered. So, again, I hope you'll vote against AM1324 and in favor of AM264 and in favor of LB6-- LB568. Thank you, Mr. Speaker.

**HILGERS:** Thank you, Senator Pansing Brooks. Senator Blood, you're recognized.

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**BLOOD:** Thank you, Mr. President-- or Mr. Speaker. Fellow senators, friends all, I stand opposed to Senator Groene's amendment but in favor of AM264 and the underlying bill. I am listening very closely to Senators Erdman and Groene. And I don't know if they've actually read the bill because I think it's really clear about the programming part. They're specifically trying to prevent this revolving door that they're-- that they're talking about. So I don't know. I'm a little confused by those statements. But with that, I would ask that Senator Groene please yield to a question.

**HILGERS:** Senator Groene, would you yield?

**BLOOD:** Hurry up, Senator Groene. I only have five minutes.

**GROENE:** Yes.

**BLOOD:** Senator Groene, I got a bone to pick with you. Can you describe to me what you mean when you keep saying the left wants this or the left wants that when you talk about bills like this? Can you tell me what your definition of somebody who is left means? Do you mean we're left-handed? Do you mean that we care about the future?

**GROENE:** Politically on the left.

**BLOOD:** I don't understand what that means. What does that mean, Senator Groene? You continually say that on the mike.

**GROENE:** Oh, you could be the picture. You could be under--

**BLOOD:** So I care about children. I care--

**GROENE:** --above the-- yes, I care about children's--

**BLOOD:** I care about children--

**GROENE:** Yes.

**BLOOD:** --and them not ending up-- not ending up in prison. I care about a fair tax base. Is that-- that makes me left, is that correct?

**GROENE:** The point-- I do not continually said that. I said that on this bill. The point is the attacks on those of us who are considered conservative, that we don't love children, we don't do what's in the best interest of children, and we do.

**BLOOD:** All right. So thank you, Senator Groene. I've not heard anybody attack anybody that's on-- I guess we have to say right? I don't know.

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I-- I am just going to say this because I've said this a lot, and I wonder sometimes if anybody hears this. We're a nonpartisan body. There's not Republican. There's not Democrat. There's not left. There's not right. There's people. And I hear you laughing back there. We're just people that are trying to get stuff done. I think it's very divisive when people continually stand up and falsely accuse people of being one way or the other. Just because you have an R or a D after your name, doesn't put you in a box, especially in Nebraska, where we have moderate Dems and moderate Republicans and Libertarians and now the marijuana party, apparently, so God bless them. I just-- it turns my stomach every time I hear that on the mike because it's not meant to be anything but divisive. We don't stand up and identify who we are by our party. And I don't appreciate somebody pointing their finger and telling me what I stand for when they obviously don't know what I stand for or stand against. Do I stand for kids? Yes, I do. Did I ever stand up and say-- I hate to say this. I'm just going to use as an example, do I stand and say the right doesn't like kids? I don't. We have to stop this on the floor. It's about the people. Either it's about Senator Groene liking or not liking something, Senator Blood liking or not liking something. It's not about the left and the right. It's not about being conservative. It's not about being liberal. It's about being a Nebraskan. Can we please stop the rhetoric? Because I know exactly what you're trying to do when you use language like that. I was at the-- the hearing recently on that interesting legislative resolution where there was a lot of finger pointing about parties and people and I'm not having it. Now I'm like everybody else. I want to go home when we're done here.

**HILGERS:** One minute.

**BLOOD:** And I hope we have a lot of bills that we get to discuss and vote on. But I'm telling you right now, I will continue to pop up as much as I possibly can if people keep using language like that. So you're all forewarned. Let's play nice and knock off the rhetoric because I've had it. Thank you, Mr. Speaker.

**HILGERS:** Thank you, Senator Blood and Senator Groene. Senator Erdman, you're recognized.

**ERDMAN:** Thank you, Mr. President. Interesting comments by Senator Blood. She seems to have her outside voice up today, seems to be a little ruffled. Sorry about that. Here's the-- here's the bad news. We have always been partisan. We will always be partisan. Deal with it. That's the way this body is. It has-- always has been that way. Just because there's some statute that says we're nonpartisan, has absolutely nothing to do with whether we are or not. I discovered that

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back in '17 when I first came. Deal with it. Understand we're partisan and move on. Doesn't mean we're not Nebraskans, doesn't mean we don't like children, but to stand up on this floor and say we are nonpartisan is not true. And so that's my two cents' worth. I yield the rest of my time to Senator Blood.

**HILGERS:** Senator Groene, 3:50.

**ERDMAN:** Senator Blood.

**HILGERS:** Senator Blood, I'm so-- I'm sorry, 3:45.

**BLOOD:** Thank you, Mr. Speaker. I think we have to start saying like Senator Carol Blood, Senator Mike Flood, because we're getting confused on this end of the-- the arena, the area. You-- you know, I appreciate what Senator Erdman says, and I think that that's just really unfortunate. I still stand against the amendment but in favor of both the Judiciary amendment and the underlying bill. I can come up with many, many examples of people who don't feel that way and have voted based on what they believe and not party. I say it all the time. It's about the people. It's about the people and the party-- excuse me, people and the policy, not the party and the politics. And I know not everybody functions that way. Maybe I'm an outlier, but I have faith. I'm-- I'm sure Senator Erdman probably grew up in Nebraska. He seems to be kind of a western Nebraskan guy to me. And I could be wrong. But I grew up in Nebraska and I just remember a kinder, gentler Nebraska where it didn't really matter what party you were; it mattered about what policy you supported and why you supported that policy. And I'm going to be a broken record and I'm going to keep saying this, because I really have hope that we will stop being so divisive and, at least in Nebraska, we can stop being so polarized because it prevents us from doing a lot of good things for the people that we represent. And I have no issue with people being partisan except for when it comes to making policy, because that's not what's always best for Nebraskans. And because we now have social media, everybody's voices have gotten much louder and it breaks my heart. And I didn't mean to use my outdoor voice. I think it just sounds louder because the Chambers are so empty in here today. And also I feel very passionate about this because I feel it's the right thing to be pursuing. And I don't understand why we have to push the-- the rhetoric that is so divided and partisan. I think it's wrong. So with that, should I have any time left, I would yield anything I have left to Senator Pansing Brooks.

**HILGERS:** Did you yield-- yield your time, Senator Blood?



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**BLOOD:** I-- oh, I can't because I was yielded.

**HILGERS:** It's-- thank-- thank you, Senator Blood and Senator Erdman. Seeing no one else in the queue, Senator Groene, you're recognized to close.

**GROENE:** Thank you. I'll just take a vote on it. We'll see who wants to give the-- those we trust with our juvenile just-- justice and trying to help kids, if we give them more tools or not. So I'll leave it at that. I don't believe I'm going to even call the house. We'll just see what happens.

**HILGERS:** Thank you, Senator Groene. Question before the body is the adoption of AM1324. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

**CLERK:** 18 ayes, 14 nays.

**HILGERS:** AM1324 is not adopted. Returning to debate on AM264. Senator Bostelman, you're recognized.

**BOSTELMAN:** Thank you, Mr. Speaker. I've not spoken on LB568 or the underlying amendments to this point in time. I appreciate what Senator Pansing Brooks-- her determination and-- and what she is liking to do with the bill. And I've talked with her before off the mike. We-- we tried to work on some things before the bill came up. My-- if you remember when the-- when we were talking about the budget, there's a quarter million dollars was taken away from our community-based plans. That was always opposed to. The reason why I was opposed to it is because there are counties, and I've got two of them in my district, they're doing a great job in this area. They're doing a fantastic job. There's counties that are having issues, if you will, right now because they don't have the programming or the system in place to utilize the funds that are out there to help keep our young people out of the system, if you will. Our county attorneys hold parents, adults responsible; you know, if they refer, they do not do the adjudication on-- on the youth, necessarily. Both of my counties, specifically in Colfax and Saunders County, have one youth, one. That's it. So in Colfax County, we have the Colfax County Community Team. The community team comes together with-- a lot of leaders within the community come together and look at what's going on within the schools with truancy and with other areas and how we can help them and how they then take different-- and I'll use the word pro-- use the words "programming" out of-- out of our-- out of our community-based programs that are out there. To help the youth that are out there, they-- they ask for funds. They get the funds as mental health, providing whatever it

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might be, to get to the youth, to help the youth, to keep them going to school and being very successful. And in Saunders County, it's a juvenile justice coalition. They do the same thing. I go-- I-- I attend both of those meetings and they both do a great job. They are involved in the community. They are involved with the school. They involve all players. So you need to be in the community, law enforcement, hospitals, others that are there, probation. They bring them together on the table. But not every county does that. And I think that's really what Senator Pansing Brooks, one of the things she's trying to do is bring every county to the table, if you will, to have them put a program in place, have them put a system in place to start helping the youth, because if you look at the youth across the county or counties, you know, Douglas County is probably one that has the largest. But they have not necessarily had the system, if you will, in place to work with the youth in those areas. Now they've hired someone to put into there to actually do that, to ask for grants, ask for funding. To me, the thing that we need if-- is the existing system, the existing process we have in statute, but fund it. If you remember, we were \$10,000 short when we were talking about this on the budget. We needed-- Colfax County needed \$10,000 more to meet the needs-- for mental health needs within their county. Those are the things that we need to do in order to-- to move a program, a system successfully across the state. And I think we can do that in existing statutes. And I know Senator Pansing Brooks and I disagree on this, and that's fine. I appreciate her thoughts. But my point is, is we have some very solid, very involved communities, counties, local professionals, law enforcement, probation and others, local hospitals, mental health. They are involved and they do a great job. They do a great job. So I'm not on the point of changing what is successful in my eyes.

**HUGHES:** One minute.

**BOSTELMAN:** I think what we need to do, as I said, I think we need to stick with what we have. Let's fund it to what needs to be funded, and let's see what happens with that, and let's move it forward and have all the counties start bringing in their own system, their own program to work. Once we do that-- I think 80 counties was said out of 93. OK, we got 13 more counties to work on. Let's get them in there and we'll see a reduction of truancy of our youth of those who are in the system, if you will. That'll continue to be reduced. It's helping the youth where they're at by the community where they're at, but we need to do that using the system that's currently in place. So with that, I will be a red on both AM264 and LB568. And again, I just want to-- really want to highlight the work that both Colfax and Saunders County

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folks are doing. They do a great job in this area and-- and I hope that they'll be able to continue to do that work because they are-- they are really making a difference.

**HUGHES:** Time, Senator.

**BOSTELMAN:** Thank you.

**HUGHES:** Thank you, Senator Bostelman. Seeing no one else in the queue, Senator Lathrop, you're welcome to close on the committee amendments.

**LATHROP:** Thank you, Mr. President and colleagues. Just a couple of things. So if you want to-- if you want to conceptualize this, basically what happens is, if a kid starts missing classes, so for the first 20 or so absences, it'll be something that the school's taking up with them, so it doesn't automatically become a diversion or a juvenile court thing under current law. After 20 or so absences, then it becomes an opportunity for diversion. If there is excessive absences, you still, as the county attorney, can still engage the juvenile court system. It's not like we're taking that away. We're just putting an intermediate step in there. When they're on diversion, you can tell them, we're going to you for drugs; you can put conditions on them. So what we're trying to do is not have the juvenile court get involved in every one of these things right after somebody's missed 20 or so days of school. We have something in the middle. I-- I just hope that you will think beyond your own experience with your own family in your own neighborhood and appreciate that there are some kids who have a different circumstance. They may have more trauma in their life. They may have parents that aren't responsible. They may have a lot of reasons for not being at school. All of those can be explored, first with the school, then with the diversion process. And if that doesn't work, then they will have the opportunity to go through the juvenile court process and the probation. With that-- and-- and I'm just going to speak for Senator Pansing Brooks. If there is something you'd like to work through, if you have questions about where this is at and you need more detail, please, move this to Select File and then we can have that dialog between General and Select. With that, I would urge your adoption of AM264. Thank you.

**HUGHES:** Thank you, Senator Lathrop. Colleagues, the question before us is the adoption of AM264. All those in favor vote aye-- Senator Lathrop.

**LATHROP:** Can I get a call of the house and a vote in reverse order, please?

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**HUGHES:** There's been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 29 ayes, 3 nays to place the house under call.

**HUGHES:** The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senator Groene, would you check in. Senator Geist, Senator Bostar, Senator Walz, Senator Morfeld, Senator Wayne, the house is under call. Senator Morfeld, Senator Wayne, the house is under call. Senator Lathrop, Senator Morfeld seems to be unavailable. Do you want to proceed or do you want us to wait?

**LATHROP:** He hasn't checked out?

**HUGHES:** He has not checked out.

**LATHROP:** I'll wait.

**HUGHES:** All senators accounted for. There's been a request for a roll call vote in reverse order. Mr. Clerk.

**CLERK:** Senator Wishart voting yes. Senator Williams voting yes. Senator Wayne voting-- Senator Walz voting yes. Senator Vargas voting yes. Senator Stinner. Senator Slama voting no. Senator Sanders voting no. Senator Pansing Brooks voting yes. Senator Pahls voting yes. Senator Murman voting no. Senator Moser voting no. Senator Morfeld voting yes. Senator McKinney voting yes. Senator McDonnell voting yes. Senator McCollister voting yes. Senator Lowe voting no. Senator Linehan. Senator Lindstrom voting yes. Senator Lathrop voting yes. Senator Kolterman voting yes. Senator Hunt voting yes. Senator Hughes voting no. Senator Hilkemann voting yes. Senator Hilgers not voting. Senator Matt Hansen-- or, excuse me, I'm sorry, yes, Matt Hansen-- thank you-- voting yes. Senator Ben Hansen not voting. Senator Halloran not voting. Senator Groene voting no. Senator Gragert not voting. Senator Geist voting no. Senator Friesen not voting. Senator Flood voting yes. Senator Erdman voting no. Senator Dorn not voting. Senator DeBoer voting yes. Senator Day voting yes. Senator Clements voting no. Senator Machaela Cavanaugh voting yes. Senator John Cavanaugh voting yes. Senator Briese not voting. Senator Brewer not voting. Senator Brandt voting yes. Senator Bostelman not voting. Senator Bostar voting yes. Senator Blood voting yes. Senator Arch not

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voting. Senator Albrecht voting no. Senator Aguilar. 25 ayes, 11 nays, Mr. President, on the committee amendments.

**HUGHES:** AM264 is adopted. Returning to debate on LB568. I raise the call. Senator Bostelman, you're recognized.

**BOSTELMAN:** Thank you, Mr. President. I think the system that we have currently, we can do everything that-- and we are doing everything, I think, that Senator Pansing Brooks is asking for. The one thing that is left out, we can talk about between General Select, perhaps, if the bill passes from General File. But like I said, what I see in my district is a lot of hard work being done within the statute as written now, within the system, if you will, providing the needed services to those individuals who need it the most and working very hard at that. And as I said before, I'm-- I'm still going to stand in opposition of LB568, but there may be opportunities for others to continue the bill. I just don't feel that-- that it's necessary. I just feel that we can do it already with what we have and that a truly a truly truant student youth is not going to be incarcerated because they're truant, can't be incarcerated because they're truant, truly truant. There's other factors that have come into play to make that happen. And I do appreciate Senator Pansing Brooks and things that she has-- has said and others have brought up on this. But I-- I really do feel that within the system we have, we've got a good system. It could just use more funding. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Bostelman. Senator Groene, you're recognized.

**GROENE:** Always got to-- thank you, Mr. President-- correct misconceptions. You heard here that-- on the floor today, Nebraska, that these kids are just being charged with truancy. I-- I had forgotten about this, but-- so I called the county attorney, or texted one or emailed one that I know, and said, when you get a truancy complaint from a school, do you automatically press charges? And the reply was the standard reply in all juvenile cases, all juvenile cases: No, we are required under state law to exhaust all community resources. If there is a diversion prog-- program, the county attorney has to refer there first. So most of what's in LB568 is done already. It's done already. All this bill does is take the hammer away for that kid with his last chance to have an opportunity to have some adult pressure on them to go back to school. All diversion program, any available program has to be completely exhausted before you can press charges for any juvenile case. But guess what? Fourteen of the counties out in Senator Erdman's, Hughes's, Brewer's, because that Probation District 11 has a few counties in each of ours. Well, it has my one. Fourteen

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of those 17 counties don't have a diversion program, so you know what they have left? Press charges. Then the State Probation Office fills in for them, does the same thing, same thing: gives them a chance or an opportunity for the state funding to help that kid. He's on probation versus diversion. All court records on juveniles is sealed. So really, it makes no difference. It's not going to show up in his record. You pass this law, 14 counties, my area, for the one kid, probably, it doesn't happen very often. My judge laughed when I brought that up. He said, you're talking about ranchers' kids, they show up for school. But there's always one, because if I look at the-- Senator Bostelman gave a list, had a list of kids who are in the system for the counties, and it could have been for dual offenses. But once in a while, you're going to have that kid who is truant and needs some help. Fourteen of my counties in my area have no choice, and I'm sure that's in everybody's-- rural-- rural senators have a county or two that have no diversion programs. We're talking about counties with 1,000 people or less in them, 3,000 people or less in them. They don't have the money for truancy officers, for diversion programs. Everybody who lives out there is already volunteering for four or five different things, so they don't have the ability to start a diversion program. But Lincoln and Omaha knows what's best. You haven't a clue what rural Nebraska is about, but you pass laws for all of us. By the way, I have lost sleep over supporting LB307 and I will not support it on Final Reading. That took away a constitutional right from kids, LB307, and juvenile attorneys that they can defend themselves--

**HUGHES:** One minute.

**GROENE:** --in court. But here's another one. Here's another one of those type of bills that come pushing stuff on rural Nebraska that we don't need, can't afford, and nobody's asked for. This bill needs to be defeated because it's a, what do they say, a solution looking for a problem. All it does is take away the last chance for those kids who are on the brink that they can go in the juvenile court system and have a chance. They finally got an adult stepped in and said, you need to do this, we're trying to help you, here's some things you can do and get back on track-- takes it away from them. Remember, no, we are required under state law to exhaust all community resources. If there is a diversion program, the county attorney has to refer there first. But you heard the opponents of this bill said these evil county attorneys are just--

**HUGHES:** Time, Senator.

**GROENE:** --throwing charges at people, at kids.

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**HUGHES:** Thank you, Senator Groene. Seeing no one else in the queue, Senator Pansing Brooks, you're welcome to close on LB568.

**PANSING BROOKS:** Thank you, Mr. President. Friends, I'm hoping you'll vote for LB568. It's been a little bit hard to respond. First of all, I had no idea that some of you had concerns about this, and so I'm-- I'm trying to go around to those of you and explain things to people about what this is really going to do, like I'm definitely happy to work with Senator Slama. She mentioned the fact that DHHS doesn't investigate any of their hotline calls. Well, I'm-- I'm totally willing to work with you on that, Senator Slama, and-- and-- and put that into the bill between now and Select. You know, Senator Bostelman talked-- was concerned about the money to the community aid budget. That's exactly what this bill does. It sends \$3.5 million to community aid to help rural counties. Yes, some of the counties out in the rural part do not have any money or any diversion programs. That's changing this. That's to help the kids. If there's a kid that's been bullied and doesn't want to go to school because they're being bullied, what do you think they do, go to school because they're going to go to the court system? No, they're just going to-- they're going to continue skipping school, they're being bullied, and there's no hope. With the diversionary programs, they can get involved with an adult who cares and can help them work out the issue at school with bullying, and that's a much better way to go forward. And, yes, some of you are saying, oh, well, you know, it doesn't-- it doesn't matter because they're just going into the system on-- on-- on truancy. But the problem is, it's the beginning. It's the nose under the tent. So, yes, they're in there for truancy, and then if they're picked up again later for MIP, minor in possession, the county attorneys and everybody look back and they say, oh, this kid's been a problem child, this child has not gone to school. So how do you think they're going to treat a kid who's been in the juvenile justice system for truancy with an MIP versus one who does not have a record and gets picked up for the first time with an MIP? They're obviously going to treat the child that's gotten the truancy and the excessive absences and having those problems more harshly with the MIP than they would with a person with a first offense. The goal is help the Nebraska kids, don't send them into the system. So I'm willing to work with any of you. You all know that. You all know me. You know if you bring something, and I worked with Senator Groene on-- on the previous bill that he's now saying he doesn't want to support after all, after all that work. But I think that you all know there's nobody in the body more willing to work and find some common ground, very few that are as willing as I; others are, too, but I am definitely willing. So there was a discussion about counties with a thousand people or less not having diversion

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programs-- exactly. That is the point. Money will be able to go to those counties. And it could be-- diversion is a very mixed bag. It's anything. Sometimes a child will be required to write a letter. Sometimes they'll be required to do assignments or something. Sometimes they have to go through programming on bullying or other things. But that's left up to community-based aid. That is left up to the communities, and that's the whole point. It's all about local control--

**HUGHES:** One minute.

**PANSING BROOKS:** --and ensuring that rural resources have money. This is a tax-saving bill that will save the counties on property taxes. This isn't a feel-good bill from Lancaster and Sarpy and Douglas Counties. This is a bill that protects people's resources, it protects the counties from spending extra dollars on property taxes, and it protects the kid from getting sucked into the system on something as minor as truancy. Thank you, Mr. President. I hope you'll vote green on LB568. Can I have a call of the house, please? Roll call vote in reverse order. Thank you.

**HUGHES:** Thank you, Senator Pansing Brooks. Colleagues, there's been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 26 ayes, 3 nays to place the house under call.

**HUGHES:** The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senator Walz, the house is under call. Mr. Clerk, there's been a request for a roll call vote in reverse order.

**CLERK:** Senator Wishart voting yes. Senator Williams voting yes. Senator Wayne voting yes. Senator Walz voting yes. Senator Vargas voting yes. Senator Stinner. Senator Slama voting no. Senator Sanders voting no. Senator Pansing Brooks voting yes. Senator Pahls voting yes. Senator Murman voting no. Senator Moser voting no. Senator Morfeld voting yes. Senator McKinney voting yes. Senator McDonnell voting yes. Senator McCollister voting yes. Senator Lowe voting no. Senator Linehan. Senator Lindstrom voting yes. Senator Lathrop voting yes. Senator Kolterman voting yes. Senator Hunt voting yes. Senator Hughes voting no. Senator Hilkemann voting yes. Senator Hilgers voting no. Senator Matt Hansen voting yes. Senator Ben Hansen voting no.



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Senator Halloran voting no. Senator Groene voting no. Senator Gragert voting no. Senator Geist voting no. Senator Friesen not voting. Senator Flood voting yes. Senator Erdman voting no. Senator Dorn voting no. Senator DeBoer voting yes. Senator Day voting yes. Senator Clements voting no. Senator Machaela Cavanaugh voting yes. Senator John Cavanaugh voting yes. Senator Briese voting no. Senator Brewer not voting. Senator Brandt voting yes. Senator Bostelman voting no. Senator Bostar voting yes. Senator Blood voting yes. Senator Arch voting no. Senator Albrecht voting no. Senator Aguilar. 25 ayes, 19 nays on the advancement.

**HUGHES:** LB568 is advanced. Mr. Speaker, for an announcement.

**HILGERS:** Thank you, Mr. President. Good afternoon, colleagues. A brief scheduling update for today and this week: As I told you last week, the start, maybe take a step back and then come to today. So on Thursday, the plan again, and it's the last day of the week before a four-day week, I do intend to go full day with a one-hour break. Beyond that, between Monday, Tuesday, and Wednesday, I anticipate two of those days are going to go late. Wednesday is likely it's going to go late, and I think today will also go late. So depending on progress, but we will-- I anticipate we'll go up to 10:00 tonight. So right now we will have a recess, 30 minute-- I'm sorry, not a recess, 30 minutes where-- where we will stand at ease for dinner around 6:00, depending on progress. And then we will anticipate going as late as 10:00 tonight, again, depending on progress. We could end a little early. But right now, for those of you who have asked, I anticipate going late this evening. Thank you, Mr. President.

**HUGHES:** Thank you, Speaker Hilgers. I raise the call. Mr. Clerk, for items.

**CLERK:** Thank you, Mr. President. New resolution, LR131 by Senator Matt Hansen, that is an interim study resolution. LR132, new resolution, Senator Dorn, that'll be laid over. New A bill, LB649A, Senator Flood, it appropriates funds to implement LB649. Senator Kolterman, LB147A, appropriates funds to implement LB147. Enrollment and Review reports LB147 and LB6-- LB496 to Select File with E&R amendments. A Reference report regarding three separate resolutions (LR118, LR121, LR128), and an amendment to be printed to LB131. That's all that I had, Mr. President.

**HUGHES:** Thank you, Mr. Clerk. Next item.

**CLERK:** Mr. President, LB649, a bill originally introduced by Senator Flood. It's a bill for an act relating to banking and finance; it

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adopts the Nebraska Financial Innovation Act; it creates digital asset depository institutions and provides for charter, operation, supervision, and regulation. Introduced on January 20, at that time referred to the Banking, Commerce and Insurance Committee, the bill was advanced to General File. There are committee amendments, Mr. President.

**HUGHES:** Thank you, Mr. Clerk. Senator Flood, you're recognized to open on LB649.

**FLOOD:** Thank you, members. Good afternoon. The bill you've been waiting for all session: the Nebraska Financial Innovation Act. This has been a-- "the bill that could" from the start. I'll give you a little background. So early in 2020, I was contacted by a friend of mine who's in the digital asset business-- some of you would call it cryptocurrency-- and he said he was moving his business to the state of Wyoming. And I was interested. Why Wyoming? Why would somebody who's lived abroad and all over the United States move to Wyoming? And in that state, they have created the first bank charter for digital assets, or cryptocurrency, in the nation, the first state in the nation to have the banking regulations that would allow a bank to have custody of a digital asset. And I said, if-- if Nebraska were to do that, would you consider this state? And he said absolutely. And so I began looking into this process. I began to learn more about it before I was elected to find out how the banking world works and how the regulations work and how the Nebraska Department of Banking would deal with something like this. And this year, in January, I brought a bill. And I will tell you, when I brought the bill, not only does this change the way that we regulate banking in Nebraska going forward; it is an opportunity to create and generate more commerce in our state. Why am I interested in this? I'm interested in the high-wage, high-paying jobs, high-skill jobs that will come from this. Ladies and gentlemen, you hear about it all the time. You hear about Bitcoin, cryptocurrency, stable coins. There's a lot to take in. And when this bill arrived at its hearing, you'll notice on the committee statement there's a laundry list of opponents: the Nebraska Independent Community Bankers, the Nebraska Bankers Association. Certainly, at that hearing, we had a really good discussion about all of the pluses and the concerns that were held by the opponents of this bill. And that hearing in February was the last hearing date we could ask for, because we have been working since the first week in January to try and find compromise. In fact, I'd offer to you that we work to find compromise before we introduce the bill. Three months after it was introduced, it was reported out to General File on May 4, and I couldn't be more appreciative of the work that Senator Williams has

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done as Chair of the Banking Committee of this Legislature to con-- to convene the parties on both sides, on all sides, hundreds of amendments, weekends of red ink. I don't know if any of you are familiar with Bob Hallstrom. Bob and I have spent the better part of this winter working left and right from the Bankers Association to understand, to negotiate, and to arrive at a bill that we can be proud of. And today, thanks to Senator Williams' leadership, we have found those solutions, and I'm pleased to report to you both the Nebraska Bankers Association and the Nebraska Independent Community Bankers have-- have signaled that they agree to this compromise and are officially neutral. What are we doing and what are digital assets? This bill provides a statutory authority and regulatory framework to custody digital assets by establishing two different pathways. One is a digital asset department within a state-chartered bank. So if you have a state bank in Nebraska, similar to a trust department, you can have a digital asset department which can custody these assets or a novel charter, a newly created digital asset depository supervised by the Nebraska Department of Banking and Finance. Additionally, and this is what I'm the most proud of, this bill, unlike its counterpart in Wyoming, has the benefit of not only time, but an extensive array of different consumer protection language. If you are a digital asset bank, you have a duty to, number one, know your customer. You have a duty to follow the-- all of the provisions of the Bank Secrecy Act, of all of the different consumer facing and protection expectations, and the Department of Banking will add more to that as the rules are-- are created, so there's comprehensive consumer protection disclosures regarding no FDIC coverage, risk of loss, and fees. Also in this bill, there's the creation of digital asset depositories which are regulated by the Nebraska Department of Banking and Finance to facilitate cryptocurrency and other digital transactions, both as a standalone and a chartered institution or as a department. What are digital assets? A digital asset is a nontangible asset that is created, traded, and stored in digital format. In the context of blockchain, the two most common digital assets include cryptocurrency and crypto tokens, such as Bitcoin and many others, digital ownership of any physical assets such as documents, art, real estate or stock, and one of the other provisions that you'll find in this bill is the Uniform Commercial Code provisions define digital assets as controllable electronic records. I want to thank Professor Harvey Perlman, former chancellor of the University of Nebraska-Lincoln, and dean of the Nebraska Law School, who's also a Uniform Law Commissioner. He put his shoulder into this as a Uniform Law Commissioner, and I'm pleased to say that, unlike Wyoming, we have incorporated what is really the beginning of the UCC language in this bill. This bill, in my opinion, is a once-in-a-lifetime opportunity, not only for my district, but the

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entire state of Nebraska. We're talking about technology that is transforming the way business is done at all sectors in our economy at an exponential rate. A couple of quick notes: In 2018, there were \$13 million of financial transactions of cryptocurrency; in 2019, \$273 million; and in 2020-- I might have my-- it was 2019 to 2020-- 2021 is expected to be even more. Everything that is happening with digital assets is happening at an exponential rate. We must find a way to grow our state's economy and population. If we're going to expect rapid change, if we're going to expect the creation of high-wage, high-skill jobs, we have to be a leader in fintech. If you look at the Blueprint Nebraska report, number three of all of its priorities says we must invest and grow in fintech. We have it in the insurance business. We have it in a lot of different areas. We're a logistics hub. This is our chance to be a financial innovation hub, and so we need to act now. I know firsthand the opportunity cost when faced deciding to adapt to coming technology. Let me tell you a story, and I think this is instructive. In 2008-- and as you know, I'm in the radio station business-- I had a couple of my salespeople come back to the station and they said, we've got a couple of clients that want to spend 50 bucks or \$100 or \$250 of their advertising budget. Can I have you be quiet for a second? And-- and we thought, well, that's not a-- that's not a big deal, you know, 50 bucks here, 100 bucks here, 200 bucks here. That was in 2008. By 2015, less than ten years later, many of our clients had devoted almost their entire advertising budget to digital advertising delivery systems like Facebook. I think that banking is in the same place that we are today-- that we were then. Things are changing. Things are moving very rapidly. Banks need the ability to move with where people are going with technology. And so as I found myself up against a wall in 2010, 2011, and 2012, so, too, do I think financial institutions as we move forward. What I want to share with you is that the Banking Committee decided to push this bill out, LB649, with a unanimous vote. I didn't push until I knew we had accord and it took us a while to get there. But if you want to-- if I want to rewrite a lesson in how difficult it is, I can tell you. There were many members on this committee that were skeptical along the way, that didn't know whether they wanted to do this, and thanks to the efforts of the bankers that I worked with, thanks to the efforts of Senator Matt Williams as Chair, and Bill Marienau, the legal counsel, and so many others, the entire Banking Committee unanimously voted this to the floor--

**HUGHES:** One minute.

**FLOOD:** --something that I'm very proud of. I think at the end of the day, what this bill does, it helps us create an ecosystem that people

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like Grant Roscoe and Jacob Gideon-- these are two young people around the age of 20 that showed up at the hearing. And I will-- I'll put it this way. When you're five years old and you're getting ready to ski, you're fearless; you're willing-- you're willing to go down the hill and you're a better skier than you are at 46. But if you're going down at 46, you're-- you're aware of all the risks and all the thing-- bad things that can happen and it's a lot harder to teach somebody to ski. These 20-year-olds get it, and this is where they're going, this is what they're buying, and this is what they want to be involved in. Nebraska would be-- will be the second state in the nation with a bank charter for digital assets. Who showed up at the hearing? Mike Cassling, an Omaha business leader representing over 100 partners in bus-- business, education, and nonprofit as part of the Nebraska Tech Collaborative. He said we need to do this. He supports our efforts to--

**HUGHES:** Time, Senator.

**FLOOD:** Thank you, Mr. President.

**HUGHES:** Thank you, Senator Flood. As the Clerk stated, there are-- there are committee amendments from the Banking, Commerce and Insurance Committee. Senator Williams, you're recognized to open on the committee amendments.

**WILLIAMS:** Thank you, Mr. President, and good afternoon, colleagues. And first of all, I would like to thank and congratulate Senator Flood for all the work he has done on LB649 and, of course, AM1018, which becomes the bill that is a white-copy amendment. Senator Flood talked at some length about the process that we went through. I would echo all of the things that he mentioned, in particular singling out the Nebraska bankers with Bob Hallstrom, Jerry Stilmock, and Richard Baier all working on this, and also the Nebraska Independent Community Bankers, in particular Eric Hallman for his work in-- in getting things together, and of course Bill Marienau, legal counsel for the Banking Committee, who has studied and worked on this and been extremely helpful. I would also like to point out we have been in conjunction working with Kelly Lammers, the director of the Department of Banking, and his entire staff, so that everything we are doing in this bill has also been vetted with that group. I don't think in my seven years I've been involved with a piece of legislation that has been vetted to the level that LB649 has, and I-- I think that is something very-- to be very proud of. Before the committee advanced LB1018 [SIC--AM1018], we held a briefing for the committee so that those members that I just mentioned came and spoke before the committee, so the committee had a chance to look all of them in the

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eye and ask questions to be sure that they-- all of their objections to LB649 had been handled. And the answer was a resounding yes. All of the concerns and objections have been answered and that's why the Banking Committee voted this out 8-0 and it's to the floor of the Legislature. I'd like to just highlight some of the things that are in the-- the bill and especially in the AM1018. As Senator Flood said, it creates the Nebraska Financial Innovation Act. It authorized the-- authorizes the chartering of digital asset depository institutions under the Nebraska Financial Institution [SIC] Act. It is also clear that the new digital asset depository institution is not organized under the Nebraska Banking Act. Two questions that I think, if I were you, I would be asking, the first one is, what the heck is a digital asset bank? Well, under L-- AM1018, if you would look at page 26, line 26, you can read right there: A digital asset depository means a financial institution that securely holds liquid assets when such assets are in the form of controllable electronic records. There it is. Now you know what it is. The second question I would suggest you should be asking is, what can that digital asset bank do? And in AM1018, if you look at page 20, line 1, is the description of exactly what this digital asset depository can do. It is authorized to carry on one or more of the following digital asset business activities: number one, provide digital asset and cryptocurrency custody services. I would suggest to you that is the primary thing that most of them would be doing. Number two is they can issue stablecoin and hold deposits at a Federal Reserve-- excuse me, Federal Deposit Insurance Corporation-insured financial institution, which has a main chartered office in this state. And the third thing they can do is use independent node verification networks and stablecoin for payment activities. That, I think, is what we are really looking at, because that last one is the one that allows a digital asset depository access to the payment system so that they can use digital assets as a form of payment rather than what we use as dollars. One of the things the Banking Committee members and myself had to come to grips with is all the things that you think of when you use the term "bank," they are all different when we're talking a digital asset depository, and it's a new world and we're exploring that world together with this legislation. The committee amendment, AM1018, becomes the bill, as I mentioned. It also authorizes for state-chartered banks to establish and operate digital asset depository department, in addition to the creation and authorization of digital asset depository institution, with an operative date of October 1, 2021. A prohibition against U.S. currency lending is involved. Also, a digital asset bank cannot accept deposits of U.S. currency that may be accessed through a checking account or similar-type device. The bill includes the ability of a digital asset depository institution for application and to make

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application to the Federal Reserve System. It has the allowance for digital asset depository institution to utilize the word "bank" in its name if it is used in conjunction with the words "digital assets," and that was a major stumbling block for everyone. And if you look on the amendment at page 16, line 16 is the definition of how and when the digital asset bank name can be used. The amendment increases the minimum capital requirement to \$10 million. It also authorizes the Department of Banking and Finance and the Governor to annually set the assessment of digital asset depositories to cover costs of supervision and administration of the Financial Institution Innovation Act; therefore, the new institutions are there to cover the cost of the regulation, as opposed to having the current banking system bear that cost. There is also an application fee of \$50,000 for the new entity. And as Senator Flood mentioned, there are significant consumer protection provisions built into the amendment-- and I would draw your attention to Section 8 on page 8, line 17, and Section 11 on page 10, line 8-- so that the same types of things that are there for our banking institutions, know your customers, A-- ALM, the anti-money laundering provisions, all of those apply, and then the provisions, in particular those in Section 8, of distinguishing out so a person knows that they are dealing with something that is different in the-- in the level of risk from what is traditionally a traditional bank. And as Senator Flood said, also very pleased that incorporated in LB649 and the amendment are the provisions of the Uniform Law Commissioners' update to the UCC provisions covering controllable electronic records. All of that is very important and all of that is what we are about in LB649. Again, very pleased to bring this forward. I agree with Senator Flood. Even though banking has been a tried-and-true business and will not change, the underlying business, this opens the door for opportunities in our state with these new institutions. It also opens the door to opportunities for our existing state-chartered financial institutions to do this. One thing that you should know is that national banks already have the ability to do this. It's our own-- it's our own state-chartered institutions that we are covering with LB649. I look forward to any further discussion on this, as you may have some questions. And with that, that is the introduction. I encourage your green vote on the amendment and the underlying bill. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Williams. Mr. Clerk.

**CLERK:** Mr. President, Senator Flood would move to amend the committee amendments with AM1278.

**HUGHES:** Senator Flood, you're welcome to open on AM1278.

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**FLOOD:** Thank you, Mr. President. Thank you, Mr. Clerk. AM1278 to LB649 provides for the transfer of funds from the Securities Act Fund to the Nebraska Department of Banking and Finance Fund to pay for the cost of the Nebraska Financial Innovation Act start-up. It's important to note that any of the applicant banks that either want to start a novel corona-- novel bank charter or a digital asset department would pay their own assessments through the Nebraska Department of Banking and Finance, which will ultimately fund this effort. This amendment is necessary to utilize cash funds as opposed to General Funds for LB649. So in the first year, it's \$712,000; in the second year, it's just a little bit under \$400,000 from the Securities Act Fund. And in speaking with the Chairman of the Appropriations Committee, Senator Stinner, he thought this was the best approach, and so that's what I offer the body. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Flood. Debate is now open on AM1278. Senator Kolterman, you're recognized.

**KOLTERMAN:** Thank you, Mr. President. Good afternoon, colleagues. I rise in-- I think I rise in support of this bill. Senator-- I know that firsthand Senator Flood, Senator Williams, and the Banking Committee has done a lot of work on this and appreciate that. As Senator Flood was talking earlier, he talked about being 46 years old and changes have occurred in his life. I'll tell you, I'm-- I'm a little older than that, but I'm still always looking. How-- how do-- how can we improve our state and continue to attract the younger people that want to be involved with this, as well as those that are-- that are seasoned in this arena? So I think it's a good idea. I do have some questions I'd like to ask, I-- I believe Senator Williams, because I know he's worked with the banking institutions on this amendment. So if-- if he would entertain a couple questions, I'd like to ask.

**HUGHES:** Senator Williams, will you yield?

**WILLIAMS:** Certainly.

**KOLTERMAN:** Thank you, Senator Williams. Under LB649, as-- as we've amended it now with AM1018 and AM1278, are-- are digital assets that we talk about, depository institutions, prohibited from conducting core banking activities, things such as deposits of U.S. currency and making loans of U.S. currency?

**WILLIAMS:** Absolutely. That's very clear in the bill. And again, there's a significant distinction between a traditional bank and their



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activities and what a digital asset depository can do, and there's no lending or deposits of U.S. dollars in either case.

**KOLTERMAN:** OK, thank you. The second question would be along-- kind of along those same lines. Would it be correct that a digital asset depository institution is prohibited under this bill from accepting demand deposits of U.S. currency that may be assessed or withdrawn by a check or similar means of payment to third parties?

**WILLIAMS:** Yes.

**KOLTERMAN:** OK. And then does LB649, as it's currently written and-- and amended, prohibit a digital asset depository institution from making loans of U.S. currency?

**WILLIAMS:** Absolutely. There, again, to-- to clarify both of those last two questions, Senator Kolterman, a digital asset depository cannot take deposits or make loans of U.S. currency.

**KOLTERMAN:** OK, and then just a couple more questions. One of the concerns I-- I know that the banking industry centered around was whether a digital asset depository institution should be allowed to use the word "bank" as part of the name in describing the business activities. In LB649, as amended with the committee amendments, would-- would require Digital Asset Depository Institution to use the term "digital asset" in connection with any use of the word "bank" in its name or to describe any of its business activities. Pursuant to these provisions, would it be correct that a digital asset depository institution could not advertise or promote itself as providing banking services without-- without coupling the reference to banking with the term "digital assets"?

**WILLIAMS:** Yes, that-- that's-- that's clear. And-- and you stated it, Senator Kolterman. This was one of the major stumbling blocks because of the proud tradition of the traditional banking industry using the term "bank" and wanting to preserve that. And very specifically on-- of the amendment, page 16, line 16, is the-- the negotiated settlement on that. And in that--

**HUGHES:** One minute.

**WILLIAMS:** --the proposed digital asset depository institution must include the words "digital asset bank" so that it does not res-- resemble the name of another financial institution and doesn't cause confusion. So, yes, they have to use the term "digital asset bank" in-- together in that form.

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**KOLTERMAN:** And finally, is it correct that a digital asset depository institution does not include a traditional bank but, rather, represents a new type of institution that is also authorized to conduct digital asset depository business chartered and organized under the Nebraska Financial Innovation Act, with approval of the Director of the Department of Banking and Finance?

**WILLIAMS:** That's true. It is a new charter, even though in the amendment a current state-chartered bank can, with the approval of the department, enter into these activities. The new digit-- digital asset depository, or digital asset bank, is a new charter--

**HUGHES:** Time, Senators.

**KOLTERMAN:** Thank you.

**WILLIAMS:** Thank you.

**HUGHES:** Thank you, Senator Kolterman and Senator Williams. Senator Erdman, you're recognized.

**ERDMAN:** Thank you, Mr. President. Good afternoon. You know, just when one thinks that Senator Flood brings a confusing bill with pumping CO2 into the ground, he outdoes himself and brings a bill like this. This bill, the longer they talk about the amendments and the more they read about what it does, becomes more confusing. But I would think that this bill is probably one of those like Obamacare. We have to pass it to see what's in it. So before we do that, I'd like to ask Senator Flood a question--

**HUGHES:** Senator Flood, will you yield?

**ERDMAN:** --Mike Flood.

**FLOOD:** Yes.

**ERDMAN:** Senator Flood, in your opening, you mentioned there was a business that was going to move to Wyoming. Can you tell us what kind of business that was?

**FLOOD:** It's a financial services fintech firm called Telcoin, T-e-l-c-o-i-n.

**ERDMAN:** OK. Could it have been that that business wanted to move to Wyoming because the taxes were less?

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**FLOOD:** Well, I'm sure that's attractive to a lot of businesses, but human resource and talent recruitment and the University of Nebraska would be advantages here.

**ERDMAN:** OK, thank you, appreciate those answers. So as we move through this bill and we discuss it and try to get our hands around it-- it's only like 82 pages, is all-- this bill is not ready for prime time. There are way too many questions and I don't know how to answer the-- ask those questions at this point in time. So I'll listen, but I'll just tell you right now that this bill is not anywhere close to being in a form that it can be passed. And when we have a bill that you have to pass it first before you understand what's in there, we should be concerned about that. So to say we're going to pass this bill because one institution is going to move to Wyoming when in fact Wyoming is ahead of us so far in the property tax and income tax category that we can't catch up with them until we pass a consumption tax, this bill is very similar to the 2-- CO2 bill, and I think that's the intention. You bring those bills so it confuses everybody and we have no clue what they do. This is peculiar. And if you can't get your hands around it, if you don't understand it, don't vote for it, and so I'm not voting for any amendments or the bill. Thank you.

**HUGHES:** Thank you, Sen-- Senator Erdman and Senator Flood. Senator Morfeld, you're recognized.

**MORFELD:** Thank you, Mr. President. Colleagues, I'm-- I'm in support of LB649. This is an important industry for-- for Nebraska to be on the tip of the spear with. And quite frankly, it's an industry that is growing in popularity in terms of-- in terms of transactions and how people are investing. And so I think it's important to have this. The-- the one concern that I have, and maybe call me a grumpy credit union member, is that credit unions are explicitly taken out of this, and I don't really understand what the rationale for that is other than, quite frankly, protectionism, but I think that credit unions should be included in this. I think that I should be able to go down to my credit union and be able to do my normal banking and also be able to invest my cryptocurrency and have those types of transactions, as well, with my credit union. I'm interested to hear what the rationale is for keeping credit unions out of this industry, but my guess is, is that there is not a good rationale other than pure protectionism and territorialism. And that frustrates me, so that's why I have an amendment that I just filed that puts credit unions back in. I should be able to have that choice as a consumer and not have an industry tell me that I can't go to the bank that I normally go to every single week and be able to have these types of transactions with

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that-- well, technically not called a bank, technically a credit union, but with that fi-- type of financial institution, if I so choose. We should allow Nebraskans to make the choice on what kind of financial institution they trust and what kind of financial institution they want to put their money in and not let the industry dictate, because of protectionism, which financial engine-- institutions that I can use or not use. So I am in support of LB649. I was a bit surprised to learn that credit unions were not included in this. And it's nothing against banks. I bank at several banks, as well, but I do my personal banking at a credit union, and so I should be able to have this type of financial transaction at the financial institution that I choose. And to me, there is no good reason to exclude credit unions. But I am in strong support of the underlying bill. I think it's an important bill, but I'm not in support of this type of protectionism and I'm not in support of the state telling me where I can go and where I can't go to do my financial transactions when there's no sound, rational reason to not allow a credit union to be able to participate in these types of transactions. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Morfeld. Senator Slama, you're recognized.

**SLAMA:** Thank you, Mr.-- thank you, Mr. President, and good afternoon, colleagues. So Senator Flood mentioned in his opening that there were a lot of skeptics on the BCI Committee when the hearing was first held on this earlier in the spring, and you can count me as one of those. I-- I honestly did not think we would be here today with a bill that advanced from BCI unanimously. But I think this really is credit to Senator Flood, Chairman Williams, and all of the interests for coming together after the hearing and hammering out a compromise that brought all of the parties together and neutralized opposition. And-- and just to respond to Senator Erdman's comments about this bill, the members of the BCI Committee have taken this issue very seriously. We have asked the tough questions, time and time again. There have been several times where the Banking Committee has met formally, informally, and we've-- we've ironed out all of those tough issues, all of those stumbling blocks that really seemed insurmountable at the time of the hearing this last spring. And I do think that LB649 is ready for prime time when you look at Senator Flood's white-copy amendment to the bill. I'd encourage anybody, if you have questions about crypto, if you have questions about how this bill will work, please ask Senator Flood, ask Chairman Williams, because they have done an outstanding job in putting together a regulatory framework that serves Nebraska well. Crypto is here, it's here to stay, and Nebraska would be well served by passing a regulatory framework as we

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see in LB649. So with that, I'd encourage your green vote. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Slama. Senator DeBoer, you're recognized.

**DeBOER:** Thank you, Mr. President. Banking issues are not my normal bailiwick on the microphone, but I was reading the bills this weekend and as I read this one, I had a few questions. I will respectfully dis-- disagree with Senator Erdman that this is a difficult bill to understand. I did not find it particularly difficult to understand. It is very long, so in that sense. So I want to thank Senator Williams and Senator Flood and others for answering my questions and to the Banking Committee for all of their work on this bill. One thing that I want to point out for Nebraska is that, as Senator Flood noted, it's really important in Nebraska that we develop a thing we are known for, an industry of our own-- we have some really great industries, but a-- but a new industry and a new growth area for us here in Nebraska so that we can expand our tax base. That's one of the things we're always talking about: get some new things going. I think that's really important. You know that we have been called the Silicon Prairie, and so this type of innovation fits in very well for something that we're already known for. Fintech is open for business in Nebraska, and these are good jobs; and like often attracts like, and we have the ability to do something very good here. When I was reading the bill, one thing that I will note is that this charter will help to provide a stable digital currency. It has a strong consumer protection aspect to it. It has a good regulatory structure. And the charter requires, in case you didn't see this when you were reading it, under Section 9 of AM1018, that the digital asset depository is required to-- and I want to read this specifically from the-- the amendment for you all. The digital asset require-- depository is required to maintain unencumbered liquid asset-- assets, denominated in U.S. dollars, valued at not less than 100 percent of digital assets in custody. So this is actually requiring that these digital asset deposit-- depositories are going to hold 100 percent of U.S. dollars to match this. It's a way of stabilizing these currencies, and I think it's-- it's a good way to do this. I did have some discussion with Senator Flood about what constitutes custody for purposes of this section, and I think he and I might have a few more conversations between now and Select to make sure that that's completely defined, so I appreciate that. Overall, though, I think this 100 percent coverage will help to stabilize transactions between these currencies and will generally be helpful in the transfers of these assets to U.S. dollars when it's necessary to do that transfer. It's sort of in the same way if you think about the way the gold standard initially operated. So I will strongly support

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this bill, and I want to make sure that everyone out there knows that Nebraska is soon to be your one-stop shop for fintech endeavors, so please make sure you come and consider us when you're looking for where to locate. So with that, I will yield the rest of my time to Senator Flood.

**HUGHES:** Senator Flood, 1:40.

**FLOOD:** Thank you very much, Mr. President and Senator DeBoer-- DeBoer. And thank you to her for spending the weekend looking at this bill. I want to make clear that this bill has been pored over line by line by line. It has been looked at by not only our legal counsel, but attorneys on all sides. And if anybody has ever spent enough time with the Nebraska Bankers Association to understand how carefully they review the bills, you will appreciate how important this compromise is to this state and to this body. And one person I would like to recognize, and she came before me as it relates to the concept--

**HUGHES:** One minute.

**FLOOD:** --of digital assets and cryptocurrency, is Senator Carol Blood of Bellevue. Senator Blood has been a champion for cryptocurrency, and she first introduced this body to the conversation prior to my time in the Legislature. And she knows firsthand better than I do about the-- the great ability of the blockchain in terms of transparency, digital fingerprints, and I look forward to her time on the floor to share with us kind of the insights she has on this bill and any clarification she might have. So in addition to Senator Williams on the Banking Committee and my fellow Banking Committee members, I also want to recognize how invested in this issue Senator Carol Blood of Bellevue is. She really introduced the Legislature to this topic, and without her introduction this would have been even a much harder job to pass LB649. And I look forward to her discussion. Thank you, Mr. President.

**HUGHES:** Thank you, Senator DeBoer and Senator Flood. Senator Flood, you are next in the queue. You may continue.

**FLOOD:** Thank you, Mr. President. I want to address a few things here. Senator Morfeld raised the issue of credit unions and I think it's important to note that the OCC on the federal level has already approved OCC-regulated banks, which-- which would be national banks to custody digital assets. At the same time, the Federal Reserve in Kansas City has-- has got two applications from the state of Wyoming, Avanti Bank being one of them. There is an FDIC requirement that USD, or U.S. dollars, in terms of a stablecoin, be backed 1:1, so \$1 per

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one token into those U.S. dollars be insured by the FDIC. The credit unions are insured federally by the NCUA, so there is a difference between state-chartered banks and state-chartered credit unions. I look forward to the continuing discussion on that, and I'm sure Senator Morfeld, with his amendment, will be able to raise some more of those issues. I have been at the table discussing these matters with all the affected parties, and I can tell you there is a difference. It's also a policy choice and it's one that we have to address as a Legislature. It's not the only place in our statutes that we treat banks and credit unions differently. There are a number of-- of issues that are there, such as the ability to custody public depository funds. That has never been in our statutes as it relates to state-chartered credit unions, and that's another choice that members of the Banking Committee and ultimately the full body need to take up. One of the things that I want to be proactive about, and then I'm going to give the remainder of my time on this to Senator Blood if she would take it, is I want to talk about the benefit of blockchain. It's-- it's something that not a lot of us talk about often enough to-- to be very conversant in it. But people ask me all the time, well, will this lead to illicit activities and-- and such? The reality is the blockchain, the-- the digital ledger of sorts that-- that spans the globe, is far more impressionable and you can-- traceable than anything that we're doing, especially starting with cash. And I'd like to give the balance of my time to Senator Carol Blood of Bellevue.

**HUGHES:** Senator Blood, 2:36.

**BLOOD:** Thank you, Senator Flood, and thank you for that nice shout-out. It's a good thing I'm supporting this bill. I'm going to talk a little bit about DLT because we have talked about it multiple times in the past year when I've brought legislation forward, and it seemed like people did have a hard time wrapping their heads around it and Senator Flood asked me just to speak briefly on it. So DLT, distributed ledger technology, all it is, is a digital system that records transactions of assets, in this case, and the details are recorded in multiple places at the same time. So unlike a normal database, like banks use, where it's just one location, DLT has no central data store or administrative functions, thus makes it safer in many ways. So what's the difference between blockchain and DLT? So blockchain is just one type of distributed ledger technology. Blockchain is actually a sequence of information, specifically called blocks, which is where the name "blockchain" comes from. DLTs don't require that type of chain. Blockchains are all distributed ledger technology or distributed ledgers, but not all DT-- DLTs are

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blockchain, so blockchain is a subset of DLT, so there's really nothing more to it than that. So blockchain, based on DLT--

**HUGHES:** One minute.

**BLOOD:** --but all DLTs are not blockchain. So I also want to talk about digital asset management, which is exactly what we're talking about today. So that's a system that store, shares, and organizes-- organizes digital assets, which is exactly what we just talked about a little bit ago on DLT. And it's in a central location. Internally, it will increase efficiency by creating a consolidated area for digital assets to be stored, so that's a good thing. Externally, it allows for distribution of assets, so DAM automates the entire process, saving time and space. So I am in full support of this bill. I'm in support of this-- did you say-- I'm sorry, what did you say? Time?

**HUGHES:** You have 12 seconds left.

**BLOOD:** Oh, well, we'll say time. I think I'm up next--

**HUGHES:** You're--

**BLOOD:** --in the queue maybe.

**HUGHES:** Thank you, Senator Blood. But you are next in the queue, so you may continue.

**BLOOD:** All right. Thank you. So I am in full support of Senator Flood's amendment and his underlying bill, and I appreciate the fact that we continue to grow on this issue. But what I would like to say, and I think it's really important, is that I listened to Senator Flood's introduction, and I didn't hear him say that a company wouldn't move to Nebraska. I heard him say that they were moving to Wyoming because something was offered as far as policy, but not that they had refused to come to us, but that he was opening the door so we could get that type of business here in Nebraska. And he's shaking his head yes. So, you know, when I hear somebody say that this bill doesn't make any sense, that it's too hard to understand, I-- I think you have to simplify it. I think when people hear technology, they take this big leap and they're not necessarily trying to understand it. And I hope that there was actually some people listening. Maybe they're back in the room behind the Chambers because there's really hardly anybody left on the floor. There's really nothing more to it than understanding that it stores, shares, and organizes digital information, not hard. I mean, I'd-- I'd love it if we get to the point where we can actually do the contracts that are involved. And



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we've talked about that with ag and I have an interim study this year so we can better inform our body about the real importance of DLT to the future growth of Nebraska, especially with the-- a flagship university like UNL here just down the street. So with that, I would ask-- I would go ahead and yield any time that I have left to Senator Flood so he can speak more on his bill. But if anybody really wants a face-to-face on blockchain and DLT, I can walk you through it a little bit more. But I think the more some-- you learn, sometimes, the harder it can be to understand. If we keep it simple, like I just did, I think it might be a little bit easier for you to get your head wrapped around. So with that, I yield all my time to Senator Flood.

**HUGHES:** Senator Flood, 3:00.

**FLOOD:** Thank you, Senator Blood, for the time. And thank you for the continued discussion on LB649. One of the things that she touched on, that Senator Blood touched on, and it is true, that we have an opportunity for a-- a bank to be located actually in my district, which is exactly the reason that I'm supportive of this idea, because I've not only learned about the benefits of what's happening here, but the jobs that it can create, and I think that you'll find that our state will be open for business on fronts that we didn't even imagine as it relates to the financial services industry. And what I like the best about it is that Nebraska banks are in the pole position. They are capable under the language of this bill to custody digital assets in a separate department which would be regulated by the Nebraska Department of Banking and Finance. So I urge your adoption of AM1278, AM1018, and LB649. Thank you, Mr. President.

**HUGHES:** Thank you, Senators Blood and Flood. Senator Vargas, you're recognized.

**VARGAS:** Thank you very much, President. So I'm one of those millennials here that owns cryptocurrency as we talk about. I don't actually know how many people in the body that are listening, either in the back or on the sides or in their offices, that own some version of cryptocurrency or have. Yeah, Senator Lathrop's [INAUDIBLE] nodding his head. Am I surprised? A little bit. I think what we're talking about here is whether or not we are investing and creating this regulatory framework for new business. I know this is one of those incredibly new and kind of strange technologies that can cause a lot of hesitancy. I'm not entirely sure the hesitancy from-- from some of the senators on this. This is literally digital currency that is not backed by the American [INAUDIBLE] dollar, but it's new. It's not as tightly regulated, but the whole point is that we have some safeguards and regulations in place. It is why I'm optimistic about this

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amendment and the underlying bill. This cryptocurrency is a digital asset protected by encryption that can be used in financial transactions. And part of the reason why this technology is exciting is because of the accessibility. Even today I was exchanging cryptocurrency and exchanging it for another type of altcoin and using it to pay a friend. Now, when you are looking at the best-performing assets of the last decade, it wasn't Amazon, Apple, Microsoft, or even real estate. The best performing asset of the last ten years was Bitcoin. Senator Flood talked about every single year the growing number of financial transactions that have happened. This year, it's in the billions. Now this Bitcoin has attracted the attention of some of the nation's biggest banks: Altcoins, Ethereum, Litecoin, and so many more. They're getting the attention because it is being used and utilized as a currency. JPMorgan Chase recently created their own digital coin for their members to make payments. PayPal is starting to use it. That was on the heels of an announcement from the Office of the Comptroller of the Currency that federally chartered banks would be allowed to provide custody services for cryptocurrency. Now, is this without risk? No, but neither is the stock market. For Nebraskans who feel a little bit disconnected between the performance of the stock market and the reality of their own personal financial security, digital currency exchanges offer a reasonable alternative. We used to look at the stock market and think, if the market's up, I must be doing well too. But the last 15 years or so haven't borne that out. These crypto markets now offer everyday people an opportunity to participate in an alternate system where they can have more control over their financial security. This bill would open up the state to digital currency business communities and let them know that we are open for business. It's one of those things where, not that it's not ready for prime time, it's that our state isn't-- doesn't have the framework to then welcome these types of businesses here. And if we were, just want you to imagine the type of investments that we can have. Now there's at least one company that he referenced, Telcoin, that's expressed interest in bringing business to our state. And if Nebraska were to bring a financial tech hub for the country and it would become one, it would be to the benefit of every Nebraskan. This bill requires that banks offer custody services, that they would have to comply with state and federal laws of money laundering, as well as following best practices for securing digital assets-- digital assets. This legislation also gives our courts the jurisdiction to hear claims relating to digital assets. The bill offers kind of regulation that doesn't currently exist but is raising consumer confidence in digital currency. Now they want this regulation. These financial tech firms want it so they can operate with confidence. So, colleagues, I urge your support of AM1018 and LB649.

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**HUGHES:** One minute.

**VARGAS:** There is going to be a sea change in the way financial transactions in this country work over the next ten years. We have to be among those in front of this change so we can get the economic benefits. We have jobs in this, H-3 jobs that we-- we currently have. Our issue is that we need to continue to get ahead of the curve and attract to the companies so we can develop the skills in our people. And if we can do that at the same time, we're better off for it in the long term. That's what this bill is about. I applaud Senator Flood for thinking creatively, Senator Blood for her work in the past on the issues of blockchain technology that has paved the way, and the entire-- the entire Banking Committee for being forward thinking as well. Thank you very much. I urge your support of LB649.

**HUGHES:** Thank you, Senator Vargas. Senator Brandt, you're recognized.

**BRANDT:** Thank you, Mr. President. Thank you, Senator Flood and Senator Williams, for bringing this bill. Would Senator Williams be available to answer a few questions?

**HUGHES:** Senator Williams, will you yield?

**WILLIAMS:** Yes, I'd be happy to.

**BRANDT:** Senator Williams, you're a small-town banker and I'm going to walk into your bank and I've got some questions. And the first one would be, on a cryptocurrency, is this FDIC insured?

**WILLIAMS:** Well, first of all, if you walk into a-- an existing bank, they would have to set up a separate crypto department that would be approved by the Department of Banking. So assuming that they had done that, or our bank had done that and we were approved, the answer to you is, no, crypto funds are not insured by the FDIC.

**BRANDT:** So if a crypto bank were to fail, would there be any liability whatsoever to Nebraska state taxpayers?

**WILLIAMS:** There should be no liability to the state taxpayers if there were a failure. They-- the crypto bank, whether it be a digital asset depository bank or a state-chartered bank acting as a cry-- as a crypto bank, will be examined by the regulatory authorities, primarily the State Department of Banking, and that covers the liability.

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**BRANDT:** And that would be on a state charter. And if they had a federal charter, I assume the OCC or Federal Reserve would be the examiners?

**WILLIAMS:** They would be examined by the OCC if they are a national bank and, again, by the Federal Reserve, assuming they receive authority to transact business or become a member of the Federal Reserve with the digital asset portion of their business.

**BRANDT:** So this isn't truly a bank in a traditional sense. I could not come into this bank and you're holding my cryptocurrency and turn around and cash that in, could I?

**WILLIAMS:** That's correct. It-- you have to get out of your head, the thinking, like I've said about what is a traditional bank, you know, making loans, taking deposits, a-- a digital asset depository bank does not function with U.S. dollars in that form.

**BRANDT:** So really, the function of your bank would be to facilitate a transaction. I would have to have a willing buyer or somebody willing to take my cryptocurrency. Let's say I wanted to buy some land or some farm equipment and they agreed to take it. You would facilitate that?

**WILLIAMS:** That's-- that's exactly correct. In fact, I was watching the news last night and there was a doctor's office in Nebraska, and I can't remember where, that was talking about that they were going to be set up to receive digital assets as payment if they wanted to. So we have to not think about the exchange of dollars the way we are thinking about it now. You have to think about the exchange of digital assets and the digital asset depository bank would facilitate that transaction.

**BRANDT:** So the upside for the state of Nebraska would be a-- a bank, a crypto bank chartered in Nebraska would have to have a physical location.

**WILLIAMS:** It'd have to have a physical presence in our state and they have to have at least one member of their board of directors be a Nebraskan.

**BRANDT:** So by having that physical location, there would probably be some transactional personnel, loan officers or bank officers or-- or somebody of that nature?

**WILLIAMS:** Yes, and-- but I think we have to think a little bit differently than a traditional bank that has what I would call a

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retail department where people are coming and going and you're cashing checks and doing those kind of activities. A digital asset depository is more-- more technology is doing that, so I would suspect there would be fewer employees, but high-pay--

**HUGHES:** One minute.

**WILLIAMS:** --high-- high-wage, high-need jobs.

**BRANDT:** And the-- and the beautiful thing about this, being from a small town, is this crypto bank could be located anywhere in the state of Nebraska, providing it has adequate broadband. Is that correct?

**WILLIAMS:** It would certainly need access to adequate broadband or it could not function. You are correct.

**BRANDT:** Thank you, Senator Williams. Would Senator Flood be available for a question?

**HUGHES:** Senator Flood, will you yield?

**FLOOD:** Yes.

**BRANDT:** Senator Flood, how big is this market? Wyoming's been doing this for two years. Do we have any idea of the scope of what we could expect?

**FLOOD:** Well, the fintech market is unbelievably large and it is growing exponentially. Wyoming has two bank charter applicants at this time. I think actually they've chartered two banks and they're pending approval at the Federal Reserve Bank at Kansas City. Like I said, in Nebraska, in 2019, there was 13--

**HUGHES:** Time, Senators.

**FLOOD:** Oh.

**BRANDT:** Thank you.

**HUGHES:** Thank you, Senators Brandt, Williams, and Flood. Senator Friesen, you're recognized.

**FRIESEN:** Thank you, Mr. President, and I-- I am intrigued by this new currency. I've been following a little bit on blockchain and-- and Bitcoin and things like that, so I-- I want to ask Senator Flood some questions if he would yield.

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**HUGHES:** Senator Flood, will you yield?

**FLOOD:** Yes.

**FRIESEN:** So the way I understand it, I mean, and-- and correct me if I'm wrong, but so a-- a local bank branch may create a separate, so to speak, branch or department who handles cryptocurrency. Would that be right?

**FLOOD:** Yes.

**FRIESEN:** And so they would apply to the banking department and they have to have some capital investment there. That capital required, is that dependent upon the volume of business they do or what's that requirement?

**FLOOD:** Capital requirement is \$10 million for a digital asset depository institution in the bill.

**FRIESEN:** Does-- does that go up any higher with more volume that you do, or is that just a standard set?

**FLOOD:** Well, ultimately, the Nebraska Department of Banking and Finance has to be comfortable with your capital requirement or with the capital that you have for the business that you're in. So that number can fluctuate based on what the Nebraska Department of Banking and Finance believes is reasonable, and those are going to be pretty tough questions asked by our regulators.

**FRIESEN:** OK, so can-- do you foresee these digital banks, the digital currency banks, being able to make loans, things like that, like we think of in a current type of bank?

**FLOOD:** No. U.S. dollar loans are prohibited in this bank. And you can find that on page 29 of the amendment, Section 3, page 3. The difference between-- there's a difference between lending and staking. So as it relates to lending U.S. dollars, there is an absolute prohibition on a newly created bank charter or inside the department of a digital asset department at a bank. That is reserved for a traditional bank that you-- we have right now, the 149-some state-chartered banks. So there is a prohibition on loaning United States dollars. What it does provide is properly regulated doorway at decentralized financial platforms for staking, which is essentially the digital version of lending. So, yes, a consumer could access a digital asset loaning platform, but not in a way they couldn't do it already, the way that these institutions are built now. It just brings

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everything into the daylight, so the charter just really brings it in from the dark, properly regulates it, and improves consumer protection, again, all regulated by the Nebraska Department of Banking.

**FRIESEN:** So they-- they can make a digital coin loan, so to speak.

**FLOOD:** Yes, but they couldn't do it with a--

**FRIESEN:** Couldn't with U.S. dollars. Now if the-- if the-- the regular branch of the bank had a lot of deposits and couldn't get them-- you know, sometimes when the economy is strong, local small banks have trouble lending out enough deposits. Could they invest them in the Bitcoin market, so to speak, and--

**FLOOD:** So like a traditionally chartered state bank, could it hold, as an asset, a digital asset to underpin the-- the fiat currency part of their bank--

**FRIESEN:** Yes.

**FLOOD:** --is that what you're talking about? I believe those two things are very separate, that our banking regulations-- we're not touching-- we're giving existing banks the ability to have a separate department. And what I think is key about that is separate. We want to keep a fine line and I think the Federal Reserve is going to keep a fine line. If I could predict-- I am certainly no expert, but there's been some talk among regulators at the federal level that they're looking at how to address the-- these digital assets as it relates to the federal payment system through the Federal Reserve. And they're talking about keeping it on--

**HUGHES:** One minute.

**FLOOD:** --potentially a separate track. One thing I do want to point out, that if you use a stablecoin, if a bank offers-- if a digital asset bank offers a stablecoin, that is required to be underpinned 100 percent by U.S. dollars. So there's a one-for-one match and those U.S. dollars are required to be FDIC insured, and that is for a stablecoin. Stablecoins are tied to a standard, whether it be the British pound or the United States dollar, you know, like the Gold Standard, for instance, and so that is a caveat that I think has not been brought out yet.

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**FRIESEN:** So if-- if, for instance, I had an account with you and I forget my password or suddenly died in an accident, what happens to that digital asset?

**FLOOD:** Well, that is a great question. The best part about having a financial institution that's capable of-- of custody and digital assets is that there are really three keys--

**HUGHES:** Time, Senators. Thank you, Senators Friesen and Flood. Senator Groene, you're recognized.

**GROENE:** Thank you, Mr. President. I wasn't going to comment on this, but I'm curious. What I understand on monetary issues worldwide, traditionally issue-- a currency is issued and backed by a country or countries, like the Euro. I have no idea who backs a Bitcoin or who gets to print it. I guess it's not printed. It really-- really doesn't have any material existence. Who creates it? Can Senator Flood and I start a business and start issuing Bitcoins? Senator Flood, could you answer that question? Can you and I start a business and start issuing bitcoins or-- or this secure coin or whatever you call it?

**HUGHES:** Senator Flood, will you yield?

**FLOOD:** Yes, Mr. President. So your question is, could we start a business? So there's two different-- there's different types of digital assets. The first digital asset that-- that-- when I think about what we want to encourage, especially in Nebraska and that I would like to see in my district is the creation of a stablecoin. Stablecoins are backed dollar for dollar--

**GROENE:** Well, I just want to know if you and I-- I'm running out of time. Can you and I start a company and issue our own stablecoin?

**FLOOD:** Yes.

**GROENE:** So we go broke or decide to cash in and go down to Hawaii, who-- and-- and them stablecoins are out there, what happens to them?

**FLOOD:** Well, if we started a business with stablecoin, let's say it took \$10,000 of capital for us to start our business and we issue-- we decided we'd take \$9,000 of that and issue 9,000 stablecoins that had-- each had a value of \$1, and let's say we go down to Hawaii and we start a business--

**GROENE:** No, we just decided to fold. It didn't work out for us and we issued a bunch of stablecoins. Who backs them coins?



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**FLOOD:** Well, if we--

**GROENE:** How do they keep a value?

**FLOOD:** --if we went to the bank, the bank would have to keep \$9,000 in stable-- in U.S. dollars at the bank, in a--

**GROENE:** Excuse me, I--

**FLOOD:** --in a regular bank that are-- that is FDIC insured so that those stablecoins would be backed by something.

**GROENE:** All right. Thank you. Thank you. I-- because earlier I heard Senator Williams said you couldn't-- either you were this-- you were this stablecoin depository or you were a bank with U.S. dollars, or whatever currency, but you couldn't be both. So you got to keep an account in another bank that can be checked by the State Banking to make sure you have enough money to back your coins. I'm kind of curious now. I go buy a car with a stablecoin. What do I pay my sales taxes in, stablecoins?

**FLOOD:** Well, the city of Miami accepts cryptocurrencies and--

**GROENE:** I don't think my car dealer-- I mean--

**FLOOD:** Well, if your car dealer is--

**GROENE:** How do I go down in the courthouse and give that to the courthouse? So the car dealer accepts it in Nebraska, and then I go down to the courthouse and I want to pay the county court, the treasurer, in-- in stablecoin. How do I do that?

**FLOOD:** Well, you can't do that right now because there are no counties that accept that. But just like Visa services or Mastercard services--

**GROENE:** So let's say I buy something on the Internet in-- in stablecoin and now we collect Internet sales, sales taxes. How does the-- Amazon pay the state of Nebraska sales taxes?

**FLOOD:** Well, PayPal, if you use PayPal, you can pay with cryptocurrency and they would collect enough money to remit it and transfer it and exchange it back into U.S. dollars. And the benefit to using cryptocurrency is that the fee is like 1 percent to exchange cryptocurrency or to-- when you're doing a-- a merchant services compared to--

**GROENE:** Thank you.

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**FLOOD:** --about 3.6 percent.

**GROENE:** Thank you. I just wanted to finish. I-- I seem--

**HUGHES:** One minute.

**GROENE:** --like it's-- you know, I-- and if you took the economics or learned one of the stories they tell you about the tulips in Holland, wasn't backed by a country either. So I don't care if people want to do this. I-- and if it brings a job, I don't even see why they need a physical address. It's-- it has no material presence at all. It's all done over the Internet. I can't walk in and pay with a Bitcoin. I have to transfer something over the Internet. So I don't even know why we need a physical presence. It should be just some kind of website. But I don't-- I don't care-- I-- if you want to do this, maybe I'll bring a bill next year. We'll start investing on the first settlement on Mars, but why not try anything to get ahead of the game? Thank you.

**HUGHES:** Thank you, Senators Groene and Flood. Senator Moser, you're recognized.

**MOSER:** I was wondering if Senator Williams would answer some questions, please.

**HUGHES:** Senator Williams, will you yield?

**WILLIAMS:** Yes, I would.

**MOSER:** Well, thinking about this whole discussion, I'm kind of trying to figure out what's in it for the bank. So if I wanted to buy something and use Bitcoin, but I wanted the bank to facilitate it, would they charge me a fee?

**WILLIAMS:** It's my understanding, and looking at the business model that Senator Flood's friend has talked about, that if they were facilitating a payment from one party to another using a digital asset, they would charge a fee to see that that transaction happens.

**MOSER:** OK, so that's one way they can make money. So if you-- I mean, the whole object of cryptocurrency is, is that it's not something you hold. It's kind of-- it's-- it's a digital asset. So how do you have a digital asset on deposit in a bank?

**WILLIAMS:** Well, again, we have to think of a digital asset differently. And the UCC provisions that are being adopted with AM1018 describe what digital assets are and how you gain security and custody

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of those. So the digital asset is just that. It's-- it's a ledger account versus a physical asset like a car or a cow.

**MOSER:** So could a person use digital assets as security to get a loan?

**WILLIAMS:** If you're talking about a loan of dollars through a crypto bank, a crypto bank is not allowed to make loans of U.S. dollars. Now, if you had a digital asset that you wanted to bring to a traditional bank and use that as security for a loan, yes, you could do that. And that is what the provisions, the new UCC provisions are, but that is traditional banking. You could do that today, whether we adopt this new legislation or not.

**MOSER:** If somebody puts cryptocurrencies into a crypto bank, do they earn interest on that?

**WILLIAMS:** Not in the sense, Senator Moser, that-- that you are thinking of interest as getting interest on your dollars that are in a CD or some kind of account like that.

**MOSER:** Who gets the appreciation or the loss if the value of the cryptocurrency goes up or down?

**WILLIAMS:** If the crypto bank is holding it as in a custodial arrangement, it is still the owner of the-- of the asset, of the digital asset, that takes the up or down in the market.

**MOSER:** And the amount of capital that the institution has to have on hand has to be equal to what they have on deposit in cryptocurrencies, and that has to be outside of their normal banking capital?

**WILLIAMS:** That's correct. There-- there is capital on the front end that is required by the Department of Banking if you establish a new charter. And then in addition to that, as was described by Senator DeBoer earlier, there is a 100 percent of liquid assets backing that also has to take place in addition to the capital.

**MOSER:** So what's-- what's the business model for the bank? What's-- what's good business sense for the bank to be involved in cryptocurrency?

**WILLIAMS:** Are you talking a traditional bank, if they were to get into this?

**MOSER:** Well, traditional banks are prohibited-- well, unless they have a separate department, I guess.

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**HUGHES:** One minute.

**MOSER:** Yeah. How do you make money trading cryptocurrencies, I guess, is my question. Does the bank actually--

**WILLIAMS:** That's-- that's a question that I think many of us have-- have actually struggled with to see how this turns into something that-- that is a profitable business. I have not seen a way that I would be looking at doing this in our particular bank situation at this point. But when we have visited at length with Paul Neuner, who is the person that is Senator Flood's friend, their system is helping someone that's, for instance, sitting in South Africa, buy a product and transact business with somebody sitting in Brazil. Where the currencies of those countries are not stable and subject to massive change, they are wanting to use digital assets on both sides of that transaction. So the buyer in South Africa--

**HUGHES:** Time, Senators.

**WILLIAMS:** --wants to transmit digital currency to the person in Brazil and the-- the--

**HUGHES:** Time, Senators.

**WILLIAMS:** Thank you.

**HUGHES:** Thank you, Senator Moser, Senator Williams. Senator Friesen, you're recognized.

**FRIESEN:** Thank you, Mr. President. Senator Flood, would you yield to some more questions? We can continue on. And I think I left off and kind of a question about, you know, if-- if someone has an account of digital currency and they suddenly pass away or die in an accident, I've heard that the-- the password required to get into there, you could actually lose your digital currency because you don't have access to it, and you were kind of explaining how that worked.

**HUGHES:** Senator Flood, will you yield?

**FLOOD:** Yes. So that's an excellent question. There-- there are keys to these accounts. Remember, the account is held across a ledger, a general ledger called blockchain. And so the financial institution would have a key into that account. The account holder would have a key into that account. And as we all know, when necessary, the government can have a key into your account. That is how you track down criminals and illicit activity and things like that. And so there

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are different types of keys that are held to permit access and security into-- into the account. It's also very secure. So one of the differences, you hear those stories about somebody that has Bitcoin and they can't find their account authorizing information or their password and they're out that value of the digital asset, the benefit of "custodying" your asset, your digital asset with a digital asset bank is that you would have that second route around that and it would protect the consumer.

**FRIESEN:** So part of what-- you know, when I'm-- when I was thinking about how this could be used in Nebraska, I mean, I'm going to-- I'm going to give you an example of a company that does business overseas. I have a company in my district that sells popcorn in I don't know how many different countries. Preferred Popcorn markets popcorn all over the world. And so they've got an organic line; they've got a regular line. And so do you see-- how do you see this being used when you export a product like that and-- and-- and how blockchain, starting with the farmer documenting everything he does in organic farming all the way up through marketing that and shipping it overseas? How do you see a business being able to take advantage of this down the road? Because I think this is a tremendous opportunity for some to be paid in a lot more efficient manner than they probably are now.

**FLOOD:** Well, let's say you had a-- a commodity or a widget of some sort that you wanted to sell to somebody in Ukraine or Russia or India or anywhere else. One of the benefits of the blockchain technology and the digital assets is that you know immediately, immediately whether or not that amount of the digital asset is available for transmit on the other side. Right now, when you're transferring money, overseas especially, you put in a wire request, you follow all of the expectations of our government as it relates to all the different Privacy Act and the Patriot Act to-- to govern those wire transfers, which would still apply here. But you still are-- there's still uncertainty, from the time you place the wire to the time the wire arrives, that the money is actually going to be deposited into your account and-- and that it-- it isn't fraudulent. One of the things the blockchain does, it provides that extra security to allow people to do business globally, instantly, with verification and tracing elements that help you make sure that what you intend to do is actually there. And it should cut down on fraud and also improve reliability for people that operate not just with one currency, but many currencies, and it should cut down on the exchange. So if I were to send U.S. dollars into Moscow, where they have the-- the Russian ruble, there's an exchange between 7 and 13 percent, you know--

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**HUGHES:** One minute.

**FLOOD:** --depending on not only the wire but on the exchange back in, that could-- could depreciate the value of whatever asset I'm-- I'm receiving if I'm in Moscow.

**FRIESEN:** So I-- I take it like these contracts, I mean, when you're talking combining blockchain with this, contracts then, as they're entered into and they're-- if they're on blockchain, the terms of those contracts, like this-- this exporter of popcorn, might have filled all of his obligations once it lands on a boat, for instance. And at that point, he could be paid for his popcorn versus waiting for it to probably land on their-- on their shores, so to speak. And then I know a lot of companies go through the Import-Export Bank in order to take away risk where that wouldn't necessarily have to happen under this form of payment. Would that be a fair statement?

**FLOOD:** That would be accurate and that's a good description.

**FRIESEN:** OK. So I--

**HUGHES:** Time, Senators.

**FRIESEN:** --again, thank you, Senator Flood.

**HUGHES:** Time.

**FRIESEN:** I still--

**HUGHES:** Time, Senator.

**FRIESEN:** --don't-- thank you, Mr. President.

**HUGHES:** Thank you, Senator Friesen and Senator Flood. Senator Clements, you're recognized.

**CLEMENTS:** Thank you, Mr. President. This is a topic that probably is beyond my knowledge. My days in banking were more with currency that you could put in your pocket. But I had an interesting thing happen. This weekend was my son-in-law's birthday. And last week, my wife and I asked, what would Adam like for his birthday? And my daughter said cryptocurrency. And we thought, how would we-- how would we give him cryptocurrency? Had no clue. But I'm-- I'm going to be in favor, in support of Senator Flood's amendment and the Banking Committee amendment. I know that the Banking Association contacted me early about this bill and were very much concerned about it, and now they have become more comfortable with it and supportive. And because it

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was going to be unregulated in the early version and now it's going to be more regulated and defined, I really like the fact that FDIC insurance is involved, when a bank is FDIC insured or it is subject to audits and going to-- that gives me a level of security that if in Nebraska we have an institution that is participating, that the FDIC will be able to make sure they're following the same rules that I have to follow, about 33 different regulations I think we count that we jump over every day. And-- and then maybe next year my son-in-law could-- could get some cryptocurrency from my bank. Well, I'll have to ask my son if he can figure out how to create that department in our institution. I really like hearing about oversea exchange. We-- even in the little town of Elmwood, we have companies that do business overseas and China has been one; I know Italy, Great Britain and other places that some of our customers do business. And if this would help facilitate that-- we get asked by people going on vacation, do you-- hey, I'm going to Australia, you have some currency I could exchange for my dollars? Well, no, we have to refer them to some larger bank or actually just tell them to use my debit card because it works in Australia. But I think we-- the business transaction worldwide, I think, is another good use of this, as long as we do have some protection, some-- some trust built into it, which I believe has been done in the amendments. And with that, I'd yield the rest of my time to Senator Flood, if he has any more comments.

**HUGHES:** Senator Flood, 1:35.

**FLOOD:** Well, thank you, Senator Clements, and thank you for the story. Since I started this adventure with cryptocurrency and the discussions about digital assets, I bet I learned something every single day about what the future of our financial services industry is in America and all over the world. And I continue to be amazed at what innovation is going to do, not only to the payment system, but to the way we operate each and every day. So thank you for your time and I think I'm last in the queue. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Clements and Senator Flood. Seeing no one else in the queue, Senator Flood, you're welcome to close on AM1278.

**FLOOD:** Thank you, Mr. President. Members, this is the amendment that provides for the transfer of funds from the Securities Act Fund to the Department of Banking and Finance Fund to pay for the cost of this start-up of the Nebraska Financial Innovation Act. The amendment is necessary to utilize cash funds as opposed to General Funds for LB649. And I'm doing this in concert with Senator Stinner, the Chair of the Appropriations Committee, who shared this route with me and Senator

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Williams. Again, I want to thank Senator Williams for all that he's done on these bills. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Flood. Colleagues, the question before us is the advancement-- the adoption of AM1278. All those in favor vote; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**CLERK:** 32 ayes, 1 nay on the adoption of the amendment.

**HUGHES:** AM1278 is adopted. Mr. Clerk.

**CLERK:** Senator Morfeld, AM1338.

**HUGHES:** Senator Morfeld, you're recognized to open on AM1338.

**MORFELD:** Thank you, Mr. President. As I discussed, this is a simple amendment that allows credit unions to be able to be a part of this cryptocurrency type of transaction. And so I-- I personally think that we as a state should not be prohibiting people from choosing their financial institution that they choose to put cryptocurrency in. And I have not yet really heard really any strong opposition or any reason why we shouldn't allow for credit unions to be able to deal in this kind of transaction. And so I guess I consider this a friendly amendment. I haven't really heard from anybody that's it's a bad idea and I haven't heard any rationale why. So that tends to-- that tends to lead me to believe that this is just simply a protectionism thing and a last-minute agreement that was made to keep a certain industry out. So I do want to see credit unions as a part of this. I do believe that Nebraska consumers should be able to make this choice unimpeded by the state and be able to use the financial institution that they trust. That's important to me. Otherwise, in-- in my opinion, it's overreach by the state and, quite frankly, I don't think that the state should be in the business of determining that a certain type of financial institution shouldn't be able to deal in this transaction without, quite frankly, any rationale, any logical rationale for keeping them out. I do not want to get in the way of Senator Flood's bill passing because I'm in strong support of the underlying bill, but I have yet to hear a compelling reason why credit unions are not allowed to also deal in this type of financial transaction. And I've been working on a few other bills on the floor, so unless I missed something, I have not heard any compelling reason. So what I'd like to do is take the time between General and Select, which I believe we only have 15 days left, 14 after this, I'd like to take the time between General and Select for people to tell me exactly what the rationale is for not including credit unions other than protectionism. And if there is a compelling rationale, then I will not bring the



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amendment back on Select. But it's my understanding, as far as I can tell, that there isn't a compelling rationale and so I'm going to pull this amendment on General File because, again, I want to see Senator Flood's bill pass. I think it's an important bill. I think it's common sense. It's the future. But right now, I'm going to pull my amendment and I'm going to bring it back on Select unless the banking industry can tell me why credit unions should not also be able to be a part of these transactions and why myself, as a consumer and a member of a credit union, can't be able to use the financial institution that I choose and I trust to deal in these types of transactions. So with that, Mr. President, I'd like to pull my amendment. Thank you.

**HUGHES:** Without objection, so ordered. Seeing no one else in the queue, Senator Williams, you're recognized to close on AM1018.

**WILLIAMS:** Thank you very much, Mr. President. And good evening again, members, and I appreciate the discussion we've had. We've covered a lot of ground in a short period of time on a-- on a very complicated issue, again thanking those people that have been involved and have worked very hard on this. I would encourage you to vote green on the amendment and the underlying bill. This is legislation that can put Nebraska at the forefront. This has been vetted, as I said, as much as any bill I've ever been involved with. So with that, I would close and ask for your green vote on AM1018. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Williams. Colleagues, you've all heard the motion on the adoption of AM1018 to LB649. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**CLERK:** 39 ayes, 1 nay on the adoption of committee amendments.

**HUGHES:** AM1018 is adopted. Returning to debate on LB649. Seeing no one in the queue, Senator Flood, you're recognized close on LB649.

**FLOOD:** Thank you, members. Good evening. This is the mainline bill. Again, the Banking Committee has put a tremendous amount of effort into this, which I want to thank them. And we are doing something that I believe is historic tonight. And for the state of Nebraska and its future, I'd urge your adoption on LB649.

**HUGHES:** Thank you, Senator Flood. Colleagues, you've all heard the motion to advance LB649 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**CLERK:** 39 ayes, 1 nay on the advancement of the bill, Mr. President.

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**HUGHES:** LB649 is advanced. Colleagues, we are going to stand at ease until 6:15, 6:15.

[EASE]

**HUGHES:** The Legislature will come to order. Mr. Clerk.

**CLERK:** President, a couple of items before we proceed. Senator Slama, amendments to LB241 to be printed. Attorney General's Opinion to Senator Brewer (LB236). And Senator Murman offers LR133, that will be laid over. Mr. President, returning to the agenda, LB51 on Select File. Senator McKinney, I have Enrollment and Review amendments, first of all.

**HUGHES:** Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move that the E&R amendments to LB51 be adopted.

**HUGHES:** Colleagues, you've heard the motion. All those in favor say aye. Opposed nay. E&R amendments are adopted.

**CLERK:** Senator Brewer would move to amend with AM1249.

**HUGHES:** Senator Brewer, you're recognized to open on AM1249.

**BREWER:** Thank you, Mr. President. All right, we're going to have two bill-- two amendments, AM1249 and AM1292. I'll start with AM1249. Let's see, AM1249's primary purpose is to reinstate the reserve officer program. The, the original LB51 would have removed the reserve officer program completely. What this does, is it reinstates it and addresses the issues of the reserve officers and clarifies what they can and can't do. It also eliminates the restriction of 100 hours per year. So I guess that's the primary purpose of LB1249 [SIC--AM1249]. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Brewer. Debate is now open on AM1249. Senator Lathrop, you're recognized.

**LATHROP:** Thank you, Mr. President. Colleagues, mostly I wanted to give Brewer a chance to catch his breath because I don't think he can introduce two amendments in a row right now. Seriously, I do want to thank Senator Brewer, the conversations that we've had, his willingness to have this given the concerns that he expressed on General File, his willingness to move this to Select File, the courtesies that his office, both Senator Brewer and his office, have shown in the process of making these changes to LB51. I also want to

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express my appreciation for the work done by those who have an interest in this subject matter. As Senator Brewer said, AM1249 restores the reserve officers and sets sort of the parameters of what they can and can't do. I think it's a good compromise, a good result, and I would encourage your support of AM1249. Thank you.

**HUGHES:** Thank you, Senator Lathrop. Seeing no one else in the queue, colleagues, the question before us is the adoption of AM1249. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**CLERK:** 27 ayes, 0 nays on the amendment.

**HUGHES:** AM1249 is adopted. Next item.

**CLERK:** Senator Brewer would move to amend with AM1292.

**HUGHES:** Senator Brewer, you're welcome to open on AM1292.

**BREWER:** Thank you, Mr. President. And thank you, Senator Lathrop, for letting me catch my breath. All right, so we, we just finished talking about AM1249, which addressed the reserve officers and their limits and restrictions but keeping them in LB51. AM1292 does two tasks. The first is to address the issue of the paying for the training that will be required. And the other thing is a, a provisional officer issue. As I, I mentioned, this increase in training, it's a 62 percent increase in the, the area that we're addressing here. I know that doesn't sound like a lot, but, but let me just for a second kind of share with you some of the challenges we have outstate. Right now, I've got two counties that only have one law enforcement officer for the entire county, the sheriff. One is Blaine County, which is 714 square miles; one is McPherson County, 860 square miles. But I have five counties that only have two officers for the entire county. So, I mean, you have to, you have to understand that if we increase the requirements for training, it does directly impact them. And it's an impact not only in the cost to go to the training, but the impact is the fact that that county now is going to be without a law enforcement officer or half of their law enforcement officers for the duration of that training. Some of this can be done online, but some of the requirements with issues like chokeholds are some that has to be a hands-on. So that is what caused us to have to take a look at, at the need to provide the resources to support the department so that they can do the training. And the other issue that we, we needed to address was the issue of the provisional officers. Now remember provisional officers are officers that have been hired and they're waiting to go to training. In Nebraska, that's at Grand Island, the Law Enforcement

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Training Academy or Lincoln and Omaha train their own and so does Sarpy County. So there are other places that conducts the training. The problem with Grand Island right now is there's a considerable backup in being able to get officers in there. And it varies from six months to a year depending on how fortunate you are to be able to, to get an officer signed up. What was in the bill originally was that they had four months and four months just really wasn't realistic. Now they could come back and apply for a waiver to extend that, but the people who are deciding the issue of the waiver are the same people that are saying we don't have the seats. So it, it really wasn't logical that we'd put that requirement on the department to then apply for a waiver. Grand Island knows they don't have a seat and, likewise, should automatically forward their application and give them the next available seat. So the combination of these two are part of what is AM1292, the paying for the training and the provisional officer. With that, that completes everything for AM1292. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Brewer. Debate is now open on AM1292. Senator Lathrop, you're recognized.

**LATHROP:** Thank you, Mr. President. Colleagues, I stand up just to, just to make a point of clarification. In our brief standing at ease, Senator Brewer and I had a conversation with Senator Blood. Some concern about what we mean by the smaller agencies "shall" be prioritized. I think our intention is to ensure that the smallest of agencies as they figure out how to fund this training that we start with the smallest and move towards a larger. I think a lot of this training and that Omaha's better able to absorb this than the one officer in a small town or very small agency. So to clarify the language about smaller agencies, that would be a, a process of looking at funding, the training for the smallest to the largest in that order. And with that, I would encourage your support of AM1292. Thank you.

**HUGHES:** Thank you, Senator Lathrop. Seeing no one else in the queue, Senator Brewer, you're welcome to close on AM1292. Senator Brewer waives closing. Colleagues, the question before us is the adoption of AM1292. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**CLERK:** 32 ayes, 0 nays, Mr. President, on the adoption of Senator Brewer's amendment.

**HUGHES:** Mr. Clerk.

**CLERK:** Senator McKinney, I have nothing further on the bill.

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**HUGHES:** Senator McKinney for a motion.

**McKINNEY:** Mr., Mr. President, I move to advance LB51 to E&R for engrossing.

**HUGHES:** Colleagues, you've all heard the motion. All those in favor say aye. Opposed nay. LB51 advances. Mr. Clerk, next item.

**CLERK:** LB51A. Senator, I have no amendments to the bill.

**HUGHES:** Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move to advance LB51A to E&R for engrossing.

**HUGHES:** Colleagues, you've heard the motion. All those in favor say aye. Opposed nay. LB51A advances. Mr. Clerk, next item.

**CLERK:** LB572. E&R amendments, first of all, Senator.

**HUGHES:** Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move that the E&R amendments to LB572 be adopted.

**HUGHES:** Colleagues, you've all heard the motion. All those in favor say aye. Opposed nay. E&R amendments are adopted.

**CLERK:** Senator Halloran would move to amend the bill with AM813. Senator.

**HUGHES:** Senator Halloran, you're welcome to open on AM813.

**HALLORAN:** Thank you, Mr. President. AM813 is, is clearly a technical cleanup bill, had some language in it that needed to be, needed to be adjusted to make the bill sound. And I would, I would urge the body to advance AM813.

**HUGHES:** Thank you, Senator Halloran. Debate is now open on AM813. Seeing no one in the queue, Senator Halloran, you're welcome to close on AM813. Senator Halloran waives closing. Colleagues, the question before us is the advancement of AM813. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**CLERK:** 31 ayes, 0 nays on adoption of Senator Halloran's amendment.

**HUGHES:** AM813 is adopted. Mr. Clerk.

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**CLERK:** Mr. President, the next amendment is Senator Stinner, AM875. I believe Senator Williams has been authorized to handle that.

**HUGHES:** Senator Williams, you're recognized to open on AM875.

**WILLIAMS:** Thank you, Mr. President. And good evening, members. This is Senator Stinner's amendment, and he is not able to be with us this evening. Now Senator Stinner did call me at 6:15, and he was just passing Gothenburg so he asked if I would keep you here till about 9:00 or 9:15 so he could get here and finish the explanation on that. And I used my linebacker voice and said no, but I would like to just take a minute. Senator Stinner's amendment is an amendment to require a study of the brand issues not only in our state, but look at what other states are doing. And first of all, I want to again recognize the work that Senator Halloran and the Ag Committee have done on this issue. And unless you have been involved with the brand issue, you may not recognize how delicate and how difficult this issue is. Our number one industry in our state is agriculture. A major part of that is livestock production. And there are different segments of that livestock production from the cow-calf operator, to the backgrounders, to the feedlots, to the packers, and then eventually on the plate at your home and in the, in the supermarket and in the restaurants. The sad part is that we do not have and have not been able to find unity with all those various parts of that supply chain. And that is disturbing. And it's difficult to imagine when you have an industry that is so important to our state and so important to those people. Our goal and I think the goal of the Ag Committee and Senator Halloran is to modernize and unify our state with our brand laws. And I believe that the goal and what is being done with the legislation we're looking at is trying to accomplish that and is doing something and moving that ball forward, of which I will fully support. But I think at some point in time, we're going to have to realize that having an industry divided on this issue, having a state divided where we have a portion of our state in a brand area, a portion out of the brand area, and spending \$6 million a year to handle very few actual stolen livestock that they are capturing and finding in this system just really doesn't make sense. So I think that going forward long term, there is more to think about and talk about. And I know if Senator Stinner were here, he would be telling you that he is not finished talking about this issue. Even though he could not be here today, he will be here when we have Final Reading. And he wanted me to let everyone know that he will have some things to say concerning the cost, concerning the use of the reserves that the Brand Commission is swallowing up. The whole idea of significantly raising fees moving forward are things that are all foreign to him. But tonight, in the

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spirit of cooperation and moving forward, Senator Stinner has asked me to withdraw his amendment. Thank you, Mr. President.

**HUGHES:** Without objection. Mr. Clerk.

**CLERK:** Mr. President, Senator Brandt has FA30.

**HUGHES:** Senator Brandt, you're welcome to open on FA30.

**BRANDT:** I wish to withdraw that.

**HUGHES:** Without objection, so ordered.

**CLERK:** Mr. President, Senator Erdman, AM1154.

**HUGHES:** Senator Erdman, you're welcome to open on AM754 [SIC--AM1154].

**ERDMAN:** Thank you. I, as Senator Brandt just said, I wish to withdraw that amendment as well.

**HUGHES:** Without objection, so ordered.

**CLERK:** I have nothing further on the bill, Mr. President.

**HUGHES:** Seeing no one in the queue, Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move that LB572 be advanced to E&R for engrossing.

**HUGHES:** Colleagues, you've all heard the motion. All those in favor say aye. Opposed nay. LB572 advances. Mr. Clerk, next item.

**CLERK:** Mr. President, LB258 is on General File. It was a bill originally introduced by Senator Vargas. It's a bill for an act relating to labor; adopts the Healthy and Safe Families and Workplaces Act. Introduced on January 11 of this year. At that time, referred to the Business and Labor Committee. The bill was advanced to General File. I have no committee amendments. I do have an amendment to the bill, Mr. President, from Senator Vargas.

**HUGHES:** Senator Vargas, you're welcome to open on LB258.

**VARGAS:** Thank you very much. Good afternoon, colleagues. Today, I'm honored to bring LB258. This is the Healthy and Safe Families and Workplaces Act before you. Now if you are a returning member of this body, you will recognize this bill. I'm picking up where our former colleague, Senator Sue Crawford, left off. This is a similar piece of

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legislation that she introduced in 2019. As Nebraskans, we value hard work and we prioritize our family responsibilities. However, almost half, 46.3 percent of the Nebraska workforce does not have access to a single paid sick day to stay home with a sick child or recover from illness themselves. Access to sick leave is even more limited to some of our most vulnerable families, 70 percent of low-wage workers across the country do not have any sick days period, and 26 percent of Nebraska jobs are considered low wage. LB258 creates the Healthy and Safe Families and Workplaces Act to ensure that hardworking Nebraskans can earn up to a week of paid leave to care for themselves or a family member, or to deal with situations of domestic abuse or stalking without having to worry about losing their jobs. Now under the provisions of LB258, employers with 50 or more employees are required to provide employees with access to sick and safe leave. Employees accrue a minimum of one hour of paid sick and safe time for every 30 hours worked and can start using this leave, starting on their 60th day of employment. Although employers must allow employees to accrue up to 40 hours in a calendar year based on hours worked, nothing in this bill prohibits employers from providing additional paid leave. I'll repeat that, nothing in this bill prohibits employers from providing additional paid leave. It's also important to note that employers with paid leave policies that make available an amount of paid leave that is sufficient to meet the accrual requirements and that may be used for the same purposes as paid sick and safe time under the Healthy and Safe Families and Workplaces Act are not required to provide any additional paid sick and safe time. Under LB258, leave can be used for an employee's own mental or physical illness, injury or health condition to care for a family member with a mental or physical illness, injury or health condition, or an absence necessary due to domestic abuse, sexual assault or stalking, in addition to the obvious benefits of individual workers and their families being able to stay home when ill is critical to public health. According to a study conducted by NPR, each week, about 1.5 million Americans without paid sick leave go to work despite feeling ill. At least half of the employees of restaurants and hospitals, two settings where disease is easily spread, go to work when they have a cold or the flu. The public health impacts are especially relevant today as we are living through a global pandemic. Before Senator Crawford left the Legislature, she presented an interim study report to the Business and Labor Committee on LR391, which was a study on paid sick leave and the effects it has on pandemic spread. She reviewed more than 40 studies of paid sick leave and found that access to paid sick leave provides valuable public health benefits, including reducing pandemic spread as well as the spread of influenza and other diseases, decreases in mortality, increases in preventative care,



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drops in emergency room use, and reductions in the levels of psychological, psychological distress. She also noted that our own University of Nebraska Medical Center recognizes paid sick leave as a critical strategy to control COVID-19 spread in meatpacking plants and surrounding communities. Now LB258 doesn't just address paid sick leave, it also includes access to safe leave, which is a critical tool to ensuring that victims of domestic abuse, sexual assault, and stalking have the support and job stability they need to escape and begin to recover from violence. According to the National Partnership for Women and Families, survivors of domestic violence are at an increased risk of harm during and shortly after separating from an abusive partner. It is essential that they are able to find shelter, file restraining orders, attend court dates, or even receive counseling to prevent further abuse while also being able to continue working. LB258 does put protections in place for employers. The bill requires that an employer's request for leave include the expected duration of the absence, if reasonably possible. If the use of paid sick leave and sick and safe time exceeds more than three consecutive workdays, an employer may require reasonable documentation that the paid sick and safe time has been used for permitted purpose. When utilizing safe leave, one of the following forms of documentation must be provided: a police report, a court protection order, or documentation affirming the individual or their family member is a victim signed by law enforcement, a health professional, a social worker, or a member of the clergy. Finally, LB258 also explicitly states that paid sick and safe leave benefits for an employee conclude upon the conclusion of the employee's employment with the company. In other words, employers are not required to reimburse employees who quit or are fired for unused leave. Paid sick and safe days actually benefit employers in a number of ways. In fact, studies show that offering paid sick days save employees money by reducing turnover, increasing productivity, greater workforce stability, preventing the spread of illness, and lowering healthcare costs. Eleven states and 21 localities have passed laws requiring paid sick leave, and studies conducted in the cities and states are showing that these laws have worked for both employers and employees. Connecticut was the first state to enact the paid sick days law in 2011, and a survey of employers in Connecticut found that the law has had a minimal effect on costs, and the vast majority of employers have not reported making any changes, such as increasing prices or reducing employee hours because of it. Employers identified several positive effects, including improved employee productivity and morale, and more than three-quarters expressed support for the law. Further, data from the Connecticut Department of Labor show job growth across industries since the law's implementation, including in the most affected

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industry, leisure and hospitality. Two years after New York implemented its paid sick laws, 86 percent of employers expressed support for the law, unemployment was at his lowest in six years, the number of businesses grew, consumer prices fell, and labor participation was the highest on record. [INAUDIBLE] analysis of states and localities did not find any evidence that wages and employment significantly changed after laws were implemented. This bill does have a fiscal note. LB258 gives the Commissioner of Labor investigative and enforcement powers. The Commissioner may assess an administrative penalty of \$500 for the first violation of the act by an employer and not more than \$5,000 for the second and subsequent violations. Now any person aggrieved by a violation of this act may also bring a civil action against the employer and they recover the full amount of any unpaid sick and save time and attorney's fees and costs. The Department of Labor has estimated they will need three additional FTEs to operate and maintain the program and one contract IT position, which would be in year one only. As a member of Appropriations Committee, I know very well the revenue challenges that we face. But as the Chair of the Planning Committee, I also know that one of our biggest economic challenges right now as a state is recruiting and retaining our workforce. Nebraska needs to think critically about cuts. It also needs to think critically about the investments and how investing in ways to grow our workforce will be key to economic prosperity in coming years. The provisions in LB258 are supported by many Nebraskans and desperately needed by our workforce. LB258 will ensure that Nebraska's workers have the ability to earn a week of sick and safe leave to care for themselves or family members. Employers who already provide these benefits will not have to make any changes to their policies if LB258 passes. With that, I'm happy to answer any questions and I look forward to productive debate. One last thing I will say here, this bill has passed on the ballot and in statehouses. It's recently passed on the ballot in Arizona, largely without the engagement of lawmakers. Another reason I brought this is because I think it's important that we have the ability to influence what we can do first before it goes to the ballot. In the end, we're talking about earning time to be able to use for some productive either sick or safe reasons. This is not about being able to carry over money that we're potentially earning. This is whether or not we can take a day--

**HILGERS:** One minute.

**VARGAS:** --to take care of a loved one, whether or not we can take a day to take care of ourselves if we're sick, if there's domestic violence, or something that we need to deal with that is pressing and

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there are thousands of Nebraskans across the state have had no access to any sick and safe leave, let alone protections for that. So that's what this bill is about, colleagues. I'm happy to answer questions. I look forward to a debate and engagement on this issue and carrying on what Senator Crawford had started. Thank you very much.

**HILGERS:** Thank you, Senator Vargas. Mr. Clerk for an amendment.

**CLERK:** Senator Vargas would move to amend the bill with AM966.

**HILGERS:** Senator Vargas, you're recognized to open on AM966.

**VARGAS:** It's a very simple amendment. And this amendment, and I mentioned this in, in the bill itself, elevates the requirements for the number of employees that are required, that employer would be sort of qualified for this. Previously, it was a, a small number and we wanted to-- well, I actually wanted to make sure to increase it because I think there are some examples of that in other states. Nevada is one of them. So increasing this to 50 or more employees would make sure that we are not, not sort of in some way affecting initially our small businesses, but instead focusing on businesses that have 50 or more employees. And so that's what this bill is and it makes the bill better and improved. So that's what AM966 is. I urge your adoption of AM966.

**HILGERS:** Thank you, Senator Vargas. Debate is now open on AM966. Senator Machaela Cavanaugh, you're recognized.

**M. CAVANAUGH:** Thank you, Mr. Speaker. Good evening, colleagues. I stand in support of LB258 and AM966. I believe I'm in support of-- I, I sort of missed what Senator Vargas was saying about the amendment. So I will have to look that up quickly before I decide if I'm supporting it or not. I believe it's a compromise amendment, so I will look it up right now while I am talking to see. That's the great thing about technology, is that I can use my, my little device here to look up the bill and the amendment so I can decide how I feel about the amendment. And let's see, here it is, AM966. So it strikes "four or more" and inserts "more than fifty." OK, so that means that this is the compromise amendment that I thought it was that brings the requirement for employers that have 50, 50 or more employees to provide employees with access to safe and sick leave. The leave taken under this act is compensated at the same hourly rate with the same benefits, including healthcare benefits, as the employee normally earns during working hours. So I've been walking around talking to several colleagues this evening, and it, it seems like this is not that popular with, with colleagues that are-- I'm not-- I guess, I'm

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just-- I never really know what to make of, of the, the life philosophy in this building, in this Chamber. We have to help, we have to help the farmers. We have to help the farmers. We have to help the farmers. We can't help working people. We can't help working people. We can't help working people. We need to recruit workers. We need to recruit workers. We need to recruit workers. We can't help working people. We can't help working people. We can't help working people. Why doesn't anybody want to move here? Why can't we keep a workforce? I don't know, maybe a little self-reflection is due, maybe we should start taking some time to think about what it is that we are communicating to our workforce and to people outside of the state that we're trying to get to come here when we can't even give you a few hours of safe and sick leave if you have a company of 50 employees or more. If you can't afford to do that for your employees that need it in crisis situations, then you're probably not very good at business. I know Senator Hunt was a small business owner, is a small business owner, but previously had a, a shop where she had employees. And I believe she, and I'll let her speak for herself, but I believe she always allowed her employees to have safe and sick leave. And this is the kind of program she probably would have valued having for the state because it actually helps employers when we have these state programs. I just, I just am continually flummoxed by how the wind blows and the notions of doing right by the citizens changes depending on who's introducing the bill and whether or not they are an urban or rural senator. And I would take it even further to say whether or not they are an urban female senator or an urban senator whose skin color is darker than yours. That seems to be sort of the underlying theme of the things that we can tolerate versus not tolerate, which is very unfortunate--

**HILGERS:** One minute.

**M. CAVANAUGH:** --and disheartening. I'm really tired of standing up here and talking. I'm really tired of it. I just want to work on Saint Francis Ministries and make sure that our child welfare system isn't crumbling beneath us every moment of every day. But I keep finding myself here because there's so much work to do in this body to make sure that good policy gets the chance, the fair chance that it deserves and that bad policy doesn't move. And I am exhausted by it. You all exhaust me. I'd rather clip my five-year-old's toenails. And believe me, that is a huge negotiation. I'm sure that's almost all my time. Thank you.

**HILGERS:** Thank you, Senator Cavanaugh. Senator Hunt, you're recognized.

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**HUNT:** Thank you, Mr. Speaker. Good evening, Nebraskans. Good evening, colleagues. I hope you all had a nice dinner. And I wanted to acknowledge all the mothers in the body and say Happy Mother's Day, belated to the wonderful mothers that I work with here in the Legislature and also all the caregivers and all the people who have mothered and been the mother that somebody needed when they needed it. So Happy Mother's Day, first of all. Senator Machaela Cavanaugh is absolutely right. You know, speaking as a small business owner, this is the kind of bill that absolutely would help small businesses. When I, you know, look at my small business, we're profitable. We make a little money, but it's not enough money to do the kind of thing that larger businesses do, which is hire a consulting company and sign a contract with a, with a bigger agency to put in place a policy for sick and paid leave, to put in policies for health insurance, these kinds of things. And when you talk to small business owners around Nebraska, whether you're in, you know, small town rural Nebraska or in the more urban parts of the state, something that small business owners have in common is the struggle to provide these benefits. And it isn't because we don't want to or it's not even necessarily because we can't afford it. It's the bureaucracy of having to go through the private companies and the corporate, you know, organizations and businesses and the steps you have to take. And you never really trust it. And you don't know if you're getting a very good deal. And when-- I feel like I could spend eight hours a day at work just researching different plans and researching different agencies to get my benefits through. So what I did as a business owner was something that a lot of small business owners do, which is say, if you have something happen, if you are pregnant, if you need time off, if you have a child, if you are escaping a situation where you have to leave work, if you're getting surgery, if your mom's getting surgery, if your dog's not feeling well, literally, whatever reason that you can't come to work, I will work with you. I understand. And in all the time that I've had employees, we've never had a situation where we couldn't use some of the money in the business to pay for somebody to, to take some time off. But I'm really lucky that I can do that because my business can't afford to invest in, you know, formal benefits and things like that. So for that reason, this is actually a really helpful bill for small businesses because it would allow businesses like mine to give those benefits to my employees, which I really want to do. What we know-- this is something that women really want. I'll put it that way, this is something that families really want. And as Senator Vargas was opening on LB258, which thank you, Senator Matt Hansen, for prioritizing it. I was thinking about the conversation we had last week when we were talking about how Senator Hilkemann prioritized Senator Machaela Cavanaugh's bill two years ago to make it easier for

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people to get protection orders. And those typically go to people who are fleeing horrible circumstances, who-- whose safety is in danger. And I talked on the mike last week about how when that bill was discussed, it was the only time in my three years here in the Legislature that I've cried. And the reason for that was because all of these men were standing up and saying, yes, my friend had to flee an abusive situation. My daughter was in a bad situation. I've had employees who I had to help out because they were being abused and we were able to help her and everybody was kind of patting themselves on the back a little bit like they were such a great guy and they were really doing something great by--

**HILGERS:** One minute.

**HUNT:** --voting for this bill to make it easier to get protection orders. And I applaud you, bravo. Yes, I'm so glad we passed that bill. But folks, things like LB258, this is the stuff women really need. And the reason I got so emotional when I was listening to that debate a few years ago when the men were saying, this is how we stand up for women, we don't want anybody to be in trouble. It's actually things like sick and safe leave that help most with that. If somebody is trying to leave an abusive situation and they can't take time off work, that's something that disrupts their family, the children that they have. And I have some letters that have been sent to my office from women who would have benefited from safe leave that because they work in serving jobs or in service industry they weren't able to get. And that's the norm, colleagues, not what I provide for my employees, which is an open-minded negotiation.

**HILGERS:** It's time, Senator.

**HUNT:** Thank you, Mr. President.

**HILGERS:** Thank you, Senator Hunt. Senator Matt Hansen, you're recognized.

**M. HANSEN:** Thank you, Mr. President, and good evening, colleagues. I rise in support of Senator Vargas' LB258 as well as his amendment. As has been noted already, this is my personal priority bill for the year. And I wanted to talk about this in a sense of when I was picking a bill or when I was making sure or thinking about what to prioritize, I wanted to pick a bill and, and make sure to prioritize something that really elevated the voices and elevated the concerns of my district, as I've heard it over this past year. I mean, can't overstate enough how, as I'm surrounded here by plywood and Plexiglas and just took off my mask walking up, how unusual and how difficult

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this past year has been for so many Nebraskans and in a variety of different ways. You know, I myself have been kind of between the Legislature and I taught in person last fall. You know, I've been at work pretty much every day, not every day, but every week since, since July. And I know many others are just going back to the office for the first time in a year, you know, as they're getting the vaccines now. And recognizing how kind of bizarre and unusual and how different the pandemic hit a number of us, depending on our life status, depending on our location, depending on our job, depending on our career, depending on all sorts of number of factors. One of the things that came up and heard was how many people were in incredibly precarious employment scenarios, employment situations, even prior to the pandemic, and that the pandemic really kind of stripped away and laid bare a lot of problems in my mind that people were facing. One of which is the lack of consistent access to sick and safe leave. And that is something that, you know, you know, coming from a very privileged position, coming from a place like here where, you know, I don't have a boss. It's just, it's just the will of the voters. It's just the voters. You know, I don't necessarily have to ask for permission to go to a doctor's visit or take a family member to a doctor's visit. But, you know, understand that is a pretty big barrier to a number of folks in the, in the state and has been and will continue to be. And so that's where I thought this idea, this concept of introducing sick and safe leave, treating it kind of as a floor like we do in many other employment instances, creating some sort of minimum standards to have to in order to support our, to support our workers is important. As it's been mentioned, you know, a lot of the desire and ideas on terms of, you know, workforce development, generating workforce, but not kind of touch upon here in the state. And lots of times when you go ask your employees, you know, what's your barrier from, you know, full-time work, what your barrier from, you know, increasing your opportunities, from, you know, taking a promotion, from applying from [INAUDIBLE] industry. And for a lot of them, it's either health concerns or kind of family concerns that they're a caregiver and they're staying in a place that's maybe less than full hours because they have to take, you know, an elderly parent to the doctor. You know, it's a somebody with-- or similar situation like that. You hear these stories from time and time again. And that's why I do think employers who do go out of their way and do offer these plans are some of the employers that, you know, aren't seeing some of the workforce challenges right now because people do want to work for there and they're understanding kind of the market and the needs of the employees. I think that's something to look at. So, you know, we talk about a lot on this floor, what we have heard from our constituents, what the biggest issue was, was in and I, you know,

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always the one for me, kind of outside of, you know, potholes and sidewalks, some of them, some of the very local issues, you know, access to healthcare.

**HILGERS:** One minute.

**M. HANSEN:** Thank you, Mr. President. Access to healthcare has always been one that I've heard from constituents so many times. And I think a lot of us forget that just simply having the ability to leave work for an appointment, to leave work to go somewhere is a, a challenge for many employees. And I think making sure in whatever shape or whatever form we recognize and acknowledge that in the state of Nebraska, this is something we want to support and encourage and is important to know, which is why I chose to prioritize LB258. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Hansen. Senator Blood, you're recognized.

**BLOOD:** Thank you, Mr. Speaker. Fellow senators, friends all. For those of you that are still in the Chamber, I stand in support of both the amendment and the underlying bill. And it's kind of like Groundhog Day, right? We're hearing the same things we heard when Senator Crawford brought this bill forward. And it sounds like the same people that opposed it are opposing it again. Same people that supported it are supporting it again. And I just, I kind of wonder when we're going to just keep dialing and finally get past this. Like when, when do we take a step back and try and learn new information so we can figure out how we really feel about these issues. I remember when Senator Crawford had her bill. I remember researching it. And one of the things that I thought was really interesting is that the workers who built the tombs of the Egyptian pharaohs, they actually received paid sick leave. Did you know that? And that has always stuck in my head as well as state supported healthcare. Now I don't know what that healthcare look like back then, but I thought that was a really interesting statistic. So you look at who's offering these types of-- this type of legislation, this type of benefit. And it's not just states. A lot of municipalities like Berkeley, California, are, are starting to see the benefit of this because they want to keep young people within their communities and within those businesses. They don't want them having brain drain and going to another state because they have better opportunities. Colorado, I think, was the most recent state to pass it because Colorado understands that in a-- that they can't just legalize marijuana to keep the young people in the state. In fact, the people that are moving to the state are people that are fleeing areas where they've had a lot of fires like California, houses, really expensive houses, are going above market because so



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many people are moving to that state from states like California because they, they didn't like the fires. They like the mountains. They like being able to have to go skiing, but yet they can go mountain climbing and they do all kinds of things that they could do in California, plus enjoy the fact that marijuana is legalized there. And I'm not saying that I'm for or against it based on that statement. I'm just letting you know that it's legal there. But one of the reasons that they had to do it was to keep the young people there, not to keep the rich old people there, but the young people. Senator Hunt has said it. Senator Hansen has said it. I've heard Senator Cavanaugh, plural, say it, that if we want to keep people in Nebraska, we have to let them know that they're valued. You've got to remember that we're like 29th in, in as far as our rank goes when it comes to how we treat women, especially when it comes to leave for things like domestic violence, for things like sexual assault. And we have a very high rate of women who are employed compared to the national average. And that's just kind of a central United States thing. But yet we don't pay them as much as men, even though they have a higher rate of poor mental health, because so many women are juggling so many things outside of just work, usually the home and children and the children's activities and anything that goes along with being married. But we don't ever look to what we need to do to keep those women employed. We don't ever look to what we need to do to keep young people employed. We don't ever support LGBTQ issues. We don't care if they're discriminated against or not. I mean, we really just don't care. We don't care if women have the ability to take time off, even though--

**HILGERS:** One minute.

**BLOOD:** --even though we know that that's an opportunity to keep them employed. We've got to start offering better benefits. We keep putting money into all these grandiose ideas through Blueprint Nebraska. But with the really basic stuff, the really easy things to do, we sit here and fight year after year after year against on the floor. Let's really push this forward. Let's really think about what we're doing. We just gave millions in corporate welfare over the last few years, but we can't do this? Something's really skewed. Something's really twisted, and I just don't get it. So I'm going to listen to the debate tonight. I don't think I'm going to hear anything new. But this is all really unfortunate that we can't get to this place to finally pass a bill like this. Thank you, Mr. Speaker.

**HILGERS:** Thank you, Senator Blood. Senator John Cavanaugh, you're recognized.

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**J. CAVANAUGH:** Thank you, Mr. Speaker. So I rise in support of LB258 and AM966. I appreciate Senator Vargas bringing this forward and Senator Matt Hansen prioritizing this bill. I was just sitting here reading through the handout that we got about basically what this covers. And I was thinking, I know a lot of folks have said a lot of the same sort of ideas, but we talk about how we get people to work and stay in the workforce. And when we, we do things like expand certain benefits, that they might have an, an incentive to get people to stop working and people will game the system or things like that. But this is-- I don't agree to be clear with a lot of those comments that are made on a certain number of things like SNAP benefits. But when you think-- when you apply that logic, this is a bill that solves some of that problem. We create-- when people have these particular issues, the things that you can use this leave for when you have a, a mental or physical illness injury or health condition, you need to care for a family member with mental or physical illness or injury or health condition or absence is necessary due, necessary due to domestic abuse, sexual abuse, stalking, regardless of whether the charge has been filed or conviction has been obtained. And Senator Vargas addressed the ways in which that you can verify that. But those are all things that if those things happen and you don't have a workplace protection, people leave the workforce, people quit jobs, and then they have to either go on some sort of assistance or they have to get back into the workforce ultimately with that setback. And if we're trying to create a climate where we're incentivizing people to work and remain working and to advance in their career, we need to create structures in place that contemplate these sorts of hiccups, things that get in people's way that can upset their progress and their, and their continued employment. And so this is and Senator Vargas has obviously with AM966 has constrained it further to employers of over 50. I would be curious if anybody has that information. I didn't see it right offhand. How many employers in the state of Nebraska this would apply to that have over 50 employees? But if we're trying to create policy that's going to encourage people to stay in the workforce, this is one of those things. These are things that happen all the time. These are not like imaginary circumstances that are one-offs. These are things that everybody knows somebody that who's had one of these or multiple of these happen to them in the not too distant past. And so and, and people know people who have left employment for these reasons, people who are trying to get back into the workforce. These are real things that happen to real people and that we can address and help people stay in the workforce, keep their jobs, keep the momentum to keep building to the next step as well. Which, of course, is the other thing we want. We just want people to keep working as we want them to progress through their career and move

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up the ladder and then up the economic strata. So I think this is a good policy that will help people achieve the objectives that we all state. I think almost everybody here states that those are their objectives, is to get people working, to keep people working, and to get people to be self-sufficient and, and in the workplace. This is one of those things that does that. This is a smart idea that for, I guess, I've heard people. I'm, I'm new here, like I've said many times. So I wasn't around when this has been fought before. But apparently it's clear that there are sides in this fight that some people have taken up. I don't understand. But I agree that this with the folks who have gotten up and said this is the type of thing that attracts people to the state as well. I guess I'm in the camp of younger people here, though,--

**HILGERS:** One minute.

**J. CAVANAUGH:** --some people are more tech savvy than I am and hipper. But this is the type of thing that is appealing to people with kids and with families. And they look at a state and they say, oh, it has strong workplace protections. If I move there and I start a family, I'm going to be able to take care of them if something happens. People do think of those things. People think about whether I can afford a house, whether the schools are good, whether the food is good, all of those things we've talked about before. But they do think about whether or not I'm going to be protected in the workplace when something happens. And so I think this is a good idea for all of the reasons we've talked about previously on other bills. And so I urge your support of AM966 and LB258. Thank you, Mr. Speaker.

**HILGERS:** Thank you, Senator Cavanaugh. Senator Vargas, you're recognized.

**VARGAS:** Thank you very much, President. I can tell we're tired and I also can tell that people aren't engaged, which is beyond frustrating. I'm not going to lie. You know, there's a reason why I brought this bill. The first reason is that we've debated it in the past and it's gotten filibustered. The main reason I'm bringing this bill is because we are inherently privileged here. Now, yes, there are people in this body that are small business owners, multimillionaires, doctors, lawyers. Seventy percent of low-income Nebraskans have no form of paid sick leave or safe leave. If you're listening right now, news reporters, people outside in any of the districts across the state of Nebraska, 70 percent of low-income workers in the state of Nebraska have no form whatsoever of paid sick and safe leave. It has become a luxury that we all have. And we've lost sight of the fact what privilege that has enabled us to have. I brought this because there

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are-- some of my past priority bills that I brought have been on at least lowering cell phone taxes, trying to provide more protections for payday lenders, protections for teenage and pregnant mothers and parents. But in this instance, I came out of this year really disheartened by the fact that there were so many Nebraskans that had to make really difficult choices, difficult choices that none of us have had to really make, choices on whether or not they had to continue working. The data is what brought me to bring this bill this year. I was really excited because Senator, Senator Crawford had brought this bill and she'd been a champion of this. But the reason that I brought it back was because we've had this conversation on the mike sometimes. We have conversations about things that affect us. We get to vote on things that affect beyond us. And right now, there are workers across the state that have absolutely no ability to have any type of paid sick time or safe time. Which it just boggles my mind, because then people aren't on the mike right now talking about why they're against it, but people are on the mike outside saying why they are against it on the side. And the arguments are very similar to what we run into sometimes, which is this may hurt businesses. Every other state that this has passed in or municipality, businesses continue to thrive and continue to operate. The question to the matter is right now, whether or not we can actually retain people in this state and do better for Nebraskans? We clearly are not. That's what this bill is about. Nebraska has the 11th highest rate nationally for private sector workers without paid sick leave. We're near the top 10 of our private sector workers where they have no sick leave. That's 46.3 percent of our private sector workforce. And today, during our largest public health crisis known to us this last year, over 420,000 Nebraskans have remained exempt from any legal protections to miss even a single day of work when sick. Colleagues, that's what I'm trying to do here. We were elected by the everyday person. We were elected by the--

**HILGERS:** One minute.

**VARGAS:** --everyday worker, and they elected us to be in this position to do a lot of different things. They've also elected us to try to act on issues that affect them in their every day. And this is one of them. That's why it passed on the ballot in Arizona. That's why it's passed in several other states and statehouses. But if the argument is that this isn't the right thing because of businesses, it might be antibusiness, which we know it's not, and it's trying to make it work, then I'm at an impasse. Because the majority of our state are not upper middle class, the majority of our state are working class. Our poverty rates across the state have continued to increase in both

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urban and rural Nebraska. And I wanted to look at a commonsense policy that has worked in other states, a commonsense policy that provides some level of earned days for sick and safe time. And this is what--

**HILGERS:** Time, Senator.

**VARGAS:** Thank you.

**HILGERS:** Thank you, Senator Vargas. Senator Hunt, you're recognized.

**HUNT:** Thank you, Mr. Speaker. I wanted to share an email that I received from a Nebraskan that pertains to this bill and it's pretty short. I want to warn people listening, whether you're in the Chamber or at home, online, some of the language in this email can be kind of upsetting. So if you're sensitive to that, just know that. This is from May 23. It says, I'm writing to you and hope you can give me some advice. I was so disappointed when the Safe Leave Act was not passed. This is Senator Crawford's bill, I think was LB503 [SIC--LB305] before. I was so disappointed when the Safe Leave Act was not passed as I truly believed it would be beneficial and necessary for those needing it. Now, here I am needing it and wishing more than ever that it had passed. I'm a single mom of two wonderful teenagers and I support them without any assistance from the father or the government. I work 14-hour shifts and make enough to pay my bills and take care of my kids. A night ago I was raped and I had to go to work the same day. I had no choice. I couldn't find anyone to work for me and I was told I'd be fired if I missed any more days. I was unable to function and do my job because I was in a lot of pain, not just emotional, but physical. I really need your help in this matter. What are my options? If I miss work, I'll lose my job. If I take some kind of unpaid leave, I'll lose my house and everything. Is there anything I can do to get some kind of paid leave so I can deal with this violent thing that happened to me? And that's what she emailed. This is the reality of so many women and anybody who's in the position of making policy and passing laws, who sits back and thinks this is actually something that's going to hurt businesses, it's not worth it, or there's not really a need for a bill like this. When you perpetuate ideas like that and you normalize attitudes like that, you are part of the reason that women like this, women like this woman who contacted us don't have the strength to stand up against their employers or stand up against the system or stand up to people like us who are passing policy that makes it harder for them to care for their families. I guarantee you there are women in this body who are hiding a story from you because they're afraid you'll either say, well, you asked for it or then you shouldn't have been doing this and that and it wouldn't have happened to you. Or you're going to have to get over it and get

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to work and, and spend eight hours on your feet doing your shift. It's your boss's right to fire you if you miss work the day you get raped. It's extreme for me to say something like that on the record, but that's the reality for many people, including people who I know are state senators because people have confided these things in me. What LB258 is coming down to, colleagues, is a discussion about whether or not some of you think that anybody deserves a paid day off. It's an ideological question that we have a divide on here in this body. The question is, do you think that if somebody is sick, if their child is sick, or if they got raped that day, whatever the scenario is, if they have to leave their home and create a safe plan so they aren't living in a house with someone who's beating them in front of their children, should they have a paid day off to do that so they don't lose their housing, so they don't lose their job, so they don't lose their access to food, so they don't suffer the other consequences that we know spiral people down into the system and cycle of poverty?

**HILGERS:** One minute.

**HUNT:** Senator Vargas has been trying to count votes and trying to get support for an amendment that he has to take out the paid part to make LB258 unpaid leave. Even to tell these people who are asking us for this policy change to say you won't even get paid to take the day off, but you can take the day off and keep your job. We can't even get support for that. And when I look at the queue, which I can kind of see from here and the people who have spoken already, nobody in opposition to the bill is even speaking. And that's cowardly. Thank you, Mr. Speaker.

**HILGERS:** Thank you, Senator Hunt. Senator Matt Hansen, you're recognized.

**M. HANSEN:** Thank you, Mr. President. Good evening again, colleagues. So one of the terms that I think is important, because I know it's maybe not as prevalent or as wide known, obviously, when you talk about sick leave, people have a kind of an inherent concept. You can conceptualize what sick leave is. I do want to make sure that we know what safe leave is or what safe leave is in terms of the context of this bill. Safe leave is providing, you know, survivors and victims of domestic violence, sexual assault, stalking, things of that nature, providing them with the flexibility in order to handle or handle that situation to get in a safer situation. Sometimes it is medical appointments, other times it's court appearances, other times it's more just the flexibility to go, you know, change housing or get to a safe place. Because we know in a lot of situations in which there's domestic violence there's stalking. Kind of the inherent threat is

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often tied to economic stability. And a lot of times the employers, especially if they are inflexible or, or not understanding, unfortunately, kind of also hurt the survivors of domestic violence. And so to kind of give context or scenario of this, you know, it's somebody who is maybe having to seek a protection order and having to break the lease in their apartment and having to find the new lease in a new apartment. Those are all things that primarily happen, need to happen 9:00 to 5:00. Things like court appearances aren't something you get to pick, the court gets to pick. And so if you have minimal flexibility, minimal leave, and all of a sudden you're trying to, you know, protect yourself by getting a protection order and maybe having more than one hearing while at the same time trying to, you know, pack your apartment, have people help you, you know, protect you and move your things, this is something that could be incredibly disruptive. And if there's the threat of being fired for missing your shift looming over you, that is sometimes the deal breaker. And I can't move out. I can't afford a new place if I don't have a job. And so it's easier or tempting or problematic. And, and, and the, the cycle of abuse continues because there's a difficulty in breaking that. And that is why I think in addition to what we've talked about in terms of sick leave and the need and necessity for sick leave kind of shown by the pandemic, I think it's really important that people, employers, employees start familiarizing themselves and start asking for and start promoting this concept of safe time. That quite simply, there are many obligations or many needs of individuals that have to happen, that have to happen in order to, in order to make sure that people have, you know, healthy and safe lives. And part of the reason, you know, people talk about this, I know Senator Vargas has mentioned this, is this isn't intended to be, you know, an anti-employer bill or a burden on employers because we know things like this, we know things like this encourage workforce participation, encourage stable employment. We know things like this help employees and when you have a stable workplace that helps employers. We know all of this. And part of the reason, you know, I think some of these bills and some of these discussions are important, are you just sometimes lack that perspective. I by no means want to paint all employers as a broad brush, but I remember, was actually in this Capitol, and this is something that has, I think, inadvertently shaped a lot of my legislative career since that point where--

**HILGERS:** One minute.

**M. HANSEN:** --thank you, Mr. President, where, where there was a, a presentation on how employers can help employees, especially employees who are kind of at risk of homelessness or having difficulties, and

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the fundamental concept of the fundamental learning on that was there was an effort by employer groups to convince other employers basically to believe their employees that when they call in sick, they might actually be sick. You know, when they say they had car trouble, they might actually had car trouble. And therefore, you know, don't be punitive "unneedlessly," you know, instead be supportive. And you actually find that you then have a much more stable and loyal and successful employee base. And the fact that this needed to be presented in a training and this was kind of being presented as an innovative training that a number of us senators and staff got to join, it was kind of such a shock for me that, that's kind of led me to seeing the need to prioritize at minimum for the discussion of some--

**HILGERS:** It's time, Senator.

**M. HANSEN:** --of these bills. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Hansen. Senator Morfeld, you're recognized.

**MORFELD:** Thank you. Thank you, Mr. President. Colleagues, I rise in strong support of LB258 and the underlying amendment. I want to talk about this from the perspective of somebody who is an employer. At the place that I'm the executive director of, we have over 100 full and part-time staff. And this, quite frankly, even with our part-time staff, is something that we would be able to do as a nonprofit. I think that if we're able to do it as a nonprofit, other for-profit businesses should likely also be able to do it. And not only that, in my experience, the more benefits that you give employees, the better retention you have, the better off they are, both personally and professionally. And then not only that, the more productive they are as well. And so to me, this is a win-win for Nebraska. It's a win-win for Nebraska in the sense that we will make sure that our workforce is, one, more competitive as compared to other states. Number two, better off both financially, health wise, and also professionally. And then number three, we're also going to have employees that are better taken care of and realize that their state and their employee-- and their employer has their back. We did something several years ago where we provided unlimited leave at Civic Nebraska for all of our full-time staff. And a lot of people, some of my peers said, hey, listen, how does that work? Are they going to abuse it? Are, you know, etcetera. The whole list of and parade of horrors that could possibly be imagined. And after two and I think maybe three years now of enacting that policy, none of those parade of horrors happened. Why? Because Nebraskans and employees are responsible and thoughtful



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about the time that they take off. In fact, a lot of the time, I have to encourage my staff to take more vacation time to themselves. And in the end, people generally take about three to six weeks of leave. And so I think that there's a fear that if you provide some kind of benefit, that what's going to happen is people are just automatically going to abuse it. And I'll tell you that in my experience as an employer, an employer that provides unlimited leave to our full-time staff, that simply has not been the case. And I don't think that would be the case, quite frankly, with part-time staff in this instance either. And so I think that what this requires is, one, a bit of trust; two, a bit of compassion; and three, the ability to think about the long-term consequences of this, which won't be negative. They will be positive. We'll be a state that will be seen as worker friendly. We'll be a state where we have higher retention of workers and we'll be a state that will be healthier because workers have the opportunity to be able to be sick and get healthy sooner. That's what this bill will do. And I would imagine, based on what I'm seeing here, there's going to be some people that are going to be opposed to this, but not going to say a darn thing on the mike. And that's a real shame because this is a deliberative body. And if you're opposed to this, there should be some opposition that is voiced so that there can be some reasonable amount of debate instead of coming in and just pushing red and going home for the night. Because there's a lot of people, unlike this body, that can't go home for the night. Because they don't have the option, even if they're sick. We have that privilege. We have that ability to not debate this bill--

**HILGERS:** One minute.

**MORFELD:** --and then call it a night. Granted, we get paid the same no matter what, but the bottom line is, is that there's a bunch of Nebraskans out there that don't have that privilege and don't have that ability. But we do and we're going to exercise that. But we're not going to allow other people to be able to exercise that when they're sick or when they have a loved one that's sick. That's a real shame. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Morfeld. Senator Vargas, you're recognized.

**VARGAS:** Thank you very much, President. So there's another reason why I brought this bill. Racial equality does matter. We've had a lot of conversations here on the mike about it, and the reason why it matters is the people that are most affected by not passing something like this to the same people are trying to keep in our state are the most affected by us not doing something. Black, indigenous, and people of

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color are disproportionately more likely to have limited access to paid sick time. Again, so Nebraska if you're listening, 54 percent of Latino, Latino workers, 38 percent of African-American black workers, and nearly half of Native workers lack access to even one day of paid leave, period. Not just one day for those listening out in the hall, that's what we're talking about. Not talking about whether or not we're going to be incentivizing businesses, which we've done, or investing in public private partnerships, which we've done, talking about whether or not there are certain individuals working their tails off every single year, every single day, every single week to provide for their families and make dangerous trade-offs. And most of those people tend to be people of color, lower-income, middle-income, working-class Nebraskans. That's what we're talking about or at least what we're not talking about. Might seem easy to disregard it because it may not seem like the right time for some people, there's never a good time to do any of these bills. The time to do it was before the pandemic. Five years ago, we could have done more to benefit working families and we just haven't. And we have an opportunity to do something about it. We're talking about taking some time off for a very narrow reason to ensure that we're taking care of ourselves and our family and those that might be affected by domestic violence. These are the same communities that have had higher fatality rates, higher infection rates from COVID-19. That's why we're talking about this. Voting for this is saying that you think it's important for these communities to have a choice and an option to then make better health outcomes, better economic outcomes for themselves when it is the most dire. This is a policy matter, but it's also a, I think, a moral matter, which we don't always talk about here. Sometimes we're talking about economic, purely economic issues or property tax issues. But we're not often talking about, and I know Senator Hunt has brought several bills in this, Senator Cavanaugh, John and Machaela, Senator Morfeld, there have been many that bring these issues that are about the morality of whether or not we should do more for families. They're the people that elected us here. It's not the people that are the most well-off or wealthy that are the ones that got us here, it is everyday average voters. It's why it's passed on the ballots. They're the ones that are most impacted whether or not they can actually get sick-- some single paid sick day of any sort. The other reason I brought this is because the number of individuals that have shared in comments on this bill in the record in support not only for the sick time, but for the safe time.

**HILGERS:** One minute.

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**VARGAS:** We forget how critical it is for survivors of domestic violence and sexual assault and stalking, what it's like to not be able to make a decision that's in the best interest of your mental health for yourself or a loved one and not be able to do it simply because you don't have that option for with your employer and you're trying to figure how to make-- pay the bills and make ends meet for you and your children. And if something were to happen that has to do with an abusive relationship or somebody that's a survivor, we're putting a barrier in front of people on whether or not they even have a choice to take that time off. And for Nebraskans listening, that is what we're talking about here. A very, very simple concept on whether or not you can earn some sick time when you're otherwise not afforded--

**HILGERS:** It's time, Senator.

**VARGAS:** --to our neediest Nebraskans.

**HILGERS:** Thank you, Senator Vargas. You have your close remaining. Senator Hunt, you're recognized.

**HUNT:** Thank you, Mr. Speaker. Good evening again, colleagues, to everybody except those of you who think that someone fleeing a domestic violence situation, who needs one day off of work to keep their family safe and figure out what they're doing. If that describes you, I don't wish you a good evening. I've heard a lot of people on the periphery saying things like, well, if people want a paid day off, they should just get a better job. They should just talk to their employer. I'm sure their employer will understand. If you think that, you're out of your mind. There's a restaurant in my district that pays \$2.13 cents an hour. And they-- this restaurant has workers and servers who constantly offer to testify and have testified in my hearings to raise the tipped minimum wage because they have an employer who often doesn't pay them enough to reach that \$9 an hour that they should be making. And Governor Ricketts is in that restaurant all the time. He lives down the street from me and he loves going to this restaurant. So those of you who have a favorite restaurant in your district who have places you like to go, you better not tell those servers that they should just find a different job. Because if every worker who didn't have good benefits, who couldn't take a day off to flee a domestic violence situation, who couldn't take a day off when their child was sick, who couldn't take a day off to take care of their ailing parent, couldn't take a day off to get surgery, if they all had to go find a better job, there would be nobody left to serve your food. There would be no one left to bring your little baskets of curly fries that you need. So maybe in order to

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keep those people healthy and to keep them in Nebraska and keep our economy strong here in our state, we should help those workers out by giving them an iota of a minuscule little crumb. I'm not even saying let's pat some kind of sweeping reform and give them the paid leave and the sick leave and the medical care and the housing and the food assistance and all the things that I want these people to have. I'm saying let's give them the tiniest crumb of being able to take three days off. We would even accept unpaid. We would love to pass an amendment with 25 votes today that says you can take the three days off and they are just going to be unpaid, but we don't even have an appetite for that. Colleagues, I want-- if you have some time, I'm sure zero of you are going to do this, but Senator Sue Crawford, Dr. Sue Crawford recently, April 14, published a wonderful study called Paid Sick Leave Policy in Practice During a Pandemic. And I want to mention this on the record, because this is local research that was recently published that's been done by, you know, one of our own here in the Legislature. And the top line of this study is that she really placed an emphasis on meatpacking workers and packing plant workers and how sick or safe leave affected them in their states. In Colorado, our neighboring state of Colorado, workers did receive paid sick leave. And over the past year, during the pandemic, it was shown that that was really beneficial for its workers because meatpacking plant workers in Colorado got sick at a way lower level than the ones in Nebraska did. And this study attributes that directly to whether or not they had paid leave. And I am not telling you anything you don't already know. You're just making the choice that that kind of evidence doesn't matter to you. I was part of a little coalition over the interim that was trying to negotiate a paid sick leave agreement with business leaders in Nebraska to say this is part of a healthy business climate when we offer these kinds of benefits to workers, because without a healthy workforce, without benefits for workers, without a supported workforce, our revenue suffers and our potential--

**HILGERS:** One minute.

**HUNT:** --to attract and retain talent suffers. So as part of a group that was talking about in earnest, in seriousness, putting together a paid sick leave package together, there was no movement on that. That wasn't something that there was any support for. And it's not for lack of trying. So now we have a bill that says, hey, employers who have several employees, many, many employees, these are businesses that have made some money, that have skin in the game. We say you need to give your employees a few days off a year if they take them, if they need them. And we don't even have the appetite for that. So this is my last time in the queue. I've said my piece. I wanted these things to

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be on the record. And I want Nebraskans to know that there are people in this body who aren't giving up on them. Thank you, Mr. Speaker.

**HILGERS:** Thank you, Senator Hunt. Seeing no one else in the queue, Senator Vargas, you're recognized to close.

**VARGAS:** Thank you very much. Colleagues, this amendment, which is a simple amendment, which I encourage you all to support, makes the bill a better bill. Quite simply, AM966 just makes-- elevates the threshold for who is going to be who this applies to, what businesses this apply to, what employers. It's going to elevate it to 50 employees or more. By doing that, it is making sure that it is not affecting a certain population of businesses that are typically considered small businesses and would apply to businesses with 50 or more employees. And then we'll keep talking after this about some of the issues on hopefully making the bill better. But AM966 makes the existing bill better. Please vote green on AM966. Call of the house.

**HILGERS:** Thank you, Senator Vargas. There's been request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Please record, Mr. Clerk.

**CLERK:** 17 ayes-- 18 ayes, 1 nay to place the house under call.

**HILGERS:** The house is under call. All senators please check in. All unexcused senators, please return to the Chamber and check in. All unauthorized personnel, please leave the floor. The house is under call. Senator Vargas, please check in. Senator Wayne, please return to the floor. The house is under call. Senator Vargas, did you say you would like a machine vote or roll call? Roll call vote in reverse order has been requested. All unexcused senators are now present. Question before the body is the adoption of AM966. A roll call vote in reverse order has been requested. Mr Clerk, please call the roll.

**CLERK:** Senator Wishart voting yes. Senator Williams voting yes. Senator Wayne voting yes. Senator Walz voting yes. Senator Vargas voting yes. Senator Stinner. Senator Slama voting no. Senator Sanders voting no. Senator Pansing Brooks voting yes. Senator Pahls. Senator Murman voting no. Senator Moser voting no. Senator Morfeld voting yes. Senator McKinney voting yes. Senator McDonnell voting yes. Senator McCollister voting yes. Senator Lowe voting no. Senator Linehan. Senator Lindstrom not voting. Senator Lathrop voting yes. Senator Kolterman. Senator Hunt voting yes. Senator Hughes not voting. Senator Hilkemann not voting. Senator Hilgers not voting. Senator Matt Hansen voting yes. Senator Ben Hansen voting no. Senator Halloran voting no.

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Senator Groene. Senator Gragert not voting. Senator Geist voting no. Senator Friesen voting no. Senator Flood voting yes. Senator Erdman voting no. Senator Dorn voting no. Senator DeBoer voting yes. Senator Day. Senator Clements voting no. Senator Machaela Cavanaugh voting yes. Senator John Cavanaugh voting yes. Senator Briese. Senator Brewer voting no. Senator Brandt voting no. Senator Bostelman. Senator Bostar voting yes. Senator Blood voting yes. Senator Arch voting no. Senator Albrecht voting no. Senator Aguilar. 19 ayes, 16 nays on the amendment.

**HILGERS:** AM966 is not adopted. I raise the call. Mr. Clerk for an amendment.

**CLERK:** Mr. President, Senator Vargas would move to amend with AM1348.

**HILGERS:** Senator Vargas, you're recognized to open on AM1348.

**VARGAS:** Thank you very much. Colleagues, the last vote I appreciate you all-- some of you voting for that. It was meant to make the bill better, which I think we should try to do. We've done that in the past. This is a very, very simple bill. It's the exact same bill. This amendment only changes one thing. This amendment changes the paid to unpaid, which hasn't happened in a lot of states. This makes it so that instead of a guaranteed paid sick leave or sick and safe leave that would accrue that individual workers and employees would be able to earn unpaid sick and safe leave without-- with some protections in place. The reason that this hasn't been done in a lot of states is largely because they either go for and completely paid or they don't go for it at all. So this is a very simple bill trying to do something that would be a little creative, provide some more protections without cost to employers that also ensures that we are sending a message to workers across the state. Yes, you can accrue unpaid work sick and safe time. This also has in here the 50-employee threshold so that it doesn't affect smaller businesses. By doing that, it makes the bill better, substantially better. Colleagues, what I'm asking you to do is to support this amendment because it is a bit of a compromise on a creative way to do this differently. Because in the end, sick and safe leave can be a positive, a positive step forward, not only for the employees, but also for employers. Because if a worker is forced to miss a day of work, there are trade-offs. But in the end, if employers are saying that it is costly to them, instead what we're doing is basically some version of a smaller FMLA at the state level that is very narrow in scope. I think it is a reasonable ask and compromise that we try to bring forward something to demonstrate to the state of Nebraska that we indeed have some step forward for providing some earned unused sick and safe time. That's what this bill is. Now I urge

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you to support it. There's no shenanigans here. I even told Senator Hilgers I was going to bring this. It is a very simple amendment that does one change. There's no more earned paid sick and safe leave. It is unpaid sick and safe leave, which would send a message that we may not be supportive of something that is paid, but we're supportive of unpaid. And those protections are still important and necessary for workers across the state. Colleagues, I ask that you support AM1348.

**HILGERS:** Thank you, Senator Vargas. Debate is now open on AM1348. Senator Matt Hansen, you're recognized.

**M. HANSEN:** Thank you, Mr.-- thank you, Mr. President. Thank you, Mr. Hansen, too. While I mentioned Mr. Hansen, Happy Birthday, Dad. With that-- excuse me, let me give myself a moment. With that, I do rise in support of Senator Vargas' AM1348. I think this concept that Senator Vargas is proposing shows his willingness and his openness to work on a variety of different solutions to approach the underlying fundamental problem that we're trying to solve with LB258. And that is that that we know we have a wide number of constituents, that we have a wide number of people in our state who do not have the support and flexibility they need to take care of kind of basic life necessities. And that is what we are trying to solve. And that is something we routinely hear time and time again from workers, from employees in this state. I cannot tell you how many times throughout the pandemic and before we've had people, whether it's writing our office, calling our office, testifying at a hearing and some of the just the fundamental barriers of they can't, you know, get access to something. They can't have the time off. They can't afford to take a day off. And it's a fundamental issue we're trying to solve. I think I really am appreciative and proud of all of Senator Vargas' work on this bill. I think with kind of the concept he's showing in some of these amendments shows the willingness and the thoughtfulness and the kind of thinking outside the box that he was willing to bring. I will be supporting AM1348, and I would hope the rest of the body as a courtesy helps us move this, this issue forward. So with that, thank you, Mr. President.

**HILGERS:** Thank you, Senator Hansen. Seeing no one in the queue, Senator Vargas, you're recognized to close.

**VARGAS:** Thank you very much. Colleagues, this is very simple, the business perspective here that we've seen in other communities in other cities, municipalities, and states. If a worker is forced to miss a day of work resulting from illness or injury, this can be costly for an employer in the long term. What we're simply saying here in this bill is that you can accrue unpaid sick and safe time. Unpaid.

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By doing unpaid, we're sending a message that it is important for you to be able to have some protections and accrue some time for those that don't get any access to this whatsoever. This is the only amendment I'll be bringing on this bill. And afterwards, if we get to a vote, we're going to get to a vote on LB258, that'll be all that I'm bringing on this. I think this is a reasonable amendment. If we vote it down, I'm trying to demonstrate to at least the Legislature and also to those listening outside of here, this is an important conversation for us to have. And it's an important thing for us to take up. Because at the end of the day, the majority of workers, middle-income, low-income workers across the state are the ones that elected us to get here. And that's one of the reasons why I brought this bill, to shed light on a hole and a gap and who does and does not have the privileged rights of being able to take a day off if they're sick. And I don't think any one of us has-- well, I'm pretty sure everyone of us has the ability to do that right now without any retribution, without any consequences. But there are workers outside of here that do not have that ability. So that is what I'm asking you to do. That's what I'm asking you to vote on. This is the same bill, except it is unpaid, should make it a very unique solution to what I still believe is the right problem that we're trying to solve. Thank you very much. Please vote green on AM1348.

**HILGERS:** Thank you, Senator Vargas. Question before the body is the adoption of AM1348. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Record vote has been requested. A roll call, a roll call vote has been requested. Regular order or reverse? There has been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Please record, Mr. Clerk.

**CLERK:** 28 ayes, 2 nays, Mr. President, to place the house under call.

**HILGERS:** The house is under call. All unexcused senators, please return to the floor and check in. All unauthorized personnel, please leave the floor. The house is under call. Senator Gragert, please check in. Senator Halloran, would you please check in. All unexcused senators are now present. The question before the body is the adoption of AM1348. A roll call vote in regular order has been requested. Mr. Clerk, please call the roll.

**CLERK:** Senator Aguilar. Senator Albrecht voting no. Senator Arch voting no. Senator Blood voting yes. Senator Bostar voting yes. Senator Bostelman. Senator Brandt voting no. Senator Brewer voting no. Senator Briese. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh voting yes. Senator Clements voting no. Senator Day. Senator



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DeBoer voting yes. Senator Dorn voting no. Senator Erdman not voting. Senator Flood voting yes. Senator Friesen. Senator Geist voting no. Senator Gragert not voting. Senator Groene. Senator Halloran voting no. Senator Ben Hansen voting no. Senator Matt Hansen voting yes. Senator Hilgers not voting. Senator Hilkemann not voting. Senator Hughes. Senator Hunt voting yes. Senator Kolterman. Senator Lathrop voting yes. Senator Lindstrom-- Senator Lindstrom, I'm sorry, what did you-- not voting. Thank you. Senator Linehan. Senator Lowe voting no. Senator McCollister voting yes. Senator McDonnell voting yes. Senator McKinney voting yes. Senator Morfeld voting yes. Senator Moser voting no. Senator Murman voting no. Senator Pahls. Senator Pansing Brooks voting yes. Senator Sanders voting no. Senator Slama voting no. Senator Stinner. Senator Vargas voting yes. Senator Walz voting yes. Senator Wayne voting yes. Senator Williams not voting. Senator Wishart voting yes. 18 ayes, 14 nays on the amendment.

**HILGERS:** AM1348 is not adopted. I raise the call. Returning to debate on LB258. Senator Machaela Cavanaugh, you're recognized.

**M. CAVANAUGH:** Thank you, Mr. Speaker. Well, now we're just down to the bill itself as it was originally written. I still stand in support of this bill. The safe and sick leave, it is beyond perplexing at the number of people who voted against this even without it being paid, just being protected leave for employees. There's a barrage of scenarios where somebody might need this safe leave to go and get a protection order or take care of something urgent that is threatening their lives or a person that's threatening their lives. The stories are endless, the scenarios are endless, and it is clear that the lack of empathy in this body is endless. It's wow, like just you can stand here for hours on end and beg us to care about farmers whose land is already valued at less than everyone else in the entire state's land. But you can't give people unpaid sick and safe time off because they need a protection order because they're afraid that their partner is going to kill them. Cool beans, everybody. Cool beans. Thank you.

**HILGERS:** Senator Cavanaugh. Seeing no one else in the queue, Senator Vargas, you're recognized to close.

**VARGAS:** Colleagues, I'm asking you to vote yet green on LB258. I think I made my point. Sometimes we bring bills because they're the right things to do in terms of the, the fight we're supposed to bring. There's no more pressing time than this, than this moment post the pandemic. I also brought it because when we look at what issues help low-income communities, working families, what policies actually support communities of color, what policies actually support the developing brain from birth through five. For children, sick time is

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one of the major policy solutions that come up, sick and safe time. It is a luxury that we all have. We have something that other people don't have, it's not as simple as just picking yourself up, pulling yourself up and just getting a better job. It's just not. If it was, I guarantee you people would've done it by now. And we are ending early because I know that people don't want to have this debate right now nearly as much, I know we're tired, but it's still significant that we have these debates because there are people watching us. I'm here when we have the debates on things that I might not have a stake in all the time. But it does send a very, very important message to people out there that may not be able to watch us on NET, that may not be able to have the time to engage or call because they're putting their kids to bed, they're working multiple jobs. They're trying to figure out how to make ends meet. They work through the sickness. They work through circumstances that are difficult and it's mostly working families. I brought it because we don't always engage in that dialog. We have sometimes but we don't always. And I think it's the kind of dialog we're supposed to have, it's also the kind of things that we should be trying to push for because it's also good for economic development and for retention of people. We've heard this in the past. We are losing people. They go to places that have policies that may be more supportive of young families. That's why these things are important. I know some of you are tired and I know some of you maybe just don't like this bill period or even the nature of the bill. I wish we actually engaged in that dialog. I think it would be healthy, pragmatic for that dialog to happen for Nebraska. We just didn't get to have it. We didn't get to people who wanted to engage. I know we'll have better dialog on other issues, but I am disappointed that we couldn't have it on this one. I still think this is critical and important, Senator Crawford fought for this, and I thought that we might be able to go a step forward this year. There's still an opportunity if you vote green, so please vote green on LB258 to send a message to all those hard-working, lower-income Nebraskans that are just trying to figure out how to get a day, couple of days throughout the year to not make terrible trade-offs in their life for themselves and the family. Thank you very much.

**HILGERS:** Thank you, Senator Vargas. Question before the body is the advancement of LB-- there's been a request to place the house under call. Who-- Senator Matt Hansen, did you request it? For, for the purpose of the Journal, I appreciate that identification. Thank you. There's been a request to place the house under call. Question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Please record, Mr. Clerk.

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**CLERK:** 28 ayes, 5 nays to place the house under call.

**HILGERS:** The house is under call. All unexcused senators, please return to the floor. All unauthorized personnel, please leave the floor. The house is under call. Senator Morfeld, please check in. All unexcused senators are present. Senator Vargas, would you like a machine vote or a roll call vote? Roll call vote in regular order has been requested. Mr. Clerk, please call the roll.

**CLERK:** Senator Aguilar. Senator Albrecht voting no. Senator Arch voting no. Senator Blood voting yes. Senator Bostar voting yes. Senator Bostelman. Senator Brandt voting no. Senator Brewer voting no. Senator Briese. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh voting yes. Senator Clements voting no. Senator Day. Senator DeBoer voting yes. Senator Dorn voting no. Senator Erdman voting no. Senator Flood voting no. Senator Friesen. Senator Geist voting no. Senator, did you say no? Thank you. Senator Gragert voting no. Senator Groene. Senator Halloran. Senator Ben Hansen voting no. Senator Matt Hansen voting yes. Senator Hilgers voting no. Senator Hilkemann voting no. Senator Hughes. Senator Hunt voting yes. Senator Kolterman. Senator Lathrop voting yes. Senator Lindstrom voting no. Senator Linehan. Senator Lowe voting no. Senator McCollister voting yes. Senator McDonnell voting yes. Senator McKinney voting yes. Senator Morfeld voting yes. Senator Moser voting no. Senator Murman voting no. Senator Pahls. Senator Pansing Brooks voting yes. Senator Sanders voting no. Senator Stinner-- I'm sorry, Senator Slama voting no. Senator Stinner. Senator Vargas voting yes. Senator Walz voting yes. Senator Wayne voting yes. Senator Williams voting no. Senator Wishart voting yes. 17 ayes, 20 nays on the advancement, Mr. President.

**HILGERS:** LB258 does not advance. I raise the call. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LR114. Mr. Clerk for items.

**CLERK:** Mr. President, amendments to be printed: Senator Bostar to LB630; Senator Flood LB595; Senator McDonnell [SIC] to LB432. Senator Matt Hansen would like to add his name to LR128. Senator Geist would move to adjourn the body until Tuesday, May 11, at 9:00.

**HILGERS:** Colleagues, you've heard the motion. All those in favor say aye. Opposed say nay. We are adjourned.