

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

WILLIAMS: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the forty-second day of the One Hundred Seventh Legislature, Second Session. Our chaplain for today is Phani Tej Adidam from the Hindu Temple of Omaha. He is a guest of Senator Hilgers. Please rise.

PHANI TEJ ADIDAM: Namaste. I shall first chant a line in my liturgical language of Sanskrit and then follow it with a translation in English. So let us pray. [SPEAKING SANSKRIT] May we move in harmony. May we speak in one voice and let our minds be in agreement. [SPEAKING SANSKRIT] May our motivation and inspiration be the same that is welfare of all. May our hearts be the same with affection for all. May our mind be the same, full of pure thoughts of selflessness. And may we all continue to increase each other's happiness together. [SPEAKING SANSKRIT] May there be well-being in all. May there be peace in all. May there be fulfillment in all. May there be auspiciousness in all. Om, peace, peace, peace. [SPEAKING SANSKRIT] That is on March 15, 2022, in this vibrant temple of democracy, we submit this prayer in the name of all faiths and denominations. Amen. [SPEAKING SANSKRIT]. Namaste.

WILLIAMS: Thank you. I recognize Senator Dorn for the Pledge of Allegiance.

DORN: Colleagues, please join me in the Pledge of Allegiance. 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.

WILLIAMS: Thank you. I call to order the forty-second day of the One Hundred Seventh Legislature, Second Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

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

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

CLERK: I have no corrections.

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

CLERK: I have two hearing notices from Health and Human Services Committee, both signed by Senator Arch. That's all that I have.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

WILLIAMS: Thank you, Mr. Clerk. Members, Senator John McCollister would like to recognize Dr. Steven M. Williams of Omaha, who is serving as our family physician of the day on behalf of the Nebraska Academy of Family Physicians. Dr. Williams, would you please stand and be recognized by your Nebraska Legislature? Mr. Clerk, we'll now proceed to the first item on the agenda.

CLERK: Mr. President, LB1012 was a bill introduced by the Speaker at the request to the Governor. It's a bill for an act relating to appropriations; and provides for transfers of funds; it creates funds; it changes provisions relating to use of a fund; it eliminates provisions regarding state agency postage reimbursement. The bill was introduced on January 13. Referred to the Appropriations Committee. Advanced to General File. There are committee amendments pending, Mr. President.

WILLIAMS: Thank you, Mr. Clerk. Senator Stinner, you're recognized to open on LB1012.

STINNER: Thank you, Mr. President. Members of the Legislature, I first want to start by thanking a whole lot of people that are involved in putting together a very complicated budget and a budget process. It is formulated over a period of time, and I certainly want to thank the Governor and his budget director and staff for putting together the recommendations. A lot of those recommendations, if not all, are incorporated in our budget. So I want to thank them for their very thoughtful and thorough approach. This year was a unique year, obviously, with the ARPA bills coming to Fiscal as well as to the Legislature. But I do want to recognize the Fiscal Office for all of their hard work. This was a record-setting year as it relates to bills in a short session. We had to cram a whole lot of stuff in so thank you, Fiscal Office. I especially want to thank the, the Fiscal Office Director, Tom Bergquist, and I would like to recognize him. He is going to retire in September. He's announced that he's spent 46 years in service to the state of Nebraska. So, Tom, we'd like to recognize you and your efforts. The next person I'd like to also recognize who is, I think, going to retire-- I don't know if she's announced it-- at the end of the calendar year is Liz Hruska. Liz started in Fiscal Office 1982, so that's 40 years of service, of great service and thank you, Liz. And I definitely want to thank the committee members for their participation, we had two budgets to turn out, both the mid-biennium budget, but also the ARPA budget, lots of effort, lots of good, thoughtful process and diligent work. So I want to recognize them and thank them for their efforts. LB1012 is the funds transfer bill. It contains provisions related to funds and transfer-- transfers

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

pursuant to the Governor's recommendation for mid-biennium budget adjustments. Section 1 to 3 transfers \$500,000 on April 30, 2022, and \$1,000,000 on July 1 of 2022 from the General Fund to the Community College State Dependents Fund and create-- and created the Community College State Dependents Fund. Section 4 creates the Statewide Tourism and Recreational Water Access and Resource Sustainability Fund. Section 5 creates Perkins County Canal Project Fund. Section 6 amends the permitted uses of the United States Space Command Headquarters Assistance Fund to permit the fund to be used to contribute to the support and the profile of the, of the Strategic Air Command and Offutt Air Force Base in Bellevue. Section 7 is the repealer. Section 8 outright repeals section 81-167. Finally, the bill has an emergency clause. And with that, Mr. President, I'd like to request that we move to AM2000.

WILLIAMS: Mr. Clerk, as you stated, there are amendments from the Appropriations Committee. Senator Stinner, as Chair of the committee, you're recognized to open on the committee amendment.

STINNER: Thank you, Mr. President. The committee amendment is AM2000 becomes the bill. It incorporates provisions from the Appropriations Committee recommendations. Detail of the committee's recommendation can be found in your budget book, Appropriations Committee Budget Proposal, Mid-Biennium Budget Adjustment and you can refer to page 21 through 23. Section 1 to, to Section 3 transfers \$500,000 on April 30, 2022, and \$1,000,000 on July 1, 2022, from General Funds to the Community College State Dependents Fund and creates the Community College State Dependents Fund. Section 4 creates the Perkins County Canal Project Fund. The fund can be used for design, engineering, permitting, and options to purchase land related to building a canal, as outlined by the South Platte River Compact and to contract with an independent firm for the purposes of completing a feasibility study of such canal. Section 5 creates the Military Base Development and Support Fund. The fund shall be used to contribute to the construction, development, or support on any military base located in Nebraska, for the purpose of improving mission retention and recruitment; supporting morale, health, and mental wellness of military members and families; and growing the economic impact of military bases in the state of Nebraska. Section 6 creates the Trail Development and Maintenance Fund. The fund shall be used to provide grants to natural resources districts to assist in completing the Missouri-Pacific, or MoPac, trail between the cities of Lincoln and Omaha. Section 7 creates the Job and Economic Development Initiative Fund. The fund shall be used for water and recreation projects pursuant to the Jobs and Economic Development Initiative Act. An

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

amount not to exceed \$20 million shall be available for the selection costs, feasibility and public water supply studies, and the flood mitigation costs related to any projects pursuant to the Job and Economic Development Initiative Act. No funds shall be expended for any other project unless additional conditions are met. Section 7 [SIC] creates the Water Recreation Enhancement Fund. The fund shall be used for water and recreation projects pursuant to the Water Recreation Enhancement Fund. Section 9 and 10 creates Surface Water Irrigation Infrastructure Fund, which shall be used to provide grants to irrigation districts and authorize the Department of Natural Resources to accept-- to establish procedures and criteria for awarding grants for repair or construction of physical structures for irrigation projects. Section 11 amends the Health Care Cash Fund statute to amend the transfer on July 15, 2022, to the fund from \$51 million to \$66.2 million, and to authorize the transfer of \$15 million from the Health Care Cash Fund to the University of Nebraska for pancreatic cancer research at the University of Nebraska Med Center. Such transfer is contingent upon certification of matching funds. Section 12, provision related to 2000-- or 211 Information and Referral Network to increase grants awarded amounts from \$300,000 per year to \$955,000 per year. Section 13 amends the Governor's Emergency Cash Fund to authorize transfers to the Cash Reserve and to the General Fund at the discretion of the Legislature, and includes a transfer of \$14 million to the Cash Reserve Fund by June 30, 2023. Section 14 and 16 amend provisions related to internship programs to redefine terms, expand eligibility, increase grants awarded amounts for internships, clarify eligible reimbursement expenses, require reporting, and provide for a contracting of a not-for-profit entity to carry out the provisions. Section 17 and 20 amend provisions related to the Site and Building Development Fund to allow initiatives that improve military installations to include a grant for establishment of the United States Strategic Command, Nuclear Command, Control, and Communications public-private partnership facility, and to require matching funds for any such projects. Section 21 to 24 amend provisions of the Business Innovation Act to define redevelopment areas to require preferences for projects within the economic development areas and to include innovation hubs within the scope of the act, to increase the annual amount of microloans from \$2 million to \$3 million and to increase the maximum award amount for microloans from \$100,000 to \$150,000. Section 25 and 26 amend provisions of the Nebraska Rural Projects Act to specify that no less than \$50 million of matching funds shall be paid to-- under the act, and more than \$30 million out of the initial \$50 million appropriated can be paid for one project. And if more than \$50 million is appropriated, no one

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

project can receive more than 60 percent of the amount appropriated in excess of \$50 million. Section 7 [SIC] amends the Cultural Preservation Endowment Fund to extend transfers of the General Fund until 2030. This is a technical correction from 2021 enacted bill. Section 28 amends the Vocational and Life Skills Programming Fund to limit use of the fund to grants for certain entities and to expand the list of priorities for the Department of Corrections in awarding such grants. There's also an annual transfer of \$5 million from the Prison Overcrowding Contingency Fund for each of the next three years. Section 29 amends the Prison Overcrowding Contingency Fund to permit transfers to the Vocational and Life Skills Programming Fund. Section 30 amends provisions related to the State College Facilities Program to specify certain projects at Peru State College and Wayne State College pursuant to the program. Section 31 amends the Universal Service Fund to increase the annual transfer of \$300,000 to \$950,000--\$955,000 to 211 Cash Fund beginning July 1, 2022, for the purpose of the 211 Information and Referral Network grants. Section 32 is the repealer. Section 33 outright repeals section 81-167. Section 34 is the, is the emergency clause. The bill, as amended, came out of committee at a 9-0 vote. With that, I would ask for your green vote. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Stinner. Mr. Clerk, there is an amendment to the committee amendment.

CLERK: Mr. President, there is. The first is Senator Friesen. AM2344 is what I have, Senator.

WILLIAMS: Thank you, Mr. Clerk. Senator Friesen, you're recognized to open on your amendment to the committee amendment.

FRIESEN: Thank you, Mr. President. Well, I think this is what we've been waiting all session for. We get to talk about the money. Show me the money. I think when I looked at what we're doing this year and it's a, it's a challenge because of the volume of dollars that we're working with. I'm having this feeling that we're not going to make the wisest of choices when we're forced to do this much in one session. So as a term-limited senator, I'm more than happy to see some of the dollars carried over to next year, where maybe a new body will make even better decisions than what we did and they'll have a little time to work on it. So with that, I thought I'd kind of start things off with some sections that I at least feel personally that I'm not too supportive of, and, and this gives everybody an opportunity to talk about, I think, their portion of our spending bills that are out there. And so my first amendment is-- removes Section 5 and that talks

about the, the military base development and support. You know, it goes into the-- and we've heard them talk about the track and field, the outdoor amenity pavilion, parade-ground, those types of things. So when I, when I look at the needs out there, I guess this doesn't rise to the top of one of them. We have what we've always talked about, try to get rural Nebraska to grow. We've got north Omaha who's-- we keep struggling to find a fix for and I'm not saying that I'm supportive of putting more money into that right now. I'm just saying that I think our priorities need to be maybe looked at a little closer. And so as we get a chance to talk about some of these sections that are in here, at least the ones that I'm concerned about and others may have different concerns, I'm hoping that people get up and talk about why they support this over some other projects or why they support this over tax relief or what makes this project rise to the top of funding when there are so many other needs out there. So that's, that's what this is. It's a simple amendment. It just strikes Section 5 in the transfer portion. Obviously, the other budget bills have numerous amendments to them already, so it's kind of hard to jump the line there. So this is just an opportune time to start talking about some of the spending. And I guess in the overall picture of, of how we want to proceed forward when we have such high revenues in the state and what we're going to do and what the citizens of the state expect us to do with it, if they want it spent in some projects. You know, in my entire eight years here, I don't think I've ever been in front of the Appropriations Committee. In my district, we have Aurora, which will, you know, they like to do things the Aurora way. And I know they did get a rural housing grant and they're putting it to good use, but they put a lot of money up themselves. But they in the past have been doing a lot of their economic development with their foundations and with leadership in the community. When there is a need there, when there was a need for a nursing home, a group of individuals got together and raised money and built a nursing home. Those are the types of things that happen in some of the communities out there that step up and do things themselves, and that's what we need more of. But sometimes they'll need help. And so that's why when we look at bills that we're introducing here, are we, are we helping communities? Are we facilitating more spending? Is it a priority that most of us feel that we should do? And I'm saying, I guess, that I feel that some of these don't rise to that level that I think they should be a priority. And if there's extra money left over, it can either be appropriated next year or we can provide tax relief because I think our citizens are asking for that too. I'm looking forward to the discussion. I know these next couple of days are going to be kind of brutal, but I think

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

that's why we're here. This is our-- one of our main issues that we work with year in and year out is spending. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Friesen. Debate is now open on the amendments and LB1012. Senator Wishart, you're recognized.

WISHART: Thank you, Mr. President. Good morning, colleagues. This is a pretty bittersweet day for me. It is the last budget I will get to work on with some of the, I call them, top five people I've ever worked with in my life and known. I'm going to deeply miss Senator Hilkemann, Senator Kolterman, and Senator Stinner. And this is really the last time our entire Appropriations Committee is going to be together. And, and I can't thank everyone enough for being such a wonderful team to work with over the years. I rise in particular to this amendment in, in opposition. I do think that the funding for Offutt is a necessary appropriation and so I will be supporting that. But I do appreciate Senator Friesen getting up and starting a dialogue about the budget. What we put before you, colleagues, is what our best thoughts were in terms of moving forward this year. And we welcome a healthy dialogue about what issues should be funded above and beyond the budget and, and what shouldn't. So I, I look forward to that. I do want to step back a moment and talk about the incredible leadership that I have gotten to witness in Chairman Stinner over the years of serving with him on the Appropriations Committee. And try to put a little perspective in how we got here today. When I came in as a freshman senator, our state was over a billion dollars in the red. A billion dollar deficit that our committee and then many people in this Legislature helped lead this state out of without having to raise taxes on Nebraskans, without having to gut essential services. And then you fast forward to today, and we're one of the few states that was able to get through this pandemic without having revenue shortfalls, with having a healthy budget and building our Cash Reserve back up to \$1.4 billion. Think about that, colleagues. Look at what's going on in the world and think about the fiscal posture that us as a state are leaving the future Legislature in terms of a cash reserve. I was just reading this morning about fertilizer prices squeezing farmers. I don't see that changing in the near future. And for us to have a healthy savings account and to have built that back up from \$200 million to \$1.4 billion. And I want to add on top of that that one of the number one issues that I've heard this year and last year and the year before and the year before that and the year before that was property tax relief. And our committee and this Legislature was able to lead our budget to be able to hold the level-- a level of property tax investment across the state that's unheard of for Nebraska. Billions of dollars going into property tax relief. And I

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

want to remind you, we started with a billion dollar revenue deficit. I am so honored to have worked with Chairman Stinner, just absolutely honored, chance of a lifetime--

WILLIAMS: One minute.

WISHART: --to get to work with him. And so I, I hope when this body is looking at this budget and looking at the ARPA budget that you take into account the level of leadership that has gotten us to today. Thank you.

WILLIAMS: Thank you, Senator Wishart. Senator Arch, you're recognized.

ARCH: Thank you, Mr. President. I have a, I have a question-- I have questions concerning the Health Care Cash Fund transfer and if Senator, Senator Stinner would yield to a question?

WILLIAMS: Senator Stinner, would you yield?

STINNER: Yes, I will.

ARCH: I, I see-- thank you. I, I see two references in Section 11 of this bill to the Health Care Cash Fund transfer. One is \$66.2 million, which I'm assuming is that, is that normal transfer. Did you make any adjustments to the Health Care Cash Fund transfer items for the 66.2? It appears to be slightly higher than last year, so I, I guess I'm--

STINNER: Yeah, we, we adjusted the Health Care Cash Fund down last, last part of the-- or the first budget process from about 62 to about 52, 51, somewhere in that neighborhood. That's your base spend. That did not change. The only thing that we did change is have to bring up the disbursement level to the 66 to accommodate the 15. Interestingly, the corpus of the Health Care Cash Fund went from \$450-some million to \$550 million. So we are not encroaching on the principle and there is sufficient cash flow to support that. One-time, one-time transfer has to be matched by the University of Nebraska Med Center.

ARCH: It sounds like it's time to sell, 550. OK. OK, so that, that's helpful. So in that, in that 66 number is the 15 that's referenced in sub (7) of Section 11. Is that correct?

STINNER: Yes.

ARCH: OK. Thank you. I, I have a question for Senator Kolterman.

WILLIAMS: Senator Kolterman, would you yield?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

KOLTERMAN: Yes, I will.

ARCH: Senator Kolterman, I know that this has been a project of yours for a number of years. And, and I guess the question is, first of all, from what Senator Stinner was saying, it requires a match from the university to receive. And so it's not a transfer of 15, it's a transfer as-- and perhaps they've raised the match already. I don't know. Could you tell us a little bit about that?

KOLTERMAN: Yeah, several years ago, they established the Center of Excellence at the University Med Center for pancreatic cancer research. And I brought this bill originally four years ago, and what it says is before the university would get any money towards this, they have to raise their \$15 million. I believe they're probably over halfway there. And so it's a dollar-- and that has to come from the private sector. That cannot be used-- money that they have in their budget.

ARCH: So, so what you just said was they have to raise 100 percent of the 15 before we transfer the 15 then. It's not a dollar for dollar as they go along, but they have to hit the 15 mark.

KOLTERMAN: No, I'm sorry, it is a dollar for dollar as they go along. So if they show us right now that they have \$7 million raised, they could qualify for the \$7 million towards their project.

ARCH: Yeah. OK. And this is a one-time transfer. Is that correct?

KOLTERMAN: One-time transfer. I, I originally put the bill in as an ARPA request, but the more we thought about it, if we could give more to ARPA, people for the other programs, this fits very well into the Health Care Cash Fund. The Tobacco Settlement Fund was there to help with healthcare issues like this. And it-- and, and, again, it's a one-time deal. And it's a situation, whereas, we've-- we feel like it can benefit a lot of people.

ARCH: You've done-- I'm sure you've done quite a bit of research into the ability of the university to launch a pancreatic cancer research effort. Lots of other universities are doing pancreatic cancer research. Why do you feel as though this-- that our university should, should get into this area of cancer research? And do they have the capabilities of doing that?

WILLIAMS: One minute.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

KOLTERMAN: I believe they have strong capabilities. They've recruited one of the best cancer researchers in the nation from the University of-- it's, it's out west. And, and he is, he is renowned in his field. He's coming. He will bring a bunch of research dollars with him. They already have Dr. Hollingsworth and Dr. Klute there, who do-- who have been doing a lot of research for the last four years, trial studies. This has-- this type of cancer, there's no early detection so the bulk of this is going to find early detection as well as a cure.

ARCH: Let me just ask one other question. Is there a report required with this? Does a report come back to the, to the Legislature for the \$15 million investment?

KOLTERMAN: I don't believe so.

ARCH: That's something maybe we can look into. I think that would be very appropriate. Thank you.

KOLTERMAN: Thank you.

ARCH: Thank you, Mr. President.

WILLIAMS: Thank you, Senator Arch, Senator Kolterman, and Senator Stinner. Senator Linehan, you're recognized.

LINEHAN: Good morning, Mr. President. Good morning, colleagues. So I have a follow-up on a question that Senator Arch just asked. Am I understanding it right-- Senator Arch, would you yield for a question?

WILLIAMS: Senator Arch, would you yield?

ARCH: Yes, I will.

LINEHAN: That the money, the \$15 million for UNMC is coming out of the Health Cash Fund?

ARCH: That's, that's the way the bill reads. That's my understanding.

LINEHAN: OK. So would Senator Stinner yield for a question?

WILLIAMS: Senator Stinner, would you yield?

STINNER: Yes, I will.

LINEHAN: Didn't we put \$50 million in the Health Cash Fund last year because we thought there wasn't enough money in the Health Care Cash Fund?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

STINNER: We actually cut the Health Care Cash Fund required distributions by \$10 million, a little over \$10 million, almost \$11 million. So we went from a required distribution--

LINEHAN: No, my question was if we took General Fund or Cash Reserve Funds and put \$50 million in the Health Care Cash Fund last year?

STINNER: We did not, no.

LINEHAN: We did not?

STINNER: No. Here's, here's how the Health Care Cash Fund works. We got tobacco settlement money.

LINEHAN: I understand that.

STINNER: It, it varies from \$35 million to \$40 million. Then the interest is usually somewhere close to the \$25-30 million of the earnings off of that. So that really supported the 62, 63. I always maintained that it was a static request--

LINEHAN: Thank you, Senator Stinner. Thank you. This you don't have to answer, Senator Stinner, but could you make-- I'm hoping that your comments that you read at the opening would be made available because it was hard to follow all of it. So if you have a printed copy of that, that would be helpful. Then the other question-- and somebody on Appropriations can answer this when they're on the mike-- when are we going to have the ARPA appropriations? Because I think it's pretty hard to look at this budget without knowing what's going on with ARPA. And since there was a story in the paper about it this morning, I, I assume that there's paper that we could all look at to see what's going on with the ARPA funding. Then I was going to have a question for Senator Williams, but he's preoccupied so I'll just state my question and then he can maybe respond when he's not in the chair. So the \$25 million for the university to create a companion facility located adjacent to the National Center. So this is on page 9, if anybody's-- have your books. At the bottom of page, USDA is creating an Agricultural Research Service National Center. How much money has actually been appropriated from the federal government for that and what is the total expected expenditure by USDA for that project? Because my understanding is so far, the federal government-- I think this is what's happened. I've been trying to figure this out for the last couple of days-- that \$20 million was in the regular appropriations bill. I don't know if it's in the House and Senate or if it's just in the House, because that happens sometimes. And I

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

don't, I don't have enough. I've got calls in trying to figure it out. So if the USDA is only spending \$20 million, how, how are we a companion billion at \$25 million? I just need some clarity on that. Then I have other questions that I'm hoping the appropriators will respond to. So on page 4, there is a list of, I think, 22, 24, 25 bills. I went through them yesterday and it appears the vast majority are Appropriation Committee members' bills. So is that--

WILLIAMS: One minute.

LINEHAN: --and then there's some that are the Governor's bill. So is there-- could the Appropriations Committee provide a side by side on this bill of what the Governor requested and what the appropriators did? I think that's been in these books before. Maybe I'm confused, but it would be, I think, very helpful for all of us if we could see the Governor's proposal versus the Appropriations Committee amendment. Thank you, Mr.--

WILLIAMS: Thank you, Senator Linehan. Senator Vargas, you're recognized.

VARGAS: Thank you very much. You know, originally I was going to get up and talk about what Senator Wishart did. Here's all, here's all I'll say. I, I do want to thank Senator Stinner. It was-- it's been amazing for these last going on six years to be working in this committee. I've only been in one committee my entire time in the Legislature, and I will say Senator Stinner has been an amazing Chairman and he hates when we talk about him on the mike, which makes it easier for us to do this because he really, really despises it. But I will say this, the reason why I'm most proud of this work that we do-- and, and bear in mind, this isn't-- like, we did our budget last year. This is a mid-biennium budget adjustment. It's just the last time we're making changes to this last year's budget. You're not seeing this as we talk about a moral document. The moral document we put forward was last year. This is making adjustments to things. There's a lot of things that I think are important to keep in mind here. One, we tried everything in our power to make sure any funding requests that you see here are, are, are largely one-time spends. They're not something that we're trying to do ongoing. We don't use the Cash Reserve largely to do ongoing funding sources. That's important because there were several other bills that came to the Legislature, came to our committee that were General Fund requests that didn't get into the budget. And the reason is we really didn't want to pick winners and losers in this process. There are bills in here from senators that are both on the committee and off the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

committee. There are bills in here that the Governor pushed forward and/or supported in some way, shape, or form, and some that did not. I think that balance is really important. It's, it's partly in response to some of the questions, you know, as one example is obviously the rural workforce housing and the urban workforce housing. The rural side is Senator Williams' bill that's going to help rural Nebraska. It's a good program that has been existing for a long time and then the urban side also. And there will be more that comes out in future-- in the future ARPA budget. But for the, for the purpose of this conversation, when we're looking at this, these are largely one-time spends and any other funds that were brought to the General Fund requests were either kicked out of committee, stayed in committee, and we didn't add these additional things. We found, we found ways to make sure we weren't increasing the base funding that we're going to have in the next cycle. So I just wanted to say that just for clarity and transparency. This was one important thing we needed to do. Again, I want to thank Senator Stinner, Chairman Stinner and the rest of my committee. And with that, I'll yield the remainder of my time to Senator Stinner.

HILGERS: Senator Stinner, 2:15.

STINNER: Thank you, Senator Vargas. And I'll try to answer Senator Linehan's. Certainly, you can have my notes and I will copy and make them available to anybody that would like to have them. As far as the ARPA situation, we, we as a committee Execed yesterday at noon and it ran a little over. If you saw, a lot of the Appropriations people were late. During that Exec Session, we allowed the press in there. You know, it's what we do here in an effort of transparency. We do have available, if you would like, we can actually pass it out. If you would like to have copies of it, we can definitely do that so that you can see what the committee had decided upon as it relates to ARPA. It's still going to take us about three to four days to formulate all the language that's associated with it. There's like 30 bills there or even, I think, there's 38 bills, actually. So it's going to take some time to formulate that. In the preliminary budget, which is passed out to all the members, we do have comparisons between what the committee decided versus what the Governor had proposed.

HILGERS: One minute.

STINNER: So you can take a look at what the comparisons are. We only deviated, I believe, on the Perkins Canal on the preliminary. We deviated on the amount that was put in his proposed budget as it relates to a move on the Department of Education. And the third one

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

was the Crime Lab. So those were the three. The Crime Lab was put into the budget, certainly was also the Department of Education and the Perkins Canal has been modified, which you can see. Those are the only deviation-- deviations that I know of off the top of my head, so. Also on page 3, there's a Cash Reserve comparison between what the Cash Reserve is. So if you want to take a look at page 3, there is a difference of what the committee had recommended to the Legislature versus what the Governor had put into his. With that, thank you, Mr. President.

HILGERS: Thank you, Senator Stinner and Senator Vargas. Senator Briese, you're recognized.

BRIESE: Thank you, Mr. President. Good morning, colleagues. I'd first like to thank Senator Stinner and the Appropriations Committee for their yeoman's work on, on, on the budget and all the work they've done on the budget on the ARPA distribution, and I'd like to commend them for the time and effort they've put in. But the amendment, AM2344, from Senator Friesen has perked my interest here. I want to talk about one issue to start with and that goes back to LB385 from last year that set aside \$50 million for a project called the Space Command or at least that's what I call it anyway. It might have a slightly different name than that. But I'd like to ask Senator McDonnell a question if he would yield? Couple of questions.

HILGERS: Senator McDonnell, will you yield?

McDONNELL: Yes.

BRIESE: Yes, Senator McDonnell, you're familiar with the Space Command project that we discussed a little over a-- or about a year ago. Correct?

McDONNELL: I am.

BRIESE: Yes. Has that been built?

McDONNELL: No, we, we did never-- we never received Space Command. We were in the process of, of competing with other states for Space Command, but we were not successful. The \$50 million that was set aside was for us to be competitive through the Governor's Office, and we were not successful with acquiring Space Command in the state of Nebraska.

BRIESE: Yeah, and has that been built? That's kind of an elementary question, I guess. I probably should have asked, has the project been

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

awarded or dedicated to any one location and what is your knowledge on that?

McDONNELL: Yeah, we did, we did not receive it. I believe it went to Colorado.

BRIESE: OK. I see on page 13 of the budget the final decision on the Space Command project was not forthcoming until spring of '23. So could it still be in play for Nebraska, Senator?

McDONNELL: No, my knowledge is that we are no longer in a competitive position to have Space, Space Command come to the state of Nebraska.

BRIESE: And you don't think there's any way possible it could be coming back to us?

McDONNELL: I do not.

BRIESE: OK, thank you for that. On April 8, April 8 of '21, we were talking about the Space Command on the floor here. I was expressing some concerns. Maybe some other folks were, I don't know, but I did have some concerns back then and I was assured at that time that, quote, the funds are sequestered, unquote. Quote, We've got brackets around it, unquote. And so my question is where's the money now? Senator McDonnell, could you yield to another question?

McDONNELL: Yes.

BRIESE: Thank you, thank you, Senator. So where is that \$50 million now?

McDONNELL: We repurposed it into three bills that has to do with Senator Sanders' bill, Senator Brewer's bill, and, and my bill based on NC3, communicate, control, and command, the next generation of nuclear software that we were awarded in 2018 to STRATCOM.

BRIESE: OK. And most of that would be reflected in LB1232 and LB1233. Correct?

McDONNELL: There's a total of \$50 million that we had set aside for-- and repurposed it into those three bills, which Senator Sanders' bill had \$30 million, my bill had \$20 million, and Senator Brewer's bill had \$5 million.

BRIESE: OK, thank you very much, Senator. Appreciate that. And so as I look at this, we dedicated that money to the Space Command project,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

and the Space Command project was represented as a project that can drive economic development in the metro area that could promote growth. It could promote jobs. It could attract, attract business, residents, investment. And now we have those dollars dedicated to projects found in LB1232 and LB1233, and I question whether those dollars are going to drive economic growth and development. Are these amenities that I see listed in the bill, are they going to attract people--

HILGERS: One minute.

BRIESE: --to fill jobs-- thank you, Mr. President-- or are they simply amenities given to folks that are going to be here anyway and or, or worst case scenario, are these amenities going to compete with the private sector? And so I think Senator McDonnell and Senator Sanders are in the queue. They can respond to that given a chance here, but. And I, I look at Senator Wayne's proposal and Senator McKinney's proposal for north Omaha development. You know, what, what I see there are, ideas that can drive economic growth. It can create jobs and can promote the growth of our state. Could it go to tax relief? And I appreciate Senator Wishart's comments about tax relief, property tax relief, and I'm very thankful for what the Appropriations Committee has done in that regard. But we need to remember it's not an us versus them. The bulk of the tax relief we've enacted in the last couple of years really goes to all Nebraskans. It's distributed fairly equally to all Nebraskans; your constituents, my constituents. And, and, again, I thank the Appropriations Committee for what they've done in that regard. But we have really been targeting--

HILGERS: That's time, Senator.

BRIESE: --all Nebraskans. Thank you, Mr. President.

HILGERS: Thank you, Senator Briese and Senator McDonnell. Senator Wayne, you're recognized.

WAYNE: Thank you, Mr. President. Today is a wonderful day. We can talk about the budget. We can talk about priorities and we can talk about what communities are left behind. So I'm generally going to say I went through last night and I calculated we are going to spend in cash transfers, \$336.8 million on water and trails. We are spending zero on economic development in some of our hardest-hit areas. But I think it's important to stick to the motion at hand and why we should support this motion to strike Section 5. If you just turn to page 3, they-- there's a clear list of things that will be used for this 20--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

\$25 million. And I don't know if parade-ground walking trail, a golf course that's actually owned by the city, the Base Lake improvements, which, by the way, are already under construction, Deterrence Park, Looking Glass Heritage Park. There's actually a living quarters that is privately owned, Quarters 13, and then a rooftop garden. I don't know if that's where we really want to spend our dollars when there are people who are actually outside of the base that pay taxes, that do things here that are looking for economic development. Again, I have nothing against and I support our military, but when you go on that base, you are a-- you are going on to basically a sovereign nation. Not just anybody can get on. An everyday Nebraskan can't just go on to the base. You have to go through security checks, you have to be escorted if you have, if you have certain records. And by the way, you can't even work on the base if you have an open misdemeanor charge, misdemeanor charge. So who are these jobs going to go to? Not necessarily Nebraskans because most of the Offutt Air Force Base work-- because I worked on Offutt Air Force Base-- are out-of-town companies who do National Air Force Base work across the world, across the world, but across, across America. This is not where we right now should be putting our dollars. So I agree with Senator Friesen, we should strike this and maybe from here to Select, we can have a conversation about what we might want to put in. But to put in money to update a public golf course is beyond me when I look at no investment. This overall budget-- and I'm talking about 1012-- LB1012 has-- sets up funds to do the following-- we'll talk a little bit about water-- \$53.8 million to Perkins Canal; Peru levee, \$5 million, STAR WARS, \$100 million; surface water irrigation, \$50 million; new cabins at Mahoney State Park for around a million; and trails for 8.3. I fundamentally have an issue. I fundamentally have an issue with the cash transfers, and with this overall budget when you look at the state's investment. And I'm sorry, Appropriations Committee, I know you worked hard. All the committees work hard, but using federal dollars is a cop-out for the state not investing in north and south Omaha. It is a strict cop-out. So I said it today on social media and I'm saying it here, there's no more pass in north Omaha. You don't get to come down and say that you support north Omaha, that you understand redlining, that you understand past discrimination, and all the things people do to come get north Omaha vote when it's election time if you support these three bills as written today. These three bills will be at every event you show up to because north Omaha--

HILGERS: One minute.

WAYNE: --is on notice that we are being left out again and we don't get a pass by saying it's ARPA. So let's stick to this amendment.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

There's a lot more amendments that we're going to talk about. But tell me why we are paying for a track and field stadium improvement on the base. Tell me why we are paying for a lake that is strictly used by the Air Force that we're paying for that everyday Nebraskans can't go to. Why are we paying for those improvements? Everyday Nebraskans can't go there, but we're going to spend our tax dollars to beautify the base. That's why we should support AM2344. And from General to Select once it's removed, we can figure out what we can support on the base. Thank you, Mr. President.

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

M. HANSEN: Thank you, Mr. President, and good morning, colleagues. You know, I rise in kind of a similar perspective to what Senator Wayne just shared. Normally, looking at the budget, I do see it as a comprehensive set of statewide priorities, and I've learned my ears to kind of agree with people that the budget sometimes is actually easier when you're cutting. In this situation, I do have similar concerns that there are some broad areas of need in Omaha, in Lincoln that probably need to be better addressed and be in better focus of the state of Nebraska. And that seeing kind of some more specific appropriations, like the one we're discussing on the board, raises some concern. Not because I have a concern, concern with the specific proposal for Sarpy County or specific proposal with the base, but kind of in the absence of other priorities or other things that are being spent in appropriated money. I personally don't know enough about the, the upgrades to the base and what is intended for that or its overall impact. But it is tough to see kind of some of the other things from this, the limited amount of money going to, to housing, or maybe not limited, but the amount of money going to housing versus the amount of money going to some of these things that Senator Wayne just listed off, such as recreation, especially recreation on a place that is not public accessible. And I wanted to start off by giving the speech kind of on the first bill, on the first item to say that this is kind of a year where I've shifted over from kind of being in general support of the budget and having to be convinced to change it to being in kind of general skepticism of some of the state's spending priorities and having to be convinced to support them. I look forward to kind of continued debate and continued discussion on where we are going, especially with this cash transfer bill before we get to some of the mainline budget. But that's how I'm going to be approaching this and looking at this. I agree with some of the other senators who have mentioned already trying to digest the overall ARPA funds and see what impact that will have on the state and the state spending priority,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

but also recognizing that and saying one-time federal money isn't always the same as, you know, a committed appropriation of our General Fund dollars. So with that, thank you, Mr. President.

HILGERS: Thank you, Senator Hansen. Senator Clements would like to welcome 48 fourth-grade students, five teachers and five sponsors from Elmwood-Murdock Public Schools. They are seated in the north balcony. Please rise and be recognized by your Nebraska Legislature. Returning to debate. Senator McDonnell, you're recognized.

McDONNELL: Thank you, Mr. President. Good morning, colleagues. To continue our discussion and we're going to have a-- an opportunity because I believe Senator Sanders is, is after me and Senator Brewer is after Senator Sanders to discuss the idea of why we repurposed the \$50 million. If you look at when we were competing for Space Force and we no longer were in competition because it was clear it was not coming to Nebraska. One of the things we talked about with Space Force was the economic development, the economic impact. One thing about NC3, we're not competing for it. It was awarded to us in 2018. The idea of the \$20 million that we're talking about for NC3 is going to have to be matched-- and we're last dollar in-- at \$60 million by the private sector. Why would the private sector want to match that? The idea of the economic impact with a minimum of to begin with 400 jobs at an average salary of \$170,000 a year is a game changer for this part of Nebraska and our state. The idea that we are developing the next nuclear software for our country, the idea of the people that are going to come in here from the private sector, the different companies based on this structure that would not be on base-- NC3 is clear based on the idea that it will be near the base-- but we have a partnership with the city of Bellevue. We have a partnership with the city of Bellevue based on they're also going to invest a minimum of \$5 million in infrastructure and site location. You think about that coming together. We had an opportunity for Space Command. We lost it-- or Space Force, excuse me. And now we have NC3 right in our backyard since 2018 and who approached me on this was STRATCOM. The people that are actually serving and protecting our country came to me and said, here's an opportunity to work with government and the private sector, the military. And let's look at one of our largest employers in the state of Nebraska is Offutt Air Force Base. So I know Senator Sanders is going to address the idea of what some of the facilities look like and the lack of care over the years. And Senator Brewer is going to discuss about the idea of documenting how important STRATCOM is to our state and the country. But I don't want to lose focus on the idea if you're talking about economic impact, I don't know if there is a bill that is going to make a larger economic impact based on bringing the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

private sector together with government, with the military, but also with the idea of having a shining star for the state of Nebraska for us to recruit and for us to be responsible for that software for the next generation of nuclear defense for our country. Thank you, Mr. President.

HILGERS: Thank you, Senator McDonnell. Senator Sanders, you're recognized.

SANDERS: Thank you, Mr. President. Good morning, colleagues. I rise today in support of the budget package that is in front of us. But first, I want to recognize the excellent work of Chairman Stinner and the entire Appropriations Committee. I respect the process. Thank you for the committee and the committee staff, the Governor's budget division and the Legislature's Fiscal Office for the hours of hard work they have put into this package. I also want to thank the committee for including my bill, LB1233, in the budget. LB30-- LB1233 was heard in Appropriations Committee on February 10 and it had no opposition. This proposal capitalizes on a one-time opportunity to invest in one of Nebraska's biggest economic driver. One year ago, the Legislature publicly recognized the value that the military base-- bases offered to our economy, especially Offutt Air Force Base. To be clear, let's acknowledge what Offutt provides for our community. The big number is \$2.9 billion. That's the annual impact this-- to the state of Nebraska that comes from nearly 4,000 civilian jobs on the base. And while Offutt neighbor Bellevue, over 50 percent of active service members are not living on the base reside outside of Bellevue, let alone the thousands of civilians, employees there on the base. Offutt provides jobs for young men and women from north Omaha to Plattsmouth and that's the beginning. With the prospect of Senator McDonnell's bill, LB1232, and the Nuclear Command and Control Communications project, we could see the impact rise by \$2 billion immediately, prompting an influx of moderate to high-paying jobs. Offutt's mission is even more relevant today. Planes from Offutt's 55th Wing are flying over Ukraine right now. They are detecting any nuclear activity and closely observing Russia's invasion. We take this asset for granted. The reality of the base realignment and closure is that bases can move or be closed any time. Missions die out and they must be replaced at Offutt. When missions are looking for new homes, they look at amenities for service members to keep our service members close or in Bellevue. Offutt has identified several needs on the base. If they are fixed, it enhances the appeal for more missions in the future. If you only hear one thing I say today, let it be this: these funds are fully matched by the private sector. These dollars are matched 100 percent or more. This fully matched list of projects will

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

help us keep military retirees, attract new missions, support our service members' mental health, and keep Offutt for generations to come. I'm excited for the opportunity to protect one of the-- one of Nebraska's biggest resources. I would encourage your support to vote on this bill, not on the amendment by Senator Friesen. Thank you, Mr. President.

HILGERS: Thank you, Senator Sanders. Senator Brewer, you're recognized.

BREWER: Thank you, Mr. President. I will echo those comments about Offutt and USSTRATCOM. Most of the people in this room, I'm guessing, have no clue what USSTRATCOM does. I was fortunate enough to spend three years of my life aboard the NAOC, the National Airborne Operations Center. It's that 747 you see landing out here at the base. It looks very similar to Air Force One. That platform is what keeps the free world free. In the event of a first strike, that platform becomes the ability of the United States to sustain its government. So understand that if we are going to take a very small amount of money and we're going to tell the story that includes all of our nuclear submarines, our bombers and our missiles that are based in silos, the ability to coordinate a response to a first strike means the survivability of the free world. So I understand you guys want to cut budgets and you want to move money around, but let's stop and think about this for a second. Look at the evening news. The Russians will do what the Russians want to do and the only thing keeping this country and the other countries of the free world free is the ability for us to be a bigger dog on the block than they are. Now a lot of people don't understand the mission and how you coordinate nuclear submarines and bombers and silo missiles. All we're saying is give us a chance to tell the story of STRATCOM so that even Putin understands the potential that the United States has. I'm shocked that we're discussing this small amount of money and this mission. If you look at Offutt and what they've done over the years for Nebraska and for Omaha, for us to quibble over this is crazy. And I'm not, I'm not against providing more resources for north Omaha. Don't get me wrong. But when we're talking about the future of the free world and our ability to support USSTRATCOM, I'm puzzled why we're going through this. Now pause for a moment and think if you're going to tell that story, you're going to take a, a team aboard a submarine. First off, they're going to have to have special clearances to do that. They're going to have to go aboard bombers. They're going to go into these nuclear silos. So, yeah, it costs a little bit to make that story become a reality. But I think if we're going to be honest and say that we support the military and we support STRATCOM, we've got to give

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

them the ability to tell their story. It has never been done. No one has ever made a documentary to tell the story of what USSTRATCOM does. So for us to abandon Offutt, and when I say that if STRATCOM leaves, that is a four-star command that is fair game for anybody in this country that wants it. They got a base that is better able to support it. It would be the equivalent of this Capitol having nothing but the Supreme Court and the rest of it gutted. That's what you have at Offutt if STRATCOM leaves. That's a pretty ugly picture. So let's just pause for a moment and, and be reasonable in how we're moving forward with these budgets, because there are certain things that are items that we're not going to, we're not going to give up on because it's too important. We've heard Senator Wayne's comments on north Omaha, and I think he's got a fair point. But when it comes to Offutt and our ability to sustain operations with USSTRATCOM, it is critical to the future of that base--

HILGERS: One minute.

BREWER: --and our country. Thank you, Mr. President.

HILGERS: Thank you, Senator Brewer. Senator Hilkemann, you're recognized.

HILKEMANN: Thank you, Mr. Speaker. I rise, this is the-- be the last budget that I'll be involved with. Worked with that committee for eight years and as Senator Wishart said beforehand, working with Senator Stinner has been an honor. And the tireless hours and energy that he's put into this process, everybody in the state of Nebraska owes him a deep debt of gratitude. It's been an honor to work with him, and it's been an honor to work with the committee. This was a, this was a different year with all of the ARPA funding that we had to deal with, with actually having an excess of dollars to deal with. I remember coming down my first day that we had thought about the challenges that we have on our committee. We've, we've dealt with having to make huge cuts. We've dealt with having to readjust. We've had to readjust during the middle of a budget cycle and this year was going to be different and indeed it was different. And it is different. When I came in the first year I was here, we had a cash reserve of \$775 million and we felt pretty good about that. It got down, I think, as low as \$400 million. And as you look at the document today, unless we change that significantly, it'd be at one point-- almost \$1.4 billion as a cash reserve. And I'm-- like to be optimistic, but I think that that's fantastic that we had that kind of a cash reserve and we should be very careful of spending that cash reserve. I think things are going to change as we with all the dollars

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

that the federal government has poured into this economy. I think we're dealing with kind of an artificial type of an economy and therefore I think we need to be prepared that what we dealt with when I was here, the fourth year when we were dealing with huge budget deficits. During this period, one of the things when I ran for office was property tax relief, property tax relief, property tax relief. The way I figured, kind of roughly estimate, we've given well over \$2 billion to the Property Tax Relief Fund during that period of time. I'm not-- as I-- as many of you well know, I, I oftentimes thought we should find a different vehicle. And I still think if we could find a different vehicle would be good. We now have the refundable tax credit, so we've given over three, over-- you could-- at least \$3 billion in property tax relief over this eight-year period of time. It's over a period of time, just ask Senator Friesen, when most, most property values have probably increased at least 50 percent and therefore we can't say that, that we haven't been doing something for the property tax relief. I want to talk a little bit about the pancreatic center since that was brought up earlier. One of the things that I've been very-- that's just blown me away is the excellence that we're seeing in our university and particularly at UNMC. I want to tell you about the very first time I met Dr. Gold. I was invited to a breakfast. This was even I think even this was between when I had just won the election and started serving here. We were walking down the hallway and there was a, a, a tissue or a napkin--

HILGERS: One minute.

HILKEMANN: --on the side. Dr. Gold stopped, picked it up, took it to the next, next trash receptacle. He's so proud of what our university looks like. So when we look at about a pancreatic center to making it a world class with \$15 million, I can tell you that with the leadership that we have at UNMC and the new director is coming from the Fred Hutchinson Cancer Research Center in Seattle, with the resources that we have at the Buffett Center, if you look at the iEXCEL that we've developed during that eight-year period of time, the Lauritzen Outpatient Center, the Truhlsen Eye Center, our Medical Center is, is, is booming. Let's take that advantage. Let's invest in it. Let's take this-- let's be a world leader in pancreatic cancer. We have the foundation. Let's build on that and I'll support that. Thank you, Mr. Speaker.

HILGERS: Thank you, Senator Hilkemann. Senator Wishart, you're recognized.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

WISHART: Thank you, Mr. President. Once again, colleagues, I rise in opposition to AM2344. I don't know how after hearing Senator Brewer's speech, anyone would be voting for that amendment, but nevertheless, I also support AM2000 and LB1012. I did want to answer some of the questions and commentary that have been going on this morning. First of all, it was asked about the bills incorporated into the committee proposal. If you went down and calculated all of those bills and those that were brought from someone outside of the Appropriations Committee, you would quickly realize that as the Appropriations Committee, we supported more funding that was brought from members of this Legislature outside of the Appropriations Committee than those of us who brought them inside the committee. I just wanted to answer that question. Second of all, it's been brought to our attention a lot today that we're investing quite a bit of money into the lake and canal. Colleagues, I want to remind everybody that sitting on Select File are two bills that came out of another committee that fund a canal and that fund a lake and other recreational opportunities in the state. If this body is so adamantly opposed to funding water infrastructure, then you can't vote on those bills. When you vote on those bills, they come with a price tag and that is reflected in our budget. I think Senator Erdman, frankly, and Senator Stinner and, and Kolterman have-- are the only three people who have been consistent on this water issue. And I will also remind everyone that Senator Stinner got on the mike and asked us not to vote for the canal and not to vote for the water, STAR WARS project. That's on us, everyone. We voted those bills through. They are going to be reflected in the budget. So if people are complaining about water infrastructure projects, then you can't vote for them when they're on the floor because they do come with a price tag. Last, I want to talk to the funding for north Omaha. I remember being on the top of Kilimanjaro and talking with Senator Wayne about the enormous pressure that he and Senator McKinney and Senator Vargas have to come through for their districts. You can see that pressure on Senator Wayne to make that happen. Our committee has focused not only on ARPA in terms of investing a sizable amount that will go to the vision that Senator Wayne has for transforming his committee-- his community, but also we have left room in our Cash Reserve for innovative ideas that Senator Wayne, I believe, is bringing tomorrow to talk with us about north Omaha and his priority. And I think it's fair, colleagues, when you have two senators who are asking for \$450 million in appropriation to a community that has been underinvested for hundreds of years, I think it's fair for us to look at the fact that at the same time, there is a prison proposal out there to invest \$500 million in a prison that disproportionately--

HILGERS: One minute.

WISHART: --locks up people who live in Senator Wayne and Senator McKinney's district. So yes, I actually am very supportive of us trying an alternative of investing potentially an equal amount into those communities. I think that's a good idea, and that's something where I can't wait to hear what Senator Wayne has to propose to us tomorrow. I think we should all be open minded to it. But I will point out that one of the reasons we have such a significant cash reserve set aside is our committee has been dutiful about not appropriating money for that prison, not appropriating \$500 million for the canal. So I want everyone to have that in perspective that when we have these opportunities to invest in historically underinvested communities, it's because we didn't take a billion dollars out that was requested of our Cash Reserve and we've left money to be able to do something this year. Thank you.

HILGERS: Thank you, Senator Wishart. Senator Vargas, you're recognized.

VARGAS: Thank you very much, Speaker. I want to kind of pick up on where Senator Wishart left off because in committee, I was one of the people along with Senator Kolterman and a few others that weren't jazzed or supportive of the STAR WARS project, not because of the project itself only, but because of the priorities and what matters most to our state and for recovery. I say that because there is an overall majority of people that voted for it to move it along. I also say that for the canal. I didn't want to support the canal more than what we already did in Appropriations because of the exact same reason on what we're arguing. It wasn't a priority for our state. I understand the rationale behind it, but we have competing priorities. I say that because there are people on the-- in this body, an overwhelming number of people that voted for that. And in terms of priorities, look, the thing that I defend is process. Right now, everything in this right now, win or lose, whether or not we supported it or not supported it in committee, a bill was brought for pretty much most of these things, overwhelmingly. They were one-time cash fund transfers and the overwhelming majority are actually outside the committee. I think there's only-- of all these items, three of them are from members within the committee, which is much different from what people expected. These are priorities from committees like Natural Resources, from-- I mean, from different committee members outside of Appropriations. So when we're looking at this mid-biennium budget, not our budget, changes to it, this is coming from people that made some sort of a compelling argument for enough members of the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

committee. And I lost in some of these issues. I didn't want to support some of them, some of them I did. We'll have an opportunity to make sure that we do our investments in north and south Omaha, and I guarantee you we'll have that conversation and I'm going to be supportive of whatever we can do in that arena because it's something I care about and I fought for within the committee. But in terms of process, I just want to make sure it's crystal clear that if a bill was brought and it asked for one-time funds and a cash fund transfer that they were taken up as part of this committee mid-biennium and budget adjustment. And if it had more than five votes, then it passed, and if it didn't, it didn't. And we try to stand as the committee together, but this is not encompassing everything that we plan to do or going to do in terms of the priorities for the state of Nebraska. We still have our federal ARPA budget, which we will get to. It is but one very simple-- not simple, but a step and it's not reflective of everything that we're planning on doing. I just want that to be crystal clear, because when you're looking at this and you're thinking that this is something that is driven only by Appropriations, most of these bills came from outside the Appropriations Committee. The one-time spends, they're largely cash reserve transfers, and they were bills that were brought. And we will be debating other items that are going to be coming up in ARPA and you will see strategic investments. Many of the things that Senator Wishart and Senator Wayne, Senator McKinney and myself, we've talked about for many different times over the years on where we should be investing in economic recovery. And bear in mind, there are still Select File bills that are being debated right now that take huge chunks away from our Cash Reserve.

HILGERS: One minute.

VARGAS: We'll have the opportunity to decide what really is the priority for the state. And I hope we make that very abundantly clear. So I do appreciate the dialogue. I appreciate my members, and I know Senator Kolterman will speak to an item that is not only near and dear to our hearts, but that we supported overwhelmingly in our committee. Thank you.

HILGERS: Thank you, Senator Vargas. Senator Kolterman, you're recognized.

KOLTERMAN: Thank you, Mr. President. Good morning, colleagues. I rise-- I passed out an, an article for all of you to take a look at. I wasn't, I wasn't sure where Mr. Sangorani came from-- or Hingorani came from, but he's coming from Seattle, Washington. He's going to lead the pancreatic cancer research center in Omaha, Nebraska, which

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

will become a world-class center. I rise in support of the bill that I put in. It had a fair hearing. It came out of committee 9-0 after we moved it into the Health Care Cash Fund, and I would like to thank my colleagues on the committee for doing so. This bill is important not only to me, but it's important to the state of Nebraska. If we start this program and give the University of Nebraska Medical Center \$15 million, they have to match that \$15 million. But after that, they're on their own. The question came up. I think Senator Erdman asked several times how much continuing money will we have to put into this program? And the answer to that is zero, because once the university sets up a research program, it's up to the researchers to go out and bring in their own money to fund their programs. That's a neat part about Dr. Hingorani. He's world renowned and he will bring a lot of research dollars with him, as well as a lot of excellent researchers. As, as many of you know, this is important to me because I lost my wife to pancreatic cancer four years ago. But you know what? If we find a, if we find an early detection or a cure for this, that's not going to bring her back. That's not going to bring her back. But there isn't anybody in this room that doesn't know somebody that's been affected by pancreatic cancer. The reality is, there's an inadequate focus on this specific type of cancer. It's, it's considered unfunded research, largely because how rare it is and, and the high mortality rate. While it's a relatively rare type of cancer, approximately 62,000 Americans or 170 people everyday are diagnosed with this disease, and it's known as a silent killer because you don't know you have it until it's too late. I'd like to remind you this just isn't about one person because it's my bill. Kitty Kearns was a friend of each and every one of us. I had the privilege of having an extra 18 months with my wife. Kitty Kearns, who was a colleague of ours, had about 90 days and she was gone. She didn't even know what she had. So if we can help one person get early detection and we can have our own University of Nebraska, who is world class, make that happen, we're creating one heck of a good program. So if you don't like, if you don't like that aspect of it, come up with 25 votes and vote it out. That's how strongly I feel about it. I challenge you to get me 25 votes to vote against that bill. It's good, it's good logical and it's not going to cost the state a nickel. It's coming out of the Health Care Cash Fund, which was designed to help people with medical conditions. One good thing that came out of the tobacco Health Care Cash Fund is a lot of good research. So again, I'd like to thank my colleagues on the committee for supporting that bill unanimously. And I would hope that we can continue to support it through the Health Care Cash Fund and find an early detection so one of your family

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

members doesn't end up with pancreatic cancer and have a short-lived life. Thank you.

HILGERS: Thank you, Senator Kolterman. Senator Williams, you're recognized.

WILLIAMS: --Mr. President, and good morning colleagues. And I would like to again, as others have, thank the Appropriations Committee for including LB703 in the budget. We have a special and unique opportunity that is facing our state right now with LB703. It only happens because agriculture is our number one industry and that's something we all want to support. It only happens because we have a world-class research university right here in Lincoln. It also only happens because of the investment that this group made 10 to 12 years ago in creating Innovation Campus and what has happened with that. LB703 is designed to magnify the benefits to Nebraska from a major \$140 million investment the U.S. Department of Agriculture is planning to make on Innovation Campus. This project will create a world-class agriculture and natural resource research facility, and to support that, LB703 will support the creation of a companion facility to convert the center's research findings into real-world solutions for our area farmers and farmers across the world. This effort will involve a partnership of the University of Nebraska, the USDA, and the private sector. The benefits to Nebraska from this collaboration are significant. First, innovative agricultural natural resource research findings will help our producers to, among other things, boost yields, better use of water, and improved animal health. Second, an efficient commercialization process will get those innovations more quickly to Nebraska producers. And third, Nebraska will receive a major boost in our state's ability to nurture homegrown ag startups for our economy. The USDA is set to make this innovation happen through their appropriations. They have already appropriated over \$32 million of the total amount. The \$140 million building will be a 120,000-square-foot building, but more importantly, it will house at least 42 federal scientists and 100 scientific support staff. This is about jobs. This is about growing our state. This is an investment that will help make that happen. The impressive scale of the department's investment here is strong and clear statement about the importance the USDA places on Nebraska as a major center for cutting edge agricultural research. It makes tremendous sense then that Nebraska provide the complementary projects, and that's what we're talking about with LB703. The funding from that would create an 80,000-square-foot building sitting next to the USDA Research Center that would let us quickly turn those research dollars into real-world solutions for our producers. I think it's right, I think it's something we should do as a Legislature to make

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

smart investments and strategic investments to ensure the long-term viability of Nebraska and, in particular, our state's number one industry, agriculture. That's what the investment of \$25 million does. Now that \$25 million is required to be matched by \$25 million or it doesn't happen and there will be no match coming if the federal government doesn't build the USDA building. So I think this is something that we--

HILGERS: One minute.

WILLIAMS: --clearly should have in our budget, and I again would like to thank the Appropriations Committee for their willingness to include this investment into those dollars. It makes sense. It creates high-paying jobs. Those people will be living in homes, paying property tax, paying income tax, paying sales tax. And beyond that, it will create new innovation for our state's number one industry. Thank you, Mr. President.

HILGERS: Thank you, Senator Williams. Senator Machaela Cavanaugh, you're recognized.

M. CAVANAUGH: Thank you, Mr. Speaker. Good morning, colleagues. I am semi-supportive of Senator Friesen's amendment for some of the reasons that have been stated this morning about access by the public, and I understand that it would be difficult to have the base be accessible by the public. But I also understand the need for some of these improvements on the base and the federal matching. And so I am a little bit torn. I do think it's important that we could create the cash fund. I'm just not sure that when it comes to the actual amount that we put into that cash fund that I don't know that I can agree to that. That seems like an exorbitant amount of money that doesn't go to the people of Nebraska directly. They can't enjoy the recreational activities on the base. And so if there were an opportunity to do some recreational activities that are outside of the base, but next to the base, I-- that would be much more acceptable to me. So I, I know there's a lot of amendments and there's a lot of people in the queue still. So I'm going to end with that and I'm leaning in favor of this amendment, but I'm still undecided. Thank you.

HILGERS: Thank you, Senator Cavanaugh. Senator Friesen, you're recognized.

FRIESEN: Thank you, Mr. President. So I've been trying to listen to a lot of the debate, some of it kind of got off track a little bit on to some other issues. But you know, one of the things about this is, you

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

know, I have-- last year, I supported STRATCOM. I supported the \$50 million. But to me, when a project that, that doesn't go through, then that money comes back and we start over. We don't repurpose it into some other use or some other thing. And again, I will, I will tell you that this is specifically for an outdoor airman amenity pavilion, track and field stadium improvements, a parade-ground walking trail, improvements at Willow Lakes Golf Course, Bass Lake improvements, landscape enhancements, Deterrence Park, Looking Glass Heritage Park, and then Quarters for comprehensive repair, design, and construction, and a rooftop garden. So again, Senator McDonnell, would you yield to a question?

McDONNELL: Yes.

HILGERS: Senator McDonnell, would you yield?

FRIESEN: So, Senator McDonnell, you know, in Revenue Committee, I remember a couple of years ago they-- some people came to us for a tax credit to, to work on base housing. Is that housing on the base, is that owned by the federal government?

McDONNELL: There is housing that is owned by the military that is on and off the base.

FRIESEN: So is there housing on the base that is not owned by the government?

McDONNELL: I, I don't believe so. I believe all the housing is owned by the military and then they contract out potentially for, for maintenance.

FRIESEN: That's, that's-- I guess that's not what I understand it was because when they asked for tax credits, it wasn't-- it was for a private company. Thank you, Senator McDonnell. Senator Wayne, would you yield to a question?

HILGERS: Senator Wayne, would you yield?

WAYNE: Yes.

FRIESEN: So the housing on the base, majority of it, is it owned privately or is it owned by the federal government?

WAYNE: It is operated and maintained by private individuals and I believe owned, but it is definitely operated and maintained by private individuals.

FRIESEN: OK, thank you, Senator Wayne. So again, what we're doing here and I, I think we have to look at this in a bigger picture. This, this base housing, at least to my knowledge, when we were talking a couple of years ago about some tax credits and how property taxes were assessed on there and were not assessed because it was on federal lands, but it was privately owned housing, it gets a little complicated. And, and now to say that we're going to put money into fixing up some of that housing, it, it bothers me a little bit. And so I'm just going to talk a little bit about a few other things that have popped up. It was mentioned here recently, the building for ag at UNL. You know, I don't care if we fund that. I've been speaking to UNL for my eight years here and they keep telling me how important a land grant university they are. And at the same time, they keep cutting Extension. That is what land grant university is. And the more they cut the Extension, the more I understand that they're more of a liberal arts college. They're not a land grant university anymore. Talk to some of your Extension people, and they'll tell you that they're not filling positions. They're making Extension educators cover more and more counties and yet they talk about building this ag building for research. We have research out on the farm. So me being an ag producer, I'm not tickled about spending money on a new building at the university if their focus has drifted away from being an ag-- a land grant university. So again, going back to this here, I mean, we can go through these items and talk about them, and I appreciate what the Appropriations Committee did. That's the committee's job. They went through and they picked them out. Our job now as a body is to decide which one rises to the level that we want to fund them. And it's not--

HILGERS: One minute.

FRIESEN: --a, a, a negative impact on the Appropriations Committee and not at all. They looked through things they decided to prioritize. Those are nine members that worked hard together and came up with this bill. We've had bills in Transportation before that can come out 8-0, doesn't mean they go anywhere. The rest of this body still has to make a decision, and that's what we're going to do today. We're going to go through these things and see which one is a priority for everyone, which one is not. Do our constituents want us to spend this kind of money or would they like to see more tax relief? What are our priorities for spending? We've got a federal government that's \$30 trillion in debt. Interest rates are going up. I don't think we have in the past kept our military up to where--

HILGERS: That's time, Senator.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

FRIESEN: --they were ready for what we're looking at today.

HILGERS: Thank you. That's time, Senator.

FRIESEN: Thank you, Mr. President.

HILGERS: Thank you, Senator Friesen, Senator McDonnell, and Senator Wayne. Senator Geist would like to welcome 13 members of TeenPact Nebraska, who are from all over the state. They are seated in the north balcony. Please rise and be recognized by your Nebraska Legislature. Returning to debate. Senator Wayne, you're recognized.

WAYNE: Thank you, Mr. President. I'll let-- is Miss-- Senator Sanders here? I'm going to ask her some questions when she gets there. But first I'm going to say before I ask her some questions, the agriculture bill or Innovation Campus is not in this bill, so I won't address it at this time. I'll just say you can't have agriculture innovation if you don't have a veterinarian school. So I think we should start with that. Let's get the basics done first. But nevertheless, let me tell you the fundamental difference of what we're talking about in this bill, and I support Senator McDonnell's bill. I support Senator Brewer's bill. Those are different. I think we should have a promotional opportunity to tell about STRATCOM history while I'm adding an amendment saying we should tell about Standing Bear. As far as the biggest difference between Senator McDonnell's bill and Senator Sanders' bill is Senator McDonnell's bill is a public-private investment for jobs that is outside of the base. That means everyday people have opportunity to be a part of that. Now there might be some security clearance and things like that once they get their nuclear program established. But part of the reason why I'm hesitant on even McDonnell's bill is because I don't-- I think we should get away from nuclear weapons and I don't support anything that facilitates that along. But I do want to ask Senator Sanders some questions.

HILGERS: Senator Sanders, would you yield?

SANDERS: Yes.

WAYNE: How, how many servicemen will stay if we improve these amenities that are listed here, (a) through (i) or (j)?

SANDERS: We hope all of them and the, the fact is that we also want to recruit and build on what Offutt has now.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

WAYNE: So has, has there been any surveys done or data to support that if we improve these amenities there's a direct correlation to people coming or people staying?

SANDERS: Yes, and I'll get that feasible-- feasibility study for you.

WAYNE: Thank you. And as it relates to these properties, is the only one that is not on base the Willow Lakes Golf Course?

SANDERS: Correct.

WAYNE: So everything else is on base?

SANDERS: Correct.

WAYNE: So who owns the Quarter-- the, the Quarters 13?

SANDERS: That's still federal property.

WAYNE: Who, who maintains it?

SANDERS: The Burlington Capital has the contract.

WAYNE: So it's a, it's a private company who we're, we're paying--

SANDERS: It's a contract.

WAYNE: --to keep it, upkeep?

SANDERS: Um-hum. Yes.

WAYNE: So we're paying a private keeper. We don't-- colleagues, we don't do that for any other apartment complex in the state. We don't allow a private company to come in here and get funds. So do you know, can anybody with a current violation of the law, a misdemeanor, go on to the base and go to any of these facilities that we pay for?

SANDERS: I do not believe so.

WAYNE: Is there any other one of these properties that are privately maintained that are listed here?

SANDERS: Quite a bit of that is privately maintained because the federal government, the base themselves, no longer have the manpower for maintenance.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

WAYNE: Thank you, Senator Sanders. So, colleagues, what we're doing is paying private contractors who already have a contract with the military to run and operate these facilities, extra money to obtain-- so they're making money both ways. We're giving them money to maintain them, but they have a contract with the federal government to maintain them. So where are those dollars going to help maintain them? More importantly, again, the difference between Senator McDonnell's bill and this part of the bill is that this is on the base and, and Nebraskan tax dollars are going to an area that they can't even access. So that's like us building a lake and then saying people can't go access it. Is that a wise choice for our tax dollars? So this has nothing to do with the promotional video. This has nothing to do with NC3.

HILGERS: One minute.

WAYNE: That's a separate conversation for a separate amendment. This is strictly on page 3. If you look at all of these things that are federally owned but privately maintained that not everybody can access, is this where we want to spend our dollars? And just because we improve these, there's no guarantee in four years there's not a base closure. There's no guarantee that people are going to stay in Nebraska. The only guarantee is we are going to put \$25 million into private federal contractors' hands to do what they already should be doing underneath their federal contracts. That's why I'm supporting AM2344, and I would ask for your green vote. Thank you, Mr. President.

HILGERS: Thank you, Senator Wayne and Senator Sanders. Senator Arch, you're recognized.

ARCH: Thank you, Mr. Speaker. I want to go back to the Health Care Cash Fund transfer. Since I spoke on the, on the mike at the beginning of this debate, I went and retrieved the interim study for 2021, which is dated September 3, 2021. And, and I understand much better, having seen exactly what these numbers are, what's happening and what Senator Stinner said was correct. We have seen an increase in the corpus itself in the fund and, and, and the dollars are being removed from, from that. However, I want to, I want to, I want to quote something because I think it's important to the debate and to the understanding of this Health Care Cash Fund. And here's the quote: To shore up the sustainability of the Cash Fund, the Legislature in 2021 session permanently removed \$10.1 million in base funding for behavioral health to the General Fund. The required report by the state investment officer will not be done until next year. However, this permanent reduction in annual expenditures from the Health Care Cash

Fund should greatly assist in maintaining the longevity of the fund. So what happened last year, Senator Stinner and I discussed this, and he, and he put it into the, into the budget where we had at one time approximately \$10 million in behavioral health rate funding that was put into the Health Care Cash Fund at a time when we did not have the dollars to pay for any type of increase in behavioral health rates. And it was-- and we felt-- and the Legislature felt it was necessary to do that. However, that's a General Fund obligation, ongoing rates, General Fund obligation, not appropriated out of the Health Care Cash Fund. We felt there was an opportunity to move that in order to increase or to, to improve the sustainability of the fund. And this gets to the question of what exactly is this Health Care Cash Fund because it is identified as a cash fund. However, there has always been this discussion of sustainability that we don't overspend out of this cash fund so that it is sustainable. Now that is the quasi-investment fund. That sounds like more of an investment fund than a cash fund, but it is called a cash fund. And so I, I just want to alert people that this Health Care Cash Fund is extremely important, that it be used appropriately, that it not be overspent. It's something that the Health and Human Services Committee watches very carefully every year to make sure that the sustainability is there. And you, you know, you've heard, you heard Senator Howard make this a large issue in the past on the floor. I will continue to make it a large issue as long as I'm the Chair of Health and Human Services because of the importance of this cash fund. Appreciate the work the Appropriations Committee has done to preserve that sustainability, and it's something that we will act like a watchdog on to make sure that that is not hindered in the future. And with that, I'll yield the balance of my time. Thank you.

HILGERS: Thank you, Senator Arch. Senator Dorn, you're recognized.

DORN: Thank you, Mr. Speaker. Want to get up as a member of the Appropriations Committee. This is the first time I'm speaking today, but wanted to do, as many of the others have, really want to thank Chairman Stinner for all the work he's done. I've been on the committee for four years and the process that we go through, how we look at everything, how we work with the Fiscal Office, and how we put everything together. He has shown tremendous, tremendous leadership and he's going to be greatly, greatly missed on our committee and in this body. Also like to thank everybody else on the committee. I really enjoy working with all of the other eight people and how we work through the process of putting a budget together, and this year also the ARPA funds and how we worked through that process. I thank many of them for their comments they make, how we look at specific

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

things or how a certain thing might be brought up. Really want to thank them for all they've done in being a part of this. One thing I wanted everybody to notice is then the Fiscal Office talked about it yesterday when we voted the ARPA budget out. Everybody should have a green sheet on your schedule of your stuff today. Underneath that's a green sheet. That's the thing we'll kind of be going by as we go forward. I brought it up last year so everybody could look at it. There's a thing down there, I call it in a box or whatever. That's kind of the money that's somewhat brought to the floor and that will be adjusted as we pass different things here or as we look at different things. So as you come to the floor any of these days and you want to look at what we've done and how it's affected us, it will show up on there. When I came on to the Appropriations Committee four years ago, I still remember Senator McDonnell, he made a comment when we were in that group and a year or two years before the body and that committee had to make a billion in cuts. And he made a comment to me that he said, you will like a lot better being here when we make cuts than when we have money. And wow, is he right. Because when we had a short budget, when I came on the committee, we had about \$300 million in the rainy day fund give or take. Now we have a billion five. That year, you did not have near as many people visit with you about funding or funding issues. And if they did, you knew darn well right, they were very important because we didn't have extra money to spend. Well, as we've gone, gone, gone along and as our rainy day fund, as our Cash Reserve has increased over the years, I've noticed more people, I call it, approaching me or visiting with me. And maybe because I'm on the committee longer, they want to talk to you about it. Well, this year, especially with the ARPA funds has been, I call it, almost amazing, all of the requests, all of the people wanting to have a discussion or a talk about something going on. He was exactly right, and as we go through this body this year and as we have the last 18 or 19 days and we talk about all of the funding and we, we have on the floor, we have, you know, income tax cuts, Social Security tax cuts, and all of that and property tax cuts and how they all fit in on this budget with the ARPA, one thing I've always talked about is looking at the long term and the long-term vision of where we are as a state. We started four years ago with \$300 million in the rainy day fund. Now we're at a billion five. Part of where that came from, though, in 2020, our personal income in the state of Nebraska was over \$100 billion, \$100 billion. We also that year got \$22 billion, roughly, from federal sources other than the normal federal sources.

HILGERS: One minute.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

DORN: So that puts a part of the equation in there that we don't normally have. So we need to be mindful of that. We need to be aware of that as we go through all of these discussions. To me, it's more critical-- we will get this budget done. We will get ARPA done. We will get ourselves in solid fiscal shape today. But for me, it's more critical where are we at in four or five years. Because if this body has to come back and make cuts in four or five years, everybody will blame that group, but it's this group. It's not that group. We need to make sure-- and I really enjoy some of the discussions and, and, and what we're looking at. One, one quick thing on-- I'll, I'll talk about Offutt, Offutt a minute. Part of what we're looking on those three bills, we're looking at, I call it the immediate financial or fiscal impact it's going to have. Look at the bigger picture. What has Offutt done for us? How do we maintain Offutt here? How do we keep them a viable part of the state of Nebraska?

HILGERS: That's time, Senator.

DORN: I think somebody mentioned 2.8 or 2.9 billion.

HILGERS: That's time, Senator.

DORN: Thank you.

HILGERS: Thank you, Senator Dorn. Senator Albrecht, you're recognized.

ALBRECHT: Thank you, President. Colleagues, I rise today to, to thank the Appropriations Committee, and Senator Stinner has always kept us in a very sound and fiscal position in the state since I've been here for the last six years and I applaud all of their efforts. I've-- I went my very first time before the Appropriations Committee this year, and we'll talk more about that on the next bill. But I just want to rise today to, to talk about the AM2344, and I, I could not support that in any way, shape, or form. Because, you know, I really believe, like, there may very well have been a reason that Offutt Air Force Base was not selected as the, as the-- to spend that \$50 million because we weren't ready for them. If you all remember that we had the Papio NRD that had taken over ten years when we had the flood to take care of things around the base. At that point, we almost lost them. They thought about moving somewhere else. We have to take care of our military. I lived in Sarpy County my whole life, and I'm here to tell you I'm watching what's happened over the last 12 years. It was really hard to leave there and move up north and leave all my friends behind. But I've been watching them. Love my new life, by the way. Mike Albrecht, you're amazing. But I'm here to tell you that you cannot

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

look the other way with what's happening in our world. So I would not even question STRATCOM in any way, shape, or form. And whether that's just for them or-- and improving those, those facilities, we need to do that. We need to maintain that. Sarpy County wouldn't be what it is today without Offutt Air Force Base. So I'll move on to I never rose to talk about the STAR WARS project, but I did hear Senator, Senator Stinner say loud and clear that this is, this is one-time money that needs to go. But if we're going to strap future legislators on a bill that-- for recreation, you know, we have a Game and Parks agency that could certainly do some of the things. I'm all in on, on enhancing our parks and putting boat slips in up by the Niobrara and taking care of Lake McConaughy and, and having other areas for our families to enjoy. But what I'm not OK with is taking farm ground out of production for such a large project that they're talking about with the lakes. Again, you're taking the water away from farm ground, you know, up north to the, to the west, to the east. We-- I don't believe that that's something that I could support. So if there are 25 votes, sorry, Governor Ricketts and those of you working on the STAR WARS project, that is just not something that I can wrap my, my mind around. And also sitting on the Revenue Committee and knowing what we have been working on the last six years, whether it be with the government and military income tax, you know, relief, whether it's the, the Social Security for, for the elderly, whether it's trying to keep our, our folks staying and wanting to, to come to Nebraska to live-- I'm talking about income tax, corporate tax-- we have a lot of things going on in a lot of different committees. But how that all plays into what we're going to talk about today and the next three to four days on the budget, I need to see that. I, I want to know how much money is coming to the floor.

HILGERS: One minute.

ALBRECHT: I'd like to, to talk even about the workforce housing. You know, ever since I've been here, when I was Business and Labor Chair, that's the first thing I did. It was my priority bill out of the committee is to give rural housing money to spend to help grow our communities in the rural areas. Well, it's been six years. We've been, been giving it out every single year. More money, more money, more money. But if, if Senator Wayne and Senator Vargas want some of that money, move it over there. I'm OK with that. I'll share. They've been gracious to us, but there's only so many houses you can get built in so much time. But again, I'm going to be very careful not to strap future legislators with the bills that we are saying are a one-time. Something as large as the STAR WARS project is certainly not going to

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

be a one-time. Senator Flood has roads that he wants to build to the different parts.

HILGERS: That's time, Senator.

ALBRECHT: Thanks.

HILGERS: Thank you, Senator Albrecht. Senator Arch would like to welcome 60 fourth-grade students from St. Columbkille in Papillion. They're seated in the north balcony. Please rise and be recognized by your Nebraska Legislature. Returning to debate. Senator McDonnell, you're recognized.

McDONNELL: Thank you, Mr. President. Getting involved in the discussion earlier on I, I did not take time to thank Senator Stinner and Senator Kolterman and Senator Hilkemann for their service on Appropriations. For the last six years, I've enjoyed working with them and I've learned a great deal from them and we've had some, some good, good discussions. But I never doubted that I, I knew their, their heart was in the right place. They were trying to do its best, agree or disagree, for the, the state of Nebraska and for the citizens east, west, north, south, not just in, in their district. And I always appreciated and respected that and they will be missed now that they're, they're termed out. But again, what they've given us as appropriators and the experience that we gathered from them will, will move on into the future and, I believe, help the, the citizens. So thank you. Earlier, Senator Friesen was asking about a, a bill that was introduced by myself years ago, and we were having some discussion on how that worked with military property and the land. The military continues to, of course, own that property. But years ago they said, who's going to manage this property? So at that point, there was some discussions we had where in-- around the base, inside the fence, inside the secured area and outside, there is property that's being managed by outside companies, but again, the land is owned by the base. But therefore they had to start paying property tax. And were they getting the services based on paying that property tax or was the, the county at some point saying, well, shouldn't the military be taking care of that? So we were trying to clarify that. So I think that helps what Senator Friesen was trying to discuss earlier, that there is property managers and there is buildings going up, again, but the, the land is owned by the military. So back to the discussion and why I'm opposed to AM2344, I, I believe Senator Sanders has, has done a good job trying to answer those questions, of course. Senator Brewer, with his experience and his service to our, our country, knows more about this than I think most of us can, can ever learn. But at

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

the same, same time is when you have people come to you from the military and they sit with you and, and they say, we've served all over this country and this world. And you can tell a base where you go and you can tell that the community is either, one, putting up with us. Just putting up with you being there, you're trying to serve your country, you and your family are stationed there and they're just putting up with you or the community is opposed to you. They don't want you there. And this is coming from sitting with military people that are currently serving their country in the United States where they don't want them in their community or they said there's communities where you know you're welcomed and they embrace you. They embrace you by how they treat you and your family. That's coming directly from people that are currently serving their country right now. Now again, my bill had to do with the NC3, the next nuclear generation of, of, of our nuclear software. I don't know how much more important we can get based on having that and embracing that since it was given to us in 2018 and the trust was put in Offutt Air Force Base. And learning about that, I think we should be awful proud that they wanted that to be here in our state. But also they're saying we have to grow that and we have to have that private-public partnership. And if we can be last dollar in at \$20 million, then they're going to raise the other \$60 million, including the city of Bellevue, as I mentioned earlier, with providing the property and the infrastructure off base. So you can have that collaboration. You can have that collaboration where you're bringing in different companies, different military--

HILGERS: One minute.

McDONNELL: --based-- thank you, Mr. President-- military-based companies that are looking at how do we, how do we partner? How do we partner with those people leaving the base in the morning? How do we hire that private sector, which I mentioned earlier? The beginning of this would be well over 400 jobs at a-- at an average salary of \$170,000. This is the next generation. If I-- in testimony, I discussed this. If I'm a kid out there right now in the state of Nebraska and we can tell them the future's coming here and for you to pursue this and in three, four, five years when you're graduating to look at a future inside of Nebraska where you are going to be able to make this kind of difference and protect your fellow citizens and make this kind of impact to the world, as Senator Brewer said, we are protecting the world right now as we speak. We are keeping it from going into World War III because of the work that's going on at Offutt Air Force Base and the people that are serving their country. Thank you, Mr. President.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

HILGERS: Thank you, Senator McDonnell. Senator Erdman, you're recognized.

ERDMAN: Thank you, Mr. President. Good morning. There's been a significant amount of conversation made about how hard the Appropriations Committee works. We all, when I say we all, every one of us on the Appropriations Committee have been there at least four years, and at the end of each biennium we have a choice and we can choose to move to a different committee or we can stay there. And we've all made that choice to continue on. So we knew after the first two years what the process was and what the requirement was, and all committees in this body work hard. All of them. And I appreciate the fact that you recognize that we work hard in Appropriations, but I want to tell you that we all do. And every one of us, whatever committee we serve on, have our challenges. And in Appropriations, this year has been more challenging than the prior years. And Senator Wishart had commented about when we came in '17, we had a deficit of over a billion dollars and some believe that we made cuts and some believe that we did things to reduce our budget so that we could be balanced. But what we really did was we decreased the amount of increase. And we took out some of the fat, but we really didn't make any cuts about any signifi-- of any significance. But we filled in a \$1.1 billion hole. And I wasn't on Appropriations in '17, but I would say those that were there would have found that to be maybe less arduous than when we have a billion to spend. And so we had an enormous amount of bills come to us that we normally don't get because of the money that was available. And we try to make decisions that made sense that would be something that the voters would appreciate and the taxpayers would appreciate. And this will be no surprise to any of you in this room that I did not vote for every one of those bills you see in the budget. That's not a surprise to you because some of this money that we've appropriated, I believe, could have been used differently or maybe better. But it is a committee bill that came out and I voted for it because there are things in that bill that I think are important and there are things in there that I wasn't appreciative of or voted no. And as has been said on this floor, some will get some things and some won't. And some will be happy with what they get and others are going to be disappointed. But that's the way the negotiation goes. And so at the end of the day, we will make a decision on this budget bill. And as I said, some will think it's a good budget and some won't. This will be-- this is probably the first budget that I have voted out of committee. Because most often I don't have a dog in the fight and a lot of those appropriations don't affect me. But this bill has a lot of things in it that means something to

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

the people in my district and the people in agriculture and I thought it was important that I cast my vote in favor of bringing the bill to the floor. So what we're talking about here today, Senator Friesen--

HILGERS: One minute.

ERDMAN: --thank you-- Senator Friesen is striking the appropriations for the, the Offutt Air Force Base. He wants to make it a, make it a discussion issue, and I think it was wise that he bring that up. That's what this is all about. We have a discussion and then we decide what we should do going forward. And there'll be 25 of us will vote one way or the other and we'll know what the decision is. And so it's disappointing that a lot of these bills that are on the floor for discussion don't have a committee statement so that you can see what the support was or was not in Appropriations. So going forward, I would hope that when a bill comes to the floor, it will be like other bills and they will have a committee statement so that you will know what the support was and who it came from. So we will continue the discussion until we've gotten our questions answered and then we'll vote.

HILGERS: That's time, Senator.

ERDMAN: Thank you.

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

M. HANSEN: Thank you, Mr. President and good morning, colleagues. I rise to continue my thoughts on the overall state of the budget. I think I am inclined to support Senator Friesen's amendment for the moment in order to kind of show, again, if we're going to commit public dollars, it should be for the benefit of the whole state. And this does really, genuinely appear to be an issue that only selective people who have access to the base can have an issue to. And I think in light of our spending priorities and some of our other things, that's something we need to at least examine between General and Select. One of the things that I didn't really expect for this debate to turn on to so fast was the two large water infrastructure projects, the lake and the canal. And I didn't vote for the canal. I was skeptical, including I didn't fully understand the basic question of where does the canal-- where will the canal actually be built? Where will it start and stop? But I was skeptical of its efficacy and its benefit to Nebraska. I did vote for at least the first round of the lake bill because it did seem to be a balance of multiple recreation

improvements throughout the state that were going to benefit different regions and in initial study for here in kind of the Lincoln, Omaha corridor. If I-- if what I'm hearing from Appropriations Committee members is that both of those bills are continuing to be rivals of any other spending priorities, any other long-term investments in the state of Nebraska, I'm going to be harder pressed to support either of them on Select File. Again, I gave initial approval to the lake bill so that's something I'll have to kind of seriously consider. And I bring all that up in the sense that we have this opportunity-- we do have this opportunity to invest in a lot of things this year. It is between kind of the unique things in terms of direct federal dollars and ARPA, some initial federal investment that has stimulated our economy, some other things. We do realize we have some kind of short-term and one-time money to invest. And that's where I think there's some of these issues in some of these things that a number of us have been working on over the course of our entire careers in the Legislature. And I really want to flag and address some of those, and address some of those before we get to some of the things that have really only come up in conversation in the last year, in the last few months. For me, a big one is housing. Housing is going to be the thing that I think I staked the second half of my legislative career on working on it, supporting it in a number of different ways, and including that the kind of the notion of rural workforce housing versus the middle-income workforce housing, which between the two bills you have every city, it's either one is less than 100,000, one is more than 100,000. I have an amendment to increase the amount of funding to middle-income housing later. It granted is, I think, the 29th or 45th or something amendment on the budget. So we'll see if we ever get to it. But if that's a discussion about if we have an opportunity to invest. We know access to housing has been an issue and it's been an issue to my whole, my whole tenure down here. The state of Nebraska seriously has not recovered still from the '08 housing market collapse and all of the ripple effects in terms of construction and that industry on housing in the state. By all estimates, somewhere across the state, we're between 50,000 and 100,000 units short already, and it's not getting better with supply chain issues and price and increasing costs. I think there's a need. I think there's a desire and those are things that I know have had a need and desire prior to this ability of federal funds. We've already heard several people, Senator Albrecht, Senator Williams, speak about rural workforce housing. That's something I've been happy to support in the past. And we saw that, you know, pre-pandemic, we saw that a long time ago, and there's an opportunity to continue investing in those areas. Some of these other things that we're hearing of, including in this

year, including on some of the water infrastructure projects, you know,--

HILGERS: One minute.

M. HANSEN: --water security has always been a concern. But I had, you know, literally never heard of this canal or this concept until, you know, several months ago when it was announced. Seeing that being held up as a larger investment in a more hurried priority than something we know we've been struggling with for decades or, you know, my whole tenure down here is concerning. So again, that's kind of where I'm approaching all this. I generally don't like to hold up bills as rivals, but sometimes when you're generically talking about the budget and saying we've tied our hands in the budget because of the other bills on Select File, and I'll note that many times bills on their own typically just have their own A bills. We don't necessarily make room for it in the budget, so that's already held an unique standard in my mind. So with that, hopefully we get to vote soon this morning on this first amendment and we can go from there. Thank you, Mr. President.

HILGERS: Thank you, Senator Hansen. Senator Brewer, you're recognized.

BREWER: Thank you, Mr. President. I'm going to shift gears a little bit from talking about the need to tell the story of USSTRATCOM to talking a little about Offutt itself. So there's two types of reservations, fairly familiar with both of them; the military reservation and Indian reservation. Some ways they both have the same issues. But for purposes of our discussion here today, the challenge we have with Offutt or any base is that it has to be ready 24/7/365, has to be staffed and manned, and they can't leave. So if you're a member of one of those crews that's on alert when the klaxon goes off-- the klaxon is an alarm-- you have X amount of time to get to that aircraft and for that aircraft to be airborne. And you say, well, why, why do you have this limited amount of time? That's the amount of time it takes a Russian submarine off either coast to launch a nuclear missile. Probably a good reason to not be on the ground. But then that airframe has to then be able to assume the responsibility of running the United States government because it's assumed that Washington, D.C., will be gone. Now there's a lot of classified things I can't talk about, but just pause for a moment and think about that mission they have. OK, so they're trapped on this base, and part of the problem with Offutt is it's a small footprint. You take out the unusable parts, the parts that were flooded, the parts that are just for purposes of building something unusable. There's not much left besides a runway and what's there now. We bulldozed the golf course

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

that was on the base to build the new STRATCOM headquarters. If we make Offutt a place that's undesirable for airmen, you get a choice. At some point, the government will tell you where to go if there's not enough people that want to go to certain bases. And I, I would agree with Senator McDonnell. I think Offutt sits kind of in the middle. The community doesn't reject them. They support them, tolerate them. I'd like to get to the point where we welcome them so that it becomes a, a situation that people want to come and will stay here after their time at Offutt is done. But again, that mission they have is so critical to our country, because at some point those airframes are airborne for an unknown amount of time. Again, it's classified how long they can stay airborne, but you can make a lot of trips back and forth to Europe on that amount of time that they can stay airborne. The reason why STRATCOM came to Omaha was it has always been a, a bomber command, a strategic command location. I mean, it, it built the bombers in World War II. If you go up there and look at the giant building, which is really the recreation facility now, that's where the bombers were built, rolled out, and then took off from. So there's a, there's a history with Offutt that goes back to the Second World War of where they were very strategic to the United States. If you look at these projects, they're not extreme projects. They're just things that help keep a facility that's reasonable for folks to have available to use. And the military has a very fine focus of--

WILLIAMS: One minute.

BREWER: --of preparing to go to war; to find, fix, and kill the enemy. As I said earlier, all you got to do is turn on the evening news and see what's happening in the Ukraine, and you can see the potential that not just Europe, the whole world is subject to those kind of things and they are the guardians. They are that dome of freedom that makes sure that we don't have cruise missiles crashing into buildings. So I would just ask that you think carefully about not funding Offutt. I think it's important for Nebraska, it's important for Omaha, and it's important for our country. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Brewer. Senator Wayne, you're recognized and this is your third opportunity.

WAYNE: Thank you, Mr. President. Colleagues, I've been thinking since I got off the mike earlier. I think the problem what I'm hearing from multiple people coming up is that we just-- we don't have a full picture. And here's, here's what I'll say about committee process. Many times a bill comes out of our committee. I mean, I mean, just think of land bank, how many times that died because of Speaker

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

Hilgers the first three years I was here. We, we, we, we just don't always just approve stuff just because it came out. We have amendments. We kill bills. We change things. We do it all the time on the floor. But this is unprecedented amount of extra dollars, at least, that I can recall in this Legislature. So the process has to be different. So I just want to open up a crazy idea that I want to take this to eight hours and get on a cloture vote. And I want us not to pass cloture. We won't get to the ARPA bill until next week. We can't vote on something unless we see the language. None of us have a clear picture. Let's bring everything to the floor and let's have a conversation about where we're going. It takes 17 votes to stop the budget process. Nothing against the committee. It's just that if I had a bill that's unprecedented in my committee, I'm going to recognize it is going to be totally different than any other process. But we need to have that conversation because the spreadsheet that I got doesn't match what the paper reported, doesn't match the amendment that I actually saw in the committee as it relates to north Omaha, because actually it was every census track across the state and that a minimum amount will go to south Omaha and a minimum amount will go to north Omaha, which is not actual language on the spreadsheet. My point is, is we don't have a clear picture. I don't know enough about the Health Care Fund that I would love to have a conversation more about. And we're going to continue to have this conversation. But unless we know where all the cash is really going and what's out there and what projects, we're not on Appropriations, we don't know all the other projects. But there seems to be angst about where we're going and because of the amount of dollars, we're talking \$1.7 billion in extra money, \$1.7 billion. We should be able to see a clearer picture of where we're going. And the only way to do that is to start now. If we pass this bill on General File, we create the funds and we actually start the process. If you ever try to do an amendment on just this bill, you have to do an amendment on all three bills because they're all tied together. So, colleagues, I'm asking for a few people to step up, and I'm asking for people who say they care about north and south Omaha to step up to say, let's halt everything. This is the biggest issue we are going to be dealing with. The biggest issue that is transformative for this state. And we don't have a clearer picture and we're going to nibble our way through it until we get to a Final Reading and we say, hey, we forgot or, hey, we missed something or, hey, we didn't have a clearer picture. That's all I'm asking for. I don't like that we're giving private, private contractors who are supposed to maintain these dollars, extra dollars because they didn't maintain them on a facility that not everybody can access. Got a problem with that. But my bigger problem is, is everybody kept saying

north Omaha is going to get something. But the amendment, the paper, and what I was told personally were two different-- or actually three different things yesterday. And that's what everybody's saying, what's the big picture? The only way we get the big picture is to stop. And here's why I know that's possible because Senator Kolterman stood up last week and stopped a bill out of Telecommunications and said go back and have a hearing. That we got to get a full--

WILLIAMS: One minute.

WAYNE: --picture. But if we did that for a simple dig call hotline, how come we're not doing that for the \$1.7 billion transformative money that we are going to have in this body? So I think it's important. So we'll have eight hours on this bill, but all we have to do is stop one bill, and if you're afraid of voting on the main budget line, you don't have to. Let's just stop this bill. Bring everything out and have a broader conversation so we're not just seeing spreadsheets as we move down this process. Let's have a broader conversation. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Wayne. Senator John Cavanaugh, you're recognized.

J. CAVANAUGH: Thank, thank you, Mr. President. This is my first time talking on the budget, and I appreciate everybody's comments so far. And Senator Erdman, your comments made me think it's-- I think it's called the compliment sandwich, where you say something nice and then something bad and something nice, or it's like a spoonful of sugar helps the medicine go down. So I appreciate the work of the committee, obviously. I do think it is a big task. I agree with what Senator Wayne just said, though, that this is a big, big endeavor, a big project to undertake spending this amount of money and that we are having a very, I think, robust conversation thanks to Senator Friesen and Senator Wayne and others with Senator Sanders and Senator Brewer about this particular section. I think it's Section 5 of the, the bill that is one small portion of this. I think it's-- is it \$20 million, \$30 million, \$30 million total on that section. And I think we should have that level of conversation about all of the sections of this bill, everything. Those of us who don't sit on the committee and don't do all of that work that is much lauded don't-- aren't privy to all of the hearings. We don't know what didn't get put in here, necessarily, unless we proposed one of the things that didn't get put in. And we don't really know all the justification for all of the things that are put in here. And so I think it is important to stop, to slow down, to have that conversation on every little piece of this budget. And as to

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

Senator McDonnell did a, I thought, a nice job of describing the necessity and the value of the NC3, I think, is what it's described as. It's a \$20 million investment that, I just did some quick math, he said would create 400 jobs at an average salary of \$170,000 a year, which is about \$68 million in payroll generated by a \$20 million investment that is, that is actually going to be, as he said, the last dollars in, which means \$40 million of other investment. So \$60 million project that's going to generate \$68 million in payroll year over year. And that's not the houses that these folks are going to buy. That's not the, the groceries that these folks are going to buy with these jobs. And so that is the type of thing and the conversation we need to put in context when we're having these conversations is we are making investments in the state of Nebraska. We're making investments and we need to make a decision about which ones are the best and going to get us the most return on investment. And so Senator McDonnell made that argument, articulated the necessity for that as it pertains to that project. And I think it's important that we make sure that we talk about that. These projects, everything that's in here, perhaps we would all agree with all of them. We-- there may be some that some people just don't like for certain reasons. But the question is not whether or not you like a project, whether or not you think it has value. The question is whether it is one of the things that you're going to put ahead of other projects, whether it is your top priority, where it falls in the order of priority. And that is hard to understand without the whole picture, without understanding what other things we're, we're spending. And Senator Wayne is 100 percent correct that we've gotten some information about the other portion of this conversation we're having, which is the ARPA funds that is difficult to tell exactly how that money is going to be spent and where it's going to go and how, how it's going to address these priorities. And so it's important that we slow down, that we have these conversations, that we talk about every individual piece because even if you like every project-- I'm sitting here looking at, I see the YRTC-Kearney project. I'm looking at the back of Senator Lowe's head. You might agree with that project 100 percent. He's nodding his head. Of course, he agrees with that project. But ultimately, if we fund that project, that's \$15 million-- \$15,046,000 that can't go to something else. And that needs to be having that conversation in the whole context of everything that we're talking about. So I think it is-- I appreciate everyone slowing down, talking about these parts. I, I very much appreciate Senator Brewer and Senator Sanders standing up--

WILLIAMS: One minute.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

J. CAVANAUGH: --thank you, Mr. President-- and explaining to us the, the justification and necessity as they see it for this project. I, I don't know where I'm at on Senator Friesen's amendment yet because I'm still trying to-- I'm sitting here going through all of these other line items and putting things together and writing notes on things. This is-- it is coming fast. I'll push my light again because I actually rose to talk about something else. But I think it's important that we talk about every single section of this. And it's not an attack on the Appropriations Committee, it's not an attack on any one project. It is about having all of us take the responsibility and the due diligence of understanding the budget before we approve it. And before we pass on other projects that could have been funded and other things that, that need funding and make sure that this is the best budget that we as a body of 49 individuals can come to together for the state of Nebraska going forward in this bigger, more complex context of having the ARPA funds as well. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Cavanaugh. Senator Ben Hansen, you're recognized.

B. HANSEN: Thank you, Mr. President. First, I just want to thank the Appropriations Committee for all the time and work they put into this. Anybody who's looked through this book can tell that they've spent a lot of time and a lot of effort trying to, I think, carefully spend taxpayer money. And so I appreciate the fact that they are very thorough with this. I also want to just echo a little bit what Senator Cavanaugh just said about our ability as representatives of the people in our district to make sure that we ask appropriate questions, make sure that we do scrutinize every aspect of the, of the budget because I think that's our job. And it is not a knock on the Appropriations Committee, it's just us making sure that every dollar that somebody works and it comes to us that we spend it appropriately. I just do have a couple of questions for Senator Stinner if he would yield, please?

WILLIAMS: Senator Stinner, would you yield?

STINNER: Yes, I will.

B. HANSEN: Thank you. Just more of a procedural or a kind of process question. Is, is there a reason why the Appropriations Committee does not vote on the bills that are included in the budget, like in the booklet here?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

STINNER: Well, we, we are actually the only committee that has a time commitment. OK? And during our process, there's probably, oh, I'd, I'd say, in a short session like this, we probably had, I'm going to guess about 100 items that we had to decide on. So we used a faster mechanism so that on the 40th day, we actually can put a budget to the floor. Now on other bills outside of this, unless somebody asked for an actual count of a recordation, and we do that from time to time, a senator will request a roll call. But if we had to roll call everything, we'd probably be here until like August.

B. HANSEN: OK. All right. And this is maybe a question for Senator Williams, but maybe you can answer it. When it with-- when it comes to the university innovation agriculture facility, do we know how much that's going to cost the taxpayer after we build the building?

STINNER: After you build the building, this is an accompanying building to a structure that will bring in jobs, you'll actually gain, and it has to be matched by, by the university; \$25 million and \$25 million. So you will have jobs being created and taxes being paid by those folks who have the jobs.

B. HANSEN: Jobs as in, like, people who, like, innovate and--

STINNER: First of all, to build it. OK? There's jobs there. Second of all, once they build these structures, 165 jobs will be created that are science-- scientists, PhDs. Those type of folks will come in and actually do the research. But we need to have a mechanism to take that research to actual products and services. That's what the second level is. It's kind of an incubator-type thing.

B. HANSEN: The, the jobs that we do create, who pays for those jobs?

STINNER: Research grants. They are not, they are not to be taken out of the state budget.

B. HANSEN: OK.

STINNER: This is all research.

B. HANSEN: OK. And when it comes to the, the, the Military Base Development Fund that pertains to the amendment, I think, that we're talking about here, is it typical-- again, this, this is more because I just maybe don't know, is it typical for us to fund federal facilities?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

STINNER: I would say this-- and I asked that question and other, other communities have done these public-private partnerships before. If you want to make your way through BRAC, the communities that do these types of projects enhance these, these facilities show that they want to participate in a-- in an active role--

WILLIAMS: One minute.

STINNER: --in maintaining jobs and people there. Those are the ones who usually survive BRAC.

B. HANSEN: OK. And when you say communities, are those local communities or is that you talking about the state?

STINNER: No, there's-- well, Cheyenne has a big-- which I'm very much familiar with. They participate on an ongoing basis in different developments around the base, on the base to make sure that, you know, they have an adequate facility to attract and retain the people there because there are families that live there.

B. HANSEN: All right. Thank you. Appreciate you answering my questions. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Hansen and Senator Stinner. Senator Gragert, you're recognized.

GRAGERT: Thank you, Mr. President. I just felt it is my duty to get up and talk a little bit about this Offutt Air Force Base after spending 40 years in the military and traveling around the world to a lot of air force bases, spent four years on Travis Air Force Base in California. Of course, geographic location is, is very important. A lot of, a lot of things go into decision of why Offutt Air Force Base is where it's at. But I got to tell you, after traveling around and, and visiting many, many air force bases, Offutt Air Force Base has its mission. But more importantly, Offutt Air Force Base isn't there for Sarpy County or Bellevue, Nebraska. They, they reap the benefits maybe being right next door, but Offutt Air Force Base is there for the state of Nebraska and, more importantly, our nation. The geographic location is strategic for why it's there. We need, we need to look at this as was stated earlier. This is an investment in keeping this, this base in Nebraska. I can't imagine the defense spending that goes on and comes to Nebraska because of Offutt Air Force Base. And, and, again, some of these bases that were closed, I-- when I was in the military in the 1980s, air force bases and, and military bases were starting to be closed down because of were they really needed anymore.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

Offutt Air Force Base went through that. But a lot of bases were closed down for many different decisions-- or reasons. But the-- in that decision-making process was a condition of that base. It's important for, for us to put a little into, into the investment of Offutt to keep it in Nebraska. We, we oftentimes don't realize really the importance and until discussion today, probably a lot of us really didn't know how important Offutt Air Force Base is to Nebraska. If, if I can, I'll just kind of correlate some of my experiences with the four deployments I made to the Middle East with the Army National Guard Nebraska. Nebraska invests into the National Guard as it should into Offutt. And I've seen some of the best aircrafts. I got to fly some of the best aircraft because of the maintenance that was provided in Nebraska, because Nebraska put money towards, towards that maintenance. We, we look out for Nebraskans, especially in the, in the National Guard. And that's just another way to, to say we're, we're committed to the military and we're willing to put some money and invest money back into the military and keep those bases and that military installation here in Nebraska. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Gragert. Senator Erdman, you're recognized.

ERDMAN: Thank you, Mr. President, and good afternoon or good morning again. I guess it is still morning. Unless I left the wrong impression, I'm not trying to say that the Appropriations Committee did not work hard, did not accomplish their purpose, they did. The point I was trying to make, we all, all committees work hard. And I was reminded by one of the Appropriations Committee members that we did make some cuts in '17, but the point is this, every one of those agencies that we may have taken money from or decreased the increase are still here. None of them failed. None of them went away. That's the point, all right? And I would be remiss if I didn't comment about the committee statements in Appropriation, all right? Senator Stinner said if we didn't vote by five hands, we'd be here till August. There was a significant number of bills that I requested a record vote and it may have taken two minutes, maybe three to take those votes. I went into the Appropriations Committee office here a week ago and asked to get a copy of all the recorded votes. I've never seen that. So what I'm trying to tell you is if the Appropriations Committee think it takes too much time, how does that circumvent the rule? And the rule says every committee shall have a committee statement. How does that circumvent the rule? How does it circumvent the constitution that says all votes shall be recorded so that someone in the public can review your vote? How does it circumvent that? It doesn't. Every bill that shows up on this floor should have a committee statement, no matter

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

how long it takes. That's the rule. And Senator Stinner is right, we do a lot of show of hands of five, and if you get five, you move on. Most often those bills aren't-- it's an amendment or some other portion of the bill we're talking about. It's not significant enough to have it recorded. But in every one of your other committees, when there's amendment, there's a recording-- recorded vote. And when the bill comes to the floor, there's a record vote that shows who supported, who voted yes, who didn't vote, and who voted no. Appropriations doesn't get a pass. Appropriations Committee doesn't get a pass on having committee statements. But we've allowed this for years, and we just think it's normal. It's not. So going forward, we need to figure out how to implement and we also need to figure out how to enforce the rules that are in our book, that are in the Rule Book. We have to have a committee statement. There are two bills that you've seen yesterday that came from Appropriations, LB977 and LB1163. Both of those bills have a committee statement. This bill today, LB1012, had a committee, had a committee statement. They can do it. It's not impossible.

WILLIAMS: One minute.

ERDMAN: It's not difficult. It doesn't take till August. That has been one of the things that has bothered me ever since the first day I walked into Appropriations. You as the body here, when you're considering a bill, should know exactly what the support was in the committee, but you don't. And you won't be able to see that I voted against the trails and other things that I voted against as well. But that is water under the bridge. But going forward, we need to fix this. Thank you.

WILLIAMS: Thank you, Senator Erdman. Senator McKinney, you're recognized.

McKINNEY: Thank you, Mr. President. I yield the balance of my time to Senator Wayne.

WILLIAMS: Senator Wayne, you're yielded 4:54.

WAYNE: Thank you, Mr. President. Thank you, Senator McKinney. Senator Erdman, I agree with you. So what we do in our committee and I think every committee is we vote on each bill that we want to advance and then we vote on a big package at the end. And that way, you can go through and read each committee amendment separately as part of the big package. And I recall this issue came up two and a half, three years ago and Speaker Scheer at that time said this is how the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

committee should do it at. And every committee has done it since then, except for Appropriations. Colleagues, that just goes back to my point that today I don't know if we'll take a vote on any of these amendments. There's one amendment about Standing Bear I'd like to take a vote on. I probably will file a motion to recommit just to see how many people are willing to recommit this. It's not, it's not a negative. It's just this is unprecedented times with unprecedented amount of dollars. And I don't think we should nitpick and move along real, real fast on some part, slowly on the other parts because then we get discombobulated. And I'll tell you the best example of this, in which I was 100 percent against was LB1107. If you remember how this body did LB1107 is we put everything together and moved them together. That way, everybody who maybe didn't trust on one side got to see everything move together so everybody can get to the finish line at the end. But I'm supposed to go on blind faith that north and south Omaha are going to get their dollars when we don't have it. And people may think that all I've talked about is north or south Omaha, on the mike, yes, but look at the bills I introduced. I think there should be a Standing Bear museum. I think in the Niobrara area, that is a draw for tourism that we need, that it doesn't make sense that I can go to South Dakota and see Standing Bear artifacts. That makes no sense to me. And there is a national draw for that. That should be funded. I had a bill on that. I think when we move out in the Chadron area and Fort Robinson, the history of not only Native Americans, but African-American soldiers, we should invest in that area. I've always called it like the triangle, starting with Ogallala going to Niobrara going to Fort Robinson. That is an area we should invest in, that it doesn't make sense when I cross the border going to south, there is camping and hunting and fishing just everywhere. And then when I come back to Nebraska, that's not as big or not as much. I introduced bills on all that, but I had to pick a priority. My priority was north and south Omaha. But I have an amendment to try to get a, a film done for Standing Bear. It's about all Nebraska. My only point is, is if there is committee statements that need to be read, which I think we should have copies of, you wouldn't let my committee get away with that. If we have unprecedented amount of dollars and unprecedented time, why aren't we seeing the whole chess piece? Why aren't we seeing the whole puzzle? So at the beginning when I said we should slow down, it was because I wanted to see the whole board. I don't want the board tucked away in the committee and then we come to the floor and we can't see it. I, I might let go, even though I'm not necessarily in favor of having a selected group of taxes go to an organization that won't allow all Nebraskans to access it. But in the grand scheme of things,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

if things are moving and overall the better-- the picture is better for Nebraska, I might not die on the sword for it.

WILLIAMS: One minute.

WAYNE: But I can't see that. I don't see the board. How's Grand Island play into this? How does North Platte play into this? How do we fund rail projects, but not maybe inland ports? That leaves out Sidney because Sidney is looking at inland ports. Maybe we should put some money there. How are we going to take care of all Nebraska if we piecemeal this process without looking at the whole board? That's why it's important that we stand right here, we stand strong on this one. If we don't, then we're not, we're not going to be able to stop it once it starts going. Trust me, I got rolled on LB1107. Once you start, once you start getting rolled over with the bus, you can't stop it. They just keep backing up and keep going over you. This is the only place to stop it. And I'm saying use LB1107 as an example. Move everything together so everybody can trust the process and we can't do that in the current process we're in.

WILLIAMS: Time, Senator.

WAYNE: Thank you, Mr. President.

WILLIAMS: Thank you, Senator Wayne and Senator McKinney. Senator John Cavanaugh, you're recognized.

J. CAVANAUGH: Thank you, Mr. President. I agree with that statement about, well, again, everything. But in general, the committee statements would be helpful. But I-- so I originally was-- rose last time to talk about the, the Perkins County Canal Project Fund. It's been brought up, I think, by a few folks. But the thing that jumped out at me in the particular appropriation here is obviously, I think everybody recalls, I had my questions and concerns about the canal project as we moved the original bill that I think remain unanswered. But so the part that leapt out at me in the appropriation is that the funds, any money in the Perkins County Canal Project Fund-- oh, wait, let me see-- OK, the department shall use the funds for design, engineering, permitting, and options to purchase land related to building a canal outlined by the South Platte River Compact and the contract with an independent firm for the purpose of completing a study on such canal. The study shall include, but may not be limited to the following: cost to the completion of the canal and adjoining reservoirs as outlined in the compact, timeline for completion of the canal and joining reservoirs as outlined in the compact,

cost-effectiveness study examining alternatives, including alternatives that may reduce environmental and fiscal impacts, and the impact of the canal on drinking water supplies for the cities of Lincoln and Omaha. So the reason that jumped out at me is we-- we're having a conversation, we had the question, actually, it says in our briefing book or on page 8 that the Governor's budget recommended \$400 million for the Cash Reserve Fund and \$100 million from ARPA funds for the canal. And I appreciate the work that the committee has done to cut that number down to \$53,500,000, although I still think that that number may be a bit high. And the reason is what this money is for, among other things, is to study whether we should do this canal, to study whether or not there is an alternative to this canal that has less of a negative impact on the environment, make sure that-- and, and it's not-- there's a most cost-effective method, the impacts of the canal on drinking water of Lincoln and Omaha. Of course, we should make sure-- and not just Lincoln and Omaha, but anybody along the, the path as well. These are questions that should be determined, we should understand fully before we are appropriating large sums of money towards this project. What if we conduct these studies and find all of these things in the negative, meaning that there is a less costly way to do something, that there is a less environmentally impactful way to, to obtain these water rights? That if we do this canal, it will adversely affect the water rights of Lincoln and Omaha or the water supply of Lincoln in Omaha? And then we've already appropriated \$53 million and optioned land in Colorado, prepared engineering studies for a canal that will not be built. We're moving very quickly, as we've all talked about-- a lot of people have talked about how quickly. Senator Erdman talks about it a lot, how quickly we're moving. But in this particular project, we were attempting to spend \$500 million before we've done any of the homework, before we've made any determinations about whether we should undertake this project at all. And those are not even the questions that I've asked about whether or not if we build this, if we will actually get the water that we're talking about and being promised. And so those are questions that need to be answered. And is there an appropriate amount of money to make those determinations to do that research, to make those findings? There probably is. This is a serious project. I've, I've said before that this is-- there's a serious need to make sure that we secure our water rights in western Nebraska and for the whole state of Nebraska going forward and making sure that we have access to water that we are entitled to. But we need to answer a lot of questions before we spend all of that money to, to do that, and we should not just appropriate a large chunk of money because we have it,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

because there are other ongoing projects, there are other projects that may be more timely.

WILLIAMS: One minute.

J. CAVANAUGH: Thank you, Mr. President. There may be other projects that we could undertake now with some of that \$53 million, \$53,500,000 that we could appropriate this year to use for projects that are necessary now. For some of the projects that Senator Wayne just talked about, some of these other projects that we could be spending that money on that we shouldn't be spending on a project that we haven't done our homework on yet. So the appropriation specifically lays out the things-- some of the things, I actually think we need to do more than this-- but it lays out some of the things that we need to do, we should do before we appropriate a large chunk of money. Fifty-three million dollars that we are not ready to appropriate, we should not be appropriating. I appreciate the committee's work to cut that number down from \$500 million to that \$53 million, but I do think it should probably be a lower number. And I'll push my light and get back in. Thank you, Mr. President.

WILLIAMS: Thank you, Senator John Cavanaugh. Members, Senator Hilkemann would like to introduce 63 fourth graders from Cottonwood Elementary in Omaha. They are seated in the north balcony. Would you please rise and be recognized by your Nebraska Legislature? Returning to debate. Senator Moser, you're recognized.

MOSER: Good morning, and thank you, Mr. President. So for those of you who are at home kind of wondering where we're going with all this, the Appropriations Committee spends hours sorting through all the possible expenses that the state could fund. And they come up with a recommendation usually based on the budget that the Governor originally recommended and then they advance it to the floor for us to talk about. And for all the work that goes into putting that budget together, it's pretty easy to understand how some members of the Appropriations Committee would feel a little bit askew. They take a kind of a sideways look at people sniping at their budget, but this is kind of our time to talk about it. You know, those Appropriations Committee members have a lot of power in that committee because what they say usually happens. And so, you know, those of you at home that are trying to score what's happening here, it's pretty hard to diagram the, the debate. My principles for moving forward would be that we don't spend ourselves into a corner. We don't raise our base expenses so much that in future years, we have to have cuts in order to balance the budget. And since we have the windfall of ARPA and some of these

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

funds, we had the, the asteroid that struck the Earth, COVID, and we're trying to recover from that. That was the bad part. OK, the good part is we've got ARPA money that we can use to try to help recover from the damages that COVID did to our economy and to our citizens. But I think we want to spend that ARPA money on things that are one-time expenses, not to create new programs that we're going to have to fund every year. And I think we should bank some of that. I-- looking out into the future, the predictions are that our revenue is going to be flat or possibly negative. And in other words, it would go down. And if we've increased our base and then we have revenue that goes down, we're going to have a big pinch. And you know, that's, that's not-- it's not good business. It's not good budgeting to put yourself into a situation like that. It'd be like buying a house that you can't afford and then when the taxes come due, you can't afford to pay the taxes and then pretty soon you're in trouble. You need to plan, you know, what, what we can afford to spend, what our revenues probably are going to be, and then make that fit. So this is going to take hours. And I don't, I don't begrudge anybody spending the time to get it right. We're spending \$5 billion. However long it takes, it takes. Thank you.

WILLIAMS: Thank you, Senator Moser. Mr. Clerk for items.

CLERK: Mr. President, amendments to printed: Senator Wayne to LB1011 and LB1013. Mr. President, Senator Wishart would move to recess the body until 1:30 p.m.

WILLIAMS: Members, you've heard the motion to recess until 1:30. All those in favor say aye. Those opposed say nay. We are in recess. The queue will be kept for after lunch.

[RECESS]

FOLEY: 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.

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

CLERK: Two items. Amendments: Senator Lathrop to LB519, Senator Brandt to LB741. That's all that I have, Mr. President.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

FOLEY: Thank you, Mr. Clerk. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign the following three legislative resolutions: LR318, LR319 and LR320. If members could please come to order, the speaking queue has been preserved from this morning. Senator Hilkemann to be followed by Senator Jacobson, John Cavanaugh and Senator McKinney. Senator Hilkemann, you are recognized.

HILKEMANN: Thank you, Mr. Lieutenant Governor. I rise-- I haven't spoken much today on this, but there were-- some comments were made about the new USDA project that, that was approved in this budget for \$25 million by-- was brought by Senator Williams. And I'm going to just share with you a little bit of my eight years of experience here, that eight years ago, when I came to this body, there was an appropriation for \$25 million for the Innovation Campus. It was revolving-type funds. And they took us on a little trip out to see the Innovation Campus back then. And frankly, it was just basically leveled dirt. And I thought, wow, I can't believe what's, what-- you know, that they want \$25 million. I was, I-- they needed to sell me on it. There was one, they took us to one greenhouse type of a, of a, of a facility that they had there at the time. And of course, there was some of the remodeling that have been done on some of the barns and there were structures that were there. But I thought, wow, I'm surprised. But we kickstarted that, we gave them the \$25 million. And I've been to the Innovation Campus several times for different events over the course of the, of the eight years here. But two weeks ago, we were given a tour of the Innovation Campus again. Wow. To see what has happened with that Innovation Campus today, full restaurant, cafeteria there to have dinner, new hotels going up, going to be managed by the Marriott. And we went to the Innovation Commons and we saw the different industries that are-- there have been companies that have started there and have already been publicly sold. And we went to one of the surgical images type of the company there that's developing a laser-type robot surgery, state of the art. And this company too is growing and will someday probably become bought out, become a public company. Eight years ago, when we went, we found out that almost all of the, what was occupied at the Innovation Campus was the university itself. Now, over 50 percent of the Innovation Campus is, is rented out or used by facilities other than the university. So we look at \$25 million for the USDA project, one-on-one dollars. Believe me, with what has happened, we're going to get our money back and more and more and more with that, with that investment in the Innovation Campus. At the same time, eight years ago, I actually carried a bill for UNMC for the iEXCEL project. It was a \$25 million expenditure, a very big

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

expenditure. It's for simulated learning. We had, we had to-- actually I had to learn a little bit about what I was sponsoring, took a trip out to Ohio, to, to Toledo, Ohio, to look at a project. That iEXCEL has now been completely developed, and if you ever get an opportunity to take a tour of the iEXCEL, please do. That \$25 million that we invested, before it was even done, they had money from the private in-- from private individuals for over \$100 million.

FOLEY: One minute.

HILKEMANN: And then they ended up getting-- the CDC took another portion of it, adding another \$25 million. So that \$25 million of public-private money that we invested as a Legislature into our University of Nebraska has parlayed into a world-class, a world-leading educational facility for our medical students that we will use across our state and around the world as the Davis Global Learning Center. There were attempts at that time to take that \$25 million and put it into the Property Tax Relief Fund, had to withstand that on the Final Reading. I'm so glad, I've thought about what that \$25 million should-- would have been put into the Property Tax Relief Fund, some people would have gotten a few dollars-- to think what that's done for our University of Nebraska. So I've seen what dollars invested at the university have done, and I can tell you that, that I feel that any dollar that we expend there, that they spend it wisely and that they're growing our economy, they're growing jobs.

FOLEY: That's time, Senator.

HILKEMANN: Thank you, Mr. President.

FOLEY: Thank you, Senator Hilkemann. Senator Jacobson.

JACOBSON: Thank you, Mr. President and members of the body. I first too want to just echo my thanks to the Appropriations Committee for the work that they've done, I'm still trying to imagine what kind of person it takes to spend five days a week in committee hearings and weekends and late nights, particularly this year, to deal with all of the spending requests, and certainly when you start looking at the dollars that they had to work with and try to allocate. I can also appreciate the concerns of the rest of the members of the body on wanting to get their input into each of these bills and if it makes sense to do so. And, and hopefully we're going to get to the finish line and, and we're going to get to what we think maybe is fair at the end of the day. I do want to specifically comment about a couple of things. One thing that was raised by Senator John Cavanaugh earlier

this morning with regard to Perkins County Canal. As you recall, that project, the Governor had, had requested \$500 million, which was basically to do most of the work on the canal. The committee has scaled that way back to \$53.5 million. Those dollars would basically be used coming from the Cash Reserve. It would go to the Department of Natural Resources to contract with an independent firm to determine the cost of the canal, the potential for water that could be diverted and the timeline for permitting the drinking water benefits that may exist for cities and such as Lincoln and Omaha from the canal's construction. Those findings are to be done by the end of this year. We've talked a lot about feasibility studies. That's what this is. This is a feasibility study. The dollars would also be used to option the land. I would tell you that if you start doing a feasibility study and you start figuring out where the canal is going to go, if you don't have the option on the land, it's going to get pretty expensive at the end of the day. So it's incredibly important you have the land at least optioned before you purchase it, or you're going to have a lot of difficulty in being able to get that price where it needs to be. So I think that that \$53.5 million is a critically important. We are on a timeline. Colorado is not waiting, they're moving forward and continue to allocate water and structures that are going to divert that water. The time for talking is long past. We've got to make a decision this year with the dollars that are available. Are we going to move forward and stare Colorado down and get our water? Or are we going to for-- go forward and just say, we don't need that water, Colorado, we surrender. You can have it. I think this is a very important project. Speaking of feasibility studies, I want to-- I know Senator Wayne has raised this many times, and I respect Senator Wayne in terms of his intellect and the issues that he brings up. And for the most part, we agree on a lot of things. I would tell you that as we start looking at the rail park, LB788, I would refer you to there is a feasibility study that's been conducted for the North Platte/Hershey area. My staff will be getting your copy of the feasibility study. This feasibility study goes into how North Platte would utilize \$30 million to begin their project. We've already optioned 25-- we already have available under contract, 25 acres where the current rail park facility had been between North Platte and Hershey. There's also ability to get another 294 acres, basically get us up to 300-acre site. North Platte, as you know, as the home of the UP rail yard, and because that rail yard has been there, we've been restricted on the ability to get any more spurs. So there's only one spur and that went to the Greenbrier site, which is where the site is that North Platte plans to use to build that rail park facility. It's also the site where they intend to get inland port authority to be

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

able to do that as well. When you look at the access to rail, access to the interstate, access to Highway 83 north and south, it's a perfect site for this in the middle of the state. But with that said, we're ready to move forward. There is a feasibility study done. You'll get a copy of the feasibility. We're ready to move forward to build out the site.

FOLEY: One minute.

JACOBSON: We're also prepared-- thank you, Mr. President-- we're also prepared and worked with a number of companies who are prepared to come in and begin construction. This is a game-changer for our part of the state. If we're going to try to keep the exodus of people from leaving western Nebraska, moving to Lincoln and Omaha and overburdening your school system to cause you to build new schools, let's keep them in the schools that are already built in our part of the state and create quality jobs. And we think that's what will happen if this can get done. So I'd appreciate your green vote as we move forward. I'm going to be generally supportive of the Appropriations Committee's recommendations, and I hope you consider this as we move through. Thank you very much, Mr. President.

FOLEY: Thank you, Senator Jacobson. Senator John Cavanaugh.

J. CAVANAUGH: Thank you, Mr. President, and thank you, Senator Jacobson, for your, I'd say on-point and relevant comments to my previous comments. And I appreciate people engaging on a very substantive way about this conversation. And that response certainly does give me something to think about, bringing in relevant content as to how we talk about what is the appropriate amount of money to spend here. And my comments, of course, were to the suggestion, the position that we shouldn't-- we should do this study before we allocate a larger sum of money. And Senator Jacobson, I think, correctly pointed out that sometimes when you delay conduct, it can end up costing you more money. And so this is, it's one of those questions of how much-- when do you allocate the money, how much time-value of money, I think is what they call it, where the cost of things go up over time. If you don't spend it now, we'd spend it later. And that's one of the arguments that we've had on a lot of these big investment projects, is that the Perkins County Canal would have cost us a lot less money a long time ago. Senator Hughes actually pointed out about how much Lake McConaughy cost at the time, and we've gotten so much value out at-- out of McConaughy in the generation since we built it and made that huge investment. So those are relevant considerations and those are important things to talk about, about-- as we decide how to spend this

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

money and when to spend it. And my point about raising these questions is that we, and I think Senator Jacobson just had it passed out, it looks like a feasibility study that he was just talking about, and I look forward to looking at. But we have-- a lot of these things we've examined, we've gone through, we've talked about. Senator Wayne talked about they've got a plan and a study for how to invest in north Omaha, and that when we choose to spend money on things like the site preparation, purchase, land options for the canal, we are choosing not to spend it on something else. And on this particular case, and there may be others if I go through with a fine-tooth comb, which I would like to have the time to continue to do. But if you go through it, you, you see that this is one in particular where we haven't done all of the requisite homework, where we haven't made those determinations. And my point is, why are we optioning land if we are not certain that we're going to build it? And I know everybody says we need to build it, this is important. This is a really big project. This is transformational, generational, forward-looking, all those sorts of things. But the point of the articulation of the study in this bill itself says it is in question as to whether this is the right thing to do. There is a question that needs to be answered before we spend this money. And so if you want to spend the money on this, I think-- I mean, I have said it repeatedly, I probably in the end will support the canal at some point in the future because I think that there has been an articulated, a long-term look, perspective as to why we should do this and how important it is that we secure that amount of water, the rights to that water in perpetuity and we perfect that right to ensure that we have that water. However, we need to make sure that we are doing it right, we're going through the paces. We're making sure that when we build this project, we do it in the right way. We do it in the least impactful way to the environment, to the water supply of our communities, that we get the maximum benefit for the least cost and that we guarantee that we actually get that. And I think those questions remain unanswered. And that would be helpful to engage in this study that's laid out in the bill here before we become pot-committed, we go put more money in after this money, that we should only put in the amount of money required to execute the study to make those determinations, answer those questions before we start putting up the rest of the money. And once we have all those questions answered, yes, there probably-- there will be a substantial investment required, much more than the \$53 million-- \$53,500,000 that is currently in this budget. But and as we said before that the original request was \$500 million, and we had conver--

FOLEY: One minute.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

J. CAVANAUGH: --thank you, Mr. President-- had conversations that it really probably will be more than that. But we can't answer any of those questions. We can't say what the true cost is. We can't say what the true hurdles are unless and until we engage in this type of objective, impartial outside research answering these questions. And we should do that before we spend, commit all of this money. And before we commit money that we have now and we should-- we shouldn't just commit money just because we have it. We should make sure that we're making the smartest investments in the time that we make them to the things that get us a maximum benefit, like some of the projects that have been talked about here today. Thank you, Mr. President.

FOLEY: Thanks, Senator Cavanaugh. Senator McKinney.

McKINNEY: Thank you, Mr. President. I yield my time to Senator Wayne.

FOLEY: Senator Wayne, 5:00.

WAYNE: Thank you, Mr. President. Thank you, Senator McKinney. We're back after lunch, feeling great. Everybody got a little energy. I just wanted to let everybody know, I now know why my feasibility study that we put out for the north Omaha plan was not accepted. I did not print it in color. If I had printed it in color, we wouldn't have to go through and create a new committee and do all this extra work, so I've learned. We even used the same font and it's about the same size of paper, so, yep, just the color part that I forgot to, forgot to do. I'll remember that next time. Colleagues, we're still talking about AM2344. Again, in no way am I-- am saying that this-- we are here to not to support the military. I do got a couple of questions for Senator McDonnell, if he would yield.

FOLEY: Senator McDonnell, would you yield, please?

McDONNELL: Yes.

WAYNE: Senator McDonnell, has the NC3 already been established and started?

McDONNELL: NC3 was awarded to the state of Nebraska through the, the Air Force in, I believe, 2018.

WAYNE: And they are currently housed in the STRATCOM new facility?

McDONNELL: I don't know exactly where they're housed.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

WAYNE: So what, where-- what is the difference without-- I don't want to say where, because it might be top secret. What is the difference in the facility they have now versus the facility you're trying to help facilitate?

McDONNELL: So based on the \$80 million facility that would bring private and the military-- and the private money into and the military money and the, the private sector working together to look at our next generation of software for our nuclear mission.

WAYNE: Has construction already started on this project?

McDONNELL: No. The city of Bellevue is looking at sites because they're also part of the partnership. They would have \$5-plus million into land and infrastructure.

WAYNE: So we're-- this is-- you're proposing about five times what the city is proposing to put in?

McDONNELL: No. Well, the city is looking at-- we're looking at \$20 million, the city is looking at \$5-plus million, the remainder coming from the private sector.

WAYNE: So four times. I'm just trying to get the number right, so we talk about north Omaha, whatever the city puts in for Omaha, we can do four times. So I appreciate that. The reason why I was asking those questions is the body-- thank you, Senator McDonnell. The body always gets upset about TIF, right? We always talk about the but/for test. My question to you all is what but/for test is going to happen on golf courses? What but/for test is going to happen on improvements? What real data do we have but/for we make these improvements, all of this is going to go away? When you look at the NC3 project, I think that'll happen either way. I think we can lower the amount or eliminate the amount. I'm not opposed to it. I think we should as a state develop in next-generation technology, although I'm against nuclear weapons. I do believe that but/for has not been answered when it comes to many of the things we're going to talk about. Many of the things where we talk about putting money into water, but/for if that doesn't happen, if you were in Natural Resources, we kind of heard clearly but/for from the AG in their perspective, in their Opinion. We may disagree, but they at least made a case for the but/for. What I don't see in, in the underlying bill when it comes to this particular sections of landscaping, lakes-- and by the way, the construction on the lake has already started. I know I can print out the document because they actually bid it over a year ago, and I was one of the contractors who

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

did not bid on it. My point is, is there's already been federal allocation dollars. Those projects are going to happen. In addition to that, why are we, and I'm going to say it again, supplementing private contractors who already have the contract to maintain those housing units? In what other world are we doing that? And we can't just say because it's STRATCOM, because it's the base. There has to be more. So what I'm going to ask everybody to do, including challenging me on LB1024, when or if it comes up, ask me the but/for. And if I don't have the data and I don't have the testimony and I make sure that I don't have that information for you, don't vote for it. But nobody can tell me improvement on-- and if you never played Willow Lakes golf course, it's actually a really--

FOLEY: One minute.

WAYNE: --good golf course. I've actually played there multiple times. What improvements are really going to change that to keep a serviceman or woman to stay here? By changing the track and field, what are they-- they don't compete in high school track and field. I mean, it's literally just a track that people sometimes run around. They have-- they're already getting renovation on their field house. And again, not every Nebraskan can access that. In fact, most Nebraskans can't. That's what I'm saying here, why we should vote for AM2344. Thank you, Mr. President.

FOLEY: Thank you, Senator Wayne. I see no further discussion on the amendment. Senator Friesen, you're recognized to close on AM2344.

FRIESEN: Thank you, Mr. President. Well, I think we've had a pretty good discussion on this amendment at least, and we've covered portions of the other parts of the bill. But I think we'll probably get a little further into some of the others yet. But one thing I, I just want everybody to be thinking about as we move forward here and we're doing this, we're, we're looking at all of the different funding things that we have proposed in front of us here, and which one rise to the priority that we as state senators should make sure we fund. And when I go through this list again, I'm kind of with Senator Wayne, I'm trying to figure out why we need to do the track and field and a parade ground and walking trail, base lake improvements, you know, rooftop gardens, those types of things. And it's on a military base where the average citizen can't use it. And we do support our military, we have authorized funds over and over and over again to help make Omaha a better place for our military that serves there. And I think Omaha and Sarpy County and some of those other communities have done a lot also, and I think it is one of the top bases where

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

people do come and serve. But there has to be a limit. There's other parts of the state, I think, who have priorities that would exceed these in my book. They're not going to make STRATCOM any more efficient, any more-- it isn't going to help them do their job. Yes, it's amenity, but I'm not convinced that it's our job to be funding some of these things. And that's what I want people to think of going forward. We have this year since I've been here, I mean, when I first started here, we had \$740 million in our Cash Reserve. And I, I remember our spending, I think, was in that 3.5 to 4 percent range and there was plenty of money for everybody to spend on the floor. Within a year, that money was gone. And for a number of years, we didn't have any money to the floor. Times were tough. And now, with all the influx of federal dollars, we have too much. We're going to drive up the cost of things, we're going to drive up inflation because we are going to spend, spend, spend. What are our priorities? As a term-limited senator, I'm more than willing to leave some money for the next body to spend, the next Governor to decide what their priorities might be. They'll have a good long summer to work on those issues and come up with maybe better ideas that maybe benefit the whole state. I know we've spread money clear across the state, but again, my district, there's no ARPA projects. That's OK. We've been doing things our own way, but we still haven't fixed how we fund our K-12 education system. And that's one of the things that has eluded me in my eight years here. And so as we look at priorities, that's my number one priority yet and we're not going to do it again this year. So I just want people to be aware of what we're dealing with here, where your priorities are because I think we're going to have lots of opportunities down the road in the next few days as we work on the budget and we work on these transfers and we work on ARPA spending. We're going to have to make some choices on some priorities and I just want people to make the most informed choice that they can. With that, I will withdraw my amendment, Mr. President.

FOLEY: Thank you, Senator Friesen. AM2324-- AM2344, excuse me, has been withdrawn. Mr. Clerk.

CLERK: Senator Frisen, I have AM2345.

FOLEY: Senator Friesen, you're recog-- you're recognized to open on your amendment.

FRIESEN: Thank you, Mr. President. Again, this is my number two amendment that I had up there, and it talks about trail development and maintenance. This one, too, doesn't rise to the level that I think it should be at. I know it's just \$8.5 million, I believe, but I want

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

to hear some of the discussion on how this is a priority for the state and what it's going to do to help, you know, grow rural Nebraska. I'm, I'm familiar with the trail system up there. I have not ridden on it. I don't know how much it's getting used, so I guess I'd like to hear for some people to know exactly what's happening with the trail there. What, what the investments have been previously, what the real need is. Does this get the trail system totally finished and maintained for the next 20 years? So I'll be listening and waiting for people to have this discussion to see once where this is on everybody's priority list. Thank you, Mr. President.

FOLEY: Thank you, Senator Friesen. Moving to discussion on the amendment, Senator Hilkemann.

HILKEMANN: Thank you, Mr. President.

FOLEY: Senator Hilkemann, if I can just interrupt you for a second, I forgot to recognize we've got 29 sixth graders from the Tri County Schools in DeWitt, Nebraska, Senator Brandt's guests. If those students could please rise, we'd like to welcome you to the Nebraska Legislature. Now, Senator Hilkemann, sorry.

HILKEMANN: It's nice to have the kids here. Thank you for being here. Senator Friesen, the \$8.3 million is, is an appropriation to complete the MoPac Trail. This is-- the MoPac Trail begins at, on the Missouri-Iowa border, comes north, comes up to Council Bluffs, a trail called the Wabash Trace, which has been well-used and been around for a long period of time, comes through Omaha and comes down to Lincoln, passes by Senator Clements' home within a few blocks and then ends up basically at the Nebraska-Kansas border. There is a gap in that trail, about 11 miles, something, something of that sort, eight miles, eight miles of it that have not been completed. Once that is completed, it will be a destination for people to ride from and will be a huge economic development not only for the area around Lincoln and Omaha, but it will bring people in from all across the country, will, will-- they like challenges, particularly bikers, hikers and so forth. I'm going to just refer that when I did my bike ride across America, a portion of it was at, was-- went along the Greater Allegheny Trail. And the Greater Allegheny Trail has been-- I'm not-- well, it follows that the railroad track is basically what it does. And that trail, the hundreds, probably thousands of people that I saw in the two days that I was on that particular trail, it's very impressive what can happen. I saw train depots that had been converted into ice cream shops, small restaurants, delis. There were, there were bed and breakfasts all the way along the line. In fact, I told Julie one day-- that's my wife--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

when I was on that ride, I said, you know, this is an area where you could come and we could spend a week hiking, biking on these trails. They were well-developed. And, and so that's where we can go if we complete this particular trail. It's been, it's been a project that cyclists have been trying to find resources and so forth to, to get completed for a long time. I brought it forward this year hoping that we could, that we could complete this project and begin moving Nebraska forward. Part of-- Nebraska is part, and I, and I can, I'll-- maybe I can get my staffers to bring it down to you. There is a Rails-to-Trails bike path that's going to go across the entire United States. You may have seen it. It involves some of the MoPac Trail, and then it also involves what's called the Cowboy Trail. And originally on my bill, I wanted to have some money for the Cowboy Trail. That was taken out of the bill. And so the, the purpose is, is that, that we have to invest in these trails to make these trails for the cyclists, hikers and people who want to take a vacation, for example, and do this type of trek, that these are-- that they are trails that they want to ride on, to be quite honest with you. If you ever-- as, as a cyclist, I've been down the Wabash Trace many times. There's public money in there.

FOLEY: One minute.

HILKEMANN: There's also a lot of private money that's been added and will-- and that might very well happen with this project down the line as well, Senator. But, but it was the bill that I brought. I'm pleased that the Appropriations Committee included it into it. It's an expenditure, I think, that over the years we're going to find is a well-- is \$8.3 million that completes a project. It completes a project so that we can make that project even better. Many people who are cyclists been up to the Mickelson Trail up in the, in the Black-- in the Black Hills area, the Katy Trail in Missouri. These are actually destination points. And I can see the MoPac being a destination people-- where people will come, they'll camp. The development potential is there, but they have to have the product to, to come to. And so that's why I brought that bill and, and I appreciate the committee--

FOLEY: That's time, Senator.

HILKEMANN: --listening to that--

FOLEY: That's time, Senator Hilkemann.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

HILKEMANN: --and then making the, the appropriation into it. Thank you, Mr. President.

FOLEY: Thank you, Senator Hilkemann. Senator Wayne.

WAYNE: Thank you, Mr. President. Will Senator Hilkemann yield to some questions?

FOLEY: Senator Hilkemann, would you yield, please?

HILKEMANN: I certainly will.

WAYNE: Can you tell me the difference between LB813 and LB981?

HILKEMANN: LB-- what's, what's the LB981, Senator?

WAYNE: That was the one in front of Natural Resources that was about trails.

HILKEMANN: Oh yes, yes. OK, the difference on it? Oh yes, thank you. The difference on that one, Senator, was it was a bill that I brought, we wanted to set aside \$15 million as a-- and put it with a-- to establish a trust fund that would provide for ongoing maintenance of all of the trails and the bike trails, hiking trails in the Nebraska area and it would be under the Game and Parks Commission. That bill has since been modified. It's actually my priority bill and with the modification that came out of the Natural Resources Committee.

WAYNE: Thank you, Mr.-- thank you, Senator. Colleagues, I guess that's kind of what I wanted to talk a little bit about here is process. A bill dealing with trails that actually creates a fund and tries that appropriate dollars goes to Natural Resources. A bill dealing with trails that appropriates dollars goes to Appropriations. I know about this because LB1024 went to Urban Affairs, LB1025 went to Appropriations. My point is, oftentimes Appropriations will appropriate a bill that maybe the committee itself of jurisdiction won't put out. And we as a body need to start thinking about for the long term. Actually, Senator Hansen, I have a bill that's in front of the Exec Board that would require every program who gets state dollars to come back to the committee of jurisdiction and justify its existence of why that program should exist. And we actually thought about it when we were up on the mountain in Kilimanjaro because of this. I told Senator Hansen that I was going to introduce two bills to go through two different avenues to get appropriations. And I said it's interesting, nothing against Appropriations, but the in-depth knowledge that, in Urban Affairs, Trevor Fitzgerald has when it comes

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

to programs for Urban Affairs, the in-depth knowledge that legal counsel knows sit on for four years in Education, same as Natural Resources, those are the community of jurisdictions that should be having these conversations, not necessarily Appropriations. Because when people go back to appropriate, they say what they're doing well and people appropriate. I do believe, I've watched the hearings, Appropriations asked tough questions. But whether that committee of jurisdiction is actually looking at the whole chess table as it applies to that jurisdiction never gets discussed. It comes to Appropriations, and here we are again, fighting an uphill battle of whether or not that committee should-- or that program should even exist. Tell me, when has the Appropriations cut an entire program? Not since I've been here. We've reduced a couple of things. But maybe when I was sitting on Government, a certain board and commission didn't need as much money or need to exist. Maybe as I'm sitting on Urban Affairs, middle-income housing grants should have to come back before us to really talk about what they're doing and not having a, a bill that I have to introduce to figure out what they're doing. Maybe the Health Care Cash Fund, that bill should have went through HHS to have a conversation about what that should really do or really happen. That's what I mean by slowing down and seeing the whole board, because every committee of jurisdiction did not get an opportunity to weigh in on that. What if Natural Resources may have decided to combine both of these bills and come out with a number of 2.5? Or maybe talk to Game and Parks to figure out how we can create other dollars--

FOLEY: One minute.

WAYNE: --or leverage other dollars to do those types of things? I don't think that's the Appropriations' jurisdiction to do that. And when you look at how your-- how they're the only ones truly on a time limit every year, maybe we shouldn't be sending bills like this to Appropriations. Maybe we need to look at how we do every A bill, and maybe every A bill should go through the bill that it actually is connected to, to the committee of jurisdiction. That's why I'm asking everybody to take a pause. When we get to 33, keep 18 people up there on the board to say this isn't going to move forward because we can't see the whole board right now. This should have been in Natural Resources. Two bills by the same person doing pretty much what the same topic, two different committees. That's a problem. I'm guilty. I did it on purpose in LB1024, LB1025. We shouldn't be able to do that as a body. Thank you, Mr. President.

FOLEY: Thank you, Senator Wayne. Senator Clements.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

CLEMENTS: Thank you, Mr. President. The trail that we're talking about now is-- goes through my district and I've been very much aware of it over the last 40-- 35 years. The-- when they talk about MoPac Trail, that's Missouri Pacific Railroad. It went from Omaha to Lincoln. Let's call it-- let's start from Lincoln, went from Lincoln out to my little town of Elmwood and then it went on over toward the Platte River and then along the Platte River. And, and it was, came to Elmwood in 1886, my great-great-grandfather helped get it there. And in 1986, after a flood, the railroad abandoned the rail and then the bicycle people were able to acquire that railroad right of way and now it's owned by the natural resource district. Then the next step was from Omaha down toward the Platte River was the Rock Island Railroad. The Rock Island Railroad went broke and about the same time in the 1980s, they abandoned that railroad and that is what you'll see. It comes down along Highway 50 by Springfield, and the Rock Island had a bridge over the Platte River at South Bend, and that bridge survived and it was rehabilitated. And actually, you got some damage in 2019 from the floods, but it's just been restored, and Game and Parks cares for that. But so that gets you from Omaha across the Platte River to the little town of South Bend. But then you have to get to the Missouri Pacific Railroad, and there is an eight-mile gap that would connect these. That's what the trail people are wanting to do. And there is the county roads that go from directly, it's 322nd Street, goes eight miles from the Platte River up to the little town of Wabash, just north of Elmwood. And the Cass County commissioners have voted to allow the bike people to build the bike trail in the county right of way along the side of the county road for those eight miles. And the \$8 million is expensive for eight miles of bike trail, but they're going to have to move the road over in places and build short bike bridges, I think, on some of the small tributaries. And so that's, you know, that's what the project is, which does go by my house about a block from my bedroom window. I can see the bikers going by. When they first wanted to make that a bike trail, I was kind of skeptical about it. We thought, oh, we don't want all these troublemakers out here in the country where we have a quiet life. But the troublemakers don't come to the country. The bike people are very cordial. One thing they use, if you ever heard of they use it for, is if you ever heard of the Market to Market race, they have a-- from the Old Market in Omaha, they race teams to the Haymarket in Lincoln once a year, and that ends up coming down these trails. But they end up on the county road for eight miles of that, having to run on gravel in a lot of it. And so that's what they're wanting to do with this, and having more events like that. There's hundreds and hundreds of people that come--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

FOLEY: One minute.

CLEMENTS: --doing that race. And they do stop in Elmwood at the gas station, get some water and buy some food, buy some gas. And the, the people of Cass County are-- the commissioners have been favorable toward it. The bike trail people have been trying to raise the money to do this, or find a different route, been trying to find a route, but they don't have eminent domain. They would like-- love to go across some farm ground, but that was-- I objected to that. And I actually didn't support this connection until I found out that they're able to use the county road right of way. And so I think I am in support of this project. Thank you, Mr. President.

FOLEY: Thank you, Senator Clements. Senator Friesen.

FRIESEN: Thank you, Mr. President. Would Senator Hilkemann yield to some questions?

FOLEY: Senator Hilkemann, would you yield, please? Senator Hilkemann?

HILKEMANN: Yes?

FOLEY: He's on the phone.

HILKEMANN: I'm sorry, it's Sprint on the line for [INAUDIBLE]. But anyway, go ahead.

FRIESEN: Thank you, Senator Hilkemann. So again, in this bill, you're giving money to Game and Parks, right, to develop the-- finish the trail?

HILKEMANN: I believe that's correct.

FRIESEN: So how much money do the Game and Parks get now to do maintenance on these trails?

HILKEMANN: The exact dollars that they've-- they've never been allocated specific dollars for the maintenance of the bike trails.

FRIESEN: We don't appropriate-- appropriate any money to them to maintain any trails?.

HILKEMANN: Not that-- we've not had a line item appropriation for it, no.

FRIESEN: OK. Is this, is this a high priority for Game and Parks or why didn't they fund it?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

HILKEMANN: Well, this is a, this is a hold-- this is to finish the project. We also-- the other bill that, that was mentioned by Senator Wayne was another bill that I had brought that was to, was to provide for the, the ongoing maintenance of our trails.

FRIESEN: So if we, if we build this trail, then we're going to have to start providing for ongoing maintenance of these trails?

HILKEMANN: Well, we're, we're going to have to take better care of it than we've been taking care of them. That's correct.

FRIESEN: So I mean, again, Game and Parks usually maintains our system through user fees and things like that. Is this not the case for bike trails?

HILKEMANN: There's not-- at this point, there are some that-- for example, the Wabash Trail has a users fee that could be added to that. And, and we had a little discussion with Senator Bostelman about-- on my bill about that possibility. But at this point, there's not a user fee that's included on that. So that's correct.

FRIESEN: So are we, are we then setting a precedent that we are going to start appropriating money for maintenance down the road?

HILKEMANN: Well, we want to get it-- that was what we were hopeful of doing with my initial bill and-- or the bill I had with, with Natural Resources, was that we would establish a fund that would be ongoing for Game and Parks. And what we, what we-- and that is actually my priority bill for that and what we-- the agreement that I reached with the, with Natural Resources is that for this year that we would try to get a funding of \$750,000 into the Game and Parks for it. And then Game and Parks will try to include this in their ongoing down the line. They did not want to set aside a \$15 million fund simply for that, for the maintenance of the trails.

FRIESEN: OK, so--

HILKEMANN: Now, we're talking about MoPac. The other thing that's involved in this is also the Cowboy Trail. And there, there will be if we-- and I'm, it should-- we're getting it passed out, the, the Rails to Trails across to America, the TransAmerican ride, that we need-- if we're going to participate, we've got to, we've got to have this trail so that it's usable.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

FRIESEN: So could you-- I guess I maybe should have asked this clear in the beginning, who owns this trail and maintains it now, the parts that are completed?

HILKEMANN: I think it's owned by, I believe it's owned by the state. Senator Clements is saying the county.

CLEMENTS: No, the NRD.

HILKEMANN: The NRD, OK.

FRIESEN: So does the NRD own and maintain the current trail?

FOLEY: One minute.

HILKEMANN: I believe that's correct.

FRIESEN: OK. All right. Thank you, Senator Hilkemann. Senator Clements, can I ask you a question?

FOLEY: Senator Clements, would you yield, please?

CLEMENTS: Yes.

FRIESEN: Senator Clements, are you familiar with who owns the trail and who maintains it currently?

CLEMENTS: Yes, the MoPac from Lincoln to Wabash is Lower Platte South NRD, I believe. And Sarpy County is the Papio-Missouri NRD, and I believe they budget some money for mowing and maintenance.

FRIESEN: So then property taxes pay for maintenance of that trail?

CLEMENTS: Yes.

FRIESEN: Thank you, Senator Clements. So again, it's, it's interesting to learn some of these combinations. And I know some NRDs have been involved in different trails in the past. And but again, some of these trails now, if we're going to set a precedence, if we're going to have to start looking at a maintenance fund on them, if Game and Parks doesn't put it as a priority, I'm questioning why we would. Thank you, Mr. President.

FOLEY: Thank you, Senator Friesen. Senator John Cavanaugh.

J. CAVANAUGH: Thank you, Mr. President. Well, I appreciate again the conversation on this topic. I, I don't-- I don't think I'm in favor of

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

AM2345, but I'm still trying to figure out looking at these papers. Senator Hilkemann came and brought the, I believe it was LB981 to the Natural Resources Committee that Senator Wayne talked about, and having had these bills in two different places. And one of the things about that LB981 bill, as I think others have mentioned, is it is a maintenance fund that actually, I think, was closed and we had to reactivate it as part of that bill. And then we put some money in it to take care of the trail. And so again, you know, the questions that we're talking about here are things about what is our return on investment? And I just had talked to one of our colleagues about the cost per mile of this section, which is we're asking for, I think it's \$8.3 million. I'm trying to find it again in here. Here it is, \$8.3 million for this section of the MoPac Trail. And I think Senator Clements described-- I actually think I have ridden on that stretch there of the trail and the, and the bridge that goes across the Missouri River, just south of the I-80 bridge, ridden on that. And but one of the questions, so this is a several-hundred-mile-long Cowboy Trail in the state of Nebraska, and this section would finish the portion between Omaha and Lincoln. And there's talk about we had at the committee hearing in Natural Resources, talking about in LB981 the economic development aspects and value of attractions like the Cowboy Trail. Certainly, I think we've-- I assume we've all seen pictures of some of those portions. The elevated bridge of the Cowboy Trail is very picturesque. The World-Herald uses it a lot. Nebraska Tourism uses it a lot to show some of the, the more picturesque portions of Nebraska and ways we try to attract people. And so in this kind of conversation, I think it's important to think about the value added and the leveraging effect that we're having here where we, if we can connect the two bigger cities, I think there's probably a good amount of value in the trail there. I mean, of course, I'd like to see the entire trail finished. I don't think that it's likely that I would ride the whole trail, although I would have maintained that aspiration, at least for the time being in my life, to be able to do that. Something nice to do with the kids. But one of the things to make that a potential possibility for me or for any other tourists and people, not just within the state of Nebraska, but people come to Nebraska to do these sorts of things. And some people ride all the way from-- I think, Senator Hilkemann handed out this Great American Rail to Trail map that goes from maybe Seattle, Washington, to Washington, D.C. So Washington to Washington, that'd be pretty good. But it is a potential for tourist attraction, and they-- to finish the whole lengths. The map, the other map he handed out has these big gaps between Omaha and Columbus and Columbus and Norfolk, and then between Valentine and Gordon is a big unfinished section as well and to get

all the way across, but to finish all that would probably be quite prohibitively expensive. But the question is finishing one small section to connect two major metropolitan areas, which would allow people to ride, a large number of people to have a high utilization of it. So I think those are the types of questions and considerations as we consider this amount of money. And again, it's \$8.3 million. If we choose to do it now, are we doing it because it brings the most value for that money, it solves this particular problem, it brings a return on our investment? Or, of course, are we providing an essential service to the people in the state of Nebraska that's going to make Nebraska the type of place that more people are going to come to? Those are other questions. So I think it is a high dollar amount for this particular thing, for this section, smaller section of trail, but--

FOLEY: One minute.

J. CAVANAUGH: --thank you, Mr. President-- but again, it is the most densely populated area, therefore, the part of the trail that's going to get the most use. Which then maybe does allow us to find a way to capture revenue related to the trail, which then maybe does allow us to make those further expansions in the trail that then allow us to make either even further capturing a value to this trail. And of course, use of the outdoor spaces in the state of Nebraska in other ways, more ways that people aren't currently using, which then allow-- make Nebraska more of an attractive place to younger people, people with families, professionals that-- with the type of people we want to attract to the state of Nebraska. Thank you, Mr. President.

FOLEY: Thank you, Senator Cavanaugh. Senator Erdman.

ERDMAN: Thank you, Mr. President. I had listened to this bill when it came to Appropriations. I live on a-- or near a spur highway, which is a highway between two major highways. And several years ago, they had announced that they were going to do the Heartland Expressway and that would go past my house. It is a-- currently a two-lane road and they're going to upgrade that to a four-lane road. And it's been several years now, but the estimate was that eight miles of highway was going to cost \$8 million. And there are several bridges and land to procure and things like that, \$8 million was the estimate. So here today, we're talking about building a trail, a trail for \$8.3 million for eight miles. I don't know what kind of trail that's going to be, but obviously it's going to be really, really, really nice because that's a million dollars a mile. And Game and Parks is supposed to maintain it or keep it up, and they have a difficult time doing the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

maintenance on the properties they currently have. And then we have probably my second-favorite agency, Natural Resources Committee [SIC], NRD, is going to get involved and they're going to do something creative as well. So I was wondering if Senator Hilkemann would yield to a question or two.

FOLEY: Senator Hilkemann, would you yield, please?

HILKEMANN: I'm here.

ERDMAN: Senator Hilkemann, tell me about the-- I think in Appropriations, they talked about they're going to build a bridge. Do you remember about that conversation?

HILKEMANN: I do.

ERDMAN: And do you remember what the cost of that bridge was?

HILKEMANN: Not specifically.

ERDMAN: Was it in the millions, do you remember?

HILKEMANN: That would sound-- that could be a very good possibility.

ERDMAN: So does \$8.3 million for eight miles a trail seem exorbitant to you?

HILKEMANN: It's a lot of money, I'll agree, a million dollars a mile.

ERDMAN: So what in the world can possibly cost a million dollars a mile to create a trail?

HILKEMANN: Well, I understand that there's, there's drainage issues that need to be dealt with on that project and there-- a bridge is necessary on it. I'm not an engineer. This was the, this was the projection that was given to me by the, the trail folks that, that asked me to bring this legislation, that this is the approximate cost. We also had in that bill, as you remember, I had an appropriation to finish out the Cowboy Trail, which did not make the, did not make the appropriations.

ERDMAN: OK. So if we, if we contribute the \$8.3 million and Senator Friesen was going down this road, who will maintain it going forward? Will we have to pass LB981, your bill that appropriates money for maintenance of the trails, before they can keep it up?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

HILKEMANN: Well, that-- if it, if it's under the NRDs, the NRDs will continue that. But the other bill that I have that-- for maintenance is more for the Cowboy Trail that we're talked-- that, that we're not, that we did not get the expenditure to complete the thing a bit more.

ERDMAN: OK.

HILKEMANN: That's under the Nebraska Game and Parks.

ERDMAN: OK. Well, it seems to me that this is an exorbitant amount. Speaking of the Cowboy Trail, I wonder if Senator Brewer would yield to a question or two.

FOLEY: Senator Brewer, would you yield, please?

BREWER: I would.

ERDMAN: Senator Brewer, are you familiar with the Cowboy Trail?

BREWER: I rode it twice on a horse.

ERDMAN: OK, so I've been past the Cowboy Trail several times as I go through your district. I have never seen, I've never seen anybody on the Cowboy Trail. How often do you think--

FOLEY: One minute.

ERDMAN: --that trail is used on a daily basis? Is it used daily?

BREWER: In my trips along the Cowboy Trail, I have not met many. I met one person from Oregon in a car who was lost and driving on the trail instead of Highway 20. But it's used mostly between the smaller towns for people to exercise.

ERDMAN: So would you say that if I wanted to travel down the Cowboy Trail, I may have to open several gates that the ranchers have put up because they're grazing it?

BREWER: You would have several gates and you would need some tire repair kits.

ERDMAN: OK. So it's not passable very, very easily with a bicycle if you don't have that green stuff in your tire?

BREWER: Oh yeah, from Gordon to Valentine, that 100 miles there is-- has some challenges.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

FOLEY: That's time, Senators. That's time. Thank you, Senator Erdman and Senator Brewer. Senator Moser.

MOSEER: I was wondering if Senator Stinner would respond to a few questions.

FOLEY: Senator Stinner, would you yield, please?

STINNER: Yes, I will.

MOSEER: Thank you, Senator. So we were having a little discussion before about the percentage increase in the budget. And as I recall, the growth in the budget was about 3.2 percent.

STINNER: That is the two-year average, yes.

MOSEER: Yes, and typically we've been at about 2 percent?

STINNER: We actually ended this session on the biennium budget at 2 percent.

MOSEER: OK. So and the 1.2 percent times \$5 billion is about \$120 million?

STINNER: Say that again. I'm sorry, Senator.

MOSEER: Senator, so the 1.2 percent increase on a \$5 billion budget is about \$120 million?

STINNER: Yes.

MOSEER: Yeah, it's-- well, it's what we calculated before. My memory is better than yours, I guess. So I'm kidding, of course. But so how do we pay for all of these projects that we're discussing today if we only had \$120 million more in the budget? These items from the Cash Reserve Fund are beyond the budget, they're not included in the 3.2 percent?

STINNER: They are part of the budget, but taken one time out of the Cash Reserve.

MOSEER: OK, so if we factored that \$500 million in there, that would increase the budget by 10 percent?

STINNER: That would be an expense. However, if you remember the Tax Rate Review Committee time, there was a negative \$100 million. We have, between forecasts, two forecasts that have improved the cash for

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

the floor of \$451 million. We have cash for the floor of \$451 million, as opposed to a negative when we actually left the fiscal year.

MOSER: So--

STINNER: So that's a general funds expenditure, right? Two things decrease general funds; transfers out, which is if you looked at the list, is all the Governor's proposals. You have one item that I've indicated that we put in from Appropriations. That one item is provider rates. In the general funds piece, you got \$450-some million at the bottom line. What we also did was to make sure that we didn't clog up that and use one-time moneys for these items that we're discussing right now, of which if you actually added it up, \$313 million is prisons, Perkins Canal, STAR WARS and a \$5 million ask by the Governor in his budget. So \$200 million was put into one time out of the Cash Reserve by the Appropriations Committee. That's what the discussion is about.

MOSER: Is the \$175 million for the corrections facilities a carryover from the previous year or is that another amount?

STINNER: Yeah, the first part of the biennium, we put-- we, we originally put \$115 million into, which was asked by the Governor, as a start into the Capital Construction Fund; \$15 million was then taken out and put into a overcrowding fund for prison reforms. So we have \$100 million that's sitting in the Capital Construction Fund at the beginning. This \$75 million that-- and we took that out of general funds. This 175 is coming out of Cash Reserve and being placed into the Capital Construction Fund so you now have \$275 million sitting in the Capital Construction Fund, in a cash fund--

FOLEY: One minute.

STINNER: --waiting to be appropriated.

MOSER: So if that money is not spent, does that lapse back into the budget?

STINNER: If we don't spend it, we can definitely bring it back or designate it to go someplace else.

MOSER: And overall, you consider this budget to be responsible conservative budgeting?

STINNER: In my estimation, it's reflecting the sign of the times, which is the inflation-- your, your two big expenses right now are an

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

adjustment in salaries for government employees, for state employees, and providers that you're asking to do what were demanded to do by the federal government mandates.

MOSER: OK, thank you, Senator. Appreciate it. Thank you, Mr. President.

FOLEY: Thank you, Senator Moser. Senator Linehan.

LINEHAN: Thank you, Mr. President. Good afternoon, colleagues. I love trails and I am not particularly-- I'm not a cyclist, so I'm not familiar with the trail that this would go-- where exactly this trail is. But I'm very familiar with the area because we frequently go to Schramm Park, which is on the east side of the Platte River. And I have other grandkids who were just this weekend at the Platte River Park, which is on the other side of the river. And the bridge they're talking about is a railroad bridge across that I've never walked across, but I see it when we're down there. Also, if you go up to the river, the Platte River to I-80, then you've got Mahoney Park. And then west and north of Mahoney Park, you have the Twin Rivers Park. And then if I understand where the new lake hopefully might go someday, it's on the other side of the Platte River, where-- almost up to Gretna. So here-- I'm all in on parks, on trails. I, I love them. My family uses them. I think they're underutilized. I do worry about whether Game and Parks has the funding they need to do these things. I'm wondering if on this \$8.3 million, million dollars a mile, what maybe they could do with the trail for \$4.15 million? It's just an idea. I think part of the, part of the angst we're hearing today is we have all this money and we were told early on, if I remember right, and people can correct me if I'm wrong, that if you had a bill in your committee to go ahead and have your committee do it, which is a lot of work, actually, somebody has got to write the bill, then you've got to get people there to testify. People come and testify it. You have a public hearing. And then if we kicked it out, there might be a chance for it to get appropriated, money appropriated to it. I don't think any of the bills from other committees were even looked at. I think that's why we're all going around, wait a minute, \$8.3 million? How many of us had bills for \$3 or \$4 or \$5 million but didn't even get looked at, let alone when we get to, you know, we get past this and there's money on the floor, and the Chairman of Appropriations is talking about, there's going to be 451, \$451 million on the floor. Not if we get the-- we've got three tax cut bills that have already passed and they're on Select. And if we're going to cut taxes, that's the money we've got to use. So I think maybe this is what I would propose, that we do-- the appropriators have done a great job. They've worked

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

really hard. I understand that. But I think maybe we could go back, and these are just some ideas I have. On the provider rates, I understand, the state had to increase salaries so we had people at our 24-hour facilities. I support that. We need to do that. I understand that other providers that we pay are screaming that-- are concerned that they can't hire help. But do we have to do 15 percent in one year? Couldn't we do 7.5 and 7.5? I mean, I don't-- this money from this cash fund-- and Senator Moser asked a very good question. No, it doesn't-- if I understand Senator-- Chairman Stinner's-- it doesn't count toward the increase in spending. So I just think we need to-- I'll quote my good friend, Senator Pansing Brooks. We need like a little sharing of the wealth here. That's why I think everybody is like what, what is going on here? Now--

FOLEY: One minute.

LINEHAN: One minute? Again, I, I love trails. I love this area. I think what would really be good is if the STAR WARS Committee talked to the bike people, cyclist people and they figured out how this is all going to work together. Because if we're going to build-- I mean, the new lake is like, I think, only a few miles from the trail. And if we're going to have a new lake and then we're going to have a bridge across the river, this is not getting a holistic look. So I-- those would just be my suggestions. Let's go back and maybe skinny down some of these requests in the bill and see if there's not some money left over for some other people. Thank you, Mr. President.

FOLEY: Thank you, Senator Linehan. Senator Hilkemann.

HILKEMANN: Thank you, Mr. Lieutenant Governor. I'm going to give you the numbers as were given to me by the, the, the people who are doing this project, the Bike Nebraska. This says, the eight miles remaining of the unfinished trail between Lincoln and Omaha will affect the rural towns of South Bend, Wabash, Elmwood. The trail organization is also currently fundraising for this project in collaboration with the Lower Platte NRD and Cass County. The total cost is \$8,350,450. Preliminary planning and design is \$49,400. Construction, engineering and environmental is \$550,000. That's-- the construction breakdown costs are clearing and subgrading the prep for minimum maintenance road is \$1,800,000. Here's where the big number comes in. For the grading and drainage for trail along six miles of gravel road is \$4,845,500. To install the base and crushed aggregate is \$1,210,000. The connectors and trailhead amenities are \$249,750. The signage and barricades are \$25,250. That's the breakdown on the cost for this project. I want to, I-- please don't put the two trails together here.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

This is in this budget, but what, what is being concerned-- Senator Friesen is LB813, which is the completing the MoPac Trail. I want to let you know that these trails are available for everybody, and they're free for everyone. They are free for everyone that wants to choose to use these. You want to put a fee on it, then that will be that-- there goes the free that goes onto it. This-- as, as we have the e-bike explosion happening, these trails are going to be used between Lincoln and Omaha more and more. This will be good for economic development. We cannot expect people to take advantage of, of these trails if they're not maintained well, and if the trail is not complete. This is a project, as Senator Clements has said, been in the process for a long time of trying to get completed. Let's complete that project. Let's move Nebraska forward. Let's move Nebraska forward. Why do we always have to-- it takes dollars to do some of these things, folks. Thank you, Mr. President.

FOLEY: Thank you, Senator Hilkemann. Senator Wayne.

WAYNE: Thank you, Mr. President. First time in six years, got a little excited. I agree with you. Actually, I like trails. I think the MoPac, I first heard about it was when Senator Brewer, I think, walked it as he prepared for-- oh, that was the Cowboy Trail, I just got corrected. See? Didn't even know what trail it was. I don't have a problem with trails. I really don't. I have more problems with the last one than I do with this one. My problem is, I can't see the overall picture. I can't see what my overall budget is. I can't see the overall of what we're doing. So that's, that's my, my number one issue. But I do have a proposal for you, Senator, and I think everybody should listen to this when we talk about construction. Senator, I do have a proposal for you. I figured out how we can save money. I'm going to do an amendment on Select File that we take the sand from the STAR WARS project and that'll be your base for your trail. We just saved a million dollars. See how simple that is? It's really that simple if we see the whole picture. So think about STAR WARS and digging a lake, and we're going to dig down in a very sandy area. I bet you we can sell that sand to Lyman-Richey or a concrete company for a couple-- probably tens of millions. That's how we do business here. This is what I'm trying to get everybody in the body to understand. When we see the whole picture, we can generate wealth for everybody. All right, enough about that. Back to the-- what we're talking about here. So I'm not really supportive of, of eliminating the whole trail idea. I think we should fund some trails. My problem, as I said before, this current budget proposal on page 4 of the proposed Appropriations budget overall, and half of these actually appropriate some funds in this bill with cash transfers. Some of it is just setting up the fund

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

and cash transfers. That's why we have to stop the appropriation process now, because they're all connected. And what I look at is \$336.8 million for water and trails. And when I look out here at the same list, I see zero for economic development for our urban core. That's Lincoln and Omaha. I do see the city of Bellevue. They got \$50 million through different projects, and Offutt I will include in Bellevue. But outside of that, \$336.8 million dollars in water and trail projects and zero for some of the hardest-hit areas. You can say you're going to vote yes and move this to the next round. But here's a little question that I've always asked myself: if not now, then when? If not me, if not us, then who? It's really that simple. Seventeen people just do not have to vote on cloture. That sends a strong message back to the Appropriations Committee that we need to see the entire picture. Here's what's going to happen after the budget. After the budget, LB1024 is going to be up and I'm going to see some red votes up there. And they're going to say, I just don't know how much the overall picture is going to be. I just don't know what all the appropriations is going to be. We haven't had that discussion. I'm not sure what we're doing with the budget. It's going to be all of the excuses that make you comfortable to vote no against our community, but for some reason, we're not comfortable voting no or not voting to stop this budget. The process is flawed. Nobody's fault, it just it is what it is. You have A bills in committees that supposedly we had a hearing over lunch. And everybody should be saying, Justin, you should be happy, you're one of the few bills that got funded. Kind of. I haven't seen the language yet, but I'm pretty sure the \$150 million goes to all census tracts. That means South Sioux City, that means Hastings, that means the Grand Island., that means Lincoln. That's not the same thing of what we were proposing in LB1024. My point is, is it's just bigger than just north and south Omaha. This is transformational dollars for the entire state. And we are going piece by piece trying to put together a puzzle piece without actually looking at what the puzzle looks like. How do we do that? We have a whole bunch of puzzle pieces, and we're just going to put them together and hope because we know this is a flat edge, it's the border, but I don't know really know what the puzzle looks like. That's what we're doing here, and everybody will quietly, that I've talked to-- and there's more than 17-- quietly agree with me, quietly say, yes, this is kind of flawed. Yes, we should take a pause. Yes, we should figure it out. But I'm still going to let it go to Select.

FOLEY: That's time, Senator. I apologize, I did not give you a one-minute warning.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

WAYNE: So I still get my one minute then, right? I'm just, we're gonna have a dialogue here. No, I'm just [LAUGHING]--

FOLEY: Thank you, Senator Wayne, for understanding. Senator Machaela Cavanaugh.

M. CAVANAUGH: Thank you, Lieutenant Governor. Good afternoon, colleagues. I just wanted to respond a little bit to comments about where we could trim some of the budget. So providers that are providing services for disabled or in nursing homes, the people that are working there are making on average, about \$12 an hour. So a 15 percent increase would be \$1.80 an hour. So we would be taking those people from \$12 to \$13.80 an hour, which means that their annual income would go from \$24,960 to \$28,704. Don't worry, they still qualify for SNAP and childcare subsidies because we still are paying them so little that we have to subsidize their pay by giving them those benefits as well. The McDonald's in my neighborhood has posted: We proudly pay \$20 an hour. How can we compete with that? \$13.80 an hour can't compete with that. We need to be investing in these people. They are a workforce. They are an extremely essential workforce. And all these wonderful transformational projects are fine, but we're missing the important picture of taking care of our vulnerable neighbors, brothers, sisters, children, mothers, fathers. We're not taking care of people first, and we're even suggesting that we take care of them even less. This is not my moral document. Thank you.

FOLEY: Thank you, Senator Cavanaugh. Senator Moser.

MOSER: Thank you, Mr. Lieutenant Governor. So in my discussion with Chairman Stinner there, we ran out of time before we got to the end of the discussion. But the Cash Reserve Fund items are not included in the budget. So if you factor those in, the budget increase would be much larger. But Senator Stinner said rather than put them into the budget and have a big increase, and then next year they would not occur because we wouldn't have the, the sudden influx of money, then you'd have a negative budget, which would be all the more difficult to manage-- or well, not more difficult, but also difficult to manage. So I guess that's why they don't put it into the budget. Nonetheless, in the big picture, though, I think we have to do-- we do have to consider that. Would Senator Clements respond to a question or two?

FOLEY: Senator Clements, would you yield, please? Senator Clements, would you yield, please?

CLEMENTS: Yes.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

MOSEER: OK. So I was asking, asking you some questions about some of the items that were in the budget where we gave \$20 million for ambulances or we gave, you know, all these different sums. How is that money spent? How do you control who gets it and whether it's spent for the purposes that we intend it to be?

CLEMENTS: My understanding is that a state agency, like for the ambulances, would be the Emergency Medical Services agency, would have people apply for grants. People would apply for a grant. They say they knew-- need a new ambulance. They would submit the grant requests and that agency then would score those and award the dollars. Department of Economic Development, there are a lot of different funds that we give them, and Economic Development also puts out notice to people who apply for grants and so the state still does manage the money. We don't just write a \$20 million check and let people fight over it. We do have a grant process most of the time.

MOSEER: OK, thank you, Senator. I appreciate that. Thank you, Mr. President.

FOLEY: Thank you, Senator Moser. Senator Erdman.

ERDMAN: Thank you, Mr. President. Sorry, Senator Wayne, you got-- you didn't get the one minute, but that's the way it goes. But we keep talking about STAR WARS, and we had a vote earlier and the amendment was adopted, and they now call it JEDI. And so we need to remove from our memory STAR WARS and replace it with JEDI. And you know, you know what I mean? All those guys like Scoot-- like Luke Skywalker and all those other people are going to be on the committee. So we have a \$5 billion budget. I'm just reminded of this by my seatmate, Senator Stinner-- or Senator Clements, that we have a \$5 million budget and here we are talking about \$8.3 million. I said, yeah, that's right. It's kind of peculiar in a way. But in another way, it's not and it's because I think it's exorbitant if we spend \$8.3 million on a trail. And a comment was made, it's free. And the introducer used the Burke Harr method of convincing us, he yelled into the microphone like it was going to help us understand it. And we got it, we understand it. But the point is, it is not free. It's not free. OK? Because the NRD collects property tax, and that's not free. OK? But in this body, anything that doesn't have an appropriation that comes from the state, we consider that to be free because we, the state, don't have to pay it. But on the other hand, property taxpayers are paying for the trail, for the maintenance of the trail. This land was donated to the NRD, and they no longer pay property tax on this land. So it is not free because they don't pay property tax, you that live near this

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

trail, pay more property tax. It's not free. And Senator Wayne earlier was talking about TIF and how does a golf course meet the but what for? What Senator Wayne doesn't understand is, you don't have to qualify or meet any requirements to get TIF, you just do it, because there's no penalty for not doing it right. And so I hope Senator Friesen leaves AM2345 up because I will vote for that amendment. How much time do I have left, sir?

FOLEY: Two minutes.

ERDMAN: OK. I was hoping when I got to one minute, I would give it to Senator Wayne. But oh, there he is. So I'll tell you what, I'm going to give him a little extra time. I yield the rest of my time to Senator Wayne.

FOLEY: Thank you, Senator Erdman. Senator Wayne, 1:50.

WAYNE: 1:50. So that means I got 50 seconds for you to interrupt me and tell me one minute, I just wanted to make sure I got the rules right. We're almost in the homestretch, feeling good and feeling loose. Everybody needs to get up, walk around, stretch, make sure you get your blood flowing. So again, what we're talking about today is a trail. And I'm not adamantly opposed to the trail. What was interesting is nobody has talked about the reimbursement for tuition expenses for dependent Nebraska state employees, for the six community college. Thought that was pretty interesting, which I guess everybody supports. But I think it's important that we actually read the language when you, when you start talking about these funds and what they actually do. I don't think you should just take the glossy, or in this case, nonglossy committee report--

FOLEY: One minute.

WAYNE: --because oftentimes-- you said that pretty loud, too. This is going to be an ongoing joke the rest of the day-- to do that. But what I will say, and I think it really is important. Again, colleagues, I'm going to keep asking and reiterating that we go to cloture and we send a message back. In fact, I'll probably file an amendment to recommit to see what kind of vote count we could get, see even if we even get 12, because I think it's important that we understand the overall picture. We're creating a puzzle without knowing what the puzzle looks like. Thank you, Mr. President.

FOLEY: Thank you, Senator Wayne. Senator Ben Hansen.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

B. HANSEN: Thank you, Mr. Lieutenant Governor. I kind of just want to point out one thing I kind of noticed with just the-- with AM2000-- with the amendment, it looks like we're creating seven new cash funds just with this amendment alone. And I didn't know-- would Senator Stinner yield to a question, please?

FOLEY: Senator Stinner, would you yield, please?

STINNER: Yes, I will.

B. HANSEN: Thank you, Senator Stinner. Is that a lot to create in comparison to how many cash funds we do have? Or is it just mainly because we have-- we're trying to create the cash fund to house some of this money that-- with ARPA or with just funds in general?

STINNER: I didn't understand what your question was when you started or where you--

B. HANSEN: That's fine. We created seven new cash funds just with the amendment, AM2000.

STINNER: Yes.

B. HANSEN: Is that a lot of cash funds we're creating?

STINNER: For a short session, it probably is, yes.

B. HANSEN: OK. I'm just thinking in comparison to other years and how many cash funds we have in general. It sounds like, especially in the last four years that I've been here, I don't know if we're, we're starting to create a lot of cash funds. It just kind of worries me because if I'm going to be here another four years, where these cash flows are going to go, how we're going to, how we're going to fund them, what that's going to do to our overall budget. It seems like within the four years I've been here, it seems like we-- every year, it seems like we create more cash funds. And I know that's just a way to get, get around the, the General Fund. It was just a concern of mine. But I did have a question about the cash funds in general. With the, with the-- on page 35 of the budget proposal, it says vets affairs, Offutt and STRATCOM promotion for \$5 million. I was hoping maybe you could just elaborate on that just really briefly.

STINNER: That is, that is what Senator Brewer was talking about, I believe. And, and the Governor actually put it into his budget. And actually, when we create a cash funds, sometimes we have to change the cash fund. I think we changed the cash fund on prison overcrowding.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

That's probably two different ones. That actually holds the cash until certain things happen. So maybe seven in this case isn't that much because we did STRATCOM, we changed some of that. Those cash funds had to be changed as a name. So in the three bills that are associated with that original STRATCOM, created three more cash, different cash funds to accommodate this change in bills.

B. HANSEN: OK.

STINNER: Does that make sense?

B. HANSEN: And I think I see that here, too. OK, thank you. Appreciate it. Would Senator Wayne yield to a question, please?

FOLEY: Senator Wayne, would you yield, please?

WAYNE: Yes.

B. HANSEN: I was actually interested in your, your, your thoughts on taking all that sand from the lake and putting it onto the trail. Where did you say we should send that to? Who else?

WAYNE: I think we can send it to a concrete company. So sand is a mixture that is used to create cement, so I think we can sell it. I think we got plenty of trails that need to be compacted with good sand. And so I just, you know, we shouldn't, we shouldn't just waste anything. We should always try to figure out how to save the taxpayers money.

B. HANSEN: What was the name of that company you said?

WAYNE: Lyman-Richey.

B. HANSEN: Lyman-Richey. I thought you, I thought you said Lionel Richie.

WAYNE: No, no, that's, that's Easy Like Sunday Morning. That's different.

B. HANSEN: I was, I was just making sure.

WAYNE: Now you know why the mountain was so long with me and you.

B. HANSEN: OK, I just-- thank, thank you, Senator Wayne, for that. Appreciate that. OK. I think, I think as time goes on, I would like to kind of maybe discuss a little bit more about some of those cash

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

funds, but that will be for another time. Thank you, Mr. Lieutenant Governor.

FOLEY: Thank you, Senator Hansen. Senator Wayne. This is your third opportunity, Senator.

WAYNE: Thank you, Mr. President. I'm looking for somebody about the-- Senator Williams, would you yield to a question?

FOLEY: Senator Williams, would you yield, please?

WAYNE: And it's about your--

WILLIAMS: Absolutely.

WAYNE: It's about your agricultural innovation. Can you tell me, does that require a federal match?

WILLIAMS: The-- well, there's the USDA building, which is not part of the thing. The companion building that we talked about is, no, there's no federal match.

WAYNE: But--

WILLIAMS: It's a match raised by private philanthropy.

WAYNE: So in the bill, it says that there's going to be a companion. Do we have to wait for the companion is raised-- till the money is raised there before we start building, or are we going to build and hope the companion gets built?

WILLIAMS: We-- if the state is involved, it would be the companion building, not the USDA building. The USDA building is fully funded by the Department of Agriculture, Federal Department of Agriculture.

WAYNE: So that's already been appropriated and as a part of-- it's already been appropriated?

WILLIAMS: Federal government has, has appropriated part of the money. The other portion is in their budget. It is yet to be appropriated.

WAYNE: So do we have to do the full 25 now or can we, can we spread it out over time to match the federal government, I guess, is my question?

WILLIAMS: I don't have a good answer to that.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

WAYNE: So if we don't do it now, we're not necessarily losing anything because the federal government still hasn't appropriated the final amount to the, to the facility?

WILLIAMS: The USDA building is a separate project. And that's done with federal dollars on the University of Nebraska Innovation Campus, is the location it would be. It would be owned by the federal government. The employees in that would be federal government employees. The companion building is the building that we are proposing with LB703 that is \$25 million of state money and \$25 million of private philanthropy.

WAYNE: What I'm just trying to make sure doesn't happen is that we-- what happened with Space Com where we allocated the money and then somehow the federal government doesn't follow through and we just have that money sitting there. Do you have a response to that?

WILLIAMS: Yes, I do. The personal philanthropy will never happen for that building if the USDA building is not fully approved in the process of being built.

WAYNE: So can you tell me what--

WILLIAMS: And it's required in LB703 that the personal philanthropy be raised before the money is paid out from the state.

WAYNE: So can you tell me what kind of jobs will be there? I'm trying to flip through it, but I can't, I can't see it right now.

WILLIAMS: The jobs at the USDA building are 42 research scientists and about 100, give or take, of scientific research staff that will work with the research scientists from the USDA. The employees that will be at the companion building will be Nebraska people doing the-- taking the research that's done from the USDA building and turning that into real-world solutions for Nebraska farmers and worldwide farmers.

WAYNE: So will it be just plants or will there be any livestock?

WILLIAMS: It is-- there won't be plants or livestock in the facility, except for the portion of the USDA building, 20,000 square feet of greenhouse space. But the research is both plant and livestock.

WAYNE: OK.

WILLIAMS: Precision agriculture in both the crop side and the livestock side.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

WAYNE: All right, thank you, Senator Williams. So that-- OK, I got some more information there. I really appreciate that information. My problem with this, and there's a couple of problems, is we don't have the basic yet.

FOLEY: One minute.

WAYNE: What I mean by that is a veterinarian school, and I'll tell you why that's important. There was a young lady in my district who wanted to go to vet school, and this is literally how I found out about it two weeks ago. And if you don't believe me, you can ask Senator Erdman. And she wants to go, but she was like, I can't leave my, my family right now for numerous reasons. And I was like, what do you mean? You should be able to go to Lincoln. And she said, Lincoln doesn't have a vet school. And I said, no, we're an agricultural state. I continue to hear Senator Erdman and all the western senators say how ag drives everything and livestock and cows are important. And she said, no, look it up. So rather than look it up, I just called Senator Erdman, who is the university expert. And he confirmed that we don't have a veterinary school. So I don't know, I think before we start innovation, we should start with a basic veterinarian school because I'm pretty sure there's going to be veterinarians at this facility that don't come from our school. That's just weird to me, so I'd rather take this money and start a contingency fund to--

FOLEY: That's time, Senator.

WAYNE: Thank you.

FOLEY: Thank you, Senator Wayne. Senator Dorn.

DORN: Thank you, Mr. Lieutenant Governor. I want to talk a little bit about just what Senator Wayne said there. We don't have a four-year vet school. What the University of Nebraska has-- and this came about, about, I don't know, maybe five years ago or so, we have an agreement reached with Iowa State University where we have 25 students a year and we have the first two years here at Lincoln at East Campus. So yes, technically we have a vet school, but it is part of Iowa State and the agreement we reached with them. We tried to reach an agreement with Kansas State. That didn't come about. A lot of kids were going there. But we do have a program here that if you get into the two-year program in Nebraska, you're guaranteed the final two years at Iowa State. That's the agreement we do have with them. So we do have-- Nebraska does have-- I consider it a vet school. It's just not the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

four-year total program in Lincoln; two years is here, two years will be at Iowa State. Thank you. I yield my time.

FOLEY: Thank you, Senator Dorn. Senator Matt Hansen.

M. HANSEN: Thank you, Mr. President. I'll yield my time to Senator Wayne.

FOLEY: Senator Wayne, 5:00.

WAYNE: Thank you, Mr. President. And Senator Dorn, I do understand that we have a two-year program. And that was my point, was she didn't want to start here and have to leave to go to Kansas State or Iowa State to finish her career. And my answer to whether we have a vet school or not is kind of like, do you have a real football program if you can't field the varsity? Like at the end of the day, you have to be able to walk across the stage with University of Nebraska to call yourself a vet school. If it's a program, then it's a program. We have a lot of programs. For example, we have a three-three program at Creighton. For example, in high school, I had a program where you can go to a-- you can get part of your nursing or get involved in the health sciences. That doesn't mean that we have technically a doctor program in high school. It doesn't. It's just a program to get you experience. And yes, you can transfer, but I'm just curious why we're not investing in our-- if we are an ag state, we should have a full-blown veterinarian school. It doesn't make sense for us to train people and then send them to Iowa State or Kansas State and hope that they come back. If we're an ag state, let's be an ag state. Thank you, Mr. President.

FOLEY: Thank you, Senator Wayne. I see no one in the speaking queue. Senator Friesen, you're recognized to close on AM2345.

FRIESEN: Thank you, Mr. President. Thank you, everyone, for the good discussion. I do a lot-- know a lot more about the MoPac Trail and I actually know now who owns it. But Senator Wayne has been bringing up some good points as we talk about how we go out and develop our budget and the process that we use here. And I know it's changed some since I've come here, but we've got a long ways to go to make this to where we're going to have buy-in from the rest of the body, unless we're going to go through this process each time, which I don't feel it's out of line. I mean, we get to talk about different line items that people can bring up. They can talk about it, they can defend it, they can explain what it is. But when we're spending this kind of taxpayer dollars, I think people need to know that we know what we're talking

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

about and where we're appropriating funds to go to. And I personally look at this, and I know we have Highway 81, which we'd like to have four lane to Columbus. We're begging for more roads money. We have need for projects out there and yet, if our priority is to spend \$8.1 million on bike trails, then so be it. This Legislature will do that. But people need to know what we're talking about when we're passing a budget. What is in the appropriations that we're doing? And that's the purpose of today. And with that, I will withdraw my amendment. Thank you, Mr. President.

FOLEY: AM2345 has been withdrawn. Before we proceed, items for the record, please.

CLERK: Thank you, Mr. President. I do. Your Committee on Business and Labor, Chaired by Senator Ben Hansen, reports LB1084 to General File; LB1083, General File with amendments; LB1130, General File with amendments. Senator Albrecht offers LR331. That will be laid over. Senator Wayne, an amendment to be printed to LB1024. Mr. President, with respect to LB1012, Senator Wayne would move to amend with AM2360.

FOLEY: Senator Wayne, you're recognized to open on your amendment.

CLERK: This is the Standing Bear amendment.

WAYNE: Thank you, Mr. President. This is what makes doing budgets so hard, because I just did another amendment to change, to change where this goes. But I actually want to vote on this. So I got to-- I want to vote on this and I'll fix it on Select. But what this does is create the Standing Barrier Documentary Fund, and this current amendment says it goes to the Nebraska Historical Society to administer the fund to produce a documentary on Standing Bear, Chief Standing Bear. What, what will happen on LB1013 is we're actually going to transfer it to the Nebraska Film Office Fund in DED, which is where some current film production is going on. But here's where this came from, if you realized I actually introduced a bill to deal with Standing Bear Museum-- actually during our north Omaha testimony. We had a filmmaker come in both to LB1025 and LB1024 hearings and how this ties into north Omaha. So I won't tell you the story of Standing Bear, because, one, it's been said a couple of times on this floor; and two, I'd rather have Senator Brewer do it to do more justice than what I would do talking about his culture. But the reality is, is there was a significant element of the story of Standing Bear that happened in north Omaha. And it happened in Senator McKinney's district where there was, one, him being held; and two, a trial. And there's a historical significance that ties not only north Omaha to

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

Chief Standing Bear, and if you look at that story in that court case, that ties all America. That was the first time ever that a federal court recognized, other than a white individual, as a human being who deserved due process and rights. That's a fundamental story to who we are as a people, who we are as Nebraskans and who east Omaha is to east Omaha. That is orig-- originally one of the first stories out of east Omaha that dealt with civil rights. And so when I saw the promotion of STRATCOM, and if you think about STRATCOM and the impact STRATCOM had on Omaha and the state, I'll just give you some stuff that has to do nothing with the military. One, when the Offutt decided to build out their networks of copper wire to make sure they can communicate across the country, therefore the world, that copper wire led to a revolution called telemarketing. And that telemarketing happened here in Omaha because Omaha had the bandwidth of copper wire to communicate all across the country and the world. If you look at the economic impact that Offutt had when you talk about soldiers, and if you read about soldiers who were stationed in Offutt and could not buy a house in the Westside School District, who could not buy a house in Regency and had to live in north Omaha, if you look at the Nebraska black history, you will see that helped fund and stir the pot for the civil rights movement. You can literally tie Offutt to one of the first founding chapters of the NAACP in north Omaha because many, many soldiers actually had to live in north Omaha because they were not even allowed to live in Bellevue and on the base. So when you think about civil rights in north Omaha, you don't just think about African-Americans. You have to go as far as back as to Chief Standing Bear because his struggle was the same struggle a century later that African-Americans still go through, and back then went through, for north Omaha. So when I saw the promotional and a film for SAC and I thought about the bill that I introduced, I thought there's no better time than to have this conversation right now on why we shouldn't match the same. Because the impact of STRATCOM and the history of STRATCOM is just as important to not only the country, but to Nebraska as Chief Standing Bear is to not only our community, but to Nebraska and this country. So I'm open to the dialogue of splitting it 2.5 to 2.5. I don't like that idea. I think Senator Brewer has made points about the depths that they're going to have to go through to film the STRATCOM history and the clearances and extra trips they're going to have take outside of America to get that done, but I will equally tell you that the testimony that came before LB1024 and LB1025 hearings were about not just doing a film about Standing Bear, but also doing the film in their native language to make sure they don't lose their own culture; to not just talk about it from our perspective of Omaha, but to talk about it from their cultural perspective. So while we are

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

taking time on a bill and whether it moves here in the way it is or not, I think it's important that if we're going to highlight the benefit of STRATCOM on America, we need to have a conversation about the benefit of Chief Standing Bear on America too. Thank you, Mr. President.

FOLEY: Thank you, Senator Wayne. Senator Brewer.

BREWER: Well, that got up in the queue quick. I want everyone to understand that I do not disagree in any way with Senator Wayne and the importance of Standing Bear and the historical piece of that that goes back to where the trial was held and the decision made. The problem is we don't have the extra \$5 million unless we, again, have a chance to relook at how some of the dollars are used. We-- we've made the agreement with the other support that we're getting in Omaha to be able to make this special documentary about the USSTRATCOM. So what I don't want to do is see us split that and not have enough to do either. So if we're going to seriously look at doing both of those, we have to figure out a funding source to do both of them. And I think they are great ideas. I understand that, that this is kind of new, new information on the actual executing of, of a movie on Standing Bear. Anybody who's followed the discussion here on the floor about Standing Bear, how we designated a day for that and then we decided that we would remove the statue of William Jennings Bryant at our Capitol and replace it with the Standing Bear statue, understands what we've gone through the last few years, years with Standing Bear. But again, I'm trying to stay focused on the target here, which the Governor designated it, the Appropriations Committee designated that \$5 million to move forward. And so I'm open for the idea of finding another \$5 million, I just don't want to see us take away the ability to execute either of those. Thank you, Mr. President.

FOLEY: Thank you, Senator Brewer. Senator Wayne.

WAYNE: Thank you. Everybody got out of the queue. We were having such a fun time earlier and then we got serious and everybody jumps out the queue. So the way the amendment reads right now, I'll tell you this is why appropriations is a little hard when you start doing amendments. So LB1012 says to the Historical Society, that's not where I want it to go. I want it to go to DED, to the Nebraska Film Office Fund. So when I called up to Bill Drafting to correct it, they sent the two other ones down for LB1013 to LB1011. They are working on the side of me to correct AM2360 to make sure that it all reads the same. This again goes to my point of if we pass this one, we're naturally going to pass the next two budget bills because they all go together. You

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

can't change one without the other. This one generally creates the funds, LB13-- or LB11-- LB1011 will actually transfer the funds. And so that again, this is why it's complicated, and this is why we have to see the whole picture. We have to see the whole thing because they all work in unison. It's all one pretty dance, and we just don't know if they're doing the foxtrot or-- I can't think of another dance right now. My point is this is a good amendment. I can keep talking about it. But I figured if we're going to just chip away at stuff and spend money on stuff without seeing the whole picture, then let's chip away at some things that benefit all and benefit different parts of the community and benefits different parts of Nebraska. In no way am I trying to take away from the \$5 million. Believe it or not, I do think we need to tell the story of Offutt. I do think we need to promote one of our significant assets, but I also believe Chief Standing Bear is one of those same significant assets. So with that, I don't know if anybody else is in the queue to help me figure out this amendment, but that's OK. And I appreciate-- thank you, Mr. President.

FOLEY: Thank you, Senator Wayne. Senator Friesen.

FRIESEN: Thank you, Mr. President. Would Senator Wayne yield to a question?

FOLEY: Senator Wayne, would you yield, please?

FRIESEN: Senator Wayne, I kind of missed your opening on this a little bit, but has this idea had a hearing?

WAYNE: Yes, it had a hearing on an ARPA fund where I asked for a museum. And then on LB1024 and LB1025, our overall north Omaha package had a filming-- production studio and filming films dealing with significant figures in north Omaha and this is one of them.

FRIESEN: What kind of fiscal note did that have?

WAYNE: The museum, I asked for \$100 million, so you know that didn't go anywhere. But overall, our plan, LB1024, we were looking at \$4-5 million to deal with the filming. So there was two particular films. We were looking at this film in particular with Standing Bear, and we were looking at a civil rights film that dealt with the '66 to '68 riots, basically a celebration of north Omaha and the civil rights movement that we had all the way through the desegregation of OPS in 1996.

FRIESEN: Is this something that maybe should-- could be funded with tourism dollars, things like that or--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

WAYNE: Yes, actually, you'll see an amendment from LB1020-- LB1024 that there is some tourism dollars out there that may be able to fund that. There actually is a tourism grant for about \$3 million that the state applied for, that we haven't appropriated outside of everything in the budget, that's not even in our budget that we can budget towards this. This is-- again goes back to why we need to see everything. But yes, there are some tourism dollars. And in fact, locally, we should be able to get some dollars from Douglas County, who has a whole tourism dollar occupation tax.

FRIESEN: OK. Thank you, Senator Wayne. So I, I'm gonna probably be opposed to this amendment. In the past, I-- and I again, this wouldn't be a priority of mine right now. And I do think things like this probably are better funded with local tourism dollars than appropriations from the state. But again, we're-- when we talk about our process here, I appreciate him throwing ideas out because each one of us should-- he's had his opportunity to have a hearing and have it out there and see if he can get it included in the bill. We can all do that. The appropriations process should be open to each of us to where we can make sure we have our, our day in court here, so to speak, to where we see if we can get money appropriated to our projects. In the past, I have, like I said, in my eight years, I've never had an appropriations bill. I've never been in front of that committee. When I first came here, I did want to be on it. I thought it would be kind of enlightening to learn how that process worked and stay on that one for two years before you go off to a committee, so you understand the funding process of the state, would help you do a better job on your committee. But again, as we're looking at prioritizing dollars, we've all got priorities out there on what might make the state better. Some of us, it's property taxes, some of us, it's going to be income tax relief. To the citizens of Nebraska, what do they want? That's what I'm trying to decipher when we're having these conversations. And I want people to know what we're talking about when we're appropriating dollars. I did not bring an ARPA bill or an appropriations bill this year because again, being in Telecommunications and Transportation, we did have a lot of federal funds to work with. So I haven't really needed any appropriations, so to speak. But again, I know there's a lot of good causes out there. But again, where should our priorities be when the state is looking at-- from my standpoint, we're seeing a continual slow decline in population in rural Nebraska. We have not funded our K-12--

FOLEY: One minute.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

FRIESEN: --what I would call appropriately. Yes, we have tied up a lot of dollars in property tax relief. We have still not addressed ag's huge increase that they had in the 2010-2012 time frame where we had property taxes triple on some ag land. And I know now the residential houses are seeing their property values shoot up 15, 20 percent. It's going to be interesting to see how the assessors handle some of the increases here in Lincoln when they've been holding back on raising those valuations. So I'm open for a lot more discussion. I know there is more amendments to come yet, and I look forward to having that, that process work out. Thank you, Mr. President.

FOLEY: Thank you, Senator Friesen. Senator John Cavanaugh.

J. CAVANAUGH: Thank you, Mr. President. Well, I think we have a lot of conversations-- Senator Friesen was just talking about everybody gets their chance to be heard and get a hearing and attempt to get their bill or idea into the Appropriations bill. And we had this conversation last year. Senator Flood wanted to, I think, add a million dollars to arts projects or something along those lines, and we had a whole big conversation, disagreement among some people about whether we can add things to the budget or not. And I said at that time, and I know a lot of other people said that we have to have the ability to make changes to the budget, which includes not just subtraction, but addition and adding projects in because not all of us sit on the Appropriations Committee. And as I think Chairman Stinner said at some point in this conversation, that the Appropriations budget proposal is that, a budget proposal, and that it's now on the floor for all of us to talk about it. So I think it is important to talk about the ideas that maybe we don't think rise to the level of being included in the budget, but also ideas that maybe missed-- got missed and maybe should be put in. So I think I appreciate Senator Wayne bringing this amendment, and I would see if Senator Wayne would yield to a question.

HILGERS: Senator Wayne, would you yield?

WAYNE: Yes.

J. CAVANAUGH: Senator Wayne, so this amendment, you were talking about just mechanically how it would work to-- if we choose to fund this program that, which would be the, the documentary film about Standing Bear, we need to have this bill. But this doesn't fund it?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

WAYNE: No, I just found out, just talking to the experts. LB1011 and LB1013, since I'm using an existing cash fund, I don't have to create a new cash fund. I can just do it through the existing.

J. CAVANAUGH: So we don't even actually need this amendment is what you're telling me now?

WAYNE: Yeah. Kind of messed me up. I was seeing who would vote on it. But OK, it happens.

J. CAVANAUGH: Well, I was going to encourage people that, that by voting for it, they, they can vote for it and that's not necessarily making the decision to fund it at this time anyway, right?

WAYNE: Yeah, we'll just-- we're going to withdraw it here soon in a little bit.

J. CAVANAUGH: OK. Well, then that, that answers my next question, I suppose. We don't need to-- so we'll take up this issue maybe on the next bill is what it sounds like, or one of the subsequent bills, about whether this meets a priority or something we want to do ahead of other things. But again, everybody-- you know, every question, every program, every allocation of funds from the largest down to the smallest is one being put a-- pit against another. And the suggestion of funding a film about Chief Standing Bear obviously was not included, but maybe we have the potential to add it in, in another bill. And I suppose at that point, I would make my determination. But I generally am supportive of the idea based off of the statements I've heard so far. And with that, I'll yield the remainder of time, Mr. President. Thank you.

HILGERS: Thank you, Senator Cavanaugh and Senator Wayne. Senator Linehan, you're recognized.

LINEHAN: Thank you, Mr. Speaker. I would ask if Senator Wayne would yield to some questions.

HILGERS: Senator Wayne, would you yield?

WAYNE: Yes.

LINEHAN: And I'm sorry, I did not give you a heads-up. Didn't we-- in, in the budgets, in one of the budgets when we've been here, didn't we create something at DED for films?

WAYNE: Yes.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

LINEHAN: Can you explain what that project is? I know it's not your bill, I'm sorry.

WAYNE: I was going to defer to Senator Wishart. I think it was her bill.

LINEHAN: OK, well, I can do that. Senator Wishart, would you yield to a question?

HILGERS: Senator Wishart, would you yield?

WISHART: Yes.

LINEHAN: So did we put aside \$10 million a year for films in Nebraska in the budget last year?

WISHART: No, we put \$1 million one time.

LINEHAN: \$1 million one time. So we don't have, we don't have a ongoing film thing?

WISHART: No. We do have a film office.

LINEHAN: What happened to the \$1 million that we did the one time?

WISHART: That fund is within DED and my understanding is there are some films that are coming out that are leveraging those dollars to be filmed here in Nebraska.

LINEHAN: Your understanding, but you don't have any exact results of the million?

WISHART: Yeah, I do. They, they created a grant program where you could maximize-- you can max out at \$400,000. And one of the results is there's a film that is, that goes back, it's like a Christmas-type of film that's going to be about the Huskers in the 1980s that Tom Osborne is involved in. That's one of the films that will take advantage of this program.

LINEHAN: OK. All right, thank you, Senator Wishart. I'm having-- well, as everybody in here knows, I have a hard time saying no to Senator Wayne, but is it-- Senator Wayne, would you yield to a question again?

HILGERS: Senator Wayne, would you yield?

WAYNE: Yes.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

LINEHAN: I know nothing about the costs of making films. Is \$5 million a reasonable number? And where does it come from?

WAYNE: My \$5 million came from the SAC \$5 million.

LINEHAN: OK, so I need to ask Senator Brewer?

WAYNE: Well, I can answer that question because--

LINEHAN: OK.

WAYNE: --we had a-- on our mountain trip, we had a filmmaker who taught us a lot about how to do these types of films.

LINEHAN: OK.

WAYNE: And part of it is when doing SAC, you're going through a lot of history. You're interviewing a lot of people. Those people aren't necessarily in Omaha. Some of them are worldwide, so there's a lot of expense of just getting to those people. And so for that particular film, that probably isn't too high of a number because of the history.

LINEHAN: And the same would hold for one on Standing Bear?

WAYNE: Yes, actually, the budget for the Standing Bear is about \$30 million.

LINEHAN: OK, if you're going to fix whatever we need to fix here, should I yield you the rest of my time?

WAYNE: I have my button pushed.

LINEHAN: OK, then I'll just give it back to the Chair.

HILGERS: Thank you, Senator Linehan, Senator Wayne and Senator Wishart, the other senator. Senator Arch, you're recognized.

ARCH: Thank you, Mr. Speaker. Senator Wayne, I have a question for you, if you would yield.

HILGERS: Senator Wayne, would you yield?

WAYNE: Yes.

ARCH: I, I share some of your frustration that you've expressed on not having the whole picture as we're going through this. If, if this, if this bill does not pass cloture, if it goes eight, what-- how do you

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

envision the future? How would you get your head around the big, the big picture, the whole, the whole picture? What would that process look like? What are you thinking about?

WAYNE: Well, I'm glad you said that. One, I think the ARPA funds-- and I have my light on after you, so we can keep talking. The ARPA funds probably won't-- all the language won't be out for probably another four or five days based off of what I heard. But by not passing this bill, we're not actually creating those seven cash funds. So the other two bills, theoretically, we would be transferring cash to cashes that don't exist, so they-- it can't happen. So this bill will have to catch up. So we could have conversations, and we may even pass other bills, but we're not actually being able to transfer cash to these seven new cash funds because they're not actually created. So this would have to catch up. So what happens if a bill doesn't pass cloture, particularly this bill? There's two options. One, it has to fail cloture three times on general affair [SIC] before it's actually dead. No Speaker ever has done that because usually if they don't pass the first time cloture, you probably will get the votes. But the rule says you have three times. Or two, we can make it a Speaker majority propose-- major proposal, and that will-- the Speaker can not only control when it goes on the agenda, but the order of the amendments that he feels is correct to move the body forward. So there's, there's still avenues to do it, but we would have everything to the floor. So what I think on the mainline budget, we have all the data, all the budget, and we start having a broad conversation about the budget. We start figuring out the ARPA as it goes along. And then we have a broad discussion on both budgets and come back. Either way, these bills aren't going to pass for another week, week and a half. So we have time.

ARCH: Do you see that happening on the floor, those broad discussions?

WAYNE: I know that in this body, our best and worst deals are done when there's a time crunch. I know in this body, we don't actually make deals until we're having these conversations on the floor, in the corner, trying to figure out how we move 25 ahead. And those are usually the hardest conversations, but often the most productive conversations.

ARCH: Thank you, Senator Wayne. I yield the balance of my time to Senator Wayne.

HILGERS: Senator Wayne, 2:25 and you're next in the queue.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

WAYNE: Thank you, Mr. President. So first, colleagues, let me tell you what happened on here. And so maybe other people don't make the same mistake that I just made and have to figure out you did something wrong. So what I did is I created the Standing Bear Cash Fund. By creating a Standing Bear Cash Fund, I have to go into this bill, LB1012. Well, I don't have to create the Standing Bear Cash Fund because DED has the Nebraska Film Office Fund already there. And so if we move this money over there and give them direction and guidance through, through legislation saying this will go to the Standing Bear film, that covers what I'm doing. So since I'm not-- since I don't have to create a Standing Bear Cash Fund, I can use the other two bills, the mainline budget and the cash transfer, just to transfer the cash to the existing fund with guidance on where the, where that actually goes. So the lesson learned in my sixth year is if you don't have to create a cash fund, you get to skip one of these three budget bills. And that's what happened here. I created a cash fund, but I didn't need to necessarily. There's already a fund set up in DED to do what I'm asking it to do. Now with that being said, it doesn't take away from the merits of what we're talking about. What I'm not trying to do--

HILGERS: One minute.

WAYNE: --is take away what Senator Brewer is already proposing for the SAC Museum-- I mean SAC, Strategic Air Command, promotional video. I think that is critical. But I do think there are stories to be told in Nebraska that are not being told that we as Nebraskans should be telling. For example, if you read the history of north Omaha about the number of African-American senators who were down here before Senator Chambers, one name was Ricketts. Shocking. He was a Republican. He had major influence. He actually passed Nebraska's first interracial marriage laws. Like, those are forgotten histories that we need to talk about and we need to share. So we should be doing more and we should be embracing these types of film industries that can happen. There's a company right now who wants to establish in north Omaha. They have a film they want to do. I'm next in the queue?

HILGERS: You're on your time, Senator.

WAYNE: Thank you. And they want to move here. They will end up bringing 10 to 20 \$100,000-plus jobs. They actually came to one of our presentations, or to one of our hearings. And they need about 5,000 square feet of warehouse space to create their studio. They have contracts with ABC and Disney to do production and they want to do it in north Omaha. They're making a-- and they're not from north Omaha,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

but they're making a conscious effort so the community can see something different than what they currently see, and they want to be a part of this innovative change. One of the key things to our LB1024 plan is we want to be the mecca of entrepreneurship, the mecca of entrepreneurship in the Midwest. And part of that, believe it or not, is film production and technology. When you have startup companies, they are looking to ways to promote and do those things, and it will naturally feed off of each other. So that's part of the reason why in LB1024 and LB1025, there was a film aspect of it. We had one individual talk about shooting films already in north Omaha. I'll give you another example. If you don't have Hulu or you don't have Prime, it's called Out of Omaha. You should go watch it. It's about twin brothers who grew up in Omaha and actually ended up in Grand Island, and they still have a concrete company out in Grand Island doing driveways and some things like that. Talking about the Omaha story. There are people who want to do this and it's a, it's a productive-- well, and people make a lot of money doing it. And so there is an opportunity. So this isn't far-fetched. I would love to be able to attach this to LB1011 or LB1013, move it forward with the Standing Bear. It's a \$30 million production, and they're only asking the state to put in 5. That's huge for this state. That's huge for this country. But I understand that I did this amendment wrong, so at this time, Speaker Hilgers, I-- Mr. President, I will withdraw my amendment.

HILGERS: The amendment is withdrawn. Mr. Clerk for an amendment.

CLERK: Mr. President, the next amendment I have to the bill, FA127 by Senator Wayne.

HILGERS: Senator Wayne, you are recognized to open on FA127.

WAYNE: Thank you, Mr. President. I'm pulling up 12-- oh oh, the 15 and 5. OK, thank you, Mr. President. This is more about process and I will withdraw this amendment. I understand what Senator Kolterman is trying to do with this type of research. My only reason for putting this amendment is to talk to you about one of the bills that I introduced before. And it's not to pick on Senator Kolterman. I think we should always be looking for innovative ways to do research, especially around healthcare and I think we should do more about it. But I do want to talk about process, because there will be some of us returning next year, and I want people to think about how we don't run into a little bit of these situations. So a couple of years ago, I introduced a bill about diabetes research, and what they found out is if you have a person-- well, one, if you can upload your results every time you take them and you have somebody sitting at a computer, usually a nurse

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

practitioner, and they're watching those results, you actually, in the first four to eight weeks, almost completely lower your A1C to the recommended below seven. And here's the reason why: you can't lie. See, I'm diabetic, and I go to my doctor all the time and I'm like, yeah, I take my prescriptions every morning and every night. And every weekend, I'm supposed to take a shot. I got that too, we're good. But in reality, there's a couple of days I might not. Wake up a little late, or after the long day, I go over to Billy's and maybe have a drink and I don't like taking them with-- you know, just might make my liver bad. But my point is, is this instant feedback fundamentally changes how you do it. And how do I know? Because at one point, my pharmacist was calling me roughly every month to check in, and I had to upload them. Now here I am an attorney. At least, I mean, I hope Creighton thinks I'm well-educated, some of you might not think I'm well-educated in here. I went to Creighton undergrad, Creighton Law School, but at the end of the day, I find myself still not following the regimen. So I introduced a bill to do a pilot program with the Med Center, and Lord and behold, I was in front of the HHS Committee. And it didn't get out of committee, of course, because most of my bills don't, because I introduce 75 of them. But this one went to Appropriations for pretty much the same kind of thing of starting a, basically a pilot program or something like that. So will Senator Arch yield to a question?

HILGERS: Senator Arch, would you yield?

ARCH: Yes.

WAYNE: And I promise not to get you in trouble.

ARCH: Thank you.

WAYNE: How do you know when a bill should come to your committee versus Appropriations? And what do you go through to make sure all the bills that are referred in the Executive Committee go to the right committee?

ARCH: Well, as you know, the Exec Committee refers, so how do I know? They are, they're referred to the committee. On the other hand, the process that we use in our office is every day to-- of those ten days, those bills are introduced. And my staff and I sit down and go through those, and we kind of highlight and anticipate which bills maybe should-- will be coming to HHS or should be coming to HHS. There's also times that we get bills that we don't think should be coming to HHS and then we may go, and you and I have had this, where that really

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

should be in Urban Affairs or-- and so then we, then we do some of that as well. But yeah, so it's a, it's a matter of the Exec Board referring, and it's also a matter of us tracking and sometimes convincing that something ought to be rereferred.

WAYNE: Thank you. And that's what we do in our office too in Urban Affairs. Our counsel usually sends us a note and we try to talk among each other and as Chairman to figure out where it goes. And my point is, is oftentimes when there's just an appropriation, we don't get to see it. And what we often argue about whether it should go to our committee, it's a straight line appropriation, so it goes to Appropriations. Is Senator Hansen still here? Will he yield to a question?

HILGERS: Which, which Senator Hansen?

WAYNE: Can I do both at the same time and confuse the transcribers? OK, I'll go with Ben, Senator Ben Hansen.

WAYNE: Senator Ben Hansen, would you yield?

B. HANSEN: Yes.

WAYNE: Senator Hansen, we kind of talked about this issue of jurisdiction on the mountain. Can you kind of give your side of what you thought?

B. HANSEN: Oh, OK, I missed part of what you were saying earlier because I was on a phone call. Sorry, about referencing?

WAYNE: Yes. Yes, and about committees of jurisdiction and how maybe they should come back to the original committee. The bill we introduced together?

B. HANSEN: Yes.

WAYNE: OK.

B. HANSEN: Oh, OK. Yes. Sorry. If any of you were on the mountain with Justin and I, this is typically how he communicates, like I'm reading his mind. And so now I understand. Yeah, about referencing and about the idea that when we create a new program?

WAYNE: Yes.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

B. HANSEN: Yes. So the idea was that-- and that might kind of talk about all the the giant book of programs that we have when I was looking at all the cash funds that we have in the state of Nebraska, is that whenever we create a new program, sometimes it just goes into perpetuity and it just-- we just end up spending money on stuff and we don't really have any recollection or idea of how it's performing. And so the bill that we did introduce, anybody who created a new program, maybe one of these other cash funds as well, would have to come back to the committee that it was referenced to or that it should be referenced to. And then that committee then decides that it should continue after five years or if they should sunset it. So that way, we have some kind of discretion on-- an idea on how the program is doing, how it is performing and whether it is a wise spend of the taxpayer dollars, or to continue to spend. Is that correct, Senator Wayne? All right.

WAYNE: Thank you, Senator Hansen. And then colleagues, again, I'm not necessarily-- I think \$5 million is probably correct. I don't have all the data on this and so on my next time up, I will ask Senator Kolterman to kind of explain a little bit more about this type of research. I know he handed out a pamphlet on it, or a statement on it, but since we're talking specifically about this. And then I will ask Senator Arch to tell me a little bit more about the-- or maybe Senator Stinner to ask-- to tell me a little bit more about the health cash-- Health Care Cash Fund, because I don't know a whole lot about it. And I think if we're moving money around, we should talk about it. How much time do I have left?

HILGERS: Three minutes.

WAYNE: OK, so will Senator Kolterman yield to a question?

HILGERS: Senator Kolterman, would you yield? Senator Kolterman, would you yield?

KOLTERMAN: Yes, I will.

WAYNE: Senator Kolterman, again, I told you earlier, I'm not trying to take this amendment to a vote, but can you-- since we're talking about this particular amendment in this section, can you tell us a little bit more about it? The, the cancer research?

KOLTERMAN: Oh, sure. It's a bill that I brought four years ago to do research at the University of Nebraska Medical Center. We appealed to the Board of Regents to set up a pancreatic cancer center of

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

excellence and figured out what it was going to cost to operate that facility and get it started only, because it's just startup dollars. And so they came back with \$15 million from us and \$15 million from private monies.

WAYNE: Thank you, Senator Kolterman. Senator Stinner, will you yield to a question?

HILGERS: Senator Stinner, would you yield?

STINNER: Yes, I will.

WAYNE: I'm just trying to get more information on the Health Care Cash Fund. Can you tell me a little bit about that?

STINNER: OK, the Health Care Cash Fund was set up from the Tobacco Settlement Fund, and there was another fund for the overpayment of Medicaid payments. And then the nursing homes had to pay it back, so there was two funds initially. Those two funds earned interest, and the interest earned from those funds were put into the Health Care Cash Fund, plus the dollars that came in from the Tobacco Settlement Fund. So there was about \$35-40 million on an annual basis that comes in from the Tobacco Settlement Fund, plus the earnings. And then that made it available to take out certain expenses as it relates to healthcare. And there's a whole list of what the past Legislatures have deemed to be appropriate expenses for them. What has happened over the years--

HILGERS: One minute.

STINNER: --because we haven't used all of the funds, it has built up the corpus of the Health Care Cash Fund, the Tobacco Settlement Fund, the fees that has built up over a period of time, and now is at about \$550 million. So-- and I can go on, the Investment Council actually invests this money. They have indicated that we, over a long period of time, our expectations are that there will be around 6 percent earnings off of this because it's invested in various different investment vehicles. So if you take 6 percent times \$500 million, you get \$30 million, you get \$35 million, that's \$65 million. You're still within that \$50-some million that we were taking out. And in this year, we're going to take out 62. So there should-- what I'm trying to say is there should be plenty of funds that flow from the health care-- from the Tobacco Settlement Fund, plus the tobacco settlement to pay the 60--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

HILGERS: That's time, Senators. Thank you for opening, Senator Wayne. Debate is now open on FA127. Senator John Cavanaugh, you're recognized.

J. CAVANAUGH: Thank you, Mr. Speaker. And I think my reading of FA127, I would be opposed to. I appreciate the conversation about the Health Care Cash Fund, and that's a topic I'd like to hear more about. I think I cosponsored the underlying bill on this with Senator Kolterman, was a cosponsor. This type of project-- you know, I've talked about a couple of times today, just projects in general, and I continue to be appreciative of everyone engaging and talking about the specifics of projects and why they're relevant and why they're important. And I think that is a good topic, and I certainly appreciate Senator Wayne facilitating the conversation about this and making sure that everybody is engaging and talking about this subject, but as it pertains to this, it's \$15 million, as Senator Kolterman said, which would that include-- get, I think it was \$15 million in private investment as well that would go to creating this Center for Excellence in Research. And those are the types of things we have, if you haven't been to UNMC, you should go check it out. It is an impressive facility. And if you are somebody who has been-- was in Omaha 25 years ago or is from Omaha, you can see how much growth and investment and creation of economic development that UNMC has led the way on in that part of town. And it's these type of projects, many of them over years that has led to that sort of investment and growth that UNMC and the jobs and the people that live in midtown Omaha now in my district and Senator Vargas' district and Senator McDonnell's district and Senator Hunt's district and Senator McKinney's district, the areas that are right around UNMC, where there's all of these people that are moving into the area that are good-paying jobs, high-paying jobs, professional researchers and doctors and scientists that are bringing people into the community. And those are the, those are-- this is a, this is an economic development tool. This is a future-looking project. This is something that will return, have a return on its investment. And so it is the type of project that I think meets that, checks those boxes. As I'm looking down on my paper, I see the-- as I talked about Senator McDonnell's portion of the NC3 and the number of jobs, 400 jobs, \$170,000 is the average wage. And that's what we're talking about here. Same sort of idea, creating those sorts of facilities that then will create more follow-on jobs. And then, of course, technology, technology innovation, research, intellectual property that then creates further investment in the state and more jobs. And these are the types of things that hopefully we can continue to do in the state and that may be the types of

investments, you know, we're talking about. We shouldn't spend money just to spend money. We shouldn't do things that we wouldn't otherwise do just because we have the money right now to do it. This is the type of project, as Senator Kolterman said, he's been trying to get done for, I think he said, four years that is a project that we were trying to do before we had the money to do it. And of course, now we have the money and that it should be high on our list of things that we can undertake and invest in the future. So I would, I guess, be opposed to FA127, can support this portion as is. Thank you, Mr. President.

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

M. HANSEN: Thank you, Mr. President, and good afternoon, colleagues. I kind of wanted to rise a little bit again to check back in on the budget. I understand what Senator Wayne is doing, what he's try-- points he's trying to make on FA127, so I won't speak to that. I do think that kind of notion of the process, including of what concepts get included in the budget and what concepts have to be kind of standalone appropriations or standalone bills is interesting and frankly, one I've struggled with this Legislature in order to get things done effectively in this body. You know, kind of a-- this, this, this notion of talking about-- in my mind, talking about some of the things that we've created, such as the canal and STAR WARS or JEDI Act needing to be done through the budget package because the bills have already been advanced. In my mind, you know, many times when we do something like that, that's actually an obligation of the bill itself with its own trailing A bill. And sure, it might be incumbent upon the Appropriations Committee or incumbent upon the introducer to work with the Appropriations Committee to account for that, to make sure that number works. But I think about all the years in which we literally had any sort of fiscal note was kind of a complete roadblock, complete, you know, veto gate on any sort of appropriations and how that influence-- and how that influenced my tenure. Frankly, had I realized and recognized and I think fully appreciated the amount of work the Appropriations Committee was going to bring forward this year, I would have liked to and could have and should have brought more proposals for them to consider in the sense that, you know, seeing that some of these things, seeing that some of these individual one-liners that are being created and funding at a high level and knowing that we have some kind of institutional system-- system or, you know, personnel things that could have been funded or could have been improved, and knowing that those hadn't. Sometimes, you know, that does go to individual subject-matter committees. I had a bill, for example, this year in front of Business and Labor that would have

done a number of things to kind of the Meat Packing Bill of Rights in the Meat Packing Bill of Rights Coordinator, which is statutorily created position. One of the things, though, it would have done was it would have required that that position could have been a full-time position as opposed to its current half-time position. This is a person created by statute-- a position created by statute, and it's a wide range of duties. In my mind, more than a full-time employee's worth of duties, but is currently only working about half time at the Department of Labor. They have other duties to make up the rest of their 40 hours. And because that was included, it was some policy issues, I understand why that got referenced to a standing committee. I don't disagree with that. In retrospect, having known and seen what was going on this year, I should have done what another-- number of other senators have talked about doing, is kind of splitting the issue and sending a bill to both Appropriations and to the standing matter-- subject-matter committee in order to get at a minimum the appropriation for that, and maybe putting aside all of the other policy changes that we wanted. See, even going forward, had I wanted to do something with that bill, still having to maybe make it narrowly and narrow it in order to get it out of committee, we will be at a difficulty of still finding a vehicle, still attaching it to a priority bill, attaching it to a package or doing something to move it forward. As apparent-- as opposed to had I brought to say that direct appropriations to the Appropriations Committee, that could have been something I advocated for. Now, in some ways that doubles our effort and we see this this year where several people are talking about-- and I sat through some of the Urban Affairs Committee's--

HILGERS: One minute.

M. HANSEN: --several Urban Affairs committee hearings Senator Wayne talked about, where I knew full well that he was pitching stuff to the Appropriations Committee, but I also was on the subject-matter standing committee. And what my role was there and how our role as a standing committee in order to appropriate money was interesting and was something that I think we-- kind of ebbs and flows a little bit throughout this body, at least through my eight years in terms of how much and when the kind of policy decisions in terms of finances go to the standing committees versus how much are like wrote appropriations. Because sometimes creating a new program gets referenced one way or another and I don't think ever wrongly necessarily, but it does seem to, as we see in, you know, LB1024, LB1025, other bills kind of in the same vein, going to two different committees based upon, you know, simple wording in terms of what-- how they appropriate, basically how many or how much distinction is placed on it. With that, I--

HILGERS: That's time, Senator.

M. HANSEN: Thank you, Mr. President.

HILGERS: Thank you, Senator Hansen. Senator Machaela Cavanaugh, you're recognized.

M. CAVANAUGH: Thank you, Mr. Speaker. I wanted to rise to talk about the Health Care Cash Fund a little bit as well. I will not be voting for FA127. So the Health Care Cash Fund, as has been stated a couple of times here, was created out of the Tobacco Settlement Fund-- Trust Fund. And so if you look at our original biennium budget from April of 2021 on page 68, it will tell you a little bit more about the Health Care Cash Fund. But the intention of the funds in the Health Care Cash Fund are to be used to improve health outcomes. So in my esteem, Senator Kolterman's request to put money towards pancreatic cancer research would be meeting that definition of improving healthcare outcomes. I, as Senator Arch as well learned from former Senator Sara Howard, the importance of protecting when we're dispersing funds from the Health Care Cash Fund because it is supposed to be suit-- to a specific need. And we do have more opportunities to address those needs of healthcare outcomes. And I think-- I hope that's something that the body in the future can work on. But for this year, this, this now, this moment in time, I think that Senator Kolterman's request for \$50 million for pancreatic cancer research is-- meets every standard that should be required for the Health Care Cash Fund. So I stand in support of that portion of the underlying bill. Thank you.

HILGERS: Thank you, Senator Cavanaugh. Senator McKinney, you're recognized.

McKINNEY: Thank you, Mr. Speaker. I rise, you know, to speak on this bill. LB1012 encompasses some bills that I've introduced this year. But I wanted to stand up and talk about an editorial that was in the Omaha World-Herald the other day. It's entitled: Find a way to shut off the pipeline that helps fill Nebraska prisons. Omaha Police Chief Todd Schmaderer made an important, important and, and provocative statement recently about the value of investing in Nebraskan communities as a way to reduce crime and incarceration. I'd rather have 1,000 jobs strategically placed in the right part of our city to affect poverty, Schmaderer told senators last month. That would reduce violent crime far more than 1,000 police officers. At a time when Nebraskan prison systems has become the most overcrowded and fastest growing in America, we should pay attention to Omaha's top law enforcement officer. In a World-Herald article last Sunday, reporter

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

Henry Cordes took a detailed look at racial disparities in Nebraska's population, prison population. He found that Nebraska locks up people of color at a far higher rate than the nation as a whole. And Nebraska's gaps between this low white incarceration rate and high rates of racial minorities are among the widest in the country. Some readers shrugged at those facts, commenting online that, that this disparity could be easily explained. Maybe people of color are more heavily represented in prison simply because they commit more crimes. Actually, the World-Herald story looked at studies about that, and the results aren't definitive. Blacks are more likely to be arrested than whites, for example, though it's not clear whether that's because of higher levels of offending among the black population or unequal enforcement by police. It's a topic that could be debated a long time. But that wasn't the key issue raised in last week's article. Instead, the story examined what has become a pipeline from certain neighborhoods into the state's prison and jails. Multigenerational poverty, a lack of-- a lack of ready jobs, elevated levels of broken families and school struggles have helped create conditions that make it far more likely that people growing up in those areas would wind up in prison. Cordes reported on a Harvard University study that traced an entire cohort of Americans who were roughly 27 to 32 years old in a 2020-- 2010 census. Using census and tax records, the researchers determined where those people grew up and what their lives were like in 2010. The analysis showed that a handful in north Omaha neighborhoods produce some of the highest incarceration rates found anywhere in the country. And the four census tracts centered on 30th Street and Ames, 20 percent or more of the males who grew up in those tracts were incarcerated on the day of the 2020-- 2010 census. Those tracts ranked in the top 250 out of the 7-- 73,000 census tracts nationally in terms of male incarceration. Thankfully, individuals can overcome their environments. A majority of kids from those neighborhoods did not wind up in prison, and when Cordes interviewed some of those who have been incarcerated, they took responsibility for their mistakes. But it's indisputable that the circumstances of a young person's upbringing, the prevalence of nearby gangs and a shortage of positive role models in their lives can lead to those mistakes more likely. That's what Schmaderer is getting at. Changing the environment, as hard as that might be to do, is ultimately more of a solution than hiring-- more of a solution than hiring a lot more, a lot more police officers to arrest wrongdoers. It just makes sense that having fewer wrongdoers in the first place would be better for Nebraska, reducing the need for costly prisons. LB1024--

HILGERS: One minute.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

McKINNEY: --introduced by Senator Wayne and sponsored by myself, is aimed at improving conditions in north and south Omaha. It would tap \$450 million in federal pandemic recovery funds to housing, job training, business development in those areas. The proposal is working its way through the Legislature, and I'll finish this when I get back on the mike. Thank you.

HILGERS: Thank you, Senator McKinney. Senator Wayne, you are recognized.

WAYNE: Thank you, Mr. President. Will Senator Ben Hansen yield to a question?

HILGERS: Senator Ben Hansen, will you yield?

B. HANSEN: Yes.

WAYNE: Senator Hansen, on the-- what I, what I call the mountain, you had talked about and ARPA fund bill that you were going to introduce. Did you introduce it and what was it?

B. HANSEN: Was that the debit card one?

WAYNE: Yes.

B. HANSEN: Yes. Yeah, I did. I introduced what we called ARPA for the people. And so we introduced this in Appropriations. I believe it was LB1079. It was a kind of a unique way of using the federal funds that we're getting from ARPA. So what would, what would happen is we were asking for 50 percent of the ARPA funds, which is around \$520--some million, to be allocated and dispersed to all the residents of Nebraska equally in the form of a prepaid debit card. And it was going to come out to somewhere around, I believe, what was it, \$256 per person, that they had to use in a Nebraska-located business or a Nebraska-owned business. And so I felt, along with others, that this is one of the best ways that we can actually use this money that was definitely a one-time ask, that went back into the community that went to the people instead of us spending it. And so half of it could be spent by us in government and the other half can be spent by the people as they see fit. Because I was, I was-- we just had the notion that the people know how best to spend this money for themselves or their family. So a single mother with, with two children would have almost \$750 or \$800 to be able to use to spend on groceries in Nebraska or be able to spend on diapers, which would go a long way. You know, and the, the reoccurring effect that this would have on the community, I believe, even in the grocery industry and the, the retail

industry said that the revenue back to the state to each community would be a total of something around \$450 million. And I think even the Department of Revenue, I think it was their assessment of our bill, their-- on their fiscal note, it says about \$26 million also on top of that would go back to the state. So you can see how we, we have a lot of asks for this money that we can spend for a lot of different things. But it's, it's us deciding which kind of government agency a lot of times that we're going to spend it on or what kind of government program we're going to spend it on. This is not a government program. This is going back to the people. And so I only thought that fair, especially when a lot of this money that's getting sent to us from the federal government, a lot of people are starting to see the negative effects of that, and that's called inflation. So your loaf of bread that was \$2 now is \$2.75 or \$3, or everybody knows what that gallon of gas is going now. This would help, this would help the, the people deal with those inflationary effects. And so in essence, that's what the bill is about. And so everyone would get a prepaid debit card. You couldn't use it for gambling. You couldn't use it for the lottery. You can go to an ATM and cash it out and you had to use it within a year of when it was activated. So there's a lot of anti-fraud components to this bill, and this is not something new. I believe the state of Hawaii did something like this last year where they gave residents a prepaid debit card that they could use on rest-- in restaurants. This was during COVID. And it was a wildly, wildly popular program that they decided to do something similar again, I believe, later on. So not, not something new, but this would be definitely a unique and people-centered approach to spending some of this money. Sorry, I was a little long-winded there.

HILGERS: One minute.

WAYNE: Anything else you want to add?

B. HANSEN: That it's a wonderful bill and that we should consider it, but other than that, no.

WAYNE: Will the debit cards have a pin number or will it just-- more like a credit card?

B. HANSEN: I don't know if they have a pin number per se, but you have to call it in. If some people remember, I think the federal government gave a stimulus package about a year or two ago where they sent out some of these prepaid debit cards and you had to call in to activate it. And so that was some of the anti-fraud measures; you had to verify who you were in order to activate it and sign the back of it.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

WAYNE: Thank you, Senator Hansen. And with that, I will yield the rest of my time to the Chair.

HILGERS: Thank you, Senator Wayne and Senator Hansen. Senator McKinney, you are recognized.

McKINNEY: Thank you, and I'll finish my discussion about this editorial from the World-Herald, which is entitled: Find a way to shut off the pipeline that fills Nebraska prisons. They state that we're not in a position to say that the amount that should be spent on such efforts, nor should anyone think it would be easy to fix deep-seated societal problems. But there is no excuse for failing to try. The alternative is to accept growing numbers of people in prison, swelling the prison population at great cost to Nebraska taxpayers, more tax dollars for police, more taxes for courts and prosecution, more taxes for prison buildings and guards. That's just part of the price for not addressing the conditions that have at least contributed to high concentration rates of north Omaha, of individuals from north Omaha and other places inside of our prisons. Other ways that Nebraska pays, pays for crime: the cost to victims, a broader sense of fear in the community, the lifelong impact on those who become unemployable after their release now that they have a criminal past. The path we are on isn't a productive one. It's not good for young people who are lured into a self-destructive lifestyle of crime. It's not good to Nebraskan taxpayers either. But we're not likely to get off that path merely by hiring more police officers and putting more people in prisons. Omaha Police Chief says more jobs, more opportunity and more hope will go a long way towards changing the conditions that contribute to crime, and we should listen to him. And I agree, we don't need more police. We don't need to raise more felonies. We don't need more offenses. We need to invest. And when we talk about carving things out of the budget, I know it's not on this LB1012, but I think the number that is set aside technically for the prison should be decreased to zero, because we could use \$175 million for western Nebraska and eastern Nebraska, which would benefit the whole state. I see no benefit in building a prison when we have individuals that don't want to support reforms. And if we're not going to support reforms, we need to take the prison completely off the table, take the money and actually invest it into Nebraskans. We talk about tax relief. Let's use some of the \$175 million for tax relief. Yes, let's use some of the \$175 million for DD. Let's use one of some of the \$175 million to the north Omaha plan and other plans other senators have. We should do that. We don't need to build a prison, because even if we were to build a prison, we'll have to build another prison soon as it's put online. We cannot build our way out this problem, and that's something we need to

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

just continue to think about as we go forward, especially once we move on to the debate about the other budget bills. I think it's LB1011 that has it in there or LB1013, I can't remember, but that's \$175 million that we could use for Nebraskans. We don't need to build a prison. We could use \$175 million to invest in Nebraska in every corner of the state. Thank you.

HILGERS: Thank you, Senator McKinney. Senator Wayne, you are recognized.

WAYNE: Thank you, Mr. President. Will Senator Friesen yield to a question?

HILGERS: Senator Friesen, would you yield?

FRIESEN: Yes, I would.

WAYNE: Senator Friesen, can you tell me about the ARPA funds that you had in your committee?

FRIESEN: We had two bills, I guess, that asked for ARPA funding. And what we decided to do was basically just one of the bills wasn't worthy of moving on and the other one we funded in a different manner. So we took the ARPA funding away from it and fund it through a grant process.

WAYNE: You have any-- what about budget bills? Do you have any bills with A, A-- fiscal notes?

FRIESEN: I do have a bill that does have a fiscal note, and I think that was the, the one-call bill that we are going to have a hearing on shortly. That had a \$200,000 fiscal note.

WAYNE: Thank you, Senator Friesen. Senator Blood, will you yield to a question?

HILGERS: Senator Blood, would you yield?

BLOOD: Yes, I'm happy to yield.

WAYNE: Senator Blood, did you have, did you have any budget bills or anything that impacted the budget? Can you tell me a little bit about them?

BLOOD: I did have an ARPA request, one that I'm really disappointed didn't get approved. Do you want to hear about it?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

WAYNE: Yes, I do.

BLOOD: So unfortunately, the funding for the research group that was studying the Mead area and the neonicotinoid poisoning in that area will only have funding until June. They are researchers that are combined both the Med Center, Nebraska Medicine and Creighton. And we asked for funds so they could continue the research. What they are doing is they are following the victims, see what types of health issues they have. They want to make sure that the, the plants, the animals, the people continue to be unaffected, and those that are affected, that we're able to get in front of it instead of ten years later, find out that they have cancers and brain tumors and other maladies. But unfortunately, we were not able to get those funds. And so my fear is much like the fear that we see over and over again here in Nebraska, where the people have become collateral damage and we wait until it's an issue before we try to fund it, which only costs taxpayers more. So I was actually quite disappointed. Kind of hoping we could find some money somewhere in the budget to maybe keep it moving forward. I know Senator Bostelman has a bill, an opportunity to do this as well that's already out onto the floor. So I really am hoping that we can find some way to keep it moving.

WAYNE: And what was the fiscal note on that?

BLOOD: I think we asked for \$10 million, but we could have done with \$7 million.

WAYNE: And how many people could that have potentially impacted?

BLOOD: Anybody who wanted to participate in that area.

WAYNE: Thank you, Senator Blood. Colleagues, part of the reason why I'm asking questions about ARPA and the budget is because I really understand that there were a lot of budget and ARPA requests, and there's no easy way to say no to many of the, of the requests. And that's kind of-- I mean, we used to use Legislative Council to kind of get information about things, but that's kind of where we as a body should figure out a matrix or figure out priorities for the body. The one thing that I knew for the last four years, up until LB1107 passed, was property tax relief was a major issue. I do recall that at one point, there were four or five different property tax bills and the property tax bills' introducers couldn't agree on which property tax bill or how to move forward. And then later on--

HILGERS: One minute.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

WAYNE: --everybody moved forward. But if you recall how LB1107, which I figure was one of our, as a body, one of our biggest changes or passages of a bill that I think arguably dollarwise was super significant as we have a billion dollars in property tax relief now, how that moved forward. The first two times it failed, and it wasn't till the third time that we moved everything jointly that it moved forward. And I hope we have the courage to do the same thing when it comes to the budget bills, is to demand that we all see the whole chess puzzle-- or see the whole puzzle in front of us and move everything forward together. Thank you, Mr. President.

HILGERS: Thank you, Senator Wayne, Senator Blood and Senator Friesen. Senator Wayne, seeing no one else in the queue, you're recognized to close.

WAYNE: Thank you, Mr. President. Colleagues, again, we're going to be here for a little bit. I am going to withdraw my next amendment and then I think I have one more after that, which actually I want to get a vote on. And then I believe Senator Friesen has a couple amendments after that, and then I'm-- probably will have a motion to recommit put up if I can't get my other amendment coming here. And I'll tell you what, there is two amendments that I'm looking at that I want votes on. So I'm gonna signal ahead of time for those who may be impacted is, one, I want to reduce the \$50 million for irrigation districts down to \$25 million. I think a \$50 million spend-- or at least break it up over a couple of years, maybe a lot to do in one year. The other one is on page 14, when we're talking about the intern-- internships programs. You'll notice on page 14, there's, there is some limiting language on lines 27 to 30 that says the department of economic-- or any entity which the department contracts with may use up to 5 percent of any appropriation to carry out sections, etcetera. But you also look at line 14 through 16 that says the department may enter into a contract. And so I want to have some clarifying languages if that 5 percent is applying to all of it. And if it does apply to all of it, then maybe anybody who, anybody or any entity that we contract out within our budget, maybe we should keep all of those administrative costs down to 5 percent. So we'll have some conversations about that. If it's good for DED, it's good for whoever else we deal with. And with that, I'll withdraw FA127. Thank you.

HILGERS: Amendment is withdrawn. Mr. Clerk for an amendment.

CLERK: Senator Wayne, I understand you want to withdraw the next amendment, which is FA128. Is that right?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

WAYNE: Yes.

CLERK: OK. Mr. President, Senator Wayne would move to amend with FA129.

HILGERS: Senator Wayne, you are recognized to open on FA129.

WAYNE: Thank you, Mr. President. So colleagues, if this amendment is written right, it deals with the irrigation districts and it's the \$50 million for irrigation district, moving it down to \$25 million. Now I know in Natural Resources, there were LR that talked about irrigation districts, and so this is kind of out of my wheelhouse. I-- I do have a sprinkler system, but I don't have an irrigation system, so we'll be asking some questions just so we-- everybody has an understanding of the history here, why a \$50 million ask is important. And primarily the reason I'm doing this is because when it comes to LB1024, we continue to hear about feasibility studies and committees and justifying why the need is there. Despite every newspaper, chief of police, everybody saying the need is there, that's not good enough. We have to do more. So what we're going to talk about here is justifying why irrigation districts need \$50 million. When I misspoke last time saying that they had a taxing authority, they don't. They have an assessment. And many of these are owned by private individuals so, you know, there are some questions about are we just giving individual farmers a break on their operations by paying for their integrat-- irrigation districts for themselves? So there are some questions around if we're doing that. I mean, maybe we need to give some landowners in Omaha the similar treatment on their sprinkler systems and stuff like that. Now I'm joking because obviously irrigation feeds the entire planet and sprinkling system just hopefully makes your lawn look a little better. So clearly, there's a huge difference between feeding people versus watering grass. But my point is, is there should be some justification on the record of why this is necessary. So I don't know if Senator Bostelman queued in, but I hope he did and Senator Friesen. So I will stop there and listen to some conversation and maybe ask some questions. Thank you, Mr. President.

HILGERS: Thank you, Senator Wayne. Debate is now open on FA129. Senator Bostelman, you're recognized.

BOSTELMAN: Thank you, Mr. Speaker. Let's go through LB1074 just a little bit for everybody's knowledge. This is a one-time, \$50 million transfer from Cash Reserves to the Surface Water Irrigation Cash Fund, which comes from my bill, which was LB1074. Following the Gering-Laramie tunnel collapse in 2019, the state of our critical

surface water infrastructure, which provides farmers with essential water, needed to be examined. As Chair of the Natural Resources Committee, I introduced LR117, which surveyed irrigation districts, reclamation districts, public power districts, canal companies, and other surface water projects to examine the condition of surface water irrigation projects and infrastructure, understand the status of projected costs of infrastructure, rehabilitation projects, and evaluate the anticipated effect-- anticipated effects relating to completion or delay of those projects. I do have LR117 with me, or you can look it up online if you'd like. The survey found that many irrigation systems in central and western Nebraska have significant aging and deterioration problems in their flumes, head gates and checks with some of the-- some as old as 100 years old. There were significant costs associated with completing these projects, which total approximately \$150 million. So why is this important? Well, many of these districts are very small and made up of volunteers who do not have the available funds for these projects, as they do not have taxing authority, only assessment authority. And they rely on user fees charged to the farmers and to the members. The investment into these projects do not just benefit irrigators, but all Nebraskans. This investment works to provide significant groundwater recharge within the operating projects and beyond to even benefit the river flows and groundwater enhancements to communities like Kearney, Grand Island, Lincoln, and Omaha that rely on sustainable groundwater sources for domestic and business demands. Return flows in the Panhandle have generated excellent cold stream return flows for fishery enhancements in that immediate area. Deliveries of surface water have also provided groundwater storage, where prior groundwater was not available under Panhandle lands. This bill provides critical needed funds to begin to address the \$150 million in needs for surface water irrigation systems. This one-time transfer establishes a grant program with a maximum award of \$5 million per applicant, who need to provide a 10 percent match. So as what Senator Wayne was saying before, so these projects that we have out there and we can talk about this a little more, Bureau of Land Reclamation began some of these projects that are out there. The farmers, the landowners out there actually pay for those projects over time. There's also different types of systems that are put in that are paid for. And what's happened now is that these systems are-- are aged at 70 years, 80 years old and there-- they need to be rehabilitated. One of the things I talked to Senator Wayne about, what they do is there are certain companies out-- there's a couple specifically that I've looked at. I actually toured their facilities. One of them is called Rubicon and they do a replacement, the gates, the head gates and that and they run

everything computerized: significant savings on water, significant savings on efficiencies, significant cost savings to the areas. And this would help in some of these areas to provide those type of systems to take that aged system out that's-- that's leaking. That's-- that's wasting or water that's-- that maybe is leaving the system in a sense that they now can capture more of that water and keep more of that water there and utilize it more efficiently rather than having perhaps--

HILGERS: One minute.

BOSTELMAN: --a ditch runner. You can call for your-- the inches you need on the computer. If it rains, then you shut it off. You cancel that call so you don't call that water. It's a huge water saver. That's a huge opportunity for these irrigation. And the purpose of this is for the little guys, for the small systems that are out there, the folks who can't afford to replace this. And remember, these are farmers. These are folks out there that are growing the food, feeding the livestock, doing the things. In western Nebraska, this is their only choice. This is-- this is perhaps their only option. And we saw that when that Laramie tunnel collapse happened here a couple of years ago. And this-- the state and this body took significant action to help address that as well, the Gering and Laramie tunnel collapse. This is a significant issue for central and western Nebraska. And I'll be glad to answer or try to answer other questions you may have. Thank you, Mr. President.

HILGERS: Thank you, Senator Bostelman. Senator Friesen, you're recognized.

FRIESEN: Thank you, Mr. President. So my next amendment basically removes all of the funding for this, what he's just trying to reduce funding for, so I will spend my time talking on-- on the amendment that's before us. And then when it comes time for my amendment, I will pull it. But I want to have a-- this is where I think everybody should be paying attention, and I'd want everybody to learn a little bit about the difference between groundwater irrigation and surface water irrigation. And I'm hoping that Senator Erdman and some of the others who are more familiar with the canal system and who pays what and how that system is maintained can join into this discussion as we move on in trying to decide if this funding should happen or not. So I'll give an example of a-- of a groundwater-irrigated farm. We don't have programs where the federal government has come in and-- and helped drill wells and develop our irrigation systems. We did that all on our own. And so today, if you wanted to put in a groundwater irrigation

well and put in a corner system pivot, which irrigates probably around 150 acres of a 160-acre quarter, you would invest, if your pivot lasted for 40 years, just give or take, you're going to have a \$25-an-acre investment, plus maintenance repairs on that that you're going to have to do yourself. And then if you look at the cost then of the fuel to pump the water, you're going to be adding another \$40 to \$60 an acre on top of that for the cost of pumping the water. Now, when you take water from the irrigation districts, I'm-- that's where I'm interested in seeing what water delivery costs and what these guys are being charged per acre-foot or however they measure the water. But I'm-- I will say maybe that they haven't been charging enough that they can set aside some money for maintenance of their system. Because when you have a system like that is built, and if I understand correctly, this was a federal project back in the day where you build the reservoir, Lake McConaughy, and then you build a series of canals and irrigation ditches off of that. And in those private irrigation districts that were formed, I think they either got a long-term, low-interest loan from the federal government. They're probably still paying that off, I'm not sure. But I am interested in the charges that they pay for delivery of that water and their irrigation versus what we do in groundwater. And so I know when we talked LB962, our water law, that was always a big discussion on how we manage our river flows, whether we manage them for fish and wildlife and endangered species, or if we have to manage them for irrigation. And so the canal system is great. It recharges groundwater wherever the canals are. It's an efficient way to move surface water around. But as far as delivering water for irrigation, it's kind of inefficient because you might be delivering or you might be diverting three acre-feet of water to get one foot of irrigation water. It just depends on how much everybody is using and how they're applying it. So this is a discussion I think I'm looking forward to, to finding out just what-- what is the maintenance, who has been paying for it, and whether or not enough has been charged for irrigating those fields that they can build up enough of a reserve to pay for maintenance of that system. With that, I'm looking forward to the discussion as we go forward. Thank you, Mr. President.

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

J. CAVANAUGH: Thank you, Mr. President. And I was very much looking forward to this conversation because when I was reading through the budget proposal, this was one of the ones I had flagged as needing for me to understand further. But before I go into the nitty-gritty of my questions and concerns, Senator Bostelman, I think, referred to a

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

company called the Rubicon. Is that right, Senator Bostelman? Yep. So I'm-- I wonder if I'm the first person to make this reference today. So the Rubicon is a river in Rome, in Italy, in the Roman Empire. And when Julius Caesar crossed the Rubicon River with the-- his-- the Roman Army and did not give up being the general, he became a dictator and that was-- crossing the Rubicon has become a metaphor for crossing like some sort of ultimate line. I mention that because today Julius Caesar comes to mind, as today is considered the Ides of March, which is another reference to Julius Caesar. And in the play by William Shakespeare, he is warned by the soothsayers to beware the Ides of March. And if we all recall what happened to Julius Caesar on those, the Ides, March 15 of that year, was that he was stabbed by the other members of the Senate. So as we stand in the floor of the Senate of the state in Nebraska, it's always good to consider how much worse it could be. But this-- I appreciate Senator Friesen's comments. I was staring at him intently because I have undertaken to try to learn more about water law because it has and water policy has come up a lot. And in this year, in my time on the Natural Resources Committee, I appreciate Senator Wayne talking about this topic and I appreciate Senator Bostelman taking questions. And I wonder if Senator Bostelman would yield to a question.

HILGERS: Senator Bostelman, would you yield?

BOSTELMAN: Of course.

J. CAVANAUGH: Senator, how many of these irrigation districts are there? If-- I apologize if that was already asked.

BOSTELMAN: Hmm.

J. CAVANAUGH: It's--

BOSTELMAN: I-- I want to-- I can't tell you for sure, but I want to say there are 60 or 70 of them.

J. CAVANAUGH: My number that I looked up quickly was 64 maybe, is that--

BOSTELMAN: That sounds about right, yeah.

J. CAVANAUGH: And so and I know you said, this is the little guys. Do you have any-- any idea what the average size number of individuals they serve?

BOSTELMAN: The average what?

J. CAVANAUGH: Number of individuals, number of farms, acreages.

BOSTELMAN: Each one's different. Like I can tell you, the Frenchman has 45,669 permitted acres. Now, how many individual owners of that I can't tell you. Each one's different. Some of them are very small with just a handful and-- and some of them are much larger.

J. CAVANAUGH: Thank you for that. I'm curious. So like I said, I saw this in the budget and I was looking through trying to do my homework and due diligence. And I saw this and I thought, are there five of these? Are there a thousand of these? I don't know. So 64 was the number I found. I think that might-- there might be a census from a year or so ago, and I remember that-- I think it was the Natural Resources Committee, I-- my first-- one of the very first Exec Sessions I had here, we talked about elections of these boards. I know people said they're volunteers and we had-- we-- I think I heard a bill that said the boards could be elected by members outside of the state of Nebraska if the district was on the border. And I don't know if I still have Senator Bostelman yielding to questions. Do you recall that bill, Senator or am I misremembering that? Was that not a Natural Resources bill?

BOSTELMAN: Can you say it again?

J. CAVANAUGH: Where members for the natural resource-- for the irrigation districts could reside outside the state of Nebraska. Was that?

BOSTELMAN: There was-- we had one bill. Senator Hughes had that bill last year, year before. It's clear in the southwest corner--

HILGERS: One minute.

BOSTELMAN: --of the state where there's just a couple of counties, very small area, a couple thousand acres, I think, total. That-- that's what you're talking about and 63 is a number of--

J. CAVANAUGH: Oh.

BOSTELMAN: --is the number of irrigated-- of--

J. CAVANAUGH: Thank you.

BOSTELMAN: --surface water irrigators.

J. CAVANAUGH: Thank-- thank you, Senator Bostelman. And so I'm just-- I'm seriously just trying to get the lay of the land and understand what we're talking about is why I'm asking these questions at this point. And so I'll push my light again and keep talking. But-- so we did have a bill that I thought it applied to any that were similarly situated. But there was one particular irrigation district that was on the border of the southeast corner of Nebraska, and some of the individuals resided in the state of Colorado as well. That-- that's my recollection. If somebody-- I would be corrected if I'm incorrect about that. I will ask off the mike. Thank you, Mr. President.

HILGERS: Thank you, Senator Cavanaugh and Senator Bostelman. Senator Erdman, you're recognized.

ERDMAN: Thank you, Mr. President, and good afternoon. I got here just in time to have a discussion about the water. Let me try to answer a few of the questions that Senator Friesen has. Generally, the major irrigation canal districts in my area, the water charge, or the O&M they call it, operation and maintenance, runs in at \$30 an acre category. The smaller irrigation districts that draw out of the river and have a water right to do that, their water right is less because they don't have to maintain the dams and the lengthy canal to get the water to their farm. We are not purchasing water. We-- we pay for the operation and maintenance of the system. And so what has happened over time, Senator Friesen, is these canals were constructed in-- in the early 1900s and some of those head gates were put in, in that period of time and they're steel. And they've kind of rusted away, and we have to make some changes on the diversions and some of those other projects that they have that they function with every summer. And so this bill that Senator Bostelman put in place is an opportunity for these smaller districts to make an application for a grant process so that they can fulfill the need to replace some of these ailing or aging facilities. And so when you talked about as an irrigator in eastern Nebraska, you drill a well and then you pump the water from that well and then you have the cost of the pivot plus you have the-- the electrical cost to distribute the water. These gentlemen or ladies that farm in my district have those similar costs. They buy pivots and place those on the land. The water is delivered to their property from the irrigation district. They then pick up the water from there with a pump, and they pump that through their pivots. And generally, most of the land in my district is now pivot irrigated. There are a few surface irrigation or gravity irrigation fields left, not that many. And so they have the electric costs as you have. They have the pivot costs as you have, but they have property tax, maybe not quite as high as yours, but \$50, \$60 an acre. And then you add the \$30 an acre O&M

charge for the water that is delivered to their property. And so when the water is short and we don't have the snowmelt and the runoff in the mountains in Wyoming, then they are restricted in how much water they get. And when they have a pivot that pumps 800 gallons a minute, you can't restrict that down and have pump 600. So what they do is they do a rotation. And so that pivot may be on for five days and off for two while someone else is using that same water. And so it's an issue for us in western Nebraska to use this source of money to catch up with those projects that are aging and are in need of replacement. And so I believe that this is an opportunity for us to catch up and do those things that they would have to raise exorbitant amount of taxes or O&M charges to make up the difference. So one of the best places to store water is underground. And so as we in the western part of the state receive water from Wyoming and we irrigate with it, and then it goes into the aquifer and guess who gets it next? Eastern Nebraska. And water runs downhill and so when we use water out there, everything that is not used by the crop gets into the groundwater and it moves on to the east and then the farmers there can enjoy it as well. So as time went by--

HILGERS: One minute.

ERDMAN: --more pivots-- thank you. As time went by, the more pivots that were put in, the less runoff or recharge from one irrigation system to the next was realized. And so consequently, we become more efficient. And we've also tried to be very good stewards of the water because water is very important to us. We only receive about 14 to 15 inches of rain annually, and those two days when we get that is pretty tough. And I make that as a joke, but we get a lot of heavy rains early sometimes, and it's not spread out through the growing season. And so if you have a center pivot and you miss a day or two, it really affects your yield. So if you have any more questions that I may try to help you with, I would be glad to do that. Thank you.

HILGERS: Thank you, Senator Erdman. Senator Machaela Cavanaugh, you're recognized.

M. CAVANAUGH: Thank you, Mr. Speaker. I want to start out by letting Senator John Cavanaugh know that I'm going to yield him my time if he wants to make his way back. But I am going to speak about some of the remarks that Senator John Cavanaugh made about the Ides of March. I'd like to start out with has anyone ever heard of Car Talk: Click and Clack, the siblings? Feel a little bit like this is a Click and Clack moment from our ride this morning where we discussed the Ides of March. And while John-- Senator John Cavanaugh brought out the doom

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

and gloom of the Ides of March, Ides actually is the middle of a month and means that it is when it is most likely to be a full moon. So I looked. We are not in a full moon today. We are in a waxing gibbous and which the definition of is confusing to both Senator Cavanaugh of what a gibbous is. But we are in a waxing gibbous and we will have a full moon on March 18. And thankfully for all of us, we will not be here together. That's probably the best thing. So I will yield the remainder of my time to Senator John Cavanaugh to talk more about Ides of March or what have you.

HILGERS: Senator John Cavanaugh, 3:48.

J. CAVANAUGH: Thank you, Mr. President. Thank you, other Senator Cavanaugh. In the play Julius Caesar by William Shakespeare, the Ides of March was the 15th. However, it is not always the 15th apparently. This is something I learned today. And yes, a waxing gibbous moon is a very confusing definition. But I think my comment stands about, still at this moment, stands about the floor of the Nebraska Senate being a more pleasant place to be on this particular March 15th than the March 15th of whatever year that was, the year 66 A.D. or something, B.C. or not. I can't remember these. But I guess since I have the time, I pushed my light, I'm going to continue to talk about the irrigation district funds. And to put it in the context of everything we've been talking about, I appreciate and again, I am no expert on these issues, but I am making, I think, a good faith effort to learn about water allocation issues and the things that go along with it. So the Surface Water Irrigation Fund, we're allocating \$50 million, and I wrote in my note here, how many-- got that question answered-- irrigation districts are there? And then to give \$5 million to each-- each one or the maximum of \$5 million with a 10 percent matching fund, means that some-- an irrigation district could get \$5 million by putting up \$500,000. And I recognize I don't fully understand all of the ins and outs of this, and I appreciate the continued conversation on this. But that's a-- a pretty substantial amount of money for a small commitment. As Senator McDonnell, I will continue to reference his Strategic Command because it's on the similar page here, but we're putting up \$20 million on the other side and we are last dollars in. And I think he said they had to put up \$60 million or \$40 million. So there's a substantial other commitment from others for-- to get state of Nebraska dollars to that. And there's a lot of other 50 percent match on the STRATCOM conversation we had earlier or our match is a maximum of 50 percent so we're not putting in more. But in this instance, we are committing to put in 90 percent of the money, up to 90 percent of the money, which is certainly generous on the side of the state of Nebraska. I recognize how important water is to

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

agricultural production, certainly in the western part of the state of Nebraska. And that as Senator Erdman correctly--

HILGERS: One minute.

J. CAVANAUGH: --thank you, Mr. President-- correctly pointed out, the application of water in Scottsbluff then fills up, recharges the water flows in the eastern part of Nebraska and continues through that cycle as we go east and downhill. So these folks do apply that water to that land, and we do get some return on that. And of course, there's the cost. I'll run out of time here, but I've got my light pushed so I'll keep talking later. But this is a question again. This is \$50 million out of the appropriation. Is this the right amount of money? Is this a return on investment for the whole state of Nebraska? And this, I think, is important parts of this conversation. Thank you, Mr. President, and thank you, Senator Cavanaugh.

HILGERS: Thank you, Senator Cavanaugh and Senator Cavanaugh. Senator Stinner, you're recognized.

STINNER: Thank you, Mr. President. I've been sitting back enjoying the ride and listening to the commentary, and it's a good commentary, good questions, and I do truly appreciate it. But it came to my attention just here recently that there are a lot of people that are concerned, a lot of people-- I don't know who they are because they've never talked to me until right now-- that you have to be on Appropriations in order to get your bill passed. And they float number 4, page 4; it's all appropriation. Well, first of all, it isn't, but that's besides the point. So I went back and I'm going to keep score for you. OK? These are budget bills that came to the committee, 32 of them. Now, I have nothing to do with referencing, folks; 32 bills asked Appropriations to hear their bill, to Exec on their bill. That means 20 of those bills were carried by Appropriations members. That shouldn't be a surprise. If somebody outside wants an appropriations type of bill, generally, you pick somebody on that committee. If it's a revenue bill, somebody from Revenue is the likely person to carry that bill. I would submit to you all the committees are approximately the same because you want to have that expertise, you want to have that voice. Twelve people came to our committee, were referenced to our committee, 12 bills were referenced to us. And here's how unfair we were. We passed on 10, 10 out of the 12. And oh, let's keep score here, \$283 million is what we put as request that actually were processed for appropriations to the Cash Reserve, 283 [million], not \$500 [million]. Of that, committee members got \$108 [million]. I got \$52 [million]. I got \$52 [million]. I got \$26 [million] and \$26

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

[million] for providers out of the \$108 [million]. Outside members got \$174 million. You know, and oh, by the way, it was brought up, jeez, look. Look at their schedule on the back, the second one on ARPA, how unfair the appropriations is. The Governor got \$638 million. That's 63 percent of the total. Actually, if I put the \$150 [million] that we had to pull up because it didn't qualify, he'd have been about 80 percent. The appropriations number is what we worked on as an Appropriations Committee. It could be anybody's bill, anybody's bill. The \$20 [million] that came from the other committee was something that came on Lincoln water and we Execed on it and we decided, five hands, got it. Five hands, we got passed. That's how it works, folks. You know, if there's anybody that has tried to be fair and balanced in this place, I believe I'm at the top of the list. I believe my committee is. We don't give preferences. We look at the merits of it. And to even insinuate that, that just brings it to a, just a base level. We're going to discredit this committee. We're going to discredit this budget because look, look at the individuals who carried these bills. They're all on Appropriate-- well, they're not. If you think I'm mad, you better believe it. Nobody, nobody has ever questioned my integrity or my honesty. Thank you, Mr. President.

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

J. CAVANAUGH: Thank you, Mr. President. While I continue to not question or malign the work of the committee, I think I-- at least my perspective is it's our obligation to talk through these ideas here in this broader context and not to criticize the work of the committee, but to disagree if we disagree and to articulate our disagreements and our specific reasons for thinking that-- for disagreeing and why other things should be a higher priority. Of course, I respect the work of the Appropriations Committee and Senator Stinner and I have been consider-- appreciate his mentorship here and helping me understand this process. And I'm actually quite sad he won't be here going forward because I think I still have a lot to learn and particularly could learn more from him. And so I appreciate again, but I think that it is our obligation to continue to have these conversations and questions and comments as they pertain to the issues. And so as this issue, that the Surface Water Irrigation Fund, I continue. The reason I put down how many and the reason I asked how many individuals are part of those, each of those irrigation districts is to try to put my arms around the idea of cost-benefit analysis questions. Again, \$50 million in appropriations, how many people is that going to help? How many Nebraskans is that going to help? What is the economic, the return on investment for the state of Nebraska for that amount of

money? I can't answer that question at the moment, but I continue to try to understand and-- and articulate and see what that is. And so that's-- that is why I ask those questions and that's why I put it in that context. I understand and recognize that, as Senator Erdman has talked about, that there are ancillary benefits outside of the direct appropriation cost. And that is true of so many appropriations when people stand here and say, what-- this money is only helping so many people. Things like housing assistance, homelessness assistance, rental assistance, those have direct benefits to individuals and to several thousand individuals were helped by the rental assistance, the ERA funds that the city of Omaha, Douglas County, Lancaster County took the state of Nebraska. Those individuals were helped by that, but it also had ancillary benefits being improving employment, school performance, healthcare outcomes, criminal justice-related outcomes. There are a lot of hard to quantify other benefits. And so it is important that we consider those ancillary external benefits, those things that sink down into the soil and migrate to somewhere else that you might not see on the surface, as Senator Erdman is talking about. And that is something we need to consider with all of these other questions. It is not just the direct benefit of these, however many-- 63 irrigation districts and the however many individuals that those irrigation districts comprise of, but also what is the broader effect of the state of Nebraska? So that is, I think, an important. I would like to-- I-- I don't know, and maybe it's not answerable to-- to all those questions, but those are the considerations when we say how much is the appropriate amount of money? What-- what else, of course, could we, should we do with this money? As Senator Wayne's proposal here is, \$25 million off of this, down to \$25 million. Is that enough money to accomplish the objective we're talking about? Is that, is the return on investment on that going to be enough that-- and then we apply that \$25 million to some other program that maybe would have-- yield a higher benefit? And of course, if this is a beneficial program, you know, maybe we should do an on-- ongoing appropriation and we should spend money, more money in the future. And that's kind of my next point is one of the reasons for this--

HILGERS: One minute.

J. CAVANAUGH: Thank you, Mr. President. One of the arguments for this bill-- well, I guess I can take it up on my next time, so I don't have to be truncated. Thank you, Mr. President.

HILGERS: Thank you, Senator Cavanaugh. Senator Friesen, you're recognized.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

FRIESEN: Thank you, Mr. President. Would Senator Bostelman yield to questions?

HILGERS: Senator Bostelman, would you yield?

BOSTELMAN: Yes.

FRIESEN: So, Senator Bostelman, I've been talking a little bit about how groundwater irrigation works and the costs associated with that. Senator Erdman touched on several things on how the irrigation districts works. And in your bill, you-- you've talked a lot about the total cost of what we're looking at here on-- on some of the maintenance things. And could you give me a kind of a round number of what the total cost of the probably the-- the back maintenance, the backlog that we have in surface water irrigation districts?

BOSTELMAN: Well, if we include all 63--

FRIESEN: Yeah, even if you included all.

BOSTELMAN: --the majority of them, that was-- that was \$150 million what we had was-- was what we're looking at. But if you go down to, you know, head gates or something like that, we're in the \$15 million in some areas. And then-- I mean, that's a little bit less when you get into the others, it's \$113 million.

FRIESEN: So one other thing that I hadn't thought of and I think Senator Erdman maybe touched on it and I know you did, is sometimes when a-- a canal crosses a road or a highway, you put in a flue, I think they call it. Would you tell me a little bit what it costs to replace one of those?

BOSTELMAN: Sure. If you go to Pathfinder Irrigation District, it's about \$2 million. If you go to the Nine Mile Irrigation District, it's \$40,000. If you go to the Empire Canal system, it's \$15,000. So it really depends upon the structure, how big it is and where it's located.

FRIESEN: OK, so sometimes on the other side of that, you might only be irrigating a couple of thousand acres and you've got a huge expense of replacing that flue, those types of things where you would have a hard time coming up with the funds, would you say?

BOSTELMAN: Correct.

FRIESEN: OK. Thank you, Senator Bostelman. So this does kind of explain a few things. I still, you know, again, without understanding the districts and how much they had been charging in the past, this is something that I would expect them to make sure that they're charging as much as they can so that they can build up a maintenance fund and take care of these systems because that's what others have to do. And we see that all across, I guess the state, when we're doing things. In the past, the university puts up buildings but doesn't do maintenance, and then they come running to us and need extra money for maintenance of those buildings. So we have to make sure that each of us is taking care of our-- our own maintenance as we're going forward. But I can-- I can see where these costs are sometimes excessive, and there's no way that the irrigators on that line could-- could afford the ability to pay for these types of improvements to their-- to their system. But it is important and the irrigation out there, I mean, they do receive a lot less rain than we do. And again, if the water isn't in the lake, if Lake McConaughy is low, there have been years where they haven't received their allocation and that's-- they still have to pay those delivery charges. Even if they don't get water, they have to pay for the maintenance of that, that flat fee that they're charged. So I think, you know, I'm not convinced yet, maybe, that it has to be a whole \$50 million. But I am supportive of-- of putting some money to this as I learn more about it. And that's one thing that I think we're doing here is everybody is talking about their systems and the needs that are out there and who is affected by that. And when I heard you mention Nine Mile Canal, I thought parts of that were abandoned, but that's my recollection from back in the day. So I'm-- I'm going to be listening to anybody else that has any better information on some of these surface water irrigation projects. But it does look like there is a need. And I think this, I guess from my standpoint, would have--

WILLIAMS: One minute.

FRIESEN: --I don't know if it qualified for ARPA funding, but this would have been a good example of one-time maintenance fees where ARPA funding maybe could have been used. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Friesen and Senator Bostelman. Senator Bostelman, you're recognized.

BOSTELMAN: Thank you, Mr. President. Let me touch on a few things we've talked about already and bring up a couple of other points. Senator Friesen and I, we've been talking on the side a little bit about this. And what Senator Erdman said earlier, you know, the efficiencies, what they use now, a lot of this is used mainly through

pivots. So they are using this, run it through pivots so that-- you know, we're talking about efficiencies of use of water. And that water then either recharges the groundwater where it's at or it moves down into the Platte River system. And that system, you know, benefits clear across the state and a lot of different areas, our wildlife and our cities and development, those type of things. So that was looked at and some other things to look at as we're talking about costs. I'll just give you some costs. In the Alliance Irrigation District, for head gates and diversion, \$150,000; Browns Creek Irrigation, \$200,000; Castle Rock Irrigation, \$900,000; Chimney Rock, \$1 million, so there's different needs. Frenchman Valley for checks is \$100,000; \$75,000 for head gates. These are some estimates of projects that they know. They went out and they've done the work on these already as far as estimating out what these costs would be as they come in. Midland-Overland Canal is \$50,000; Middle Loup, \$1.2 million; Nine Mile Irrigation, \$150,000; Pioneer Irrigation, \$1 million; Sargent Irrigation, \$500,000. And the point of what we're doing here with this is-- is identifying-- what we've done is identifying those smaller surface water irrigators, those farmers, those-- those ones are out there that just have a, say, a handful of volunteers, farmers that are out there that form these irrigation districts or surface water irrigators that they do pay annually for O&M. So in the Frenchman for-- for instance, and Senator Friesen and I were talking about this. So the Frenchman, they do, and others, they do get inspected. Let's see. Let me find it here. They do get inspected by the bureau every year and so they do do maintenance on that. But when you have a 70- to 100-year-old system, there are some things are going to fail. And when those things fail, like a flume that goes underneath the road, it's pretty darn expensive. And that's just beyond the capability of that small irrigation district or those surface water irrigators. The front-- the Frenchman-Cambridge Irrigation District, as I said, serves 45,669 permitted acres, permitted acres, maintains 150 miles of canals and over 100 miles of buried pipe laterals. So Frenchman-Cambridge's water users are currently repaying the federal government for the construction costs associated with the project. The construction costs per year is \$81,300 and it will be paid off in 2040. Canal system, they also pay the federal government O&M on three dams for about \$46,000 per year. Their contract with reclamation, Bureau of Reclamation has required us to set aside \$13,500 per year for emergency repairs. Last year in '21, the annual payment jumped to \$81,000 per year. And we-- the Frenchman also has a \$5 per acre user's fee for federal contract obligation, then they pay \$4.25 per inch for water allocation. The irrigation district was-- infrastructure is seven years old and needs some attention. Every five years,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

Reclamation does a complete inspection of our projects and makes repair recommendations. And so what LB1074, what the amendment we're talking about today does, this pays that above and beyond, if you will, the things that they've been working on that now there's-- there's costs in there that they're just not able to come up with. They're not able to fund that. And this makes a significant improvement, adjustment, if you will, to their system to make--

WILLIAMS: One minute.

BOSTELMAN: --it more efficient, to make it more user friendly in a sense, especially if we go into the Rubicon systems or there's another company-- I'm sorry, I forget the name of that company, what they use. Those systems make a huge difference and moves more water downstream. So there's more users for that. And again, it's our farmers that are out there that are irrigating. In some of these places, this is the on-- this is the only water they have. They can't drill. They can't put a well in because there's no groundwater for them. It's not there, not enough for irrigation. So this is the only systems that they have to exist. And we saw that if-- remember when the canal collapsed in '19. It was a disaster out in western Nebraska because of irrigation water was-- was-- wasn't there and we were looking at a complete crop loss out there. These systems are pretty integral to these areas of the state. Eastern side of the state and some of the central side of the state, we're pretty fortunate because we do have water that we can access. Not all areas but a lot of areas.

WILLIAMS: Time, Senator. Thank you, Senator Bostelman. Senator Wayne, you're recognized.

WAYNE: Thank you, Mr. President. So I'm learning a lot about irrigation districts. I'm learning a lot about irrigation. Would Senator Erdman yield to a question?

WILLIAMS: Senator Erdman, would you yield?

ERDMAN: I'd be glad to.

WAYNE: Senator Erdman, can you tell me about the-- the Laramie Canal and tell me, where's the construction at on that?

ERDMAN: On the tunnel?

WAYNE: Yes.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

ERDMAN: OK. The tunnel collapsed a couple of years ago, Senator, and they ran out of water in the middle of July. And then that winter, they went in and reinforced it, and they could run about three-quarters, maybe eight-tenths of the normal flow. And they went in and done some more work on that second tunnel, the one that collapsed. And they're still in about that stage, but the goal is to repair those long term. Last week, the state of Wyoming-- I contacted a senator over there that her and I were working on this. They approved their \$23.1 million for tunnel repairs and our half is 23.1 and that's in the budget as well.

WAYNE: So is the crisis over? There's water flowing?

ERDMAN: The water was flowing, but not at full capacity.

WAYNE: So we have to continue to support it until it gets to full capacity.

ERDMAN: That's correct.

WAYNE: OK. Thank you, Senator Erdman. I just want us to remember that when we talk about the ERA funds, when that bill comes up because we have to fully support it until we're all the way over the crisis and we're not all the way there. But I'm still learning about irrigation districts. I still want to talk to you, Senator Erdman. I didn't-- tell-- tell me, does this money go to the irrigation districts themselves? Because I've heard that many of these irrigation systems are actually paid for by the farmers, and many of them are actually on loans and they're paying back the loan. How-- do you know how that's going to work out?

ERDMAN: The money will go directly to the irrigation district to pay for the cost of the replacement of the-- of the items they're replacing. It's not going to go to the farmers.

WAYNE: Will Senator Bostelman yield to a couple of questions?

WILLIAMS: Senator Bostelman, would you yield?

BOSTELMAN: Yes.

WAYNE: Senator Bostelman, I was under the impression from some testimony where I read, and I think me and you had a conversation, that some of these farmers have loans out on this, their property as far as some of this irrigation to maintain and support. Will they be reimbursed anything?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

BOSTELMAN: This goes as a grant program that's run through DNR that goes out to the irrigation districts for surface water irrigators.

WAYNE: So can-- maybe you or Senator Erdman can tell me how the canal the-- that we potentially will build, how the Laramie project, like, how does all of this connect? Is it all, like, connected or are they independent? Senator Erdman?

ERDMAN: They're two-- they're two separate-- two separate projects here, Senator. Senator Bostelman--

WAYNE: Are they connected though, like, does the irrigation districts feed off of--

ERDMAN: No. No.

WAYNE: OK.

ERDMAN: The-- the Fort Laramie-- Gering-Fort Laramie District is the one that had the tunnel collapse and that runs on the south side of Scottsbluff and goes into the Gering Valley south of Scottsbluff. That is a separate district. Then the other districts all either come off of the North Platte River or are picked up at the Wyoming line, where they pick up the water to go through canal system in the northern part-- northern part of Morrill County and Scotts Bluff County. So it's two separate-- it's separate things. Senator Bostelman's bill is for those districts that are not included in the tunnel and the tunnel collapse.

WAYNE: And do you feel that we need a full \$50 million this year or can we spread it out over a couple of years?

ERDMAN: I think-- I think it's a one-time-- one-time contribution, one-time spend--

WILLIAMS: One minute.

ERDMAN: --\$50 million.

WAYNE: Would you support 25 and 25 or you think we can actually spend all this money immediately?

ERDMAN: I think that would probably be a question for Senator Bostelman. He has all the information from those irrigation districts, but he may be able to answer that better than I did.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

WAYNE: Senator Bostelman, will you yield to a question?

WILLIAMS: Senator Bostelman, would you yield?

BOSTELMAN: Yes.

WAYNE: You heard the question. Could you help me with that?

BOSTELMAN: Sure, 30 mill-- \$30 million the first year and \$20 million the second year.

WAYNE: Thank you. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Wayne, Senator Erdman, and Senator Bostelman. Senator Hunt, you're recognized.

HUNT: Thank you, Mr. President. Colleagues, in January-- in late January, I criticized Senator Flood for having a campaign event out in the Rotunda. I think that this is a completely inappropriate use of the Capitol. And today I see Chuck Herbster has had an event out in the Rotunda just like an hour ago, and that must be where the Lieutenant Governor went when he left the Chair. Several of our colleagues were there: Senator Halloran, Senator Briese, going out into the Rotunda for a campaign rally in the middle of the legislative session, in the middle of the day when the people of Nebraska are paying us to be here to do their business. It is vulgar. It is a mockery of the democratic institution that this place is supposed to represent. And colleagues, I think that we need to look seriously at a rule to prevent campaigning in this building because it is ethically bankrupt, it's embarrassing, and it's shameful to this institution. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Hunt. Senator John Cavanaugh, you're recognized and this is your third opportunity.

J. CAVANAUGH: Thank you, Mr. President. And again, I thank everybody for talking about this and educating me further about the subject, and there were some of the exchange there that was helpful and informative. And talking about, again, the value proposition purely, the idea of \$50 million with only a 10 percent match from the individuals is, you know, that's a-- that's a question. And again, recognize the cost borne and how important this is, and this is a lifeblood for these organizations and for these folks out there. And I think Senator Wayne addressed the canal or the-- the Laramie Canal out there and the, I think, I don't have it handy, but there is an ARPA appropriation in that proposed ARPA budget that would also go to help

pay for that project. And so this is again a question of really just the role of the state of Nebraska in these situations, and is this the right way to do it? Is this the best use of our funds? And I know there was a conversation about loan forgiveness, loan assurances, how these projects are being paid for. Those are good questions. Is this the right way to structure this? But the one question that I think Senator Friesen was addressing this and talking about charging an appropriate cost to the users. This is a user-based, user fee-based organizations and making sure you have the appropriate maintenance fund. You're charging enough over the life of a 70-year, apparently, piece of infrastructure to be able to replace it on whatever it is, the regular scale that it should be replaced. And that-- I was thinking about that and it reminded me of there was a story within the last year about condo associations nationally, and with particularity, the one-- I think it was in, somewhere in Florida that the building actually had a catastrophic and tragic collapse. And one of the reasons for that was they were not funding appropriately the maintenance fund in that and that had to do with the fact, and this happens is a lot of places, where you artificially keep the fees low, lower than would be necessary to appropriately maintain and run this organization, which is the obligation of those running it. And they keep the fees low basically as sort of like a shell game, pretending like everything's OK and that we're not going to need to do this. And so that obviously is-- that's a question a lot of people have about a lot of things, like when we talk about how to run a government. We have an-- we have fixed fees, fixed costs with a government that we must meet and service and then we have other wants, needs on the, on the side as well. And so we have an obligation to make sure that we set the rates, being taxes, at the appropriate amount to make sure that we fund the essential functions of government. And sometimes we set them too low. Sometimes we set them too high. But the-- the obligation is to make sure that you are-- are asking of those that you are servicing to fund the full scope, which is the current operation, being in this case the water, but also the ongoing maintenance and replacement costs. And so are we, as the state in this particular instance, stepping in more generously than is probably necessary to help replace pieces, implements, pieces of equipment that maybe should have been replaced over the 70-year life or should have been-- the money should have been accumulated over that life to make sure it is paid for? And so those are questions I think that are important to consider to answer while--

WILLIAMS: One minute.

J. CAVANAUGH: --we consider this. And of course, as always, is this the right use of \$50 million, 25 million under this amendment, for the state budget in lieu of all the other things we could have done with that? And are we getting the return on investment that we need and expect on this sort of expenditure? Thank you, Mr. President.

WILLIAMS: Thank you, Senator Cavanaugh. Senator Erdman, you're recognized.

ERDMAN: Thank you, Mr. President. Sorry for the delay there. I want to-- I want to mention a little bit about when we had the hearing on this bill and the people who understand, know about water districts came in and I asked the question, how many of these irrigation districts are in my district or in western Nebraska? And I had guessed 29, and I think the real answer was 30. So most of these irrigation districts that this money would apply for are in either my district or Senator Stinner's district. That is a significant number. And then when you get past McConaughy, then I think there's a couple past McConaughy, but most of them are in my district. I've had conversations with several of these board members that are on these ditch boards, irrigation district boards, about this specific bill, and they don't believe that they would be able to charge enough per acre on O&M charges to make this up. I'll-- I'll give you an example. In Whitney, Nebraska, Whitney is a small community between Crawford and Chadron, and there's a reservoir there, Whitney Reservoir, and they have an irrigation district that irrigates about 700 acres on the other side of a creek. And so they go underneath the creek with a flume or a three-- three-foot pipe, and that pipe's been there for nearly 100 years and it's rusting out and needs to be replaced. So their original bid to repair the pipe was around \$900,000. And as time goes by, every time they get a bid, it's higher because of the material costs are going up. And so if they were going to replace that flume, that pipe, at \$1 million total cost or more and they vided-- divided that up on the 700 acres, it would be exorbitant on how much they would pay and so those acres may just go dry. And so those farmers on that side of the-- of that side of the creek would not be able to irrigate. And I would assume that ground is probably worth \$4,000 an acre today. And so it's probably assessed at \$2,500 to \$3,000, which they're paying property tax on. And so if that dries up, that will become dryland and the assessed value will probably somewhere in the \$600 or \$700 range or less. And so it's a pretty significant deal for these small districts to be able to recoup the expense of changing that pipe and others. And I think Senator Bostelman pretty much explained what each district had and what the-- what the repercussions of not being able to do that would be. So those

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

are the issues that we were facing. And so I think it's vital that we stay at the \$50 million and I appreciate the discussion today, and I hope that surface irrigation is more well or better understood than it was before we started. Thank you.

WILLIAMS: Thank you, Senator Erdman. Senator Bostelman, you're recognized and this is your third opportunity.

BOSTELMAN: Thank you, Mr. President. Just want to go back on a couple of things since it looks like I'll be the last one speaking in the queue before it goes to Senator Wayne. And the thing is, is as we looked at this project, it doesn't just benefit those individuals who live out in western Nebraska who have no other, no other source of water. So now you're talking an economic impact in those areas, but also benefits all of us across the state of Nebraska. I have a map here. It's pretty hard to-- to read or to see, but it does-- it is significant where those areas are out west, where there just is not any other water source for them. So if we dry up this water source, if this water source goes away, if we don't improve upon it, make it more efficient, then, you know, what-- then-- then those farmers aren't going to be able to raise a crop. What's that going to do to that economy to those small towns out west? We talk about giving money to one side of the state or the other. I don't know. And maybe Senator Erdman could yield to a question. Senator Erdman, would you yield?

WILLIAMS: Senator Erdman, would you yield?

ERDMAN: Yes.

BOSTELMAN: Thank you, Senator Erdman. Do you know, has there been any significant funding go out to your-- to this part of the state for-- for help in this area or anything similar to that? Do we have anything out there that's-- that's doing a lot of economic development on [INAUDIBLE]

ERDMAN: I think they've made applications for the Water Sustainability Fund, but I'm not sure how many of those have been granted.

BOSTELMAN: So really, this is the only opportunity they have to do something--

ERDMAN: That's correct.

BOSTELMAN: --the only opportunity the state's had to actually do anything out in the western part of the state.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

ERDMAN: That's correct. Senator Bostelman, for the six years that I've been here, I have had a conversation with some of those irrigation districts almost every year about helping them replace some of their infrastructure.

BOSTELMAN: I understand that, and I understand this has been looked at for a couple-- couple of years. I think previously Senator Hughes had something that he looked at a couple of years ago, and then we're just following up because especially once we had that, the Fort Laramie-Gering collapse, that just really shown the reason why we really need to take a look at these systems to make sure that we can provide the water where it's needed. It's not like it's something that's not needed. It's not a luxury out there. This is something that you have to have in order to raise those crops. You have to have these. And we're talking a third. A third-- ask is a third of what they have identified of what the need is. So with that, it's-- it's broken out in two years, \$30 million this year, \$20 million next year. How would that help your-- the district out there, Senator Erdman?

ERDMAN: Well, I think-- I think it'd be a tremendous asset for them to have that, especially, say for example, the one example I gave you at Whitney. If they could draw some of these funds to accomplish that, those 700 acres may be irrigated and opposed to if they don't get it, they may not get irrigation there. So it is a significant thing and it's a long ways from Lincoln, but we would sure appreciate some help.

BOSTELMAN: That's something I think that-- that I think we need to realize is this just does-- this isn't something that they have an opportunity that-- that they can do themselves. They really need that-- this assistance in order to make those changes to benefit, again, all across the state: wildlife, people, cities, businesses. It is something significant that we need to do, and I would appreciate continued support. I would say a red on FA129. Thank you.

WILLIAMS: Thank you, Senator Bostelman and Senator Erdman. Seeing no one in the queue, Senator Wayne, you're recognized to close on FA129.

WAYNE: Thank you, Mr. President. And colleagues, I don't know about you. I would love to be doing legal work right now and making more than less than the minimum wage that I make when we're here being senators. But I think it's very important. I learned a lot. I'm on Natural Resources, but I learned a very-- a lot about irrigation districts. I've learned a little bit about the Health Care Cash Fund. And I think when we're appropriating a lot of money, we should know what we're appropriating. So I appreciate the discussion. I think it

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

was a great discussion. I have one more amendment that I may or may not drop depending on time. And with that, I'll withdraw FA129.

WILLIAMS: FA129 is withdrawn. Mr. Clerk for items.

CLERK: Before we proceed, Mr. President, thank you. Enrollment and Review reports LB1102, LB1102A, LB283, LB779, LB808, LB1092, and LB1204 all to Select File, some having Enrollment and Review amendments. Senator Morfeld, an amendment to LB1011 and to LB1014. Senator Wayne, an amendment to LB1013. New resolutions: LR332 by Senator Bostar will be laid over and LR333 is an interim study resolution introduced by Senator McDonnell. Mr. President, Senator Friesen, you have the next amendment, Senator, AM2348.

WILLIAMS: Senator Friesen, you're recognized to open on AM2348.

FRIESEN: Thank you, Mr. President. So what this bill did was completely strike the section that we were just talking about. And so I think everybody has pretty well discussed that enough that we know where the money is going, why it's going where it's going. And we've all learned a little bit more about surface groundwater irrigation. And so I will withdraw this amendment. Thank you, Mr. President.

WILLIAMS: That amendment is withdrawn. Mr. Clerk.

CLERK: Mr. President, next amendment, Senator Wayne, AM2382.

WILLIAMS: Senator Wayne, you're recognized to open on AM2382.

WAYNE: Thank you, Mr. President. This is actually-- I'm totally confused by this section of-- of-- of the bill. So if you turn to page 14-- and I don't know if Senator Stinner or Senator Wishart or somebody can walk me through this, if you turn to page 14, lines 14-16, it says: The department may enter into a contract with a Nebraska-based entity-- nonprofit entity for the purposes of carrying out any or all provisions of section 81-1210.01 to 81-1210.03. OK, that makes sense. Then if you go down to page, same page, line 27-30, it says: The Department of Economic Development, or any entity in which the department contracts for such purpose, may use up to 5 percent of any appropriation to carry out sections 81-1210.01 to 81-1210.03 for the administrative services. Where I'm confused is why are-- why are we putting a limitation of 5 percent-- which I do agree with because my amendment actually adds the 5 percent limitation to line 14 through 16-- but I'm just not sure why there is a 5 percent limitation on one and a 5 percent limitation on the other. And I can't tell if the departments are the same departments, then these are two

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

conflicting different languages for the same section of law. So my amendment just clarifies and keeps it the same for both of them saying we're going to cap them both at 5 percent for administration purposes. So I don't know whose bill this is. But if somebody can explain on the mike the difference or-- oh, OK. And with that, I will-- can you talk for a little bit? OK. All right. If anybody can punch in and help me explain why there is two different provisions for the same section of law. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Wayne. Debate is now open. Senator Flood, you're recognized.

FLOOD: Thank you, Mr. President and members. I believe what Senator Wayne is questioning is the LB1167 language that was included in the budget by the Appropriations Committee. Let me set the stage for you. So we have obviously, through this COVID process, seen a massive disruption in our workforce. A number of our older workers did not return to the workforce, and we have north of 60,000 open jobs in the state of Nebraska, and we don't have anybody to fill a lot of those jobs. Our unemployment rate is at the lowest point in the history of the United States. As a singular, sovereign state, we are the lowest in unemployment. So we find ourselves at an intersection of problems and jobs, and the problem is that we don't have enough people to fill the jobs. And so what we have worked together with the Nebraska State Chamber, the Omaha Chamber, the Lincoln Chamber, businesses across the state, industry leaders, nonprofit groups, we have met constantly over the summer. They have met a lot and they have basically asked the question, what's the best way forward? When I was here probably 12 years ago, we started a program called InternNE, which helps companies employ students that are either in their-- studying at the university or in their high school experience. And the company actually has the funds to bring in more interns and train more people. The idea here is to connect students with jobs in Nebraska before they leave the state. It happens in Omaha all the time. All of these really bright Nebraska students and, and they're interested in vocational work, they're in-- they're interested in becoming mechanics. They're interested in working in a field that requires a four-year degree. They leave the state. We don't get them back. The survey, the research says that if you lose somebody at age 25, they're not coming back. And so our job is to find that soon-to-be college graduate or that high school graduate that wants to work in the great state of Nebraska and then link that student with a job. And LB1167 really provides-- initially was a proposal to put \$50 million into the InternNE program. And the idea was that with that kind of influx of cash that the state of Nebraska would go out, it would put an RFP out there to any

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

organization that would match that up to \$5 million. And the Appropriations Committee ultimately committed \$20 million to that out of General Funds. I need to really understand what Senator Wayne's objection is, and I think he's referencing that in the highlighted areas. He gave me his-- his bill here. It says on page 14, line 27: The Department of Economic Development, or any entity with which the department contracts for such purpose, may use up to five percent of any appropriation to carry out these sections for administrative purposes. And then on page 15, line 15, it says: The Legislature finds that the development of a public-private-partnership facility in conjunction with the U.S. Strategic Command will enhance-- OK, so that's a different section. I don't think he intended that to be there. So Senator, may I ask Senator Wayne a question?

WILLIAMS: Senator Wayne, would you yield?

WAYNE: Yes.

FLOOD: Can you tell me what your amendment does here?

WAYNE: All my amendment does is take the exact same language from 27 to 30 and put it from 14-- well, it would probably be now 17, move it down a line. I'm just mimicking the 5 percent language because I'm not sure what the difference is.

FLOOD: OK, so help me. I don't have the benefit of having that pulled right up here, and I don't have it on my gadget--

WILLIAMS: One minute.

FLOOD: --but can you explain your-- you want to apply it from where and put it to where? Where is the language coming from?

WAYNE: The language is coming from the lines 27-30, which limits the contract, if we contract or DED can only use up to 5 percent--

FLOOD: Right.

WAYNE: --for administration services. But the language above that is just wide open, saying that we can contract it out. So to me, there's conflicting languages. Is it 5 percent or is it any and all?

FLOOD: I'll have to defer to the opinion of the Appropriations Committee. I think there's value. Obviously, I share with you, Senator Wayne, in having a 5 percent administrative cap on the fees so that we can make sure that as much money gets out across the state as

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

possible. I'll defer to the Appropriations Committee staff and members of the Appropriations Committee on the actual language, and I'll take a look at it myself. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Flood and Senator Wayne. Senator John Cavanaugh, you're recognized.

J. CAVANAUGH: Thank-- thank you, Mr. President. Well, I-- again, thank you to Senator Wayne for kind of giving us a chance to talk about this. This was another one I was curious about and have been trying to digest. And so I appreciate Senator Flood giving us the highlights of the program. And I was just sitting here doing the math and looking at this. So there's a \$20 million appropriation here. And if I'm reading it right, the maximum grant award per internship is \$7,500, which essentially means this would create a program for about 2,600 Nebraskans. And it includes things like tuition reimbursement for courses at institutions of higher education, internship, housing, transportation expenses, internship administrative and recruitment costs. And so-- and it's for businesses of less than 50 full-time equivalent employees. So again, to put this in the context we're talking about is the value to Nebraska, the return on investment. Senator Flood did a nice job of explaining the rationale, the justification, basically getting people to get involved in the workforce here, getting that educational experience. The real-world employment experience are valuable things and if you get people to have jobs here, they're more likely to stay here. And so that does have a value. And obviously these \$20 million would be-- I think he said that there's a matching fund part. I don't quite see that here, but I-- and I'm sure Senator Flood was correct about that. It might be on a different page, but basically, you know, we've gotten to a point in our society where a lot of interns become-- is synonymous with free or very cheap labor. And it's lost its meaning, which an internship used to be an educational opportunity for someone to get real-world work experience in a field that they were interested in, maybe try out a field and, you know, see if they wanted to work in that-- that employer, see if they wanted to work in that field, see if they wanted to work in that community. And so it was an opportunity for people. And so then the student, the intern got value out of it in those sorts of ways and so that we've started making it so they don't-- everybody's taking advan-- a lot of people have taken advantage of that. So I think this is an opportunity to right that sort of system and maybe get more people into taking advantage of these type of programs. And I think Senator Flood is probably correct that if people, young people, college students work in Nebraska at these smaller employers, they're going to be more likely to stay here. When

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

I went to school, I had to go to a different city for an internship. I didn't end up staying there, but I think a number of people did stay in the city where they did their internship because they built those workplace connections, even though they would go back to where their school was. So if we can ensure that kids going to UNO and Lincoln can get a job in Nebraska and not have to go to Iowa City or Kansas City or Chicago for their summer internship to get some work experience, they're gonna be more likely to stay in Nebraska and work in those fields and professions. So like I said, it's-- before I think, you know, figuring out the cost-benefit analysis. What's the return on investment? What are all the other ancillary benefits to things are-- are considerations that I'm trying to consider as I look at all of these and determine whether or not I agree with individual programs in the budget as a whole. And you know, of course, we have to think about other ways in which we could use this money. And of course, I always go back--

WILLIAMS: One minute.

J. CAVANAUGH: Thank you, Mr. President. I've advocated for using a lot of our funds for housing assistance and rental assistance and healthcare, access to things like that. Students getting paid, I think, fits into a category that helps with people staying in school, being able to pay their rent, and having those successes in life and being able to move forward and lift themselves up. So on the face, it certainly seems to me like a beneficial program that go forward. As to the question that Senator Wayne is asking, I would generally join him in his amendment. I'm waiting to hear if they resolve that issue now that they've had some time to talk about it. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Cavanaugh. Senator Wayne, you're recognized.

WAYNE: Thank you, Mr. President. I am going to take a-- just a little bit of time. They-- some individuals think they can read these two together. So I'm going to let them go ahead and read those two together. I do think you can't. So colleagues, let me just take a step back and talk about what's going on today. If we were making a constitution, I don't think you think we can make a constitution in eight hours. Probably several, several months of debate would actually bring us to somewhere where we can have a constitution. What's interesting, the second most important document besides the constitution this body can do is the budget. And in fact, the only thing in our constitution that we have to do is our budget. So I don't think any-- and actually this year, we don't have to do it. I don't

think anybody on Appropriations should think any appropriation bill or appropriations together, the budget, will move in necessarily one day. In fact, if you look at historically, I believe there was one budget that moved in about four or five hours and the body got so much heat that that never happened again. It typically is a day, day and a half, if not longer, because it literally is the most important document, besides our constitution, we really have. Statutes are important, and don't think they're not, but this literally puts money where your mouth is. And the issue I have isn't-- I have issues with the process, but that's just the nature of the process that we, I don't blame the Appropriations Committee for this, that we ourselves have set up all the way from the Exec Board to Urban Affairs Chair. We just have always done it this way. And so that's the way we do it. And every year since I've been here, there hasn't been one appropriation bill that has sailed through. In fact, our first year went without 33 votes multiple times over Title X. It was just-- I've never had appropriation bill go smoothly since I've been here. But my point is that at some point, we have to make a change. We have to do something different that's better for the body. And I can think of no more important time than like right now when we have extra dollars that everybody's fighting for. And I don't think it's fair, and I don't mean fair as in balancing what the Appropriation Committee did, I just don't think it's fair to the body to leave that on a nine-member committee. That would be essentially leaving on a nine-member committee writing our constitution. I don't think anybody would necessarily think that's the way we should operate. It would be a floor debate. It would be multiple debates. I mean, that's just the way it goes. And so our budget is important, and for me and for those who say they want to help, this is that moment where we get uncomfortable. This is that moment on the budget where we say, does the budget reflect what we want to happen in Nebraska? And for me, it doesn't at this point. Now, we can talk about down the road what ARPA might look like, but that's not what we're voting on today. What we are voting on today is the budget, the budget before us and particularly this bill about creating new--

WILLIAMS: One minute.

WAYNE: --cash funds. And by creating new cash funds and some appropriation dollars, I'm still trying to figure out why the trail has cash in it in this bill and other bills don't, I-- that's beyond my pay. But regardless, this is part of our budgeting process. And the question is, does the budget today reflect Nebraska values? And for me, the community that I represent is not even shown in this budget or this-- bills being incorporated and cash fund transfers. I think

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

generally we look at Medicare and Medicaid and provider rates. I'm good with that. But when I look at the total of 500 and-- over \$500 million in cash transfers, I'm sorry. It's just not representing what I believe we should be doing for certain areas of our community.

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

ERDMAN: Thank you, Mr. President. As I listened to this bill in our hearing and I listened to what Senator Flood wanted to accomplish with this bill, I believe that this bill will be an ongoing appropriation. It was announced in the hearing by Senator Flood that this was a one-time appropriations. But I will tell you that this will be a raving success and at the end of two years, there's no way that we can let this stop. And I'm not saying that I'm opposed to this bill, but I just want to make you aware of the fact that this very well could be an ongoing obligation. And so I was wondering if Senator Flood would yield to a question.

WILLIAMS: Senator Clements, would you yield?

ERDMAN: Senator Flood.

WILLIAMS: Excuse me, Senator Flood, would you yield?

FLOOD: Yes, Mr. President.

ERDMAN: Thank you, Senator Flood. Senator Flood, did you see the original fiscal note for this bill?

FLOOD: I'm sure I did, I can't specifically recall it.

ERDMAN: OK, let me-- let me just get to my point. My point is they said it was going to be ten, ten FTEs to-- to run this program, ten. Do you have a problem with that?

FLOOD: Well, one of the reasons that I really support this bill is that we give the department the ability to contract out through an RFP with a third party and we cap the expense at 5 percent of the total amount. So I think that limits certainly the number of people. The benefit of using an RFP would be to get this out of state government so we didn't create those positions and then have to deal with them because I really do think it is a one-time deal.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

ERDMAN: Yeah, and that's your opinion. I understand that and I appreciate that and I have mine, so we'll see what happens in two years, but.

FLOOD: That's not the first time.

ERDMAN: Ten, ten people. Yeah, I understand. Ten people is a lot of people. And so the Appropriation Committee has cut that back to \$20 million instead of 50. So I would make the assumption that they're probably going to consider still having ten people.

FLOOD: Well, I hope there are thousands of young people that end up with jobs in this state, and I think that capping it at 5 percent is reasonable. It keeps the focus on what the mission is and that is to get these jobs out into the community.

ERDMAN: Yeah. Well, those ten people, according to our fiscal note, would be a lot more than the 5 percent. So thank you. Thank you for answering the question. So as we-- as we proceed here, Senator Wayne had talked about the first year we were here and the way we adapt-- adopted that budget. And that was my first experience. And as we got down to the end of that budget, I concluded from my back-of-the-envelope math that we were out of sync about \$250 million. And so I introduced an amendment to the budget to adopt the previous year's budget, which was about \$250 million less than the budget that we brought to the floor. It came up late evening in May and the Speaker went to the people who had their lights on and had them turn their lights off. And I got 19 votes, needed 25, got 19. We adjourned. In October of that year, the Forecasting Board met and said we are out of balance \$238 million.

WILLIAMS: One minute.

ERDMAN: And it wasn't because I had ESPN [SIC] and I could tell what was going to happen. It's because I knew what was happening in agriculture and what was going to happen to the economy. And so Senator Wayne is right. We should take some time to understand what this budget means and what it's going to mean for the future. So taking time to talk about these things is not all bad. But one of the things that concerns me about the ARPA money is to distribute that money is going to be \$25 million, \$25 million associated with the distribution of that. In the Appropriations Committee, I volunteered to do it for \$5 million. And Senator McDonnell upped me one, and he said he'd do it for 4.5. But think about that a minute, if you would, \$25 million, \$25 million to distribute the money. If you don't think

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

that's exorbitant, come and talk to me and explain to me why you think \$25 million is appropriate. Thank you.

WILLIAMS: Thank you, Senator Erdman and Senator Flood. Senator Wayne, you're recognized.

WAYNE: Thank you. Thank you, Mr. President. The more I keep reading this, this is what happens when you keep reading these two sections on page 14, you just lawyer it to death. And so in 14 through 16, they say the department may enter into a contract with a Nebraska-based nonprofit entity for the purpose of carrying out any or all of said provisions. Then through 27 through 30, it says the Department of Economic or any entity with which the department contracts for such purpose. It didn't use the same language as nonprofit entity. So to me, that does conflict because any entity and qualifying words of nonprofit entity are two different things. But here's my real problem with it with the overall program now that I'm thinking about it. Why aren't companies doing this? Why aren't companies who need people going to colleges, recruiting interns, and just sending their name and what they're doing to the department to get reimbursed? Why do we have to have a nonprofit be the go-between? If companies in Nebraska are hurting for so many people to be there, then why aren't companies engaging in the workforce they're trying to hire? I know I'm making too much logical sense right now. So just I know it's late, but let's just think about this. If a company, if a law firm, Wayne Law, is looking for-- to expand their attorneys, I'm going to Creighton or UNL and I'm going to look for clerks. So I'm going to hire clerks and if I know I can get reimbursed by the Department of Labor or whoever or DED, why wouldn't I just send the hours they work to the government to get reimbursed? Why do I have to go to a nonprofit? Will Senator Flood yield to a question?

WILLIAMS: Senator Flood, would you yield?

FLOOD: Yes.

WAYNE: So I just proposed a hypothetical. I'm not sure if you were listening and I need to repeat that. What are your-- what are your thoughts on why we need a go-between for companies to go out and recruit and hire people?

FLOOD: Well, I think workforce development looks different in different parts of the state, with different communities in the state and different subcommunities within larger communities like yours. And I think at the end of the day, the State Chamber who brought this to

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

me initially, working with the partners from the Lincoln Chamber and the Omaha Chamber, felt that this was too much of one-time money for the Department of Economic Development to immediately ramp up, that the DED folks would have the option, if they felt that way under whatever administration, to put out an RFP and have different groups across the state that show interest that want-- there's also a \$5 million match, I believe. So whatever organization puts into this, they have to donate to the same cause \$5 million. And so the idea is to match money out there from other organizations. And if I may on your time, I'll tell you what we're doing in Norfolk to accomplish things like this.

WAYNE: Sure. You can push your button and yield me back some time. That'll be great.

FLOOD: What I would say is that one of the problems we have in nor-- in rural counties is that between, you know, 20 and 50 percent of persons aged 20 to 24 leave rural counties, and the net migration tables show--

WILLIAMS: One minute.

FLOOD: --that they're moving to other places. And so we're trying to put our communities in between that student, whether it's college or high school and what they may consider is another option, like a Kansas City or a Denver, an Austin or Boston. And we're trying to improve the quality of life in our community. And so we get people to go to Wayne State for three years and then their fourth year, they move and live and work in downtown Norfolk. And they would be getting an education at the same time that they're actually working in a business full time for credit so that when they graduate in May, they actually have a job there and they're around other people their age. And one of the challenges we've had with 22-year-olds specifically is that when they're in a rural community, there aren't as many 22-year-olds for them to be around, and they oftentimes leave your community looking for their mate. So that's biology and economic development and workforce development wrapped up in one big answer for you. But I think it's complicated, and--

WILLIAMS: Time, Senator.

FLOOD: --that's why I'm for this.

WILLIAMS: Thank you, Senator Flood and Senator Wayne. Senator Matt Hansen, you're recognized.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

M. HANSEN: Thank you, Mr. President, and I'll yield my time to Senator Wayne.

WILLIAMS: Senator Wayne, yielded 4:55.

WAYNE: There was no way it took five seconds for him to yield. OK, thank you, Mr. President. But no, I'm really thinking about this the more I keep thinking about this and the more I keep thinking about this process. Senator Flood, the act-- the problem is rural Nebraska is no different than north and south Omaha when it comes to wage internships, employment gaps, and employment rates. What this bill actually says, and it gave me like a second wind, what this bill actually says is you have to be enrolled full time. So that means employers know where these individuals are. They're not-- they're not just somewhere on a farm not employed. In order to be-- or not in a school. In order to qualify for this program, they have to be enrolled. So I'm still not understanding why we are setting aside \$20 million for a nonprofit to go do what the employer should be doing already. The employer should be saying, I need a workforce. I need to grow Nucor. I need to grow Valmont. And if that needs to happen, I have to go to where the kids-- students are, whether in high school or in college. And if they're at a community college, we got so many navigators and so many other things going, I don't know how we're not already connecting this and why we need another nonprofit to do this. Let's think about that. If Hawkins Construction needs more carpenters, they're going to Metro Community College to try to get those carpenters. They don't need a nonprofit to say, hey, find me people who are in school full time to bring to our work-- workforce. We know where they're at. They're in school full time. So the nonprofit's going to get the money, go to the school and say, hey, here's an employer who needs you. I mean, this sounds like \$20 million that can go to property tax relief, or \$20 million that can go to help increase TEEOSA. But this \$20 million is not-- I don't-- I guess I really don't understand what we're truly doing here when the employment gap is on the employers to fill. And I'm pretty sure those employers would love to take that check, which is what's going to happen anyway, per the program. The employer gets reimbursed, I mean the intern gets paid actually through this, so why not just reimburse the employer? Less overhead, less costs, less money that we have to deal with when it comes to another organizations being credited. And I do agree with Senator Erdman. This is not a one-time funding project because based on population growth, based on job growth that we're seeing in Nebraska, there is always going to be an employment gap where there is going to be a need for interns. So we really need to think about this. And I know a lot of people aren't necessarily listening and engaged in

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

this, but I think at the end of the day, tell me why we need a nonprofit to fill this gap. And I would gladly like to have that dialogue on why we need that when an employer is capable. Every law firm does that, and it's not about geographical location. I'm sure there are internships and partnerships right now with high schools. I know they are in Omaha Public Schools. I know there is in Grand Island. I know there is in Sidney. And I know all the community colleges have intern programs where they have college fair-- I mean, career fairs where all of them come in and see each other and figure out where they're going to go.

WILLIAMS: One minute.

WAYNE: So why do we need some in-between person to connect them with employers when employers are the ones who are already doing it anyway? Maybe I'm not making sense. Maybe it's late and I haven't had enough coffee, but that just seems like a way that I just think we save some money. I could be wrong, but I doubt it. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Wayne. Senator McKinney, you're recognized.

McKINNEY: Thank you, Mr. President. I yield the balance of my time to Senator Wayne.

WILLIAMS: Senator Wayne, you're yielded 4:53.

WAYNE: Will Senator Friesen yield to a question?

WILLIAMS: Senator Friesen, would you yield?

FRIESEN: Yes, I would.

WAYNE: Senator Friesen, you and I had these conversations quite a bit about this unemployment rate in our-- and the maybe employees are not playing-- paying as much as they should. And I don't know if you heard me, what I was talking about, but I'm genuinely looking for some feedback on what I said just a little bit ago.

FRIESEN: Well, I mean, the internship program and how companies-- to me, if you're a good company and you're out looking for good employees, you're going to have an internship program because you can get those kids right out of high school to come in and you can pick the cream of the crop, so to speak, get rid of the rest of them. Internship programs are-- they're great for a business. I think

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

they're fantastic, but I-- it lets a business really sort through some people and be able to hire the best of the best.

WAYNE: Thank you. So again, I have in every moment throughout this process had to justify multiple times and I'm going to-- I said it from beginning, anything over a certain amount we got to justify today, and that's where we're at. So I am-- I just think maybe-- I'm not necessarily opposed to it. I just think maybe we should rely on the private market to figure out this answer, and nobody's really told me what the nonprofit does that's different than what a corporation can do. That's all I'm trying to figure out. I was looking for a response.

FRIESEN: I guess, I-- I don't understand either the long path here because we've-- we've given tax credits and things to employers to-- to hire people also. I mean, this is just a different way of doing it, I guess. I'm not familiar with the bill enough that I could answer that. But to me, there's numerous ways of going about it. I don't know whether a nonprofit has to be involved or not.

WAYNE: Correct. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Wayne and Senator Friesen. Senator Wishart, you're recognized.

WISHART: Thank you, Mr. President. I rise in opposition to the amendment and in strong support of the bill that was brought by Senator Flood. So to answer a couple of questions that have been introduced to this floor debate, first of all, we are not creating a new program. Senator Flood is not creating a new program. InternNE is a program that has existed for many years. It was actually a pretty sleepy program until Senator Flood, in his leadership, looked at it and recognized the benefits that would come to our state with revitalizing this program. So what was done is we made sure to expand it to include high school students. It's really important, especially in rural areas, that high school students get access to businesses in their community. Because if they leave and go to college, they will have potentially that anchor to come back to and those connections. Secondly, the funding that was created and is going into either Department of Economic Development, which, by the way, again, this fund already exists. What this bill does is allows for the Department of Economic Development to contract with a nonprofit to be a pass-through so that stipends for interns who are involved in this program, so stipends for the high school students and the college students, run through this and are administered by this nonprofit. So

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

the Department of Economic Development does not have to own this program in terms of the administration. And as we've discussed with Senator Wayne's amendment, what we have done in Senator Flood's legislation is restrict the amount that that nonprofit can use to 5 percent of that \$20 million for the administrative overhead. I want to step back and say that one of the statistics that has stuck in my head for many years now was one that I heard at an Aging Nebraska breakfast about four years ago, where the speaker said that the way that our population trajectory in Nebraska is going is that by 2030, we will have more people 65 and older in our state than 18 and younger. Think about that. We will have more people leaving our workforce than entering our workforce. And, you know, one of the conversations and dialogues that really struck me when we were talking about the canal is the amount of conversations that went on about how much Colorado's population is exploding on the Front Range. We're the opposite, colleagues. We're losing young people every single day. And so, yes, when we're looking at workforce and we're looking at solutions and Senator Flood has the courage to take a sleepy program and revitalize it and make it actually work creatively, we're going to include that in our budget. That's a priority. A priority is changing the trajectory of this state's population. We need to be doing that. We should have done it ten years ago. This bill helps us move in that direction. And finally, as somebody who previously worked for over five years in the after-school and summer learning space, I will tell you not every kid wants to go out for sports. As much as I love athletics, not every kid wants to go out for sports. This bill brings back the summer jobs program. It gives young kids, in high school in particular, something to do that is engaging with their life, where they're engaging with other meaningful adult relationships and building a career for themselves in high school. I cannot imagine why--

WILLIAMS: One minute.

WISHART: --someone would not want to support a bill that funds stipends for young people to get job experience. That's workforce development, and it's after school. So I encourage you all to support the underlying bill that's incorporated into AM2000, and I encourage you to support LB1012. Thank you.

WILLIAMS: Thank you, Senator Wishart. Senator Flood, you're recognized.

FLOOD: Thank you, Mr. President. Good evening, members. A couple of quick comments. The language that you're looking at that Senator Wayne

has identified is the same approach and identical to what we do with the Business Innovation Act, where the state of Nebraska contracts with outfits like Invest Nebraska. And that has been wildly successful, so successful that this body greatly increased the amount of money we're spending in the Business Innovation Act. Senator Wishart is right. I will tell you my experience with workforce development and workforce development can mean a lot of things to a lot of different people. But let me tell you, this bill has everything to do with every community that wants to get engaged. That includes north Omaha. That includes south Omaha. I don't serve in this Legislature, and neither do you, to help one specific area of the state solely. And I want to make sure that the people in north and south Omaha know that there are projects that will probably likely be funded in your area. The Omaha Chamber of Commerce is engaged here. The Makerspace effort, Millwork Commons, which is in a portion of the downtown, north downtown area, is a-- has been an idol for people in workforce development as to how they've put it together and what they've done. But I'll tell you how I got here. I got here by giving my own time starting in 2018, spending pretty much, I'd say, 25 to 40 percent of my time since January 1 of 2018 on trying to figure out different ways to make a section of Nebraska grow. And at the end of the day, it's about figuring ways to get those young people to stay in rural communities. Senator Aguilar is doing the same thing. This money could be used by St. Francis Hospital to expose Latinas and Latinos to the health professions where they sorely need more nurses, CNAs, doctors, paramedics. St. Francis Hospital in-- in Grand Island specifically is looking at this. The community of Grand Island is looking at this to take advantage of exposing Latinos to this program. They are excited about it. How would I use this program? I would use this program to get college students to live their fourth year of college in my hometown and get them jobs so that they start working; and then when they graduate, they have a place with a job offer. That's what we want. You can stand up here and throw arrows at it. You can stand up and ask questions. You can stand up and question it, which is your right, and I appreciate it. But let's not say this is for one town or another. Let's not suggest this isn't for north Omaha or south Omaha. This is for anybody that wants to put a plan together to solve a problem because workforce development is the number one problem long term facing our state as our workforce gets older. If not this, then what? Is it go set up a booth at a career fair? We're all doing it. I've done it. I'm trying to hire. We've got to go get these pages here. How many of them will have options outside of the state of Nebraska? How many of them know what kinds of jobs we have in the state of Nebraska? We need to intentionally put ourselves in front of

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

them and say, oh, by the way, did you know Nelnet has this opportunity? Oh, by the way, did you know this business in north Omaha or south Omaha has this opportunity? As someone who runs a broadcasting company, I will tell you, I am really trying to find Spanish-speaking announcers and salespeople and production assistants, people that understand the language. Do you know how many of them are in broadcasting programs? Almost zero. So what do we have to do? We have to figure out a way to expose them to the business, to help them get an education, and--

WILLIAMS: One minute.

FLOOD: --give them a job to try it out, to see if we spark something inside of somebody that says, I can do this and I can see something else. Do you know how many young people in Schuyler think this is an option for them? Do you know what the two biggest jobs are for kids in Schuyler? Meat cutting, yes, meat cutting and teachers because those are the only two professions they intersect with. So if you want that to be the only options for the kids at Schuyler Central or Schuyler Central, that's fine. But this program steps in the between that student and the rest of the world and says, how about this? How about business finance? How about this in sales? That's what this does. So let's have a conversation about it. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Flood. Senator Kolterman, you're recognized.

KOLTERMAN: Thank you, Mr. President. Boy, that's a tough act to follow. But I concur 100 percent with Senator Flood. I support LB1012 and AM2000, and I'm going to vote against AM2382 unless it gets pulled. I decided to talk on this. I don't talk a lot on the mike, but I talk-- I wanted to talk on this because it does affect our future. In Seward, Nebraska, in my district, the 24th District, we have Concordia University, we have York College in York, we have Southeast-- Southeast Community College in Lincoln and Milford. All of those institutions use these internships and they promote them. They gladly promote them. And you know why? Because it keeps-- it keeps the young people here. It's a great way to work. But not only the-- the institutions that are helping train these kids, but also in my area we've got some of the best seed corn companies in the world. We have Syngenta, we have Bayer, we have Corteva. Those are all huge companies. They hire these kids during the summers with the idea that, hey, if they're-- if they're in agriculture, we're going to keep them in agriculture. We're going to keep them in our state. That's what this is all about. Because if they're here and they're working, who

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

knows, they might find their-- their future spouse. That will keep them here. Finally, I'd just like to tell you a little story about what happened to me last week. I had a-- I had an intern that came into my office that was working for one of my local paper. She's actually a sophomore at the University of Nebraska here in Lincoln, and she wanted to interview me. And I said, well, how did you get here? And she said, well, I lived in Kansas. I came back here. I'm living in Lincoln, Nebraska, but I saw this advertisement in Seward from a job fair. I took this job and she said, I'm loving it. Now she's at UNL. She works in Seward part time. She doesn't have to go to Seward because of technology. She's getting paid. She's going to the University of Nebraska. She's getting a degree. And I said, well, I would just encourage you to stay in Nebraska when you graduate. She said, I really like what we have in Nebraska. And so I just think it's important that we continue to enhance these products. This is-- this is a great program. It's doing wonders for our state. If it wasn't working, we probably wouldn't have brought this bill back. But it's got a-- it's got a success story behind it. We need to continue to support it. And I would encourage you to vote against AM2382. And let's-- let's advance this aspect of the bill too. Thank you.

WILLIAMS: Thank you, Senator Kolterman. Senator Hunt, you're recognized.

HUNT: Thank you, Mr. William-- or Mr. Williams-- Mr. President. Either works depending on where you are. I wanted to pipe up and talk about InternNE as well. My companies benefited from InternNE since 2013. We've taken advantage of it six or seven or eight times to hire college students in Omaha to come and work for me. And they've done things ranging from coding and technology development to marketing and online advertising. And-- but, you know, it was a great thing for my business, and it's always been a great thing for my business because it made it easier for me to pay them a competitive wage because my business got reimbursed for part of the money that we used to pay them. So in that way, as a small business owner, especially, it was a benefit that I was happy to be able to take advantage of. I found out about it from the Omaha Chamber of Commerce, going to different trainings and events that they would have sharing resources for business owners. But one-- I have a reality check for you, colleagues, too, about how the InternNE program works practically in Nebraska. Another problem-- a problem I had with it when I was using it was that my small company of, you know, 20 or fewer employees was competing with big companies like First National Bank and, you know, big companies like that in Omaha for these InternNE grant dollars where that grant money for the bigger companies wouldn't really go as far as

it would for a smaller business like mine. But anyway, another problem that I had with it at the time was that it only applied to college students. And I think that there's something very classist and problematic about that because having a college degree definitely prepares you differently for the world. It doesn't guarantee that you're going to end up having a job. It just privileges one type of learning over another. And so I'm happy to see that the InternNE program has opened up to other types of nontraditional students, high school students. And I think that we need to continue to make these funds available to companies in a more expansive way and allow small businesses to hire the best person for the job, not necessarily a college student. That was a qualm that I had with it a while ago when we were using it. But colleagues, I want to reality check you because every single employee that I had, that-- that I hired because of the InternNE program and took advantage of those funds has left Nebraska, 100 percent of them. They live in Denver, Chicago, New York City, Los Angeles, Shreveport. And colleagues, I'm proud of them because I feel like I'm-- it's-- it's a testament to my success, and it makes me very proud to have been part of their story where they moved upward to something that was better for them, to live in a place that was more aligned with their values, where they felt they could be more successful, and where they had more cultural opportunities as well. You can look at how the landscape of education is changing in Nebraska over the last 15 years. When I started using InternNE program, Omaha Code School was just about to graduate its first class of graduates. And this was a really important thing that started in 2014 in Omaha to train people how to code, and they would go on to have, you know, great careers as programmers and they did. It was an extremely, extremely successful program in Omaha. But guess what, colleagues? All the founders of that program and more than 75 percent of the graduates that I can think of off the top of my head--

WILLIAMS: One minute.

HUNT: --they've left Nebraska. They live in San Francisco, L.A., Portland, Seattle, Chicago. Incentives for businesses is not what keeps Nebraskans here. Research shows that, studies show that in Nebraska and in other states. And colleagues, my anecdotal experience of using InternNE as a business owner for eight or nine years shows that. It helped me as a business owner because it cut down on my expenses. There are other benefits that I would prefer to have as a business owner, such as a pool I could pay in for paid leave for my employees, things like that that we've discussed and killed. But InternNE is not what keeps Nebraskans here. Everyone I've had that used it left. Thanks, Mr. President.

WILLIAMS: Thank you, Senator Hunt. Senator Aguilar, you're recognized.

AGUILAR: Thank you, Mr. President and members. First, I want to start off by thanking Senator Flood and Senator Wishart for their comments. Their comments pretty much did a good job of selling one of my bills I have coming up, 90-- LB902, the Career Scholarship program. And the whole purpose and the whole concept behind it, quite simply, is because employers have already tried everything Senator Wayne suggested. They worked at that. They've tried it. And we still have these young, bright minds in a brain drain situation, leaving the state of Nebraska. We've got to do something to stop that. We've got to be innovative. That's what Senator Flood's bill does. That's what my LB902 does. We're looking forward to getting this in action. We're going to put it in place in Grand Island and set a model for the rest of the state, north and south Omaha, if you will. Anybody that wants to take advantage of this program can do so and increase their workforce. Keep these bright minds here in Nebraska where they belong. We're looking forward to-- I'll also tell you a little bit about a program Senator Flood referred to, which is going to be a partnership between CHI Hospital in Grand Island and Grand Island Public Schools. The public school is going to take over the eighth floor of CHI. It's going to become a virtual classroom. Students will come there if they're going to choose to work in the health field. They will come there and go to school during the day, take their classes there, and eventually work there. They'll go on from there when they graduate, they'll go to one of the community college or a four-year university, whichever they choose, and then come back to Grand Island. We now have two hospitals that we need to fill. We have a terrible work healthcare shortage, as everybody does in the state. These are the kind of programs that's going to keep those kids here. We really need to get these things passed and get them into law and working in the great state of Nebraska. If Senator Flood would choose, he can have the rest of my time. Thank you, Mr. President.

WILLIAMS: Senator Flood, you're yielded 2:30 and you're also next in the queue.

FLOOD: Mr. President, I'll just go next to my time if that's OK. Thank you, Mr. President. I appreciate being recognized. I would reiterate here that what a lot of people in this state are working on, I think, is the same thing. What Senator Wayne and Senator McKinney want in their district is economic development. They want opportunities, jobs. And at every corner, as a member of the Revenue Committee, when these opportunities come across in the form of a bill and Senator McKinney presents what I think is very smart, he's talking about getting coding

in our schools. Yes, I think that's great. I think that is something that needs to happen across the state and it will because of what he's doing. When Senator Wayne comes in and says, hey, we should spend some of this innovation funding on businesses that locate in north Omaha, my position is let's make sure that those people are living in north Omaha, that they're building their business in north Omaha and that that money is going to north Omaha. There's nothing specific in these bills today that-- that directs the money any certain place. And our problem is bigger than \$20 million. Our opportunity is way larger than that. And I do believe, I really believe that ultimately employers are going to get better employees when we increase our pay. The average wage in Norfolk, Madison County is \$20 an hour. In Platte County, it's \$22 an hour. And when I tell people in my district, I'll say the number one thing we can do for workforce is increase wage because it is the most attractive to a number, a majority of employees. They really look at-- they really look at that. And if we want to be aggressive, we have to. And I think you're seeing employers across this state increase the hourly wage. I haven't seen any data yet that confirms it, but I hear about nursing homes and so many other people doing this. Let me draw you a direct connect with [RECORDER MALFUNCTION] this committee is doing in this budget with what the real-world implications are. Do you know how many nursing homes are going to close this year in Nebraska? More than you'd care to know about. I've had a call from the nursing-- nursing homes in my area, and they basically have said at different times, I don't know if we'll be able to make payroll at the end of the month. The workforce shortage is hitting rural Nebraska, probably the same way it's hitting urban Nebraska, but we're losing infrastructure. It's happening in every community that has a nursing home, and we have students that have no idea they're interested in the medical field. We can get them a CNA their senior year in high school and we can introduce them to the patients that are working at the nursing home, and we can hopefully inspire a lifetime of healthcare professionalism from them. I don't think sometimes we realize how unaware of career opportunities high school students really are. And I don't know if you've ever tried to interact with different schools and getting in front of those students and introducing them to different businesses. The schools want to, but they oftentimes don't know where to start. There isn't that connection with business or there's not that connection with any kind of a program. And it's hard. We have the greatest resource in this state that isn't a natural resource like waters or rivers or the soil. It's the people. People in Battle Creek are some of the best people ever. Their children are going to go the biggest places. We have those same people in north Omaha and south Omaha in south Lincoln

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

and north Lincoln, in Grand Island, in Sydney, in Kearney, in-- in Crawford.

WILLIAMS: One minute.

FLOOD: We have to connect them with jobs, and this is an effort, funded by the state, that complements private funding that connects the student with the opportunity. I think, in my personal opinion, we should focus less on athletic practices in the summer and more on getting jobs. I think kids should work. I started working at 15. It was the best thing that ever happened to me. I think it is the best thing that can happen to a lot of people. Get a job. We've got them. Put kids to work. Get them opportunities. Get some of the school athletic stuff out of the way and pay them, get them some money in their pocket so that they-- they appreciate that other people appreciate what they're doing and what they're bringing to the labor force. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Flood. Senator Hunt, you're recognized.

HUNT: Thank you, Mr. President, and thank you, pages. I won't take up much time here. I want to just make the point really clear. I have worked so hard my whole adult life as a business owner in Nebraska, as a business leader in Nebraska. I've brought millions of dollars into this state as a small business owner without taking on any debt. I've created dozens of jobs for local people that kept money local in my neighborhood, and I've spent so much time trying to make Nebraska a place where young people want to live, where young people feel like they can have a future, but everything that we do in this body can't-- it completely overwhelms everything that good people in all of our communities are trying to do to keep young people here. It doesn't matter how fun my office is or what, you know, nice perks and benefits we have when my coworkers know, my employees know that we have unprecedented discrimination in this state, when they could-- we could ban abortion this year and they wouldn't even be able to get reproductive healthcare, they wouldn't even be able to terminate a pregnancy before six weeks if they wanted to, when we have so many attacks on our teachers and in our schools in this community. Colleagues, none of that can trump anything that any business owner can do to make this state a hospitable place for young workers. And trust me, I've tried it and I'm about to give up. I feel like you've gotta hit a wall and get to a place as a person where you say, I cannot drag this culture anywhere. People are making choices and that's out of my control. And I put in my 20-25 years to try to make this place better for the next generation and it didn't work and I've

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

got to move on, and maybe I'll be the next person going to Portland or Denver or San Francisco or Chicago, Des Moines. Can you imagine moving to Des Moines because it's more progressive than Nebraska? That's the level that we're getting to. So, colleagues, please, there are business incentives that are nice. Yay, go us. We helped kids. But don't get it twisted and don't be patting yourselves on the back so much thinking that you've really done something for kids when the kids are looking at the work that we do in here every day and going, I can't wait to get out of here. Thank you, Mr. President.

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

M. CAVANAUGH: Thank you, Mr. President. Good evening, colleagues. OK, so I've been listening to the debate about Senator Wayne's amendment and the internship programs and-- and I've been listening to what Senator Hunt had said about-- I don't-- I'm going to paraphrase here, but about it being for university-educated people, and that's eliminating an entire entity of our workforce. And I appreciate the job development and the pipeline that others are trying to create here. But Senator Hunt's point really sticks with me because we've been talking about how we don't have a workforce in this state. We don't have a workforce. We don't have a workforce. And starting at college is too late, and there are so many people who don't go to college and we should be starting with that workforce. And I know that there's a bill, because I followed it, and it was LB1085, that created a high school pipeline where you do-- engage in activities like the healthcare industry or future leaders or Future Farmers of America. And I would like to see something more comprehensive. If we're going to be building our workforce, I would-- personally would like to see it be more targeted and broader. And I believe that this is Senator Pansing Brooks's bill, and clearly she understands the need for building our-- our workforce right at the right age where young people are just starting to try different industries out, try different jobs out, and learning who they are, and this is a great opportunity to start building that workforce. And also, if we were to use Pansing-- Senator Pansing Brooks's bill as a model, I think we would also eventually see a correlation and a decrease in the school-to-prison pipeline, which would save the state even more money. So I'm not entirely opposed to sections-- Section 15, I believe it is, lines 14 through 16 on-- on page 14. I'm not opposed to it, but I do think that there's more that we could be doing, and I am opposed to those that are of a lower economic status or ability are always getting put on the back burner in Nebraska and in this Legislature. So I hope that we

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

can come to some agreement where we can be more innovative at a younger age. Thank you.

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

PANSING BROOKS: Thank you, Mr. President. I'm rising-- this has been a long day of a lot of discussion, a lot of different, interesting ideas. Senator Cavanaugh is correct. I did have a bill that I was-- had been very excited about. It's an ARPA bill, LB1085. That bill, the goal of the bill was to work on the school-to-workforce pipeline. Every effort that I've made in the past, that others have made in the past, all look at the end of the pipeline. They're looking at how to keep them once they're in college or once-- once they're-- try to attract them back to the state. In fact, I've had a veterans bill that tried to keep-- that has set up a program where the veterans can learn about jobs available here and also then have opportunities to stay here, rather than having those veterans at-- at SAC move on to another state. So those are areas that I've been very concerned about. Of course, all the LGBTQ-plus work is about workforce development, keeping our kids in our state; all the work about juvenile justice and not over-arresting our kids has about-- been about keeping our kids employable and in our state. So I'm-- I'm slightly aggravated that-- that that bill was not in the proposal that's coming out on the ARPA funds. And I know we have a lot of other things, but my bill looks at the fact that we-- we want to look at the beginning and have-- have programs like FFA and DECA, and I've been so excited about this bill. It-- it also has HOSA, which is for the healthcare workers. These are opportunities for our kids to get into the businesses and get connected with professionals in the businesses across our state, the ag kids to get into those ag programs and get connected and stay here and see opportunity and have connections to be able to grow. But, no, that's really not important enough. It-- it wasn't a very important bill. I only got two votes, just so you all know, two. And it's the one bill that deals with our kids in high school, working to promote them and bring them into this state, keep them here, get them educated, get them connected in the professions that they're looking at. It includes rising educators, so it would include teachers. It includes the HOSA, which includes healthcare people. I know I'm sounding aggravated, but I am aggravated about that. I think it's a-- a bill that was totally overlooked. And I'm frustrated because, after all the time I've spent trying to keep kids able to be in the workforce, fighting against them being over-arrested, all that work for eight years, and now we have a bill that has the opportunity to give kids access to the school-to-workforce pipeline and, nope, we're

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

not interested, much more important to work on the end of the whole program, much more important to be sure to let-- to-- and, yes, it is important to-- to encourage people to move here and to encourage them to stay. But it's also important to show opportunity and hope and give people the chance, give these kids a chance to see how fabulous our state is, how we can work and give them a job that's valuable and they can get paid.

WILLIAMS: One minute.

PANSING BROOKS: So I am slightly aggravated. I appreciate the fact that the Appropriations Committee has worked their tail off. I wish they had discussed each of the bills. I know that they had a lot, but we have a lot in Education and in Judiciary, and we discuss and meet on those bills, so-- es-- especially the ones that come out to the floor, so-- and bills that people ask us to discuss. So that's a decision that everybody made in Appropriations. I'm-- I'm grateful for Senator Stinner and-- and the work he does. He is an amazing person and I don't wish I were doing what he's doing. But there is a significant bill that will help our kids to stay here on the front end, but it's just been thrown into the mess of everything else that's forgotten this year. Thank you, Mr. President.

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

WISHART: Thank you. I wanted to rise as one-- as one of two that supported Senator Pansing-- Patty Pansing Brooks's ARPA request. Colleagues, if you had had a chance to be in the hearing, it was one of the best hearings that we had in front of Appropriations when it comes to ARPA, in my mind, because she had the majority of the testifiers as young people who are involved in these career technical clubs. In particular, I think it was DECA and some students that came from a Lincoln public school that are involved in DECA, who came and spoke to us and it was incredible. They-- the optimism that they have for their future makes me optimistic about our future. And so, yes, I would have loved to see Senator Pansing Brooks's bill make it through ARPA. I think this is something that merits further discussion, regardless of ARPA, in terms of a program where we're one-- I believe we're the only in the country that doesn't put any skin in the game in terms of the state appropriating money towards these types of clubs. So again, the ARPA decision was tough. We had a very short turnaround in deadline for us to get through it all, and so we used a scoring system and unfortunately that means that not every piece of legislation, not even close to every piece of legislation that I would

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

have liked to see through-- come through ARPA made it through. And Senator Pansing Brooks's bill was one of those. Thank you.

WILLIAMS: Thank you, Senator Wishart. Senator Wayne, you're recognized to close on AM2382.

WAYNE: Thank you, Mr. President. Colleagues, I just want to remind everybody what the amendment actually does. It was simply to mimic the language below, on line 27 through 30 to line 14 through 16. Many people think reasonable minds can differ, that they think they can be read together, so about 45-- 47 minutes ago, I said I was going to withdraw this motion, but people got a little into the conversation. So let me just respond to Senator Flood very quickly. Here's the answer, Senator Flood. A nonprofit can meet students where they are. That's the reason why you got your bill. A nonprofit who knows the community can meet students where they are, because oftentimes employers are in the community but don't necessarily know the community. I support the bill, but we gotta question it when we talk about \$20 million. With that, I'll withdraw my motion, AM-- or my amendment, AM2382.

WILLIAMS: Your amendment is withdrawn. Mr. Clerk.

CLERK: Mr. President, I have a priority motion. Senator Wayne would move to recommit LB1012.

WILLIAMS: Senator Wayne, you're recognized to open on your motion to recommit.

WAYNE: Call of the house.

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

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

WILLIAMS: 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 Wayne, you're recognized to go ahead.

WAYNE: Thank you, Mr. President. Colleagues, there's a reason why I called the house, because Senator Stinner is going to call the house right after me because we'll do a cloture vote here right after I get

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

done speaking, so I just decided to call it a little bit early. I know we were originally going to go to 6:52. We went back and looked at the time and it's going to be about 6:45, so just shutting off one minute or two won't-- won't hurt anybody, I think, here. So, colleagues, here's where we're at. There's going to be a cloture vote. I am asking you to be present, not voting. I think the Appropriations Committee has done a tremendous job of going through the budget. However, I feel the appropriation in this recommendations for the cash transfers overall leave out a significant portion of the community that I represent. Now it isn't that I don't think things should go in other places. I think there should be. But in order for us to see the entire puzzle, we should know what that puzzle looks like before we start making it. So after here, we're going to have two more budget bills. I will not lead the filibuster and quiet is kept. I don't think I led today's filibuster. I think you all led it yourselves. But the point is, is we're moving and I get that, but until we see the overall package, the budget starting today on the board spends over \$368-- \$68 million-- \$383.5 million on water and trails. I can't in good conscience vote for a budget that does not have dollars for the community that I represent, basic economic development when we talk about cash transfers of over \$513 million. So that's where we're basically at. I know that there's probably going to be a 46, maybe 43 to just a couple of us present, not voting. But here's what I will tell you. If you say you care about north Omaha and you want to change north Omaha, I can't wait until we make changes potentially on the next budget or the next bill. We are voting on the bill in front of us, and the bill in front of us is setting up cash transfers that completely leaves out one of the most hardest-hit areas from not just the pandemic, but for the last 50 years. There's very few census tracts that are harder hit than Senator McKinney's and I's census tracts. And when we have an extra \$513 million, not to appropriate anything to change that community sends the message that Nebraska is not for everyone. And I hope this body will reverse that message by simply saying, let's go back to the drawing board and be present, not voting. With that, I'll withdraw my motion to recommit, MO158.

WILLIAMS: Motion to recommit is withdrawn. Mr. Clerk, you have a motion on the desk?

CLERK: I do, Mr. President. I do. Senator Stinner would move to invoke cloture pursuant to Rule 7, Section 10.

WILLIAMS: It is the ruling of the Chair that there has been a full and fair debate afforded to LB1012. Senator Stinner, for what purpose do you rise?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

STINNER: I would like a-- I would like to continue the call to the house as well as roll call in reverse order, please.

WILLIAMS: We are under call. All senators are now present. The motion is to invoke cloture. Please call the roll in reverse order.

CLERK: Senator Wishart voting yes. Senator Williams voting yes. Senator Wayne not voting. Senator Walz voting yes. Senator Vargas voting yes. Senator Stinner voting yes. Senator Slama voting yes. Senator Sanders voting yes. Senator Pansing Brooks voting yes. Senator Pahls. Senator Murman voting yes. Senator Moser voting no. Senator Morfeld voting yes. Senator McKinney not voting. Senator McDonnell voting yes. Senator McCollister voting yes. Senator Lowe voting yes. Senator Linehan not voting. Senator Lindstrom voting yes. Senator Lathrop voting yes. Senator Kolterman voting yes. Senator Jacobson voting yes. Senator Hunt not voting. Senator Hughes voting yes. Senator Hilkemann voting yes. Senator Hilgers voting yes. Senator Matt Hansen not voting. Senator Ben Hansen voting yes. Senator Halloran voting yes. Senator Gragert voting yes. Senator Geist voting yes. Senator Friesen not voting. Senator Flood voting yes. Senator Erdman voting yes. Senator Dorn voting yes. Senator DeBoer voting yes. Senator Day not voting. Senator Clements voting yes. Senator Machaela Cavanaugh not voting. Senator John Cavanaugh not voting. Senator Briese voting yes. Senator Brewer voting yes. Senator Brandt voting yes. Senator Bostelman voting yes. Senator Bostar voting yes. Senator Blood voting yes. Senator Arch voting yes. Senator Albrecht voting yes. Senator Aguilar voting yes. 38 ayes, 1 nay, Mr. President, to invoke cloture.

WILLIAMS: The motion to invoke cloture is adopted. Members, the next vote is on the adoption of AM2000. All those in favor vote aye; those opposed vote nay. Have all voted? Record, Mr. Clerk.

CLERK: 41 ayes, 2 nays, Mr. President, on the adoption of committee amendments.

WILLIAMS: The amendment is adopted. Members, we will now vote on the advancement of LB1012 to E&R Initial. All those in favor vote aye; those opposed vote nay. Have all voted? Record, Mr. Clerk.

CLERK: 38 ayes, 2 nays, Mr. President, on the advancement of the bill.

WILLIAMS: The motion is adopted. LB1012 is advanced. Raise the call. Mr. Clerk, do you have any items?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

CLERK: I do, before we proceed, Mr. President. Amendments to be printed: Senator Wayne to LB1013; Senator Matt Hansen, LB1013; Senator Wayne to LB1011; and Senator Friesen to LB1012. In addition, a new resolution offered by Senator Jacobson. That resolution will be laid over. Mr. President, proceeding on, the next bill, LB1011. It's a bill introduced by the Speaker at the request of the Governor. It's a bill for an act relating to appropriations; it amends Laws 2021, LB380; it defines terms; it provides changes; and eliminates appropriations for the operation of state government. The bill was introduced on January 13 of this year, at that time, referred to Appropriations, advanced to General File. There are committee amendments pending, Mr. President.

WILLIAMS: Thank you, Mr. Clerk. Senator Stinner, you're recognized to open on L-- LB1011.

STINNER: Thank you, Mr. President. Members of the Legislature, LB1011 happens to be the date of my birth, October 11, so maybe there is some good karma in this. We'll-- we'll find out. But LB1011, introduced by the Speaker at the request of the Governor, is part of the Governor's 2022 midbiennium adjustments, budget adjustments recommended for 2021 and-- to 2023 biennium. The bill makes adjustments to appropriations and reappropriations for the state operations, aid and construction programs and modifies intent language and earmarks accompanying appropriations approved by the One Hundred Seventh Legislature, First Session, for the current fiscal year ending June 30, 2022, and the next fiscal year ending June 30, 2023. This legislative bill contains an emergency clause, and I will add that if you saw the preliminary budget, we basically adopted all of the recommendations from the Governor except for the Perkins Canal, which was a request for \$400 million. The crime lab, we had some questions on, so we left that out, which was about 16, and Department of Education was a combination of-- of-- of both General Funds as well as federal funds. Obviously, you saw where we did add in the regular budget and, and you'll see it as-- as we work that way. The Perkins Canal then became \$53.5 million. The crime lab was put into the construction budget, along with the Department of Education's request. With that, I would ask, Mr. President, request to move to the amendment.

ARCH: Please proceed.

STINNER: Thank you very much, Mr. President. The committee amendment, AM1999, becomes the bill. The amendment contains the Appropriations Committee recommendations for new adj-- new and adjustments to existing appropriations and reappropriations for state operations, aid, and construction programs, provides certain transfers, and

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

modifies intent language and earmarks accompanying appropriations approved by the One Hundred Seventh Legislature, First Session, for the current fiscal year, June 30, 2022, and the next fiscal year ending June 30, 2023. Details of the committee's recommendations can be found in our midbiennium budget adjustment book that we passed out and have briefed everyone on. Please refer to the various pages that I'll try to identify. If you could go actually to page 4-- or page 3, excuse me, you will see most-- the General Fund budget changes. These were the only change that this committee made over and above what the Governor has done as it relates to this budget. The only change we made was for provider rates. You could see \$94,620,000 with an offset, obviously, of \$39,590,000. The net effect on General Funds then was about \$55 million. The rest are recommendations actually by the Governor. They're salary changes that were negotiated during the fall of last year. You can see the impact of that is \$62,473,000. Homestead exemption is being adjusted up \$7.9 million for the current biennium-- part of the biennium, and 11.7 for the second part of the biennium, for a total of \$19.6 million. Other adjustments can be looked at in-- in various sections. There is transfers also that you can look at. These are all transfers that were recommended in the preliminary. It's on page 22. There has been a change just in the Perkins Canal, a transfer. So anyhow, you can refer to that. I know it's getting late, so I'm going to try to be as brief as I can with the comments that I make. This budget actually came out of committee 7-2. With that, I would ask for your green vote. Thank you.

ARCH: Thank you, Senator. Mr. Clerk.

CLERK: Mr. President, I now have amendments to the committee amendments, the first, Senator Lathrop, FA74.

ARCH: Senator Lathrop, you're welcome to open on-- on FA74.

LATHROP: Thank you, Mr. President and colleagues. Good evening and thanks for sticking around. I know it'd be easy to cut out right now, but I appreciate-- I think we have something very consequential to talk about tonight. I have no intention of trying to scuttle LB1011 or the committee amendment, but I have a number of amendments because I want to take an opportunity to visit with you about corrections. And I think it's appropriate that we talk about corrections during a budget bill because it will become a huge budget problem if we don't address corrections this session. We are, in a very real way, at a crossroads in Nebraska when it comes to corrections. In July of 2020, the Governor declared an overcrowding emergency. Actually, we were in an overcrowding emergency long before he declared it. We were placed into

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

an overcrowding emergency because we reached 1-- a point, 100 and-- over 140 percent of design capacity. We are actually, at the Department of Corrections, at 152 percent of design capacity. And I know for many of you, you have read, you have heard, but you have not been intimately involved, unless perhaps you're on the Appropriations Committee or the Judiciary Committee, with the issues related to the Department of Corrections and overcrowding. For a lot of you, this may seem like inside baseball, and I hope today and over the next several hours to have an opportunity to answer questions about the Department of Corrections, answer questions about the overcrowding, answer questions about the Governor's proposal to spend \$270 million to expand capacity. You should know that the Department of Corrections and the growth in the population, in 2011, we appropriated and spent \$179 million. Only 11 year-- pardon me, nine years later, in 2020, we budgeted and spent \$272 million. So over ten years, we have realized a 51 percent increase in the Corrections budget. That doesn't tell the entire story, colleagues. Nationally-- nationally, corrections populations have been reduced by nearly a quarter, while Nebraska's Department of Corrections population has grown by some 17 percent since 2011. And we are only one of two states in the entire country that have seen an increase in their population over the last ten years. While other states across the country have seen a drop in their population, Nebraska has grown in its population. And while our population has grown, our admissions are down. We have passed out a chart, and I'd like you to take a look at this, if you don't mind, and I'd like to walk you through this chart because it really tells a story. On the chart, you will see a blue line. That blue line represents design capacity at the Department of Corrections. There is a red line that represents operational capacity. By definition, operational capacity is 125 percent of design capacity. The black line represents our actual capacity-- the actual average daily population. You can see the trend. In 2020, the Department of Corrections hired or contracted with a group called JFA. They do population projections all over the country. They've done four or five of them for us here in Nebraska. The dotted line that you see on this chart represents our projected average daily population. And I can tell you, having looked at a number of these, they are extremely accurate. You will see the blue and the red lines start moving up in 2018. They are flat before 2018 because the state did nothing to expand our capacity at the Department of Corrections, at least from 2005 through 2018. After Governor Ricketts came into office, he began to make investments in capacity at the Department of Corrections, so you will see those lines begin to move up. Each one of those represent additional capacity as a consequence of building that was appropriated by this Legislature and

requested by the Governor. The last significant increase in that red and blue line represents the net effect of building the proposed prison and closing the Penitentiary. So you can see very clearly from this chart that, while we've attempted to build our way out of an overcrowding emergency, the red line never catches up with the black line or the dashed line on this chart. In fact-- in fact, if we were to build the new facility that the Governor has proposed and we completed it three or four years from now, in five years, we would be 1,300 beds short of operational capacity. We would never get out of an overcrowding emergency. This same chart and this same topic came up in the Appropriations Committee. The Appropriations Committee has chosen to place the money for the new prison-- it's been allocated but not appropriated. You won't see it in the bill that we'll take up today, but it's there. But as Senator Stinner-- as Senator-- Senator Stinner noted in the Appropriations Committee, \$270 million isn't what we need if we're not going to do something about the number-- the number of inmates at the Department of Corrections. We'll need a billion dollars of building and we'll need way more staff than we've been able to hire and we'll have operating costs that will eat us alive. My concern today, and I will take plenty of time talking about the issues related to the Department of Corrections, but in my estimation, and-- and I don't speak for the Appropriations Committee, but my belief is that you can't build more capacity until we do something about the growth in the average daily population. It will grow by 2.5 percent every year unless we do some type of criminal justice reform that flattens the trajectory. Until we do that, colleagues, this conversation belongs in a budget debate where we talk about what we want to be spending our money on, being smart on crime instead of incarcerating people for longer than is necessary. I'm happy as we go-- how much more time do I have, Mr. Presiding Officer?

ARCH: 1:53.

LATHROP: OK. We have, as a state, brought in CJI. I'll talk about that the next time I'm on the mike. CJI came in to do an analysis. I'll talk about what they found. I'll talk about the-- the prison proposal. I also have some issues with the prison proposal in that we are trying to fund a prison before we have a facilities study. I'll explain what a facilities study is and why that needs to come before any appropriation for a prison. And with that, I'll-- I'll yield the balance of my time. I'm-- I'm happy to answer any questions you may have as we go through this process. Thank you.

ARCH: Thank you, Senator Lathrop. The debate is now open. Senator McKinney, you are recognized.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

McKINNEY: Thank you, Mr. President. I rise in support of FA74 because I think this is a great discussion to have tonight about the prisons in the proposal. And I was sitting here thinking and I was like, you know, I wish we-- I know we have the Judiciary Committee, which is a good thing, but I also wish we had a board of corrections, like the State Board of Education, to, you know, monitor the Department of Corrections a lot more because I find many issues with the Department of Corrections and how they operate. And also, you know, I'm strongly against this prison for many reasons. I do not think we could build our way out of the situation that our state is currently in. I know many people probably differ with me, but that-- it is what it is. But the facts are the facts that Nebraska has the tenth-highest black incarceration rate in the United States. We barely invest in communities like north and south Omaha, but people think it's a smart investment to build a prison instead of improving those communities and investing in those communities. But we also have people that are hesitant to vote for bills that would decrease the population and be smart on justice. You know, those that oppose LB920 forget that a couple of years ago, there was a bill passed in Congress called the First Step Act that went further. And you know who strongly supported that? President Trump. But nobody wants to talk about that. It's just, no, we can't do nothing, we're going to destroy the world if we pass LB920 or any other bill, but, hey, let's try to pass a bill to enhance felonies for bus drivers, let's pass a bill to allow police to swab your mouth if you're charged with a crime. Those are OK, but things to be smart on justice and decrease the amount of people going inside and outside of our prisons are the end of the world, the world is going to end, and that's the problem. We have to change our philosophy and the way that we think about criminal justice. We could be smart. I know a lot of you are stuck in the '90s and would-- and would like to be tough on crime. But if you want to be tough on crime, then don't complain about property taxes, don't stand up and say we need to address property taxes, we need to do all these things around taxes, but you want to support a bill or support a prison that is not even going to be \$230 million by the end of it. Supply chain is backed up. There's a war in Europe. It might be a half a billion dollars or more, but nobody wants to talk about that. And also, if we were to build this prison and we don't do nothing about this trend, by the time that prison comes online, we'll have to build another prison. We have to address not only the future population, but the current population. We have to be smart on justice and invest in people and a system when they're getting out. People are getting out of prison with a hundred-dollar check and being told to figure it out when they sat in prison five years but they couldn't get programming because the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

department doesn't know how to properly staff our prisons. Then they want us to build a prison because they didn't keep up the maintenance at the Nebraska State Penitentiary, what I feel-- in which I feel like it was on purpose to try to justify building a prison. You got a director to come to the Judiciary Committee that says, I can't advocate for bills, but he's one-- but he comes in and advocates basically against bills.

ARCH: One minute.

McKINNEY: We really have to have a real conversation about this. And I'm not saying you gotta disagree with me, but just saying no isn't going to work for anybody, not me, you, or the people that we serve, not the taxpayers. Just saying no to say no is not going to work. We have to come to some type of conversation or agreement on these things or else we're going to keep trying to build our way out of a situation that's never going to work. And thank you, and I'll be back on the mike.

ARCH: Thank you, Senator. Senator John Cavanaugh, you're recognized.

J. CAVANAUGH: Thank you, Mr. President. Thank you, Senator Lathrop and Senator McKinney, for raising this issue. I don't serve on the Judiciary Committee, but if anybody's ever watched, I spend a bit of time there. So I'm interested in these issues, of course, and I appreciate this handout that Senator Lathrop handed out with the chart, and I would certainly encourage everyone to look at it, think it over, ask some questions. And there's a lot of information in it, and it kind of tells you a lot of things. But I've talked about this as kind of a general theme of things that I talk about, which is that we bear the consequences of our actions and we have an obligation to reconcile ourselves to those actions, to our-- the consequences for our actions. And we need to take them into consideration whenever we take any conduct-- we-- when we pass any law, we undertake any idea, and that's what we're talking about here. This is-- this chart demonstrates that the proposition that building a prison for \$270 million is not going to meet the obligation that is the-- the natural consequence of our conduct and that we are at a crossroads now where we can either continue to build well beyond what we're talking about, growing at a 2.5 percent, as Senator Lathrop said, a year in terms of individuals that we are incarcerating, human beings that we are locking up. And we can continue down that path and pay, but we have to make sure that we understand and we recognize when we continue on that path, that there is, aside from the human cost, there is a monetary cost that the state of Nebraska bears for that choice. And that's the

conversation we're having here, and that's why Senator Lathrop said this needs to be a conversation around the budget, that if you look at this chart, the suggestion that we're going to build our way out of this for the \$270 million is obviously not true, that the suggestion that it will not increase our operating expenses is not true, the fact that we-- if we choose to continue down the path that we're continuing without making some reforms, we are going to have a huge budgetary cost. And so that's why it's important to have this conversation. There are a lot of suggestions-- Senator Lathrop will probably get up and talk about them some more-- with the CJI, but-- and I-- I will push my light and keep talking. But I think, if I have time, I wanted to read a quote from obviously somebody that I appreciate, an orator, was President Kennedy, and when he spoke at the American University about peace and he said that our problems are manmade, therefore, they can be solved by man; and man can be as big as he wants; no problem of human destiny is beyond human beings; man's reason and spirit have often solved the seemingly unsolvable, and we believe they can do it again. What he's saying there is that we could find peace with the Soviet Union, at that time, a nuclear power that seemed unreasonable and that the problem seemed intractable, obviously, that we could not resolve peace. We achieved a peace at that time, which now we're looking back and-- and wondering how durable that peace was. But he was setting out the challenge that these problems were caused by us and, therefore, can be solved by us. And we are presented with the same question here today, if we have that will. So we can choose to appropriate--

ARCH: One minute.

J. CAVANAUGH: --and appropriate and appropriate hundreds of millions of dollars more to continue incarcerating at the rate, more human beings than we have, and continue to increase the number of people. Or we can find another way. We can do smarter things. We can do the things-- some of the things that were suggested by CJI and find other things that are practical and that work for the state of Nebraska. There are suggestions out there. Other states have done this. Other states have decreased the level of incarceration, have found smarter ways to resolve these issues. And so that's the proposition we're presented here, we're presenting, we're talking about, we need to address as a body and as a state. Otherwise, we will be saddled with this cost and with growing costs of incarceration and administration of that incarceration going into the future. Thank you, Mr. President.

ARCH: Thank you, Senator. Senator Flood, you are recognized.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

FLOOD: Thank you, Mr. President. Good evening, members. I want to start with this. I think, as I understand it, LB1011 doesn't appropriate the money to build a prison. It puts the money into a construction cash fund, which still requires appropriation by the Legislature before a prison is built. My understanding is that the Nebraska State Penitentiary is at the end of its useful life. May I ask Senator Lathrop some questions?

ARCH: Senator Lathrop, will you yield?

LATHROP: Yes, I will.

FLOOD: Senator Lathrop, thank you for voicing your concerns and your thoughts and your efforts on criminal justice reform and our prison system. When was the State Peni-- we're talking-- I'm talking about the State Penitentiary at 27th [SIC] and Highway 2 in Lincoln. When was that facility originally constructed?

LATHROP: Originally?

FLOOD: It was like 1888 or something like that?

LATHROP: Yeah, there's-- I don't think there's anything there that was part of the original construction, however, but I think-- I think that may be right. It may have been the first location of the first prison 100 years ago or something, but it's not 100 years old.

FLOOD: And as I understand it, the last major upgrade to the State Penitentiary was in 1980.

LATHROP: We did-- well, we've done-- we've made some appropriations and done some housing units since 1980.

FLOOD: OK. So I guess, this summer, did we have-- as I understand, didn't we have a situation where-- was it the plumbing that wasn't working and they had to set up portapotties for the inmates?

LATHROP: That did happen.

FLOOD: And what was the cause? Was-- was that a water system failure?

LATHROP: It was either a water or a sewer system failure. To be honest with you, I was out of town and that was all kind of happening while I was, I think, on vacation.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

FLOOD: So in your opinion, does that fac-- I mean, given where you sit and what you've seen, with all of the information that you've collected over all the years and the work that you've done, in your opinion as a senator, does that-- does the State Penitentiary-- is that a facility that needs to be replaced?

LATHROP: So does it need to be replaced? Yes. Yes.

FLOOD: OK.

LATHROP: Probably. Right away, not necessarily, but does it need to be replaced soon? Yes.

FLOOD: So here's a question, and-- and I'm trying to find a middle ground between where some of the prior speakers and where you are at and where maybe the-- the committee of the Appropriations Committee is at. What if we put a caveat in the budget language that said we-- we do intend to build a new facility and it is the intent of the Legislature to essentially mothball or vacate the real estate at 27th [SIC] and Highway 2 so that it-- and I'm-- I'm sure you're familiar with the va-- vacation of a real estate. Under the state terms, it first has to be offered to any other public entity, and then it can be put up to the highest bidder. If we did that, can't we get through this replacement issue without further delay? Would that address the concerns of you, for instance?

LATHROP: No.

FLOOD: And that's not a trick question.

LATHROP: No, no, no, and I appreciate the question because it gets to the central point, which is, until we do something about the population growth-- and we are outliers in the country on this issue. Until we do something about the population growth, building these 1,500 beds will be a start. It will be a start and the \$270 million we spend, we'll need to double that if we want to-- if we want to take care of what we'll need between now and 2030, only-- only five years after this place would be completed, or four.

FLOOD: And there was a study done that looked at replacing the current systems and--

ARCH: One minute.

FLOOD: --and buildings there, and that was about an estimate of \$220 million. Is that right?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

LATHROP: That is-- you're-- you're exactly right. That was the Alvine study, and I'm going to talk about that next time I'm on the mike.

FLOOD: OK, what I would say here is that, at the end of the day, I think there's two separate issues and they are-- they are being linked by Senator Lathrop for obvious reasons, but we need a new State Penitentiary. I don't think anybody here would object to mothballing everything that we have at 27th [SIC] and Highway 2, let the city of Lincoln have it, let that go to bidder. That's in a perfect spot for anything from a community college to a housing development. I mean, that's prime real estate on Highway 2 with rail access. I think that we should move forward, build a replacement facility, just on-- and I'll-- I'll say this word, humanitarian grounds, given what I've heard about the condition of the current State Penitentiary, and then we're going to have an opportunity later this year on LB920--

ARCH: Time, Senator.

FLOOD: Thank you, Mr. President.

ARCH: Senator Lathrop, you are recognized.

LATHROP: Thank you, Mr. President. I'm glad that-- thank you for the question, Senator Flood. And this-- the-- I want to address Senator Flood's remark that these are separate issues because this-- if they are separate issues, we are going to ignore the problem that is requiring all this capacity and just say, nah, we're not going to worry about that LB920. We'll deal with LB920 at some point, that's a separate issue and then we'll go ahead and-- and start building these 1,500 beds. Colleagues, that facility, that 1,500 beds isn't going to be enough. It's not enough. If we close the Penitentiary, and the Penitentiary right now has a design capacity of-- Penitentiary has a design capacity of 818, an operational capacity of 1,000, and we have 1,300 people in it. If we close the Pen, as Senator Flood has suggested, and build the 1,500 beds, we're spending \$270 million to get 700 more beds. OK? If you're thinking about-- and that's why I think it's important that we do this during the budget. That's-- that doesn't make sense because it won't-- that 700 beds-- we're going to need 1,300 just as fast as we can build them, and that's just a start. Until we find a way to flatten the line on the graph that I shared with you, we will be attempting to build our way out of it or we will be kicking the can down the road. But it doesn't work. This is one of the most significant issues facing the state, colleagues. It's not a lake. It's not a ditch. It's not the ARPA money. It is, what are we going to do about the growth in our prison population? Because until

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

we get a handle on it, you are going to be back here reducing property tax cuts, you are going to have to come up with a lot of money to build beds, and-- and if you built another one of these things and got it done in 2030, you'd need to build 200 more a year, 200 more a year. Otherwise, talking about building, we don't know what to build until we know what our population is going to be going forward, and that's the point of this conversation. That's why the bill-- why the prison wasn't appropriated by the Appropriations Committee. That's the issue today. And I-- you know, I've been here 12 years, and you're probably tired of me saying that, but every time that we come into this body, we look around at the beginning of the year and say, what are the major issues that we need to address this year, right? Maybe it's property taxes. Maybe it's finding a business tax incentive plan. Maybe it is dealing with a canal that brings water in from Wyoming. Whatever those issues are, we know what they are, and this has to be on the top of the list. It has to be on the top of the list. And I'm talking about we need to figure out how to solve that issue. And I'm going to tell you that a lot of people have done a lot of work on it over the last nine months, and I'm going to talk about that too, but they're not separate issues. Why would we build 1,500 beds to improve our capacity by 700 and still--

ARCH: One minute.

LATHROP: --need 1,300 more beds four years later? Like, we need more land, we need a different plan. If you guys don't want to do corrections reform-- and we'll have that conversation eventually down here. If you don't want to do that, then get ready to spend more money on corrections, and I mean a lot more, a lot more on operating costs, and that assumes that we can staff it. I appreciate that the Governor is now offering \$28 an hour to new staff. And did we have a lot of the old former people come back? Yes, we did. And do we have some people that are coming in from out of state? Yes, we do. We expect a surge at the front end of this offer. But will we be able to staff? We're 150 short and we're about to open 384 beds over at Lincoln Corrections Center. If you haven't toured it, you can.

ARCH: Time, Senator.

LATHROP: Thank you.

ARCH: Thank you, Senator. Senator DeBoer, you are recognized.

DeBOER: Thank you, Mr. President. Colleagues, if you hear some frustration in Senator Lathrop's voice or any of the other Judiciary

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

Committee members, it's because I think maybe many of us feel a little bit like the Greek character from Greek mythology, Cassandra. Cassandra is given the future sight. She has that gift, but no one will ever believe her. So she predicts the future and no one ever believes her. And I guess, for me, that's a little bit what it feels like when we have this chart that we have here, that Senator Lathrop has passed out to you, and when we come up on the floor and we say the sky is kind of falling for real in corrections. We have an overcrowding emergency for a couple of years now and it's-- it's not getting better. I feel like we come in here and we say bad things are coming and it feels a little bit like shouting into the void. This chart literally keeps me up at night. I think about the men and women who work in these facilities. I think about the people who are incarcerated in these facilities, and I think about our community and it keeps me up at night. What are the consequences from this overcrowding, from this overcrowding that is getting increasingly worse? Like, we need to flatten this curve. Remember flatten the curve? Here's a curve we gotta flatten. Most of the people who are incarcerated will get out. They'll come back into our community at the end of their sentence. What has happened to them in the time that they're in their incarceration? Think about the fact that at some facilities, there's a facility that was at 300 percent capacity. If any of you have had to stay in for quarantine over the last couple of years, you know what it's like to be in your house. Maybe you have an apartment. You get twitchy. Now imagine having three times too many people and a much smaller place and doing that year after year. When you come out of that situation, do we imagine that you will be a reformed citizen? I have concerns about that. If we have to let people out a little early because we literally have no other space for them, what does that mean for our communities? Second of all, good, decent people work there. We see them. They come and talk to us. These are hardworking Nebraskans who work in our Corrections Department and deserve so much thanks from us. Their working conditions are not good, and the reason they're not good is because they have to watch over way more people than the facility that they are in was designed to house. So if somebody says to me, oh, I don't care about the inmates in there, we can talk about that as a separate issue. Think about the people who are working there. These are your neighbors. Senator Wishart has a lot of them in her district, good people. I think about them at night. There are inmates there. Their lives are affected.

ARCH: One minute.

DeBOER: Thank you, Mr. President. I worry about riots. I worry about riots. You think, oh, she's saying the sky is falling? Wasn't there

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

something about Chicken Little, Senator Lowe? The sky is falling. We have too many people in there, a lot too many. Sometime it's going to be too much. How do we fix it? I will grant you, there's probably a combination of things we need to do, but we take on big problems in this-- in this place. We take on property taxes. We take on the Saint Francis service area problems. We take on the Social Security taxes. We take on water issues. Whatever you've done in your committee, we take those on. We need to take--

ARCH: One minute.

DeBOER: --this on. Thank you, Mr. President.

ARCH: Thank you, Senator. Senator McKinney, you are recognized.

McKINNEY: Thank you, Mr. President. I rise again in support of FA74 because we cannot build our way out of this. You cannot grow the state building prisons. Go talk to the people in Tecumseh. Nobody wants a prison in-- in-- in their community, honestly. Then we talk about the useful life of NSP. Let's talk about the deferred maintenance that the Department of Corrections and the Governor refuse to do. Let's talk about that. The water main break? Deferred maintenance. They could fix it, but they say, oh, we don't really want to do it because we're overcrowded. Let's talk about that. And vacate NSP is not an option because they want to repurpose it for medium security or minimum security. But they don't say that, but that's what they want to do. This is not two separate issues. This is one issue. Criminal justice reform is one issue. Whether you want to talk about building something or passing a bill to change sentencing, to me, that's one issue. Then you want to talk about humanity. If we're going to be humans and speak about humanity, it's humane to invest in people and invest in the communities where they're coming from so they never end up in a prison. It's not humane to keep trying to raise felonies for mentally ill individuals. It's not humane to disproportionately target individuals and how our state has the tenth-highest black incarceration rate in the state. Is that-- in the country. Is that humane? Then we talk about community. A lot of people inside right now, I know. When I go in-- ask Senator Lathrop. When we went to Tecumseh, I knew almost everybody on the yard. Go to NSP. I know a-- a lot of people in there as well. Wherever you go, I know them. So when you talk about community, a lot of people from my community are in our prisons and they're not just black; they're white and Latino as well, people I grew up with, people that I've known. Yes, they may have committed offense. I'm not excusing that, but that doesn't make them less than human. Let's talk-- if we're talking about hu-- hu--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

humanity and being humane, we cannot build our way out this issue. Even if we were to agree to build a prison, that would take five years, so for another five years our prisons would be overcrowded. Are we forgetting that part? if we were still to build a prison, for five years our prisons would still be overcrowded. Are we going to disregard that fact and not do anything? That is the problem, that is the issue I have with this body. You're-- you're-- you're being unreasonable. Oh, let's just mothball NSP and get rid of the problem. You're not going to get rid of the problem because we could vote today to build another prison and our prisons will still be overcrowded and we still have issues and we're talking about being humane and hu-- hu-- humanity. Let's be real here. We have to-- one, I don't agree with ever building a prison, just based on a lot of principles that I-- I just strongly disagree with. Two, we need to pass some reforms. Your-- your favorite president ever in the last 20 years passed a bill in Congress that went further than LB920, but we got people opposing LB920 right now. Let's talk about that. It's unreasonable. We cannot build our way out this problem. We have to pass legislation to decrease the curve or else, even if we were to build another prison, we would have to build another prison in another ten years and where are we going to put it? Fremont doesn't want a prison. North Omaha definitely doesn't want a prison. Tecumseh barely wants a prison. So where are we going to place it? Let's be--

ARCH: One minute.

McKINNEY: --real here and really think about this. Again, before I get off the mike-- and I'll get back on and explain what's-- compare the First Step Act to LB920, so we can have another real conversation. But even if we were to vote to build a prison, it would take five years or more-- it's maybe more now there's a war in Europe and supply chain is going to be backed up and we're still going to be overcrowded. And we're talking about hu-- humaneness and humanity. Thank you.

ARCH: Thank you, Senator. Senator John Cavanaugh, you are recognized.

J. CAVANAUGH: Thank you, Mr. President. So again I rise in, well, I guess, probably end up being in support of LB1011. But what we're talking about now is whether or not to build additional prison capacity. And I do recognize how the money is moved around and it's not a direct appropriation for this, but it is-- if we're talking about moving forward with this, we need to be talking about it well in advance of doing it. But I just pulled out a map here of the State Pen. And I know a lot of people like to say things like it's 100 years old and it's well past its useful life. And obviously, as people have

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

talked about, there are parts of it that need improvement, as Senator McKinney was just talking about, Deferred Maintenance Fund. But I just thought I'd go through and list off the age of some of these buildings and start with there's a housing unit built in 2020; there's another housing unit built in 1981; another housing unit built in 1993; another housing unit built in 1981; another one built in 1981-- 1981; activity center in '75. Let's see what this one is. The industry factory was 1955; the private vendor building, 1972; the cantina in 1981, so-- a housing unit built in, let's see, '98-- '98, and then there's a medium-security unit built in 1954. And then there's a bunch of others. Obviously, I know people probably don't want to hear me just keep listing off numbers, but I can't find anything much older than, well, the '50s, which is pretty old. But that is the-- a facility and there's-- the housing units are all built in the '80s or later. There's a chapel built in 1931. So when people say 100 years old, they're referring to the fact that this has been the site of the penitentiary for that length of time, not how old are the buildings here. So when people think about what this facility is, they need to make sure that they're not thinking about it in-- in the context of, I guess, the movies. But again, there does-- there is definitely a necessity for upgrades, improvements, things like that, and to make the-- the-- the term of incarceration for individuals when they are required and necessary to be incarcerated a more humane experience. And we certainly should make sure that people have an op-- opportunity to get treatment, classes, room for growth so when they come out, they're in a better position than they were when they went in. But we need to also make sure we are not incarcerating people that are unnecessary to incarcerate, meaning that we are not, one, sending people to prison for things that are not in the interest of safety of the community, not in the interest of rehabilitation for the individual, and that we are not being specifically punitive, meaning just punishing people for the sake of punishing people. I know people believe in deterrence effect of sentences and looking at-- looking at sentences when individuals are potentially considering committing a crime. There are a lot of crimes that individuals commit without that consideration, so it's not as an effective a deterrent as you would-- you might think to most people. But when we are talking about a prison, we're talking about-- when we're talking about the budget, we're talking about long-term projections, we've had a long conversation about what the out-year budget looks like, how much money we're going to have on estimated growth of the-- the revenue projections, we need to make sure that we are--

ARCH: One minute.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

J. CAVANAUGH: --thank you, Mr. President-- thinking also towards making sure we're not spending money on things that will blow-- blow up the budget, making-- in terms of increasing the budget at a huge rate, and that's exactly what we're talking about here. And again, we talked about this cost of building a new facility is not going to actually solve the overcrowding problem. And I would again tell you to take a look at the flier, the-- that Senator Lathrop handed out with the difference between rated capacity and actual capacity and make sure that-- you know, think about it again and-- and ask those questions. But I think I'm going to be out of time in a second here. I'll push my light and get back on. Thank you.

ARCH: Thank you, Senator. Senator Wishart, you are recognized.

WISHART: Thank you, Mr. President. Colleagues, I rise in opposition to the floor amendment, but in support of the conversation that Chairman Lathrop is having today on the budget. Colleagues, if it was up to me, we would take the money that we've set aside for the prison and we'd put the entire thing into the north Omaha plan. If that was up to me, that's what we do. And so the middle ground is what I think this Appropriations Committee has put forward, where we've set the money aside and the Department of Corrections has to meet some obligations that we have requested from last year to show us their full vision for how they're going to manage in an efficient and effective way the correction system that, from what I've witnessed, we have continued on Appropriations Committee to invest in and not seen the results that this state or this Legislature should expect out of the department. I want to turn your attention to the amount of funding that this Legislature, since I've been in the body, has put and the amount of beds that we funded and yet we're still here today. Renovation in housing at CCC-Lincoln, we did that in 2015-2016. Reception and Treatment Center, DEC and LCC, we built that. We did a State Penitentiary dormitory project, some more beds. High-security housing units, we did that pretty recently. And then now the department comes back for more beds. Last year, when our committee pushed back on the department and said that we need to have metrics to understand your vision moving forward for the entire Department of Corrections system, there were a couple things that we specifically asked in legislation that were due before we would-- we would even consider appropriating money for a correctional facility, and two of those items have not been completed yet. One is a-- is a-- a risk-assessment analysis of the levels of security in which we are incarcerating people in our current corrections system. We need to understand, are we effectively incarcerating people at the right level of security to meet the public safety needs of the state but also to meet the re-- rehabilitation

needs of that particular inmate? We have not, I believe, received that yet. I think Chairman Stinner has more of a pulse on the timing of that. We also asked for a master plan for the entire Department of Corrections, which we have yet to receive. We put in hundreds of thousands of dollars to receive that master plan. We have not had a master plan done for years in terms of the Department of Corrections looking at all of the facilities that the Department of Corrections is responsible for and getting us a plan on how we intend to utilize all of those facilities. I would require that before I would ever think of putting up a new correctional facility. And last, I want to say that from the appropriations perspective, the dialogue around this specific appropriations has changed drastically within the last three years in terms of our communication with the Department of Corrections. First, it was that we need to build--

ARCH: One minute.

WISHART: --an additional correction facility on top of the Penitentiary. Well, actually, first it was let's do a public-private partnership to build a prison. Then it was let's build an additional correctional facility, a new prison on top of the old Penitentiary, in-- in addition to the old Penitentiary, just to be clear. And we would utilize that Penitentiary for minimum security and now it's that the Penitentiary is unlivable. Before we make a major investment on top of the investments we've already made in corrections, we need to make sure that we have fully vetted this project; and two, we need to look is if we have done everything possible in someone like Senator McKinney's district to address the cradle-to-prison pipeline that exists. Thank you.

ARCH: Thank you, Senator, Senator McCollister, you are recognized.

McCOLLISTER: Thank you, Mr. President. Good evening, colleagues. I didn't speak at all on LB1012, but I'm certainly going to speak on this issue, and I contend this is a fight worth having. I've been involved with criminal justice reform for at least 12 years. When I was at the Platte Institute, we engaged with this-- this very topic. And we looked to Texas, of all states, to look at what criminal justice reform can do. They had an enlightened person, a number of senators, and they decided that they're going to take a look at criminal justice reform and by doing that, they closed a number of prisons. And what's going on in Texas is not unusual. A number of states around the country have been-- been involved with CJI, and they've been able to engage and-- and make criminal justice re-- reform occur in those states, and they've lowered prison populations

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

without endangering public safety. So I-- I think this is a conversation we need to have, no matter how long it takes. Criminal justice reform bridges a wide political spectrum. In fact, you'll see that the ACLU, ALEC, CJI, they are all saying essentially the same thing: By looking at sentencing, parole, we can actually reduce prison populations. And that's something we should do. In 1980, we had 1,400 inmates in our prison system. And now, 4-- 42 years later, we have about 5,500, and that makes absolutely no sense. We can actually improve public safety and reduce prison populations. They are not mutually exclusive. As I said, a large number of states have done this, engaged in this process, and we need to do that in Nebraska. We need to lower the prison population in Nebraska. I look at the elderly prisoners we have in our system, long past the time that they're likely to commit crimes, and they could-- should be paroled immediately. And one element of LB920 was to do that and the Governor did not agree to that particular provision. It makes no sense. The Chief Justice came in here and we talked about the cost of putting a person in prison. And I had previously thought it was around \$35,000. No, it's approximately \$50,000. So how do we want to spend the state's money? Are we going to build prison after prison after prison, house people unnecessarily? There's an opportunity cost that we're missing. If you want property tax relief, if you want income tax relief, you're not going to get it if you spend all the money on-- on prisons. It makes no sense to do this and we need to engage with everyone in the Legislature and take a hard look at this and decide which direction we want to go. I yield the balance of my time to Senator McKinney.

ARCH: Senator McKinney, you're yielded 1:35.

McKINNEY: Thank you, Senator McCollister. I just want to say I probably can't get on the mike again, but I was just thinking this-- this building is over how many years old? A hundred- something, probably. Should we mothball this building because it's past its useful life? No, we shouldn't, because we've kept up the maintenance. But the Department of Corrections has decided not to keep up the maintenance to try to justify building a prison, and that is the problem. Again, there was a bill passed by Congress, the First Step Act, which--

ARCH: One minute.

McKINNEY: --goal was to reduce the size of the federal prison population while maintaining public safety, signed in law by President Trump. The goals of LB920 is to reduce recidivism, improve public safety, shift resources to be more cost effective, but people oppose

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

that. Maybe Senator Lathrop probably should have been a Republican and introduced LB920. It might have helped. I don't know. But we need to get smart on criminal justice in this state or else we're going to continue this cycle. We can't build our way out of it because if we voted to build a prison today, it would take five-plus years and we'll still be overcrowded and still have these issues, which is why we need to pass reforms. Thank you.

ARCH: Thank you. Senator McCollister, Senator McKinney. Senator Lathrop, you are recognized and this is your third opportunity.

LATHROP: Thank you, Mr. President. Colleagues, I want to take a moment to talk about a second reason why I have a problem with the prison proposal, and that is it's a process thing. But-- but this is-- sometimes you hear people talk about process and you might roll your eyes. This is kind of a big deal. So when-- if you want to go about building a prison, here's-- here's how you do it. You have a facilities study done. Let me tell you what a facilities study is because we've had one done in 2006, we had another one done in 2014, and the Appropriations Committee budgeted for an update in the last appropriations bill that we thought we'd have at the beginning of the year. So let me tell you what a facilities study is and why it is important if you're going to build a prison. A facilities study is where you bring experts into your state and they do an assessment. The first thing they do is project your prison population. So they look at the trends, much like the JFA report-- that's that dotted line-- they look at the trends for incarceration, they look at the trends by security level. So not all cells are the same. There's maximum security, there's medium, there's lower custody levels, and there's community custody, right? The community custody are very cheap beds to build. The maximum security are very expensive beds to build, and so you get a study that shows what's your population going to do, how many beds do you need at the high-security level, medium-security level, lower-security level and community custody. Then they do an inventory of the beds you have, and they show you where you need to build, what kind of beds to build. Do you need the expensive high-security ones? Do you need the cheaper community custody beds, right? The Appropriations Committee put in the appropriations bill last year for them to update this report. If you want to build a prison, do the facilities study and tell us what you need. Have-- have the experts come in. And you don't make an investment that's somewhere near \$300 million without this step. You don't do it. What happened is the Department of Corrections said, yeah, we got that report coming, not in January like we expected, not when it would be useful, in January, which we asked for, but in August, in August. Guess where

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

we'll be in August? Not here. So one of the-- one of the-- really, the due diligence that you do before you make this kind of an investment, that kind of due diligence has not been done, and it won't be done until after they start building. So we will arbitrarily make a decision to build high- and medium-security beds that we may or may not need. We may not even need high-security beds and they're the most expensive beds. We also commissioned a study with UNO to look at our classification system. Are we calling-- how many people do we have in the high-security level of classification that actually are lower-security people but we've raised them up to high because they're long-termers and we're going to send them to Tecumseh, which is a high-security place? Those two studies are really important for us in our due diligence--

ARCH: One minute.

LATHROP: --before we make the investment. Did you say time?

ARCH: One minute.

LATHROP: OK. Those studies weren't done and they won't be done until after we're supposed to make a decision about building a prison. Now you've heard me talk that I have a concern that we need to solve both of these problems before we move forward on either one of them, and I believe that, but there is a second reason. We haven't done the things you need to do, the steps you need to take, the due diligence that must be done before you make an investment that approaches \$300 million. That's-- I'm not going to spend a lot of time on that issue anymore, just to tell you that hasn't been done and that's a second reason why I strongly oppose the construction of the new prison. Thank you.

ARCH: Thank you, Senator. Senator Pansing Brooks, you are recognized.

PANSING BROOKS: Thank you, Mr. President. So I just wanted to talk a little bit about the fact that since I've been here, in 2015, we've continued to talk and talk and talk about this. One of the things that-- that I discussed in-- in 2015 and I've used every year since has been the vicious cycle, the vicious cycle that we have in prisons and prison reform. So we know that we have overcrowding, and that's why some of the discussion is to, oh, well, let's solve it by building the new prison. But with that overcrowding, we have understaffing. And due to the understaffing, we have a lack of programming because the guards-- there aren't enough guards to take the inmates to the programming and there aren't enough rooms to take the inmates to for

the programming. So we have overcrowding, which leads to understaffing, which leads to a lack of programming. That then leads to more pa-- more people that end up not getting parole and jamming out, which then, of course, leads to recidivism, which then again leads to our overcrowding. So we have this continuous, vicious cycle that we have been talking about all of my eight years in this Legislature, and we haven't dealt with two of the things that could help. We haven't created a robust program of-- of-- for programming, and we haven't-- we haven't created-- we haven't done as much on sentencing reform as we should have. So if you look at the JFA table that's on-- on the website for the Judiciary Committee, Table 11, page 25 shows the males that were released fiscal year 2019 with their length of stay. And if you look-- if you look at some of the ones, just pulling out a couple, the homicides, there were 24 homicides: 92 percent were paroled, which was pretty good; 8 percent were discharged. That means jammed out. So then you go to the next-- next level and it's sex and morals and the men that have had problems with that, 28 percent of them are jammed out, jammed out without programming. That means they aren't having anybody follow them along. We have talked and talked about sentencing reform and what are we doing? If 28 percent of the people that are in for sex crimes are jamming out and not having the requisite supervision that they need, what in the world are we doing? You think we're making our communities safer? We're not. So this is just the continual discussion of-- of the fact that some people just want to build a prison. I-- I co-chaired the Lincoln Public Schools bond issue with Senator-- former Senator Kathy Campbell. It was for \$250 million. And for the first part of that campaign, we had a year-and-a-half study talking to the schools in the community about what was needed, talking to the people in the community about what was needed, talking to the teachers and the administrators about what was needed, and we came up with a decision that touched every doorstep and every zip code. But that was after a study where we knew what to do. There was discussion about tearing down Southeast High School, my alma mater that opened-- Southeast High School opened in about 1960 and they were going--

ARCH: One minute.

PANSING BROOKS: --to tear it down. But because of the study, they found out that-- that, yes, while something like \$36 million were going to be spent, that that was far better and a far better value to spend that to-- to refurbish Southeast High School than to tear it down and try to rebuild from scratch. So right now, we're being asked to decide an issue, to build a prison without a study. You heard-- you heard Senator Lathrop talk about that. I think it's-- it's

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 15, 2022

shortsighted. Maybe-- maybe building a prison is the best choice, but without a study, how will we ever really know? Thank you, Mr. President.

ARCH: Thank you, Senator. Mr. Clerk, for announcements.

CLERK: Mr. President, just one announcement. The Natural Resources Committee will be holding an Executive Session immediately following the conclusion of their hearing tomorrow. Mr. President, a priority motion. Senator Hughes would move to adjourn the body until Wednesday, March 16, at 9:00 a.m.

ARCH: The question is, shall the Legislature adjourn till Wednesday morning at 9:00? All those in favor say aye. All those opposed say nay. The motion is successful.