

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Floor Debate March 28, 2022

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

**ERDMAN:** Thank you, Mr. President. Let's pray. Father, we thank you for this day. We thank you that it is the 49th day of 60. We appreciate the fact that you've brought us thus far and you've protected us and we pray this morning that you would heal one of our members. We pray for Senator Pahls this morning that whatever his ailment may be, that you would reach down and touch him and bring him back to us well and whole. We thank you for the opportunity to ask for your guidance. We have done that in the past and we appreciate that. We pray today, as we make decisions, that they would be pleasing to you, that they would be beneficial for those in Nebraska, and that when we have finished this session, we will say we did good work. We also thank you for those people who protect and serve us, the police, those in law enforcement, as well as those in the armed services. We pray for this-- for the country of Ukraine and that situation there, Lord. Deal with that situation and help that come to a conclusion that is peaceful. We thank you now that we can ask these things in your name and we pray in Jesus' name. Amen.

**HUGHES:** Thank you, Senator Erdman. I recognize Senator Hilkemann for the Pledge of Allegiance.

**HILKEMANN:** Good morning. Would you join me in the pledge? I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

**HUGHES:** Thank you. I call to order the forty-ninth 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.

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

**CLERK:** I have no corrections.

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

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**CLERK:** I do, Mr. President. New resolutions: LR369 is by Senator Gragert. That will be laid over. Also have a resolution, LR370, calling for an interim study. That will be referred to the Executive Board. That's all that I have, Mr. President.

**HUGHES:** Thank you, Mr. Clerk. Speaker Hilgers, for an announcement.

**HILGERS:** Thank you, Mr. President. Good morning, colleagues. I just want to make two notes regarding the schedule today. Number one is as a reminder, as I noted last Friday, we are having ARPA this aft-- I anticipate will be this afternoon at 1 o'clock. Please have your amendments filed no later than 10 o'clock this morning. That's 10 o'clock this morning. If you do it after that, they, they still can be considered, but that will give us the best chance to order them the right way. Secondly, you'll note on the agenda we did something a little bit different. I mentioned on Friday that we're going to try to make a couple of tweaks to make-- be most efficient with our time. And so what we're doing today-- and I anticipate many, but-- maybe not all of our evening days the rest of the session, we're going to have an evening agenda and you see that starting at 7 o'clock today. The idea is-- this evening-- the idea is to try to schedule some things that are not controversial that should take less time in general. It doesn't mean it's all going to be consent calendar. We'll have some General File bills that probably will require some discussion, but we're going to try to not spend time or put things on the agenda in the evening that really go on to controversial bills and items. And then it really puts it to the body to say how long do we want to take in the evening? Is it 45 minutes or an hour or two hours? But at least that way, people can sort of anticipate what's coming, but also, I think it will be more efficient and hopefully we'll be able to move those things that might get caught up in the middle of the day during a particular day, getting caught up in debate on some other, on some other bill. And so today, as an example, we tried to select Select File bills that we think are fairly clean, that don't really have any substantive amendments and that should go, we think, should go fairly quickly. And if we are able to go through that, then we also-- we have at the end of the day LB1144, which if we're, if we're moving well on Select File, we will get to that. So the idea is to set things up in the evening that we try to get through the entire of that evening agenda so that we can continue to keep those important bills moving that maybe are less controversial. Please let me know if you have any questions. Thank you, Mr. President.

**HUGHES:** Thank you, Speaker Hilgers. Senator Myron Dorn would like to rise-- recognize Dr. Eric Thomsen of Beatrice, who is serving as the

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family physician of the day today on behalf of the Nebraska Academy of Family Physicians, Dr. Thomsen, if you would please rise to be recognized by your Nebraska Legislature? Mr. Clerk, we'll now proceed to the first item on the agenda.

**CLERK:** Mr. President, LR263CA is a proposed constitutional amendment offered by Senator Blood. Introduced on January 5 of this year, proposes an amendment to Article III, Section 22 of the Nebraska State Constitution. Subject to its introduction, the bill was-- or the, the amendment, I should say, was referred to the Government Committee, advanced to General File. At this time, I have no amendments to the resolution, Mr. President.

**HUGHES:** Thank you, Mr. Clerk. Senator Blood, you're recognized to open on LR263CA.

**BLOOD:** Thank you, Mr. President. Fellow senators, friends all, thank you for the opportunity to bring forward LR263CA. LR263CA creates an opportunity to review our existing programs to help us make sound financial decisions on the cost benefit ratio of existing programs and will help those who come after us create well-thought-out and necessary policies with complete financial backing of the Legislature. This is not a partisan bill. In fact, it is a resolution that really embraces all of our concerns as to how we pay for good legislation in Nebraska. You'll note that it was voted out of the Government, Military and Veterans Affairs Committee with an 8-0 vote and there were no opponents, no neutral testimony, and many proponents that included NACO, the League of Municipalities, the city of Lincoln, the city of Omaha, and the Sarpy County Board, to name only a few of the supporters. LR263CA seeks to propose a constitutional amendment so Nebraskans can let us know their expectations at the polls. The constitutional amendment would prohibit the Nebraska Legislature from imposing any financial responsibility for new programs or increased levels of service under existing programs on any political-- can I have the gavel, please?-- on any political subdivision after the year 2022. In Nebraska, state statute clearly describes political subdivisions and includes villages, cities of all classes, counties, school districts, learning communities, public power districts, and all other units of local government. We know as policymakers that Dillon's Rule construes grants of power to localities very narrowly. The bottom law is if there is a question about a local government's power or authority, then the local government does not receive the benefit of the doubt. Their power is granted in the express words of our state statute. So when we place an unfunded or an un-- underfunded mandate on our political subdivisions, they really have few options

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when it comes to paying for those mandates outside of property taxes. This bill is timely to our ongoing cause of finding long-term solutions to lowering property taxes. In the years since the publication of Senator Sue Crawford's LR582 2014 report where not only where-- were mandates and the burden they created for local government listed, but the report included a long list of ways this could be corrected to prevent future issues. Nebraska has made little to no progress on these unfunded mandates and has even added new ones. Meanwhile, the state tends to point to local government as the reason our property taxes are high while each year adding to the financial burdens with new mandates. In 2018, my taxpayers in Sarpy County paid over \$8.1 million in costs directly associated with unfunded mandates and it has continued to rise since that time. You'll note that Sarpy County did participate in the survey that we have provided you as a handout today. Additionally, should we eventually pass one of the bills brought to try and cap local government, it'll further tie their hands and make it tougher for those government entities to function. Underfunded and unfunded mandates permeate many aspects of our systems. The passage of LB383 offers a perfect example of unfunded mandates. Because of LB383, counties like the one I represent, Sarpy County, no longer receive full reimbursement for the housing of state prisoners. For Sarpy County taxpayers, the true cost of holding a state prisoner, as calculated in the county's indirect cost allocation plan for the 2020 fiscal year, is \$136.83 per day. The 11,172 prisoner days multiplied by a daily rate of \$136.63 equals the annual cost to local taxpayers of \$1,526,430. The total prisoner days for the 2020 fiscal year was \$59,376. Also, as you know, your district court judges are state employees. Sarpy County is required to pay for the bailiff, personal secretary for each judge and for a law clerk who's shared by all three judges. Personnel costs are \$321,633, not including health and dental insurance. Senator Flood, I can hear you all the way over here. Sarpy County also pays for expenses such as court-appointed counsel, law library costs, supplies, computers, and furniture. Sarpy County Juvenile Court judges are also state employees. The county is required to pay for a bailiff for each judge, as well as a file clerk and a part-time receptionist. Sarpy County pays for court-appointed attorneys, evaluations, and supplies. Legislation regarding court-appointed attorney and guardian ad litem fees caused attorney fees in the current budget to increase from \$292,657 in 2015 to \$476,853 in 2021. Since I've referred to Nebraska's fastest-growing county several times today, I've included their own spreadsheet in your handouts today as well. So let's take a look at Johnson County, specifically the Tecumseh State Prison. When an inmate dies in the state prison, who do you think pays for the autopsy? Who pays for the

grand jury investigation? It's not the state, it's the county. Johnson County has a small population, as many Nebraska counties do. How is it fair that they must be responsible for this burden? Is it fair that they will likely have to make decisions about what roads will receive gravel or be plowed as a result? Those are the types of the decisions that must be made when these expenses happen for our counties with smaller populations. I'd like to next address the cost to counties to provide the Department of Health and Human Services, Probation, and other state offices space and maintenance costs free of charge. This is an issue that everyone from former state senator Deb Fischer to Senator Justin Wayne has tried to tackle with no relief. Beginning in 1983, in exchange for the state taking over many of the Health and Human Services functions previously provided by counties, counties were required to maintain, at no additional cost to DHHS, facilities used for the administration of public assistance programs. This might seem like a great idea until you see the costs. The net value of the space provided to DHHS in Sarpy County is approximately \$1.3 million. Housing of DHHS employees in county courthouses also limit the amount of space available for services directly supporting court functions such as probation officers. In 2014, Hall County appropriated \$600,000 to purchase an office building just to house all of its probation officers who are state employees. In Lancaster County, lease and equipment costs for probation, both adult and juvenile, and DHHS topped \$725,000 in 2018 and 2019. Adult and juvenile probation costs in Sarpy County total almost \$358,000. Finally, I'd like to discuss unfunded mandates to school districts, another entity that relies on property taxes to provide public education and related services to students and their families. This time, I am going to focus on bills introduced in a recent session to give you an idea of how large and pervasive this issue is. In recent years, the Legislature passed legislation requiring additional training or instruction that did not include additional funding or reduction requirement for schools. This includes dating violence, substance abuse teaching, returned-to-learn protocols for students, and suicide awareness and prevention training. These are all very worthy and important issues facing students and schools, which is why legislation was introduced and passed by this body. However, the Legislature has not funded most of these initiatives, instead relying on school districts to provide the services and training without reimbursement. Changes in curriculum require expenditures for school districts' curriculum toolbox process, which involves teachers choosing and vetting materials, alignment to state standards and development of the curriculum guide, and corresponding assessment tools. This requires either paying certified

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staff for additional hours during the summer or providing substitutes for them during the school year--

**HUGHES:** One minute.

**BLOOD:** --in addition to the purchase of classroom materials to fulfill the curriculum requirements. I could go on, but I think you can gain a pretty good picture of how it affects our political subdivisions. Nebraska has been largely unwilling to address unfunded mandates and has added new unfunded mandates each year from-- each year. From Senator Fischer and Crawford to Senator Wayne, legislative attempts to remedy existing unfunded mandates are repeatedly shut down or languished in committee year after year, yet the state takes little responsibility when it comes to the role it plays in property taxes being so high across Nebraska. I'll speak a little more on this issue since my time is almost up, but with that, I would ask for your support of LR263CA with your green vote. Thank you, Mr. President.

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

**ARCH:** Thank you, Mr. President. I rise in-- I-- my support for the intent of this is, is absolute solid. What has been going on over the years is, is not correct. The unfunded mandates need to stop. My issue-- and these are questions that I'm going to pose on the mike. I'm not going to ask Senator Blood to respond to them immediately, but I know she'll have other opportunities. My issues has to do with the, with the practicality of the implementation of this constitutional amendment and, and in particular, two, two issues in my mind: one is, is should this pass, I'm, I'm sure there would have to be some type of legislation to follow, as we did with gambling. A constitutional amendment passes, we have to have some type of enabling legislation. I'd prefer to see that introduced rather than a constitutional amendment, but that's a different issue. So the first question is cost, the, the definition of cost. Now we've, we've received spreadsheets that have come from the counties and, and they provide us with their definition of cost. How, how will we determine that in, in this, in this case, an unfunded mandate and its cost? So rent, Senator Blood talked about rent in Sarpy County. It's a real issue. Rent goes up every year. So does-- I mean, cost goes up every year. So then would they be sending us a bill? Who would, who would adjudicate well, we don't agree, the state doesn't agree that that's a cost or the state doesn't agree that that's that cost, the cost for that? So how is, how-- you know, I'm-- my mind goes to the details of it, but how do we determine what is cost? Probably even more fundamental than that is how do we determine what is an unfunded mandate? I think you could

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look in almost every one of our bills and every one of our bills has implications for local jurisdictions. I don't think there's, there's any way around it. If nothing else, they are implementing some of these bills that we pass. So now we take a percent of the county attorney. The, the percent of the county attorney is handed to the state. I mean, I think the, I think the practicality, the workability of something like this is, is challenging, however, not the concept, not the concept. The concept, again, I say I agree 100 percent with. We should not be passing unfunded mandates onto local jurisdictions. We turn and we say, well, property taxes are too high. I get it, but I'm just-- I'm focused on those issues of, of how do we adjudicate what cost is? How do we, how do we even define what an unfunded mandate is because of so many of the, so many of the implications of the bills that we pass here? So with that, I'll sit down and I'll listen to the, I'll, I'll listen to the debate here and I yield the balance of my time to the Chair.

**HUGHES:** Thank you, Senator Arch. Senator Hilgers, you are recognized.

**HILGERS:** Thank you, Mr. President. Good morning, colleagues. I appreciate Senator Arch's comments. Mine are going to be somewhat similar, but let me say at the outset, Senator Blood and I came into the Legislature the same year and I don't think there's been a greater champion on this particular issue, both local control and on the other side of the coin, unfunded mandates, than Senator Blood. I think every year in the Legislature, she has pushed to push back on unfunded mandates, to make sure the state pays for the fair share of what they impose on counties and political subdivisions, and I think in many ways, this CA is the culmination of the logic of the work that she's put in. Like Senator Arch, I agree with the concept. I certainly agree that the state should not be putting, putting these unfunded mandates on local political subdivisions. I, I don't think that's appropriate. At the same time, I do have a lot of questions about this particular mechanism and this mechanism, not just as it's drafted, but that it's in the state constitution. So I might only speak twice on this today. I'm going to speak with Senator Blood off the mike. And right now, I do plan on voting on the LR, voting for it so that we have the opportunity between General and Select to work on it. But I probably-- if I only speak twice, I'm going to focus one portion on the ambiguity and the difficulties of the constitutional amendment itself and the second portion on how we actually mechanize this if it is indeed in the constitution. Because I think there are a lot of implications for this body and for the state that we ought to be thinking through that-- if this actually goes to the voters and gets passed in the constitution. So as we walk through the language-- and I understand--

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I think I spoke to Senator Erdman. I mean, there's a lot of reasons why this, I think, has to be drafted the way it is in terms of a single-subject rule and the like. And, and it's-- at a very high level, it does make some sense. On the other hand, it actually puts a lot of ambiguity into our constitution that raises quite a few questions. Senator Arch referenced what-- how do we define an unfunded mandate? Well, the reality is colleagues, the term "unfunded mandate" is nowhere in the lines of this section. The terms are really kind of unique terms that I have not seen in other statutes. They may exist, but need to be defined and we should ask-- and they, they raise questions about how this actually would be implemented in practice. So just going through the language, it is very short, lines 14 through 21, "the Legislature shall not impose responsibility--" what is the imposition of a responsibility? Is that what we might think of as a direct mandate, you must do X, or is it something like an indirect mandate? Maybe as an example that I'll work through on my second time on the mike, we mandate that there's going to be an additional judge and that means sort of indirectly then the county has to supply the bailiff? What does that mean? What does it impose a responsibility? Is that a responsibility that necessarily leads to a cost or is it just we're asking them to do something, something additional? We are asking them, as an example, to provide electronic notice of a public meeting. Does that-- it doesn't maybe have any kind of cost or a very, very marginal one. Is that an imposition of responsibility that would trigger this particular constitutional provision? The next one, "for a program created after the year 2022 or an increased level of service--" Again, what is the increased level of-- who defines that? Now, the courts ultimately will have to weigh in, but this is triggered by the action of this body. So if this were to pass, a subsequent Legislature would have to have its legislative actions pass constitutional muster under this provision. So this is a question we would have to ask ourselves: are we actually increasing a level of service and by whose definition? Is that defined by some quantitative amount? They're, they are actually spending additional money? Is it qualitative now that the service was at some service level and now it's at a higher service level, we're asking them to meet a higher standard? Do they decide, do we decide? Next-- and this goes to Senator Arch's comments on line 17, it requires that we can't do that, "unless the subdivision is fully reimbursed by the state for the cost--" Fully reimbursed under whose definition, under whose accounting? Cost, under whose definition, under whose accounting? Same thing with the increased level of service. Now these raise a lot of questions, colleagues, in my mind for future Legislatures--



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**HUGHES:** One minute.

**HILGERS:** --thank you, Mr. President-- to walk through and understand how would our future actions, direct or indirect, impact be viewed under this constitutional provision? Now when I come back on the mike the second time, I'll walk through maybe a real-life example of how this could work and, and some of the difficulties interpreting this provision, in my view, as it's currently drafted. Then I'll talk a little bit about, I think, the difficulties of what it poses to this institution and our action and for the function of government at those local political subdivisions. Because in the-- where there is uncertainty in how this will apply, that I think will mean in more cases than not, we will be in litigation. And I think how that litigation could unfold and be resolved is a question we should address now and not at that time. Thank you, Mr. President.

**HUGHES:** Thank you, Speaker Hilgers. Senator Friesen, you are recognized.

**FRIESEN:** Thank you, Mr. President. You know, everybody keeps talking about supporting the concept, but I-- as it stands now, the way this bill is written, I can't support it because it talks about every political subdivision. And when you do that, you're talking about NRDs. You can go down a long list of entities now who we can't impose new regulations on. And unless-- you know, if Senator Blood wants to clarify some of this, these are questions I would have is that, you know, let's, let's say that down the, down the road here, our, our standards for building county highways changes. Well, we've now placed an unfunded mandate upon those counties if they have to change their, their road standard. If they have to make them a foot wider, does the state have to pick up that tab? These are unfunded mandates. If we change building codes for a city and suddenly there's some cost there, does the state have to pick those up? And when you're talking about every political entity out there, I'm, I'm-- generally I have not complained about the cost of my county's taxes, but we have put things on counties that I don't feel counties should pay for. When we talk about Probation and some of the other things that we have-- taking care of prisoners, when you look at a county, cities and counties don't pass any regulations that mandate a felony. Those are state laws. And so should the, should the county have to pay for people violating a state law? No. I think there's where the state should pick up the tab for funding for prisoners because there is no prisoners, I don't believe, put into county jails even for breaking a city's ordinances. And so, yes, we have done a lot of unfunded mandates. We require counties to provide office space, things like that, and it

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falls disproportionately on some counties more than others. So I am-- you know, if, if, if Senator Blood wants to answer some of these questions down the road, I'm, I'm open and I'm listening, but I, I think the legislation or the, the draft goes too far. And when we talk about every entity, I just see situations where we are even maybe required down the road to change some requirements that cities and counties have to operate by. And when we do that, would we be subject to picking up that cost? It's a very broad interpretation. And I do think that the state has pushed a lot of mandates on cities and counties and NRDs, but what if we change some requirements on drinking water? Are we going to pick up the tab of doing that or does each entity have to do his own? Those are some of the things that I think-- I don't know if they can be clarified in this the way it's drafted. It sounds to me like it's-- it covers almost anything that we do when we change rules and regs which counties and cities operate under. NRDs, fire districts, all those things, we are now required to pick up the tab if we increase the cost of their doing business. So I'm looking forward to the discussion. But at this time, I can't support LR263CA. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Friesen. Senator Dorn, you are recognized.

**DORN:** Thank you, Mr. President. And I, too-- I probably will support the concept of this and vote it onto second round. But I'm a little bit different than, I guess, a lot of people in here because I sit on a county board and many of those years that we sit on county board, one of our discussion, especially at some of our meetings, was what was the Legislature going to impose this year or enact into statutes that now was going to cost us more? And we always kind of jokingly had-- a great day was when the Legislature adjourned and they couldn't make no more laws or whatever, no impositions on us. And, and we did that not from the fact that, oh my gosh, all of this was going to be imposed on us, but when they did do something-- and Senator Hilgers and Senator Arch really, I, I thought, kind of laid the groundwork here. What is the interpretation of it? You know, it, it-- the last two years I was on the board, they really talked about-- this legislative body about right now, if someone is sentenced a year or less, less they stay in the county jail. They don't go to the, the, the correction facilities. And there was a lot of talk and I know we had several meetings with our sheriff about they were going to maybe raise that to two years and what that other year now would mean to the counties or whatever or to any public entity, that additional cost. That was an unfunded mandate the way we looked at it. But would Senator Blood yield a question? I do have a question on another subject that we've talked about this year.

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

**BLOOD:** Yes, gladly.

**DORN:** Well, thank you. My question is we had a good discussion. Senator Clements brought, I call it the inheritance tax bill this year and we did lower some of that. Now, in my mind, sitting where I sit for years on the county board, that was an unfunded mandate, even though it depends on, as Senator Hilgers said, how you-- or how this is going to be looked at or, or what the courts might interpret. In my, in my opinion, if we took some, some income that they were getting, which from inheritance tax, the counties are getting that inheritance tax, and now we said, you're not going to collect it. We're going to lower the rate. Under your proposal here, is that considered an unfunded mandate?

**BLOOD:** Well, I think the unfunded mandates are clearly listed in every study that's been done from Deb Fischer to Justin Wayne. So if you look at the list of what the counties brought forward when they met as far back as Ben Nelson, they will tell you what they felt an unfunded mandate was. So what you're talking about is not something-- not a burden that we're putting on the county, is that not correct? We're putting that burden on the citizens. Would you say that's accurate? Who has the burden, who has the burden when it comes to inheritance tax?

**DORN:** Well, that-- right now, the, the counties collect all of that.

**BLOOD:** The counties collect it--

**DORN:** Yes and then--

**BLOOD:** --but the burden is actually on the taxpayer.

**DORN:** The burden is on the taxpayer.

**BLOOD:** Right.

**DORN:** So then you're saying that would not be an unfunded mandate?

**BLOOD:** That is not an unfunded mandate. That is part of doing business.

**DORN:** OK, thank you. Thank you for answering the question. And I, and I guess this is where I look at it-- if I sit on the county board, I look at it different. Now, I had the ability or generally in a year

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out there, I had the ability to collect that. And I know that-- and I'm 100 percent for getting rid of the inheritance tax, but they have the ability to collect that as revenue and now they're not burden the taxpayers with more taxpayer dollars. So for me, that's an unfunded mandate. We as a state are doing something that has a direct effect on that county that now they don't have the ability to collect that same amount of income. They have to go about it at a different-- they have to go about it in a different sense. They are not collecting it from inheritance tax.

**HUGHES:** One minute.

**DORN:** So is that an unfunded mandate or not? I don't know. I think Senator Hilgers brought up a good point when he said many of these things the courts will decide or whatever. That is why I think in principle-- in, in the concept of this, yes, we should not be passing things up here that if we're not going to, as a state, fund them, we should not be passing and imposing, imposing on some other body to do something without us funding them. And it depends on whose interpretation you have then. And listened to Speaker Hilgers very closely there and his concepts because he has a very good way of explaining I call it the details of this. And for some of them, my thought may be different than somebody else's and I guess if this would come to pass and it would be passed by the voters, then this body would have that opportunity to weigh in on that. Thank you.

**HUGHES:** Thank you, Senator Dorn. Senator Jacobson, you are recognized.

**JACOBSON:** Thank you, Mr. President. And Senator Blood, I appreciate you bringing this, this CR [SIC] and I appreciate you bringing attention to the problem. I do tend to agree with my-- the previous speakers with regard to there are some issues certainly with this, but I really think we've got to think long and hard about this problem and, and by bringing attention to it, I think we're focusing a little more on one of the things that I think all of us came down here or many of us came down here to do and that is to lower property taxes. And as we know, as we get these unfunded mandates, whether they're federal or whether they're state, we're putting burden on those local municipalities and local taxing authorities and the only place they end up having to go for relief is property taxes. Our property tax burden is overwhelming. It's got to come down. One of the ways to do it is eliminating these unfunded mandates. So I, I like the concept. I love the concept. I too have some concerns. I'm not an attorney. There are certainly some attorneys here in there-- in the body and I'm going to defer to them as to what fixes need to be made to be able to move

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this forward, but I think their concerns are well-founded in terms of what this CA brings. But the concept is-- that's something that we've got to all be focused on and, and I-- and, and how we fix it is going to be important. I'm prepared to move this to the next-- to, to Select and vote in favor on General File, but I'm going to be reluctant to move it forward unless we can see some fixes. And with that, I'm going to yield the rest of my time to Speaker Hilgers.

**HUGHES:** Thank you, Senator Jacobson. Yield-- Senator Hilgers, 3:10.

**HILGERS:** Thank you, Mr. President, and thank you, Senator Jacobson. I appreciate the time. So just to follow up on my conversation, let's just take a real-world example and see how this might work in reality. So there's a bill-- I think that Senator Lathrop has a bill-- it's been prioritized this year-- that would increase the number of judges, I think, in the fourth judicial district. As Senator Blood has pointed out, if we increase the number of judges and that's a state obligation, there's a corresponding increase in the bailiffs and that's a county obligation. Let's say that bill passes as is today. And right now, that bill does not actually have any sort of corresponding obligation or payment for the county bailiff or the bailiff that would be paid for by the counties. So let's say that bill passes as is. Now, the county says, wait a second. You didn't pay for this increased level of service that I have, this increased responsibility. I now have to pay for a bailiff. Now let's say we adjourn sine die and this-- there's no E clause, this comes in place, and is now effective sometime in the latter half of the year, and the county says, no, I'm not going to do this. We're, we're just not going to, we're not going to provide the bailiff. Now what happens? Does the, does the district court judge still get filled? Well, the state law says that there has to, but now there's no bailiff. Now, conversely, what does the county do? Let's say the county says, OK, you've put this, you've put this imposition on me and I need to be reimbursed. Well, they could go to court. Well, what would the court do? Well, one thing the court could do is order this body, or the state that is, to come back and appropriate additional dollars. That's what this-- the constitutional amendment says. You cannot do this unless you do the appropriation or give us more money. So the county goes to court and says, OK, well, the Legislature increased my responsibility as a county, probably conceded. Now they have to increase the appropriation. Well, we're in sine die. So if-- what does the judge-- or the court do? Well in normal circumstances, it would feel very-- it would, it would not-- it would probably vi-- be a violation of separation of powers for the court to say Legislature, you need to go into special session to address this. However, this is

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an amendment to the constitution. This is an amendment that arguably gives a court the authority to order us to go make that appropriation. Now they could say--

**HUGHES:** One minute.

**HILGERS:** --well, just do it-- this won't go into effect until you go into session and give some dollars, which frustrates our work, or there's nothing in here that would suggest that they couldn't order us into a special session to provide that appropriation. Now, I'm not doing a parade of horribles to suggest, oh gosh, corp could put us into a special session. This is, this is the reason to oppose it. I'm not suggesting that whatsoever. The point, though, is that it creates significant conflict in interpreting these types of issues that would have to be addressed by a court that implicate us downstream. And so I think these are the types of questions we need to work through in real-world examples to see how this could work because the idea is great, the concept is great, how it works out in reality, with all the different branches of government and our, and our work, I think it's far messier and far more complex and creates maybe a lot of unintended consequences. And I'll probably come back one more time on the mike to, to discuss that a little bit further. Thank you, Mr. President.

**HUGHES:** Thank you, Speaker Hilgers. Senator Erdman, you are recognized.

**ERDMAN:** Thank you, Mr. President. I am in support of the amendment-- constitutional amendment, LR263CA. From the first day that I arrived here, I had the opinion-- and it hasn't changed-- that the unfunded mandates are an excessive burden on our property tax. And in my county, I asked our county attorney, has there ever been a law that was broken or a statute that was violated that is a county statute or law that you put somebody in our jail? The answer was no. We prosecute and protect people against state laws all the time. It's all we do. All of that goes to the property taxpayer. Every bill that comes before this body, whether the state pays for it or whether it goes to the county, city, school, or NRD or whoever, should have an appropriation attached stating, stating how much it is and who is going to pay. And Senator Hilgers' example about the bailiff, what we will do going forward, if this passes, we will make decisions about how we are going to fund that? But currently, we give total disregard when we pass a bill that's going to be in effect on property tax. So if you think about how much of the county budgets go to unfunded mandates that are doing things for the state that don't get reimbursed, it's a significant number. In some counties, it's probably

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40 percent of their budget. And I've heard, well, if you do that, then you need to lower your mill levy. I can tell you this: the county in which I live, if that happened, they would lower the mill levy and there's history to prove that. When I became the county commissioner, our mill levy was 49.85 percent, mills, 49.85. When I left, it was 33. The valuation had gone up and when the valuation went up, we lowered the mill levy and there was a lot of counties that are in that same position that will do the same thing. So what we to talk about-- and Senator Blood, I've heard all these excuses before about, well, you don't have any implementation bill. You don't have a written out how each one of these is going to work. I heard that all the time. OK, I get it. You know what? That's why we meet here. That's why the 49 of us will get together and we will figure out how to solve all of those issues that Senator Hilgers has, that Senator Arch has. And all of those things we're talking about, we will solve those. But because you don't want to take the effort, get involved, do the research, get involved in helping develop those policies, you just would rather say you have to figure out a way to develop a funding mechanism or a procedure on how we're going to do this. That's what we do. We say that and then we can pass it off. So here's, here's your problem: we do not focus on those who pay the taxes. What we focus on is those who collect the taxes. And I find it very peculiar that when the inheritance tax came up, we fought against that tooth and nail because the county commissioners wanted to continue the inheritance tax, so we did what the county boards wanted us to do. So here today we have overwhelming support from the county boards and we're going to question whether they're right or not.

**HUGHES:** One minute.

**ERDMAN:** If they were right under the inheritance tax proposal, perhaps they're right on this. This is an opportunity for us to make common sense decisions about what we're adding to property tax going forward. What Senator Blood is asking is future obligations. I don't believe she's asking to take away the, the, the obligations that we've already placed. And if I'm, I'm wrong on that, she can answer that, but that's my understanding. So I'll be supporting LR263CA and I think we can figure out how to make it work. Thank you.

**HUGHES:** Thank you, Senator Erdman. Senator Flood, you are recognized.

**FLOOD:** Thank you, Mr. President. Good morning, members. As you know, I supported the 3 percent cap on political subdivisions and I actually think this is a route to the same thing. Let me tell you why. Let's say we change the state's DUI standard from .08 to .05. We could

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assume that that will result in another 15,000 arrests for DUI, taking more time up for law enforcement officers, for sheriff's deputies. Do we end up paying for more police? Probably. Let's say we change a penalty in a DUI second. Right now, it's a mandatory 14 days. We move that to 30. Do we pay for those next two weeks in jail? Probably. If the state pays for it, we will control it. That is the 100-hundred year lesson of the Nebraska Legislature. If we pay for it, we control it. What does that mean? That means that we could eliminate county attorneys and we could have district attorneys through the attorney general who already has concurrent jurisdiction. We could eliminate the role of county attorney and we can have a series of district attorneys and there's some in here that have talked about it. Register of Deeds, blockchain is coming. Guess what? We could administer that whole program on behalf of the state of Nebraska. Every single Register of Deeds Office, out of business. Clerks of the district court, one of my favorites, clerks of the district court, the Supreme Court, has said, please let us have the clerks of the district court. We already run a county court, court clerk in every single county; eliminated, eliminated, no more because anything we add onto the clerk of the district court we pay for and we're already, through the Supreme Court, paying for the clerk of the county court. Treasurer, we can do that online. The state of Nebraska can do that online. We can save all of that expense. We could have regional sheriffs. We could even have regional state jails. If all of these penalties are going to come back on us, we could figure out what the county contribution will be and we'll have regional state jails. Let's imagine this: Medicaid. The federal government passes a regulation or a law that says the state of Nebraska has to do this with its Medicaid program, which affects the way that juveniles are handled in Madison County. Well, we didn't do it, but under this in the constitution, we will then be responsible for it so now we pay for the federal government's decisions too. Juvenile accountability, law enforcement is saying to me get us the ability to put these 12-year-olds that are violent in jail. We do that, we pay for it under this in the constitution. If you value that local control, you're going to lose it, but you-- we will, we will assume more of the county's responsibilities under this. I want to point out that the next bill on the agenda from Senator Day, LB852, let's take a look at what it does. It requires that school districts, on or before August 21-- August 1, 2023, to designate one or more behavioral health point of contact for each school building. Each behavioral health point of control will have the knowledge of community behavioral health services, providers, and other resources available for students and families. No fiscal impact to the state. If



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you're for this bill, Senator Day's bill is an unfunded mandate. I think this is a dangerous deal, but I'm also-- I see the value.

**HUGHES:** One minute.

**FLOOD:** I see the value. We can take a lot of these services and if we're going to end up paying for the increases, we can make them more effective, I guess, across the state. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Flood. Senator Sanders, you are recognized.

**SANDERS:** Thank you, Mr. President. Good morning, colleagues. Before I begin, I want to thank Senator, Senator Blood and I appreciate when we can work on a, on a bill and support our counties together. During my time as mayor for Bellevue, I could see the impact on unfunded mandates. They are unfair and fiscally irresponsible. I will support this bill on General File. With that being said, I would like to see some minor fixes before Select File that has been brought to my attention. Both of my concerns deal with loopholes in the language of this resolution. The key factor here is the "revelant" political subdivision is the one who decides how much a piece of Legislature costs. For example, this language, if adopted, would imply that all duties from local entities are locked in after 2022. This means that any political subdivision can argue a cost associated with maintaining their existing duties and attach a fiscal note to almost any bill. For example, let's say that Senator Brewer's constitutional carry bill was instead brought in 2023. Perhaps the Lincoln Public School Board would decide that it could make this existing duty of keeping kids more safe or difficult-- more difficult and they could attach a fiscal note to the bill for \$10 million for new security systems in their school. So if this state failed to reimburse the local subdivision for the relevant fiscal note through state funds, the bill would be rendered unconstitutional. In a way, this gives political subdivisions, subdivisions the power to veto a bill through a fiscal note. This isn't the only loophole that could be exploited. LR263CA has no reference of our two-year budget cycle. This means that when political subdivisions submit a fiscal estimate to attach to a bill through the Fiscal Office, they could potentially project costs out to the end of time without any cutoffs. If the state failed to reimburse this, the bill could be ruled unconstitutional. The way I understand it, it's impossible to put together a budget and a revenue forecast without any limitations of our expected liability of this bill. Hypothetically, we can expect an increase in more students as a result of our great economic growth. They could attach a ten-year fiscal note with estimates on how much they would need for a projected number of

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students that could easily top \$1 billion for a single bill. Once again, it provides a veto for local entities to kill a bill. To summarize, fiscal notes rely on quotes given from the political subdivision. So political subdivisions could offer inflated quotes because by law, the state would have to assume that quote is accurate and pay the entire amount. There is no appeal process outlined in this bill and there is no control put on the subdivisions that could be suggested. These concerns should be addressed before we take this bill up again. I am supportive of LR263CA and I will vote to advance it to Select File so we can address the concerns. Thank you, Senator Blood, for bringing this CR-- LR263CA forward and thank you, Mr. President.

**HUGHES:** Thank you, Senator Sanders. Senator Linehan, you're recognized.

**LINEHAN:** Thank you, Mr. President, and good morning, colleagues. So I'm just going to talk about a couple things on this bill. I understand what Senator Blood is trying to do and I have empathy for her efforts. However, on the sheet she handed out, the third one, it says, requires that counties, cities, and school districts-- and this is actually Senator Ben Hansen's bill-- but community colleges to hold a joint public hearing if one of these entities wishes to request more property tax dollars from the previous year. That-- and I understand that that is probably a typo. It's only if they're going-- their tax-taking is going to go up more than 3 percent plus real growth. Well-- and what that means is your real growth doesn't count. So you have a new subdivision, a new shopping center, that's real growth so you don't have to have a meeting if-- because that pushes you up. But if you go up more than 3 percent on your tax taking, you have to have a meeting. So that, I would argue, is not-- I mean, it's only-- they don't have to do it if they don't go up more than 3 percent, so I don't think that's an unfunded mandate. The other thing-- and this is not my expertise at all-- not that I have any, actually-- but in the '80s, I think it was in the '80s-- and I kind of remember this, but not in any detail, there was a huge agreement made between the counties and the state that the state would take over Medicaid. Now think about that for a minute. Before then, the counties were in control and had to administer Medicaid. So when that agreement was made, my understanding-- and anybody that knows better can feel free to correct me-- my understanding is when that agreement was made, the counties agreed to provide the space for what they needed for Medicaid. So I think this is-- this is going to get very complicated because there's a lot of back and forth on what's an unfunded mandate and what is not an unfunded mandate. I mean, I think Senator Flood hit on several points. I would say too that you run the risk-- and this is

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one of the battles we have on school funding. If we're paying 100 percent, then we're going to run it. That's just the way the world works. If the state is going to pick up 100 percent or something, the state will just take over the project. The one group he left out is county assessors. And I have thought, for the last three or four years, I don't understand why every county has a county assessor when in fact you can go in-- go online and go to any of the multiple realtors that are online and go to any county and they will tell you what they think a house is worth. So why we have-- it would save so much grief in this state if we had a statewide assessment system versus different counties. And we all know that, you know, some get it done every year, some don't-- only do it every three years, some let a piece of property sit for years without an increase in assessment. I mean, there's-- this road-- if we head down this road, it's, I believe, very dangerous for the counties. Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator Linehan. Senator Blood, you are recognized.

**BLOOD:** Thank you, Mr. President. So I knew right away we're going to have a little bit of a filibuster because people wanted to ask me questions without actually, actually yielding me time. So I'm hoping I can get many of the questions answered and my, my peers will maybe throw some time my way. I do want to say really quick in defense of, of Senator Day's bill, there's no fiscal note and there's no cost involved with that bill. But I'm not here to talk about her bill because she'll talk about that next. So in reference to what Senator Hilgers had to say, I-- first of all, I'm really-- I'm kind of disappointed that I've had people stand up at the mike and clearly did not listen to the introduction that I gave on this bill because a lot of what you're asking I said in my introduction. But I'm going to try and get everybody's questions asked. So, you know, one of the things Senator Hilgers talked about was the costs that are involved. How do we know the cost? And Senator Arch said the very same thing and I, I don't see him on the floor now, so I hope he's somewhere where he can hear the answer. So we figure out the cost of something when we get the fiscal note. I-- am I the only person that's been here for six years? So come on, guys. We know what the costs are for things and we're not talking about existing programs, as I said in my introduction. We're talking about programs going forward. And by the way, we're not the only state to do this. So we know that it's, it's, it's something that can be done. But I also want to say that although I thought Senator Flood's approach was quite clever, nobody's losing local control. This is a Dillon's Rule state. If we want to take away local control through legislation, we take away local control. Again,

said in my introduction. Sometimes I wonder if I'm in stealth mode. That's why I asked for the gavel. Because you could hear people talking. You saw people get into the queue immediately, so obviously this was discussed before I even talked about what this bill was about. And in reference to Senator Linehan-- and I appreciate her keen eye-- this-- she was just referring to the Sarpy County spreadsheet. I don't necessarily agree or disagree with their descriptions. This is what they gave us as a standalone document. We gave you a much better document that involves the other counties and so if you have questions, I encourage you to go and talk to their counties. And with Senator Sanders, I'd be really curious who brought it to her attention because that would be very clarifying for me, but I'm not going to yield time to her since nobody wants to yield time for questions today. I, I do disagree and don't disagree with Senator Hilgers. I think that if they want more clarifying language, I am more than happy to write more clarifying language. I think that's an easy fix. In reference to the person who asked me why this isn't a bill and why it's a constitutional amendment, it's because every time a bill was brought forward, it either didn't get out of committee or it failed. I'm going to stress this again. All the way back to Deb Fischer, back to when Ben Nelson was Governor, you have spent-- or our predecessors have spent taxpayer dollars on researching this. And like everything else that government tends to do, they put that three-ring binder on the shelf and ignored the answers that they were given. So we're going to appease the taxpayers by saying, you know what? We're going to research this one, two, three, four, or five times, but we're really not going to do anything about it. That's one of the reasons and one of the things that drives me crazy about government.

**WILLIAMS:** One minute.

**BLOOD:** The last question I want to respond to is one of Senator Arch's again. How do you determine the cost? Well, with all due respect, county boards, school boards, they use a cost benefit ratio, which again, I talked about in my introduction. They're not going to be sending us a bill and past mandates again, do not apply. How do you budget, Senator Arch, when you're on a nonprofit board? How do you budget when you were on a county board, a city board, a municipality, municipality? You have a tool that you use, you have a guide that you use, and you decide, OK, we know that rent is going up in this area at 5 percent, this is what we're currently paying for rent for a building, we anticipate in our future budget this rent will go up 5 percent as well. It's common sense, it's something that you have to do when you're a county commissioner, and it's something that you have to do when you sit on any board when you do a budget. And so cost benefit

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ratio, utilizing the tools that are around you and readily available to all.

**WILLIAMS:** Time, Senator.

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

**WILLIAMS:** Thank you, Senator Blood. Senator McCollister, you are recognized.

**McCOLLISTER:** Thank you, Mr. President. Good morning, colleagues. I was on the Government Committee and we passed this bill out 8-0, as Senator Blood indicated. But I confess that perhaps we didn't consider the full implications of this bill and I'm glad that we're kind of talking about those now. Would Senator Blood yield to a few questions?

**WILLIAMS:** Senator Blood, would you yield?

**BLOOD:** I will.

**McCOLLISTER:** Perhaps, Senator Blood, I wasn't as attentive as I should be, but do we have a cost at all, a fiscal note? I went through the, the bill itself or the, the--

**BLOOD:** On, on this?

**McCOLLISTER:** --and I see no, I see no fiscal note.

**BLOOD:** No, actually, you and I discussed that off to the side in committee that day. You asked me if there was a fiscal note and I said there wouldn't be one.

**McCOLLISTER:** Yeah, I think on constitutional, constitutional amendments, there is never a fiscal note. But we need to make an estimate, I think, of what, what the fiscal impact would be to the state.

**BLOOD:** I, I think that that would definitely be something that you would want to talk to the folks that do the fiscal notes because I'm sure they would have that information readily available and we can probably get that for you by round two.

**McCOLLISTER:** Did I understand you correctly, Senator Blood, that there's a standstill proposition here and we're only looking at new regulations that come forth, not just the old ones that we've passed decades and decades ago?

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**BLOOD:** That would be accurate.

**McCOLLISTER:** I understand. Thank you, Senator Blood. Senator Linehan, would you yield to a question?

**WILLIAMS:** Senator Linehan, would you yield?

**LINEHAN:** Certainly.

**McCOLLISTER:** If we're looking at a reordering of obligations, Senator Linehan, can you tell me what the Homestead Exemption is and how much it costs the state right now?

**LINEHAN:** Yes. Thank you, Senator McCollister. So Homestead Exemption is an effort to keep older people, retired people, or disabled people in their homes. So as I'm sure all of you have heard from people in your districts who live in their home, their home was paid for and now the property taxes is higher than their mortgage payment ever was. So what the state does is we say if you are over 65 and retired or if you're disabled and your income is not above X-- and I think it's around-- for married, I think it's around 60 and the value of a home is not above Y, which I think is about the median price of a house-- then on a sliding scale, the state will pay-- reimburse all the taxing entities for your property taxes. So in case of, let's say, a \$250,000 house and the total tax is \$2,400, it would be about 60 percent of that would go to the schools from the state, some of it would go to the county, city; all the taxing needs, they're made whole by the state. And when I first became Chair of Revenue, I think it was right-- almost-- well, I remember the year. It was three years ago. It went over \$100 million a year and now it is increasing-- I think if you look at your budget books from now, it's increasing like \$6 million, \$7 million, \$8 million a year. So it is--

**McCOLLISTER:** Thank you, Senator.

**LINEHAN:** --rapidly growing.

**McCOLLISTER:** Thank you. Thank you very much, Senator Linehan. And you also mentioned, Senator Linehan, about Medicaid. And at one time, the counties had an obligation to pick up that expense, but now the state picks that up. And so it would be helpful to know how much the state picked up when, when that occurred, but that's, I bet, decades ago, correct? Thank you. Well, I think we need to discuss some of these operational difficulties with this bill. As I mentioned, I did vote it out of committee, but I'm anxious to deal with some of the legal

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issues and some of the operational issues which we have not resolved.  
Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator McCollister, Linehan, and Blood. Senator Albrecht, you are recognized.

**ALBRECHT:** Thank you and good morning, colleagues. You know, serving on a city council, county board, and now at the state level and serving on our Revenue Committee in the last two years, when I think about this-- and, and Senator Blood, I did listen to your opening and when you said all political subdivisions would be included in this, that's where I drew heartburn. You know, I think any one of them could write a bill and come back to us and ask us to entertain backing out of a mandate that we put forth if the courts felt like they wanted to do certain things at a state level instead of a local level. You know, we look at those things all the time. But those very same people that you want to allow a cost benefit process are the very same people that will not lower their levies for us and work with us when it comes to property tax relief. They don't have any ideas for us. Now this is a great idea if we just scrap from this point forward so they don't ever have to worry about anything. But again, you're looking at these large populated areas-- and I came from Sarpy County, I get it, but they're the ones that are reaping the benefit of the levies that they impose on their folks. And if they have to because they have to meet the mandates, if they don't like that mandate, bring it back to us. Let's talk about it. I've said up here before I'd, I'd scrap every unfunded mandate we ever gave to the schools if they'd go back to the basics and allow our children to get out of K-12 being majorly productive citizens with high-scoring academic levels. Sometimes we do just need to go back to the basics, but this isn't a one size fits all. A lot of our counties-- our rural counties are still suffering. They can only ask for so much, but this is just something that is very complicated. And if you go from this point forward and, and we just have to have a-- you know, the, the largest majority to move something to make it a mandate for any and all counties, I think that's very difficult. And when you put that in front of the public and they aren't here like we are scrapping through every single bill to see what type of funding we have available or whether we should take care of it or they should take care of it, it seems like every time those political subdivisions get into a bit of a hiccup, who do they turn to but us? Who fixes it? We do. So I can't stand here-- others might want to take a look, but I just can't in good conscience stand up and say yes to this for the citizens of Nebraska. Thank you.

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**WILLIAMS:** Thank you, Senator Albrecht. Members, Senator Stinner would like to introduce an important guest from Gering: Charlie Knapper. Charlie is sitting in the north balcony. Would you please stand and be recognized by your Nebraska Legislature? Returning to debate. Speaker Hilgers, you are recognized.

**HILGERS:** Thank you, Mr. President. Good morning again, colleagues. I, I won't take my entire time and I yield whatever I have left to Senator Blood. I appreciate the conversation this morning. I want to be clear I'm going to vote for green on this, Senator Blood, and I will work with you between General and Select. I'm working through the language. I appreciate the invitation you made last time on the mike to work through some of this language. I certainly understand why you put it in the form that you did, in particular with constitutional amendments. And I think, I think there's a lot of logic behind it and I think this is an important problem that hopefully one way or the other during your time in the Legislature, we will address it. So I just wanted to respond to a couple of points that Senator Blood made and follow up on some of the constitutional-- the issues with the-- kind of mechanizing this if it ultimately would pass. One is I think-- there was a question on the floor about, well, how do we define cost? And Senator Blood, if I heard you correctly, that one way we'd, we would define cost is through a fiscal note. That is-- if, if this-- the constitutional amendment is intended to simply have the Legislature pay for mandates where it's a very specifically defined thing and we are-- we know exactly how to quantify the cost to the county or political subdivision, that might be one thing. But in my experience, when we have this kind of a broad, maybe more indirect cost-- and the bailiff example that I used before, I think, is one of them-- our fiscal notes wouldn't have the-- wouldn't capture those indirect costs in our legislative process. So as an example, if you were to look at the bill I referenced earlier, I think it's LB922 that expands the number of judges-- and I'm conceding, by the way, stipulating that, that this wouldn't apply under this particular constitutional amendment because it would be a 2022 program. But if you do that, our fiscal note doesn't then say, well, the county has to pay for a bailiff and here's how we're going to quantify the costs to the bailiff. In fact, you could envision if it were to do so going forward, that would create a whole nother set of questions, which is how do we determine what that actual cost is? Do we actually go to each of the counties? Currently, we go to a state agency. We go to revenue, we go to HHS. How do we-- what's the fiscal note? What's the cost of implementing this particular provision? If we were to do that for counties, well, who would we go to ask-- to even answer the



question? Would we go to the County Attorney Association? That creates a whole host of problems. Would we go to Sarpy County? Would we go to Douglas County? Would we go to Perkins County? We might get different answers depending on who we're going to ask. And so I think-- I don't think it's-- in my opinion as it's currently drafted, I don't think the answer on cost is as easily answered-- the question on cost is as easily answered as just pointing to the fiscal note. Although I certainly agree with Senator Blood that we are capable in many instances of trying to define what a cost is, I just think when the cost here or the mandates that are brought within the scope of this particular provision include indirect responsibilities and not just a direct unfunded mandate, do X and we'll pay you Y to do it, I do think that creates a whole host of problems. Ultimately, I do think the questions-- and I want to give Senator Blood my time here at the end. I do think if this were to pass in the current form in-- at a minimum, without a lot of these questions addressed, I just think that the body should be thinking about what happens if this-- a statute that we pass or a program that we implement creates a conflict with this particular constitutional provision and down the road, how does that get addressed? Does it get addressed through a subsequent legislative action when we come back in a regular session and in the meantime, it's stayed, it's held in abeyance? What does that mean? What does that mean for the programs that we're-- that this body is trying to implement? Does it get addressed by a judge in some particular county deciding that the Legislature has to appropriate dollars? Does that mean we do it in regular session, through a special session? What does that mean for our, our structure of separation of powers? I think just implementing this when there are conflicts-- it's one thing to say state, you should appropriate dollars. It's another thing to say in the constitution that if we don't, some pretty significant things don't have to happen. One might be the program isn't implemented at all. Another might be that we have to come back and appropriate dollars. How does that impact our budget decisions?

**WILLIAMS:** One minute.

**HILGERS:** Thank you, Mr. President. I'll yield the rest of my time to Senator Blood and I apologize for not leaving you much time.

**WILLIAMS:** Senator Blood, you are yielded 55 seconds.

**BLOOD:** Ooh, I'll talk fast. I want to answer the no process question. I still remember Senator Geist's abortion bill and the vast majority of you voted that out and one of my concerns with that bill is that it had no process to implement the bill. But at that time, nobody seemed

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concerned about process. So I, I want to make sure that if we're worried about process, we need to make sure that it's that way in every bill, but I think we do have a process and we're part of the process right now. Both hearings and what happens on the floor is part of that process. But I'll take this further when I have another chance on the mike. Thank you, Mr. President.

**WILLIAMS:** Thank you. Speaker Hilgers and Senator Blood. Senator Friesen, you are recognized.

**FRIESEN:** Thank you, Mr. President. I will yield the rest of my time to Senator Blood.

**BLOOD:** Thank you, Senator Friesen.

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

**BLOOD:** So I want to make sure that there's a clear understanding that exemptions aren't mandates. We're really going off into the weeds. And again, I know that at least Senator Crawford's study is online. If you want to find it, it's on the committee that had the hearing. If you want to kind of peruse it and learn more about mandates. I mean, she always did a really clear job of trying to get her bills passed on the floor and explaining what they were as well. But exemptions aren't mandates. Mandates are the cost of doing business, friends, the cost of doing business. So I want to have teachers expand what they do. It's going to require them to each have an extra hour of work per week. That has a real cost involved to it. If they can do it in-house without a cost, that's good too. And that's what we do now anyway. And if you listened to my introduction, I was really clear that the purpose of this bill isn't just to stop unfunded, underfunded mandates to political subdivision, but it's going to help us make sound-- and I'm saying this verbatim again-- it's an opportunity to review our existing programs to help us make sound financial decisions on the cost benefit ratio of existing programs. And it's going to help those who come after us to create well-thought-out and necessary policies with the complete financial backing of the Legislature. They're not going to do this on an island. And then one of the concerns I had-- and I didn't write down who said it and I apologize for this-- is that what if this goes on and on and there's no cut off? Well, I'm pretty sure we had something called a sunset clause. If we're concerned about something, we would put a sunset on it. If we have an existing program that we want to, to fund a way-- find a way to fund it and we think it might be a burden in the past, then we bring a bill forward and say, hey, we want to put a sunset on this. We have our tools in the toolbox

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for a lot of the concerns that you're, you're worried about. And if, if Senator Albrecht is concerned about certain political subdivisions-- and, you know, frankly, I think we're all friends, but I know there's concerns for-- from some districts for certain subdivisions-- then let's pick the ones that we're really concerned about, which are our counties, municipalities, and our schools. Let's clarify. If you're worried that somebody will be a ne'er do well and you have evidence that they've been a ne'er do well, let's, let's leave them out of it. Because at least we've started doing something, at least we've decided to take this 20-plus years, years of data, this 20-plus years of people begging for us to do something and actually done something with it. And I'm always puzzled when someone says, I can't, I can't do this because I want to-- I don't-- I can't do this to taxpayers. Do, do what, save money? We push forward tax bills that have no sustainability and we don't blink twice. I don't get involved a lot with the things that pertain to taxes and the reason I don't is because I need things in my head to make sense and to be simple. And I, as Senator Hilgers brought to your attention, have been talking about unfunded mandates since I got elected and the reason I do is because I live in the fastest-growing county in Nebraska. This is a burden on our growth. And as long as we are a Dillon's Rule state, unless you want to take that to the constitution, to the public to vote on, there aren't a lot of options for our counties. There aren't a lot of options for our schools and I'm really puzzled by all of this.

**WILLIAMS:** One minute.

**BLOOD:** I want to do what I think is right for Nebraska taxpayers, which is to build a strong foundation for us to make better policy decisions in the future and in the now. We can't do anything about the past unless we choose to bring it forward at a later date, but we can do something about the future. We know there's another recession coming. We know that. We know Nebraska is going to be in a bunch of trouble because we have a drought coming. We know what's going on across the seas in Russia and so we're going to have trouble with fertilizer and fuel. If we want to get our act together, we've got to do something bold and this is how we do it and we do it with voter support. And if the voters think it's a bad idea, guess what? It won't get passed and that's OK too, but at least we pulled the trigger once and for all for all the tens of thousands of dollars we've spent on this research. What a waste of taxpayer dollars to never pull the trigger. And all the past ways that people tried to pull the trigger were met with dissension and were met--

**WILLIAMS:** Time, Senator.

**BLOOD:** --with nos.

**WILLIAMS:** Thank you, Senator Blood, Mr. Clerk for items.

**CLERK:** Mr. President, study resolutions: LR371, LR372, Senator Williams; Walz, LR373, LR374; Lathrop, LR375; Matt Hansen, LR376, LR377; Day, LR378 and LR379 and LR380. All study resolutions. Thank you, Mr. President.

**WILLIAMS:** Thank you, Mr. Clerk. Returning to debate. Senator Morfeld, you are recognized.

**MORFELD:** Thank you, Mr. President. I rise in support of LR263CA and I appreciate Senator Blood bringing this proposed constitutional amendment because, quite frankly, this is something that we've been doing for the last 20 or 30 years and likely before that, but particularly in the last 20 or 30 years, which is really shoving the cost of doing business with state government down to the counties. And it's had a really negative impact on those counties in the sense that they now shoulder that burden and they have to then increase property taxes and other types of taxes and defend that. And so to me, this is holding the Legislature accountable for our actions and these new mandates that we are constantly pushing back down to the county or completely unfunding in general. So I rise in support of, of the proposed constitutional amendment. I also want to say that I've talked to Senator Blood. I've talked to Senator Hilgers about some of his concerns in terms of tightening up some of the language and, and providing clarifying language as well. And I, I remain committed to working with Senator Blood and Senator Hilgers between now and Select to work on that language and both have told me that they'll work with me. You know, just to talk a little bit about statutory interpretation, in this case, constitutional interpretation, because this would be a constitutional amendment, statutory interpretation really begins with the text and the text is to be given its plain and ordinary meaning. And oftentimes what we do on that is we review that language to ascertain the meaning of those words. And if they're not plain, direct, and unambiguous, then what we do is we start interpreting what is the intent of the introducer and the people that supported it? And then we also go to the dictionary. And if you pull up the Black Law Dictionary, because responsibility was kind of a pain point, I think in line 14 on page 1 there, If you look at responsibility or the definition of it, it's the quality, state or condition of being answerable or accountable. And then a synonym for

that is liability. Well, if you go to Black's Law Dictionary and you look at then liability, the definition of liability is the quality, state or condition of being legally obligated or accountable; legal responsibility to another or to society enforceable by civil remedy or criminal punishment. So in this context, in this case, the quality, state or condition of being legally obligated or accountable. So if we are imposing an obligation that is legal in nature, that-- which any statute would-- that is legal in nature for the county to do something new, then therefore the state would be legally obligated to pay for that and to have an appropriation. So I think some of the terms, yes, maybe need to be defined. Some of this needs to be made a little bit more precise in terms of what we're talking about. And defining what a new program is, I think that's language that also needs to be addressed. I think in general, the courts will interpret this using the plain meaning of those words. And I think that if you read the Black's Law Dictionary of responsibility, you look at the, the cited synonym of that, liability, I think it becomes fairly clear on that part. Now what we need to tighten up, I think, is what constitutes a new program. So bailiffs have been around for a long time. I'm assuming it's been in statute since the 1800s. I haven't done legal research on that yet, but adding a new bailiff to me doesn't mean that that's a new program. That's an existing program, you're just adding a new person. But those are the types of things that need to be tightened up and cleaned up between now and Select File. I also think, you know, some language that was suggested by some folks is line 16, adding as the Legislature may determine, so that would give a--

**WILLIAMS:** One minute.

**MORFELD:** --little bit more flexibility to the Legislature and to this body to be able to determine that. Now the danger of that sometimes is if we give the Legislature more flexibility, there's more ways around the intent of the proposed constitutional amendment. So all that being said, I think that what I've heard on the floor is that people think that this is an important issue and policy to advance to Select File. I think that there's a few of us that need to work on tightening up the language and providing clarifying language and I'm committed to doing that with Senator Hilgers and Senator Blood and I urge you to support it on General File. Thank you, Mr. President.

**WILLIAMS:** Thank you. Senator Morfeld. Senator Matt Hansen, you are recognized.

**M. HANSEN:** Thank you, Mr. President, and good morning, colleagues. Colleagues, I do rise in support of LR263CA. As has been kind of

mentioned before, we've looked at this kind of issue of unfunded mandates a number of times throughout our term in the-- throughout my tenure in the Legislature and had a variety of different roadblocks from actually resolving that. Some obviously, you know, kind of short-term fiscal situation in the state, the inability to provide more money in those certain circumstances and others kind of more philosophical or broad issues in terms of what we should do or what is the role specifically between the counties and the state in terms of the counties being kind of creations of the state designed largely to amend state policy, which I think singles them out in a different way than, say, a home rule city or a school board or some of the other political subdivisions that we have. And one of the reasons that I wanted to support this and move forward with it is I do think we kind of need to have this bigger, broader conversation on what are we going to do? I think some of the practical matters that are brought up are worth reflecting upon. You know, for example, the concern that a fiscal note won't be accurate or might be inflated in terms of trying to derail policy or derail legislation. Colleagues, I agree that's a potential concern, but I would like to point out that's a potential concern and problem now. And we do routinely see fiscal notes that I think many of us question the sincerity and see that as a way, especially in waned-down fiscal years, because kind of under our own rules, we have to respect fiscal notes, which at least while a county or school board or city putting a fiscal note on a bill doesn't necessarily kill it, a state department does. So I understand the concern that a county being able to put a fiscal note on a bill might kill it in a tough budget year, but that's something we have already, as a body, conceded to state departments. I don't think rightfully so, I think that's something we should look at, but I'm willing to say that, hey, if a state department fiscal note kind of gets looked at as, you know-- and I understand Fiscal, Fiscal Office does their review and their, and their critique of it, but, you know, if a, if a state fiscal note from a state department starts off as presumed to be valid and presumed to be significant, we probably owe that to our political subdivisions too, especially when assigning them duties. The other thing that I want to note about is, you know, these different unfunded mandates kind of hit different counties differently for a variety of reasons. But we've seen this--- and I think I've been privy to serve on the Government Committee during some of the interim studies that have been referenced and seen some of the materials in some of the previous proposed bills. But we see counties that have a lot of the state institutions or state government roles have disproportionate impacts. You know, for example, Lancaster County, but-- in addition to obviously having the State Capitol out of the

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administrative offices also has a significant portion of the state correctional facilities between the State Pen, D&E, Community Corrections-Lincoln. And we see that as an opportunity where there are some things that are just charged to the county for the sheer fact that they have a correctional institution in their county. And that's the same across the state with all the different facilities. And that's something that again only probably hits-- I can't-- don't know the exact number off the top of my head, but probably only hits five or six counties. It hits those counties very differently than in counties that don't have a facility. And I know there's some philosophy and sort of tradeoff in that that's a job driver. It's an economic driver in terms of being an employer. And maybe there's some tradeoffs there, but it is still kind of an unfunded requirement for the counties to, to supervise. Again, we also see that with some of the difficulties and I believe this is one that's come up throughout time has been--

**WILLIAMS:** One minute.

**M. HANSEN:** --thank you. Mr. President-- has been the reference of the state taking over some of the county's Medicaid responsibilities, but then the county continuing to pay for office space. That's an issue that I know we've seen in Lancaster County, where the, you know, the county is beholden to whatever office space the state chooses essentially, which in the past has been kind of some nice downtown space and maybe isn't the most cost effective for their needs. But the county doesn't have a say and because of the state law, you know, wherever office space, you know, DHHS signs a lease in Lancaster County, we have the obligation of-- including, I think there's some difficulties where as we've consolidated things at DHHS, the Lancaster County office being-- kind of becoming a more regional office and so there's some more regional efforts being subsidized by Lancaster County kind of at the sheer choice of what lease DHHS wants. This is obviously something this bill is not going to solve because it's an existing program, an existing statute, but that's kind of the idea of what we need to get at and probably need to prevent in the future. Thank you, Mr. President.

**WILLIAMS:** Thank you. Senator Hansen. Senator Pansing Brooks, you are recognized.

**PANSING BROOKS:** Thank you, Mr. President. I stand in full support of LR263CA by Senator Blood. You know, all the people that have been complaining to us about property taxes from day one since I've been in here, this is a way to help solve that, Nebraskans. You know, the root

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cause of property taxes are-- and why they're so high is because of the high costs of the state mandates, all the state mandates that we've passed on to the counties. So, you know, people have been standing up and saying the language isn't exactly correct, it needs to be tightened. That's fine. All-- that language can be tightened. That's not a problem. I want to read a letter from Don Kelly, who's the chair of the Sarpy County Board of Commissioners. He said, Good afternoon, Chairman Brewer-- this was on January 28-- and members of the Government, Military and Veterans Affairs Committee. My name is Don Kelly and I am chairman of the Sarpy County Board of Commissioners. I want to thank Senator Carol Blood for introducing LR263CA. Sarpy County appreciates her longstanding support and her long-term commitment to supporting the elimination of unfunded and underfunded mandates to counties. Over several years, we have watched many well-meaning legislative proposals directing local governments to implement and ultimately pay for in the long term. Over the past few legislative sessions, we have seen more and more bills that limit local governments' funding and therefore limit the ability to pay for the current programs, which are in most cases, operating on skinny budgets. We support measures that would fully fund programs our county would be responsible for operating and maintaining. LR263CA would certainly give teeth to any legislative measures passed by the Legislature, which are sure to be created after 2022. As an elected official who must manage a budget, I understand some concerns that may limit your financial flexibility. However, I would suggest that you already have financial limits with your requirement to stay within a balanced budget. I believe LR263CA, if passed by the voters, would benefit the Legislature by adding reasonable language to pay for the services and programs any Legislature would pursue in the future. In closing, I handed out a short list of long-term expenses on state programs, which are long-term unfunded mandates for your review and may-- which we have discussed over the years-- and will continue to educate legislators in the coming years. Thank you for your service and opportunity to visit with you today. So that was from Sarpy County Commissioner Don Kelly. And Senator Blood handed out the list. I'm looking at, at Lancaster and Sarpy. Sarpy, Sarpy has office space costs of \$103,000, office-- for the district court, office space costs for the county courts of \$68,000. Lancaster is \$506,000. As far as Probation, it's \$294,000 for Sarpy County. For Lincoln-- for Lancaster County, it's \$393,000. I mean, the costs are extensive and we do continue to pass bills that cost these counties way too much. And if they're costing the counties, guess how they're paying for them? It isn't a secret. It's through property taxes. So again, everyone comes to, to us to say lower the property taxes. Well, this allows us to



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help the counties lower property taxes. This is a great idea by Senator Blood. We can take it to the people and if the people--

**WILLIAMS:** One minute.

**PANSING BROOKS:** --do not want to pass this constitutional amendment, then we'll know. But I don't know what people are afraid of to take this to the people. I don't know what the legislators in here are afraid of about taking it to the people. We're going to have to come together and figure out the best way to help property taxes and this is clearly one significant, major way to do so. Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator Pansing Brooks. Senator Moser, you are recognized.

**MOSER:** Thank you, Mr. President. Well as having been in government for 16 years, I understand unfunded mandates. We've sure had our share at the city. But these mandates trickle down to the state from the federal government and the federal government's not going to pay for every mandate they come up with. So for the state to assume that responsibility, I think, could get really, really expensive. You know, imagine they have some new energy policy. Maybe they don't want any carbon fuel used in generating electricity and so they pass a law that all states have to come up with a carbon-free power policy. And then the power districts would have to correspond and, and get rid of all carbon-generated electricity and then they would send the bill to the state and the state would have to pay for it. Now, some might think that's a good thing, having carbon-free electricity, but I'm just using that as an example of how this thing could go. And we would have no control over how the power districts implemented that plan and as long as the state's going to pay for it, they wouldn't really have any motivation to do it in any way that necessarily saves the state money. They're going to do it in a way that accomplishes the goal that they want to accomplish. I, I think that the, the theory that unmun-- unfunded mandates are painful and they shouldn't occur, I can agree with that in theory. But in the implementation, I can see so many problems that, you know, I just don't think that we anticipate at this point. Thank you, Mr. President.

**WILLIAMS:** Thank you. Senator Moser. Senator Ben Hansen, you are recognized.

**B. HANSEN:** Thank you, Mr. President. Little torn on this bill here because it-- I, I think there's a lot of moving parts to this bill and

I think-- and I appreciate especially a lot of the discussion that we're having here and ask-- and asking a lot of questions. And I appreciate Senator Blood for answering these questions because the bill does have a lot of moving parts. Some of it might be unintended consequences we don't realize and so I'm hoping some of these questions will kind of flesh some of those out a little bit. But I'm a little torn because this does-- like what Senator Morfeld was saying earlier, that this does actually make us have to justify any bill that we have to pass that's going to impose a mandate on a county because now we have to pay for it. And so I think then that makes it more difficult for us as the Legislature to pass laws that might negatively affect counties. But I did have a couple of questions for Senator Blood if she would be willing to yield, please.

**B. HANSEN:** Senator Blood, would you yield?

**BLOOD:** Yes, I would be happy to yield.

**B. HANSEN:** So you mentioned earlier that this bill is intended for any mandate moving forward from this point on, correct?

**BLOOD:** That is correct.

**B. HANSEN:** OK. What happens if we have like a cleanup bill to a law that's a mandate that changes, like, one word? Wouldn't that change the law, would we have to now pay for that mandate?

**BLOOD:** No because that would still be a past mandate. You're not changing the mandate. You're just changing language in the mandate, unless you were to expand the mandate and then that would be a new mandate.

**B. HANSEN:** OK. All right. And some of these questions, I think, that Senator-- Speaker Hilgers had as well-- who determines the fiscal note? You kind of mentioned that a little bit.

**BLOOD:** The, the Fiscal Office--

**B. HANSEN:** OK.

**BLOOD:** --as it does now.

**B. HANSEN:** OK, so we, we impose a mandate onto a county, the Fiscal Office then determines how much that's going to cost the county, not the county.

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**BLOOD:** Right-- well, actually, if you read your fiscal notes, you'll notice that the, the Fiscal Office actually reaches out to that particular county. They'll reach out to all the counties and to NACO and say, this is the bill we're considering. If we were to impose this mandate, what would be the cost to your county?

**B. HANSEN:** OK and it would typically always be the Fiscal Office fiscal note that we use?

**BLOOD:** I'm sorry, can you repeat that? I can't hear--

**B. HANSEN:** Because sometimes when you get a fiscal note, we get it from different sources that have different numbers sometimes and so which one would we take?

**BLOOD:** Well, which one do we take now, Senator?

**B. HANSEN:** It depends because we just don't really take either one. We just-- that's-- they're just giving us their opinions. Like with the Fiscal Office, we'd probably generally take what they say versus I guess some other kind of entity.

**BLOOD:** I mean, we have the, the option, just like we do now. For instance, both Senator Linehan and I have had fiscal notes that were like outrageous and it was clear that there was a misunderstanding from the Fiscal Office who does a great job, but there was a misunderstanding. And then you say, we think there's a misunderstanding on this fiscal note. We need you to correct this and this is why we think we had this misunderstanding. So we have the ability now should we question something to change it.

**B. HANSEN:** OK.

**BLOOD:** And that doesn't change with this bill.

**B. HANSEN:** OK, I appreciate your answer [INAUDIBLE] that helps. Do you have any concern that this could potentially be abused by political subdivisions?

**BLOOD:** Could you give me an example?

**B. HANSEN:** Well, for instance, like, all of a sudden, a school says now, because we pass constitutional carry, that we have to now increase our security in our building by \$5 million. And then they-- because that's a mandate that we have not really put on them, but because the unintended consequence of a bill that we passed, then they

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would have to-- we'd have to foot the bill for something like that. That's an example. I'm not saying that's going to happen, but--

**BLOOD:** Well, I think any bill we have usually implements what the policy is and how that policy goes into place. So unless we're asking them to add half a million dollars in security within the, the legislation, I, I find that near-- nearly impossible that something like that could happen. It can't happen now any more than it could happen then.

**B. HANSEN:** OK. Would you-- I know Senator Hilgers-- Speaker Hilgers also talked about maybe working on this between now and Select File and I'm, I'm, I'm kind of in line with what he's saying too. I might--

**WILLIAMS:** One minute.

**B. HANSEN:** --possibly be a green vote on this. Would you be opposed to maybe putting a cap or limiting the amount the state funds can mandate or a matching requirement, maybe?

**BLOOD:** Actually, Senator Hansen, when I'm next in the queue or someone yields me some time, I'm actually going to address that.

**B. HANSEN:** OK. All right. Cool. Or if this gets passed, then the counties will be forced to lower the levy based on the amount of funding that they get from the state? So-- and Senator Pansing Brooks brought this up too. She's like this will help lower property taxes. But how do we guarantee that?

**BLOOD:** Well, we guarantee this for several reasons because we're going to be more fiscally responsible as a body because now we're really going to have to think about how much money we spend, for starters. Because right now, when we can't figure out how to pay for something, we pass it down to the counties, to the schools, to the municipalities, and other political subdivisions. And we've done that for a very long time, Senator Hansen.

**B. HANSEN:** Yep, and it-- and that makes sense and I, and I agree with that. But then now if we start paying for things for political subdivisions or for the counties, then I would hope or I would expect them to say, look, we don't need as much money now so we are actually going to lower our-- we're going to lower our levy or lower the amount of tax burden that we're putting on the people through property taxes, but--

**WILLIAMS:** Time, Senator.

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**B. HANSEN:** Thank you.

**WILLIAMS:** Thank you, Senator Hansen and Senator Blood. Senator DeBoer, you are recognized.

**DeBOER:** Thank you, Mr. President. I'd like to yield my time to Senator Blood.

**WILLIAMS:** Senator Blood, yielded 4:54.

**BLOOD:** Thank you, Senator DeBoer, and thank you, Mr. President. And to answer that question, that is exactly the point, Senator Hansen, is to give our local subdivisions the ability to lower local property taxes. I look at a county like Sarpy County who is very fiscally responsible and the amazing things that they have done with our budget without raising taxes, including the brand new jail that we are building, and I believe the voters of Sarpy County have made good decisions in who they put on that board. And so that is exactly what should happen from this. And so in response to some of the concerns, I want to propose some of the language. If we did a definition of "unfunded mandate" and made it part of this legislative resolution, we could say, as determined by the Legislature or outside lid and levy limits as the Legislature may determine or as determined outside the lid on restricted funds and levy limits. We have the ability to change the language quite easily. And I know for a fact that our friends that are out in the Rotunda-- and I didn't know there were going to be so many friends, but good on them-- are willing to work on the language because a lot of our counties, especially our smaller counties, are at a breaking point. And for some reason, even though we're a Dillon's Rule state-- and we know that they can't spend any money or do anything really unless we put it in a state statute. And I don't understand why we're not more concerned with them except to try and cap them all the time. We like to point the finger and say they're responsible for why people's property taxes are high. Look at the schools, look at the counties, but what are we doing about it on the state level? And, and friends, you know, when I talked to some of you about the past research that's been done, I-- you know, when I was researching to become a senator, that was one of the first things I did is look historically at what the State Legislature has done, some good and some not so good, and we know that this stuff is public information. And I know Senator Sue Crawford, who is probably the most diligent senator I have ever met since I have been here-- and when I was on the city council and worked with state senators. And she brought forward an excellent case, an excellent case that was well researched, that was well presented, and where did it go? Nowhere. It

went nowhere. So we can stand here today and say, why isn't this a bill? Well, that's why it's not a bill. We can stand here and we can say, why do we have to make this constitutional? Because that's really our only option left. But if we stand here and say I'm not going to support it, period, because I don't like a certain political subdivision or I'm not OK with the language, I think back to all the times that we've negotiated-- and I've supported changing the language from General to Select. It's a small tweak in the language to appease the concerns that you have, a small tweak and then what do we get from this? The people's voices get to be heard, they get to decide this in the voting booth, and if they don't like it, guess what's going to happen? It's not going to pass. And maybe there's a special interest group doesn't want it to pass and you know they'll pump millions of dollars into it anyway. So where's the fear? What's the concern? If they vote it forward, we're going to make sure that we're protecting our coffers. We have to protect--

**WILLIAMS:** One minute.

**BLOOD:** --our coffers and we don't always have to do that through fancy legislation. We can do this by building a strong foundation where we have the expectation that people don't spend money unless they have it or they can prove that they can get it. That's what we had to do our first two years in the Legislature when I came on because there was no money and we took that seriously and we didn't pass a bill unless we could show how we could pay for it. Now we've kind of gotten off track because we've got this big old piggy bank this time. But it's not always going to be that way, friends. And so if you have doubts, talk to me about those doubts, but if you vote against it just to vote against it, that's really just a shame because I really feel that this is for the betterment of all, for the betterment of the future and what's best for Nebraska citizens. Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator Blood. Senator Blood, you are next in the queue. This is your last opportunity, but you will have an opportunity to close. You are recognized.

**BLOOD:** I'm actually going to read the two paragraphs that I didn't have time to read in my closing today. And historically, this has been on our radar for decades. In 1996, the Legislature passed LB299, which created the task force on unfunded mandates who, at that time, identified and reviewed all programs and services enacted by the Legislature, which resulted or may result in an increase in expenditures of funds by the political subdivisions assigned to perform or provide the programs and services. In 1994, Governor Ben

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Nelson created the Nebraska Mandate Initiative to help small municipal governments better cope with mandates. There was also a governor's summit on education mandates in 1995. This is crazy. If we're unwilling to address unfunded mandates or curb the state's use of them moving forward, we face leaving political subdivisions with even fewer funds available to address the costs we've forced them to incur. It's time, friends, to take a look at these issues and start breaking down what is necessary and what has value. And frankly, we should be revisiting a lot of our past laws and doing that right now. If these programs have value, then the state should consider how they fund the programs and we need to quit kicking this particular can down the road. I have researched, obviously, and worked on this for years and I knew that I could never bring forward a bill because we've never been able to get support for this. And people get off on the weeds in the discussion and they don't see how it can work, but we have an opportunity here today. There's very little language that needs to be tweaked. We can change and be specific on the subdivisions and, and appease Senator Albrecht. We can tweak the language that Senator Hilgers is concerned about. There's some negotiating I think I need to do with Senator Friesen and I'm willing to do the hard work, but friends, this is my priority bill. I didn't bring forward a whole bunch of bills this year. This is my most important bill and I'm going to ask you to have faith that we can work together and make this bill better. Help me get it to Select. And when I say I'm going to negotiate, I'm not just saying that on the mike and then I'm going to try and shove something down your throat on Select as we've seen happen before. I'm going to work with everybody and make it a better bill, make it a better constitutional amendment, and I'm going to pray that we can move it forward because I believe in my heart that this is the first step to being more fiscally conservative and working more so as a team, which we've kind of gotten away from. We can do better. We are better than how we do business right now and we can move this forward. How much time do I have left, Mr. President?

**WILLIAMS:** 1:50.

**BLOOD:** And so I'm very pleased that many of you said I like this idea, I think this is a good idea, but it needs to be tweaked. So knowing that, I'm giving you my promise we're going to tweak it. For those of you that have said some random things as to why you can't address it, I really wish you'd give me the opportunity to address your concerns and see if we can fix it. And if not, don't vote for it in Select. I know we've had a lot of people that we've done that solid for here on the, on the floor before. So if it's a, you know, a matter of-- like if you like one senator more than the other, I guess I can respect

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that too, but I thought we were all here about good policy. If it's about party, I thought we were here about good policy. I'm just asking that you look-- and there aren't a lot of moving parts, I'd like to correct that.

**WILLIAMS:** One minute.

**BLOOD:** There's, like, literally a paragraph. One paragraph is what this constitutional amendment is, not a lot of moving parts. It's going to require a small tweak to get everybody on board with their concerns. They're easy tweaks and if everybody is legitimately saying that that's then when they're going to support it, in Select, I hope everybody stands by their words because these are something we can fix. But I did take notes-- and people who told me that if we could tweak it, they would, they would vote it through-- out of General they said today. And then if we fix it, they will vote it out of Select. I have your names written down. I'm going to hold you to your promises as well. And with that, I would yield any time I have back to, to you, Mr. President.

**WILLIAMS:** Thank you, Senator Blood. Senator Walz, you are recognized.

**WALZ:** Thank you, Mr. President. I yield my time to Senator Blood.

**WILLIAMS:** Senator Blood, 4:55.

**BLOOD:** I would ask that Senator Erdman yield to some questions.

**WILLIAMS:** Senator Erdman, would you yield?

**ERDMAN:** Yes, I would.

**BLOOD:** Senator Erdman, you and I had a conversation earlier because for you and I, this is, like, a head-scratcher that people wouldn't support this. And the experience that we have, I think, really guides how we feel about this. Could, could you kind of address what you and I talked about on the mike?

**ERDMAN:** Well, Senator Blood, you know, the conversation that we had was the fact that we have these unfunded mandates. And going forward, what your bill does is prevent us from increasing those mandates and we're not restricting them or taking away the mandates or the requirements they currently have. And I think it makes sense and I think it also makes sense that the 49 of us, whoever they be once this passes, will sit in this room and will decide how those things are implemented and we'll try to go through all of those situations and



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scenarios that have been brought up and try to fix that. You'll have-- you have the same issue with your constitutional amendment that I have with mine and we can fix that. We can figure out how to make that work, but sometimes we don't get the opportunity to do that.

**BLOOD:** Thank you, Senator Erdman. Senator Erdman, how long were you on the county board?

**ERDMAN:** I served 12 years on the county board.

**BLOOD:** Twelve years. And I want to get this on record, the first time you looked at the budget, what was your impression?

**ERDMAN:** Well, the first time when I reviewed the budget, I was taken back a bit by how many dollars we were spending on unfunded mandates like criminal justice and, and all of those things that the county is required to do. And I was puzzled by it and I didn't realize that the taxpayers are paying that much of the burden.

**BLOOD:** And so during that time when you tried to remedy it, when you brought it to people's attention, what was the demeanor usually when you-- with folks?

**ERDMAN:** Can you repeat that?

**BLOOD:** So when you would bring it to people's attention and explain what your concern was, what were people's usual demeanors? Were they puzzled why they had to pay for it? Were they concerned that they had to pay for it?

**ERDMAN:** Right, I understand. Well, the first, the first time that I brought that up, it was just-- the comment was that's what happens. And that's what we have to deal with because when the Legislature is in session and they pass certain things and it's not funded by the state, it comes down to the county. So basically it was you just have to deal with it. That's one of the things that we have to deal with as commissioners.

**BLOOD:** And did you find that frustrating?

**ERDMAN:** I did.

**BLOOD:** And so for the people that come after you, do you think that that-- a bill like this or a constitutional amendment like this might take away some of that frustration and let them be able to get down

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to, to doing better government because they have more money to, to actually spend?

**ERDMAN:** I believe it will and, and the main reason is it changes the focus from those who collect and spend the taxes to those who pay the taxes. Because just like when Senator Day's bill is going to come up, there's no fiscal note attached to it, but somebody is going to pay that. And when those kind of bills pass, we would have to make a decision. Do we want to fund that or not? And so consequently now, we don't make that decision because we know the taxpayers are going to pick up the bill.

**BLOOD:** And ultimately, if indeed we can move something like this forward, there is the potential for property taxes to go down because they no longer have to fund the future unfunded mandates.

**ERDMAN:** That's correct. In our case, when I was first elected, our mill levy was 49.85. And as our valuation increased, we would decrease the mill levy and when I left office, it was 33 mills.

**BLOOD:** That's a good point. And so friends, I-- first I want to get on record that Senator Erdman and I actually agree on something because I don't think that happens a lot-- a few times-- he's supported quite a few of my bills, actually, and I appreciate his friendship--

**WILLIAMS:** One minute.

**BLOOD:** --and his vote. Again, I'm looking to the senators who talked about this on the mike and said that should we make changes they could support, they'll support it in General. And if we change the language, they'll support it in Select. For those senators that talked to me before this even came [RECORDER MALFUNCTION] told me they would support or vote it out of committee to the floor, I ask for your continued support and I question if you were not to support it and I hope that you come and talk to me about that, but this is a good bill. I don't bring a lot of bills pertaining to the budget forward because I never really find things that are sustainable. I had circuit breaker bill-- breaker bills that didn't get out of committee. I feel circuit breakers really have sustainability and it really helped those most in need, but that's not what we get to talk about today. What we get to talk about today is a constitutional amendment that allows Nebraskans to use their voices to say, you know what? We want you to not only be fiscally conservative, but we really--

**WILLIAMS:** Time, Senator.

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**BLOOD:** --want you to review.

**WILLIAMS:** Thank you, Senator Blood and Senator Erdman. Members, Senator Briese would like to introduce 22 seniors, two teachers, and a sponsor from Civic Nebraska to the Central Valley High School in Greeley, Nebraska. They are seated in the north balcony. Would you please stand to be recognized by your Nebraska Legislature? Returning to debate. Senator Erdman, you are recognized.

**ERDMAN:** Thank you, Mr. President. You know, as we are visiting about the constitutional amendment that Senator Blood brought and she said this is something that we've talked about for a long time, she's exactly right. Several years ago, NACO had done an analysis of unfunded mandates and I, I had a copy of that study and I have given it to the Governor, but I, I remember it was four counties, I believe, Scotts Bluff, Hall, Douglas, and Lancaster County. And that document was about a couple hundred pages of all the unfunded mandates that are placed upon just the counties. Now, that didn't include the school, the NRD, the city, and all of those people; just on the counties. And it, it was a big enorm-- it was an enormous amount of money if you figure up all the unfunded mandates. And Senator Blood had brought it to your attention that we've talked about this in the past and we have talked about property tax relief for 54 years. And so I guess in the Legislature, it takes a long time to make a change. And, and sometimes that is required because it's a significant change, but what she's asking for today is to discontinue increasing the amount of unfunded mandates. She's not asking us to remove and have the state pay for the things that are currently in place. That's not what she's asking for. And so I don't think it is a stretch to say that the 49 of us or the new 49 that will be here next year would not be able to figure out how to write a statute that would protect all of those local units of government and also cure the problems that have been mentioned, like Senator Hilgers brought up about the bailiffs. We could do all that. That's not an impossibility. But what you have to do, first of all, is you have to figure out how to get this to the floor, how to get this to the ballot so that people can vote on it. And I would conclude that if this goes to the ballot, it'll pass because I think everyone who pays property taxes understands that these unfunded mandates make their property tax higher. And so we sometimes, in this body, don't want to give the people the choice or the opportunity to make a decision, but we call them the second house. But we seldom give them an opportunity to voice that authority or to vote on issues that affect them. And so that's exactly what Senator Blood is doing here today. And she made a comment about her and I don't often agree, but I will tell you this: when someone brings a bill that makes sense

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irregardless [SIC] of who they are, I vote for it. And today I'm standing up in support of LR263CA because of that reason. And we sometimes don't make decisions like that in this body. It's a lot like junior high student council sometimes; if you didn't vote for my bill, I won't vote for your bill. That's not the way we make laws or we shouldn't make laws like that here. What we should do is, does this bill make sense? Will it make people's lives better? And if it does, then we should vote for it. And I have voted for bills from Senator Morfeld. I've voted for several bills for Senator Wayne and he said don't use them all up yet. So I do support good legislation when it makes sense and I will be supporting LR263CA. Thank you.

**WILLIAMS:** Thank you, Senator Erdman. Members, Senator Arch would like to introduce 63 fourth-graders from Trumble Park Elementary in Papillion. They are seated in the north balcony. Would you please stand and be recognized by your Nebraska Legislature? Members, seeing no one in the queue, Senator Blood, you are recognized to close on LR263CA.

**BLOOD:** Thank you, Mr. President. Friends, we've had good debate. And for those of you that were authentic in asking for help and asking me to change the language, we will be working on that between General and Select. What you've brought forward are really quite easy fixes. And so for those of you that want changes and sincerely want to see a better bill, please come to me if you're not-- you don't believe I understood you clearly. I want to make sure that no voice is left behind. But meanwhile, the voices that I want to make sure that we do hear are the voices of Nebraskans when the-- this gets placed on the ballot. This is a message, a unified message saying that we do care about how much money we spend in this body. We do care that we bring forward good policy with good bipartisan support and we do care that you have a better state where you can live and raise your family. With that, I would ask for a call of the house, roll call vote, reverse order.

**WILLIAMS:** Members, there has been a request for a call of the house. All those in favor vote aye; those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 25 ayes, 4 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. Senators, the house

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is under call. Unexcused-- all unexcused members, please return to the Chamber. Senator Geist, Senator McDonnell, Senator Flood, Senator McKinney, Senator Wayne, Senator Lathrop. Senator Blood, we are short Senator Flood. Would you like to wait? We will. Senator Blood, Senator Flood's office is having trouble locating him. Would you still like to wait? All members are present. Members, the question is the advancement of LR263CA to E&R Initial. There's been a request for a roll call vote in reverse order. Mr. Clerk.

**CLERK:** Senator Wishart voting yes. Senator Williams voting yes. Senator Wayne voting yes. 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 voting yes. Senator McDonnell voting yes. Senator McCollister voting yes. Senator Lowe not voting. Senator Linehan voting no. Senator Lindstrom. Senator Lathrop voting yes. Senator Kolterman. Senator Jacobson voting yes. Senator Hunt voting yes. Senator Hughes voting no. Senator Hilkemann voting yes. Senator Hilgers voting yes. Senator Matt Hansen voting yes. Senator Ben Hansen voting yes. Senator Halloran voting yes. Senator Gragert voting yes. Senator Geist. Senator Geist. I know, Senator. How would you like to vote? Yes-- I was a little quick on the trigger, forgive me. Senator Friesen not voting. Senator Flood voting yes. Senator Erdman voting yes. Senator Dorn voting yes. Senator DeBoer voting yes. Senator Day voting yes. Senator Clements not voting. Senator Machaela Cavanaugh voting yes. Senator John Cavanaugh voting yes. Senator Briese voting no. Senator Brewer voting yes, Senator Brandt not voting. Senator Bostelman not voting. Senator Bostar voting yes. Senator Blood voting yes. Senator Arch voting yes. Senator Albrecht voting no. Senator Aguilar not voting. 34 ayes, 5 nays on the advancement.

**WILLIAMS:** LR263CA advances. Raise the call. Mr. Clerk for items.

**CLERK:** Mr. President, two new study resol-- or I'm sorry, regular resolution: LR381, Senator Murman; LR382, Senator Gragert. Those will both be laid over. That's all that I have.

**ARCH:** We will continue with the agenda for the day. Mr. Clerk.

**CLERK:** Mr. President, LB852, a bill by Senator Day. It's bill for an act relating to schools; provides for behavioral health points of contact; provides duties for the State Department of Education's Division of Behavioral Health. Introduced on January 6 of this year.

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At that time, referred to the Education Committee, advanced to General File. I have amendments to the bill, Mr. President.

**ARCH:** Senator Day, you're welcome to open on LB852.

**DAY:** Thank you, Mr. President, and good morning, colleagues. I rise today to introduce LB852, which provides a process for parents and students to quickly access available behavioral health service providers in their community. We do not need to reinvent the wheel to get access to these resources, but simply utilize the geographic listing already kept and updated by the Nebraska Family Helpline, currently housed at Boys Town and funded through the Department of Health and Human Services. I'm grateful to Senator Walz for making this her personal priority bill. As our schools are responding to the mental health needs of students, providing information for parents to determine who is available to provide treatment and counseling should not be an obstacle. LB852 puts the system in place by having the schools identify the person in each school building, the information can-- the informate-- who keeps the information, excuse me, and can access it for parents. The Department of Education, working with the Department of Health and Human Services, can distribute the information to the schools by geographic area and keeps the information updated annually. In this bill, we do not require the school personnel to have any specific training, but rather identify who is the mental health point of contact so they can best serve parents and students. We establish a deadline of August 1, 2023, for the designation of point-- points of contact around the state by school districts. If services are available during the day-- during the school day at the school, the point of contact will help facilitate that process. We were experiencing a youth mental health crisis prior to COVID, but we know the pandemic has greatly exacerbated this issue. These are difficult times for our students and I believe that LB852 is one of the simplest ways we can provide better access to mental behavioral healthcare to students. I will add that this bill came out of committee unanimously, 8-0, with no opposition testimony. And with that, I would encourage your green vote on LB852.

**ARCH:** Thank you, Senator Day. You may proceed to the committee amendment. Senator Walz, you're recognized.

**WALZ:** Thank you, Mr. President. AM1607 strikes "whenever possible" on page 2, line 20 of the bill, thus making the facilitation of access to services during the school day at the school the student attends mandatory. I encourage your green vote on the amendment and the bill. Thank you.

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**ARCH:** Thank you, Senator Walz. Debate is now open and Senator Bostelman, you are recognized.

**BOSTELMAN:** Thank you, Mr. President. Good morning, colleagues. Good morning, Nebraska. First say I don't have any issues with Senator Day's bill or the amendment. I think they're fine. I do believe our schools-- in my district, several schools are already doing this. I think we passed a bill a couple of years ago to allow private insurance to come in and provide some services for mental health to where they can provide those services and some schools are doing it in the school already itself. So, you know, making this awareness out there, the schools are supportive of that and I don't have a disagreement with that. I want to talk about something completely different that I guess I was oblivious to for some time that came to my attention this weekend. And many people I've talked to already know about this. It's something that kind of took me back just a little bit and I'm a little shocked, I guess, is what I would put it. It's called something called furrries. If you don't know what furrries are, it's where schoolchildren dress up as animals, cats or dogs, during the school day. They meow and they bark and they interact with their school, with the teachers and that in this fashion. And now schools are wanting to put litter boxes in the schools for these children to use. How is this sanitary? I'm going to have a discussion with CEO Smith about this. This is something I think-- how can schools allow this to happen? I think it's very disruptive within the school system. I think it's very disruptive within the classes. I even heard from one person here recently said that a, that a, that a student identified as a cat and wanted a litter box and the school didn't provide the litter box so the student went and defecated on the floor. Really? Really? School administrators, what is going on? Nebraska Department of Education, what is going on? State Board of Education, what is going on? Now some kids can't wear American flag to walk through the school on their shirt and you keep them out of school and you kick them out of school, but it's OK if, if they wear a cat costume and that's fine and you have a litter box for them and that's fine? I don't think so. So perhaps, Senator Day, you're on a bigger issue here than what people are thinking of. There are some issues there, but the other question I have is where are the parents? There are some problems in our schools. Those need to be taken care of. Administrators and others need to pay attention, better listen up because I think there's going to be some legislation coming really soon to start addressing a lot of these things if you don't address it yourself. Thank you, Mr. President.

**ARCH:** Thank you, Senator. Senator Erdman, you are recognized.

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**ERDMAN:** Thank you, Mr. President. So I, I see this amendment strikes-- I think it strikes whenever possible, however possible. Senator Day, do you yield to a question?

**ARCH:** Senator Day, will you yield?

**DAY:** Yes, I will.

**ERDMAN:** Senator Day, can you explain-- is that-- this amendment, is this the one that strikes "whenever possible?"

**DAY:** Yes, L-- AM1607 strikes "whenever possible."

**ERDMAN:** OK and what's your thought process? Why does-- why was that amendment included?

**DAY:** To ensure that every school building in the state has a, a point of contact.

**ERDMAN:** So whenever possible, if my district doesn't have that, then are exempt from having these requirements?

**DAY:** Essentially, yes, but we wanted to make sure that that was not the case.

**ERDMAN:** OK, how do you make sure that that's not the case? I mean, if it gives them an exemption, if it says whenever possible--

**DAY:** But that's why we're, that's why we're striking "whenever possible."

**ERDMAN:** OK, so they're making sure that they always have those?

**DAY:** Correct.

**ERDMAN:** OK.

**DAY:** Or, or the ESUs are, are another option--

**ERDMAN:** OK.

**DAY:** --especially in rural areas.

**ERDMAN:** So what, what is the penalty if they don't?

**DAY:** There, there is no penalty.



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**ERDMAN:** So then how do you enforce that?

**DAY:** We ask the schools to, to do this just like we would anything else. There's-- just like there's no other penalties for the other things that we're asking schools to do.

**ERDMAN:** All right, so if a school chooses or can't meet this requirement, then what happens?

**DAY:** You know, Senator Erdman, I'm not really sure what the process would be at that point.

**ERDMAN:** OK. I was just, I just curious. I don't know, I don't know if my schools provide this. I'm pretty sure they probably do, but I'm just wondering if we're putting a restriction or an obligation on the schools that don't have this opportunity. That's my, that's my concern, so we'll listen to the discussion to see if my questions get answered. Thank you for your time.

**DAY:** Thank you.

**ARCH:** Thank you, Senator Erdman, Senator Day. Senator Ben Hansen, you are recognized.

**B. HANSEN:** Thank you, Mr. President. I was hoping Senator Day would yield to a couple of questions, please.

**ARCH:** Senator Day, will you yield?

**DAY:** Yes.

**B. HANSEN:** All right. Thank you, by the way, for answering questions.

**DAY:** Um-hum.

**B. HANSEN:** Just a couple of thoughts on Section 1, on that last sentence, "each behavioral health point of contact shall have knowledge of community behavioral health service providers and other resources available for students and families". Do you have any examples of what other resources might be available for students and families?

**DAY:** I am not sure exactly what "other resources" would pertain to.

**B. HANSEN:** OK, just, just curious because I'm trying to figure out who determines, you know--

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**DAY:** Well, the--

**B. HANSEN:** I don't know if it's too broad or who determines what--

**DAY:** --the Nebraska Department of Education and the Department of Health and Human-- Health and Human Services are the ones that would have the, the list of providers, in addition to the Nebraska helpline at Boys Town.

**B. HANSEN:** OK. All right, makes sense. And the, the registry of the, the local behavioral health providers, is that also at-- DHHS will provide that, right?

**DAY:** Yes.

**B. HANSEN:** OK. And it's more about in-- on Section 3, that the "point of contact shall coordinate access to community behavioral health services for students and families and facilitate access to services during the school day at the school the student attends whenever possible," now what-- my question was about the facilitate access part. Does that mean-- would we be providing transportation or would they be coming to the school? I'm trying to figure out what that mean-- or just--

**DAY:** There, there-- this bill doesn't require any kind of transportation or anything like that. The, the idea is just designating a point of contact and helping facilitate that. This is not-- we're not requiring the schools to, to do anything outside of saying these people need resources, who has the list of resources, let's make sure that they have--

**B. HANSEN:** OK.

**DAY:** --access to that.

**B. HANSEN:** And I, I actually-- I'm not-- I don't think I'm really even opposed to the bill. I'm just trying to kind of work out some of these questions that I wouldn't say would have unintended consequences, but, but that might come up later. And if somebody-- and you have it here in the last sentence on Section 3, "such facilitation shall be approved by the student's parent or guardian" and so if the parent or guardian denies that, what happ-- does anything happen or is there-- they have to fill out a form or just say, look, we didn't-- we're going to deny-- the-- like the point of contact says, look, we, we feel like this student would be better served going to this behavioral health specialist. The parent says, no, we do not want them going to

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that. How does that-- do you know how that, how that would happen? Do you have anything on your mind, like, they would they fill out a form or something or--

**DAY:** Well, the, the age of majority for mental and behavioral health services is 18 in Nebraska, so there can be no services provided or, or services facilitated without the parental consent.

**B. HANSEN:** Yes and so that-- I get that part, but then what happens after the parent says, I don't want my kid going to behavioral specialist? Like, would the school have to report that? Would they say anything--

**DAY:** No.

**B. HANSEN:** OK, just want to make sure, like, if-- there's no repercussions for the parent-- the student to the parent.

**DAY:** Right.

**B. HANSEN:** --for that.

**DAY:** Correct, yes.

**B. HANSEN:** OK, well, thank you. I appreciate you--

**DAY:** Um-hum.

**B. HANSEN:** --answering my questions. Thank you. I yield the rest of my time.

**ARCH:** Thank you, Senator Hansen, Senator Day. Seeing no one left in the queue, Senator Walz, you're welcome to close on the committee amendment. Senator Walz waives close. Question before the body is the adoption of AM1607 to LB852. Those in favor vote aye; those opposed nay. Have you all voted? Mr. Clerk, record.

**CLERK:** 33 ayes, 2 nays, Mr. President, on the committee amendments.

**ARCH:** AM1607 is adopted. Mr. Clerk, for the next amendment.

**CLERK:** Mr. President, Senator Day, by rule, yours is the next amendment, AM2563.

**ARCH:** Senator Day, you are welcome to open on your amendment.

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**DAY:** Sorry, got it right here. Thank you, Mr. President. AM2563 makes a small but important change to this bill. In the green copy, we specify that the required behavioral point of contact may, may be an administrator, a school nurse, a school psychologist, or another designated school employee. What we have recently learned is that in some cases, especially in rural schools, the most logical and qualified person at the school to assign these responsibilities to or that is already doing the work is actually a contracted worker at the school. Most generally, this person is an employee of an ESU that works full or part time at the school. In order to allow these contracted persons to be able to serve as a behavioral point of contact, we are changing "school employee" to "person affiliated with such school building or other division." This simple but substantive change keeps with the spirit of the bill, but provides greater flexibility to local school districts. I encourage your green vote on this amendment and the underlying bill, LB852. Thank you.

**ARCH:** Thank you, Senator Day. Debate is now open on AM2563. Senator Erdman, you are recognized.

**ERDMAN:** Thank you, Mr. President. So I listened to Senator Day's comments there on the opening on this amendment. It sounds like that these schools are already doing this. I'm, I'm concerned or I'm confused, maybe, as to why we need a bill to continue what they're already doing. Maybe if I ask Senator Day a question, she could explain that.

**ARCH:** Senator Day, will you yield?

**DAY:** Yes, I will.

**ERDMAN:** Senator Day, did you hear my comments?

**DAY:** I did.

**ERDMAN:** Can you explain that?

**DAY:** Yeah, so I appreciate that, Senator Erdman. There are many schools in the state already doing this and they already have a designated point of contact, but there are school-- some schools that do not. We-- this is a bill that, that we've been working on for years. It is a necessary change so that we can ensure that there was someone in every school building to help facilitate the connection between students and parents and outside resources in the community.

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**ERDMAN:** OK. So is that a large number of schools you think that don't do anything that are failing in this regard?

**DAY:** I wouldn't say it's a large number, but it's significant enough that we felt like we needed to bring a bill to ensure that there, there is somebody in every building.

**ERDMAN:** OK, so who brought you this idea, the department?

**DAY:** This was actually a bill that was previously Senator Walz's bill a few years back.

**ERDMAN:** And it didn't go anywhere? Is that why you're bringing it back now?

**DAY:** That's correct.

**ERDMAN:** OK. So what happens if we don't do this bill?

**DAY:** Kids are not going to have the best possible chance of getting access to behavioral and mental health services.

**ERDMAN:** OK. Do you think, you think this bill is more necessary now because of the, the implications or the, the results of COVID, being masked and dismissed from school and social distancing and all of those issues?

**DAY:** I do believe that the need is much greater now because of the pandemic, yes.

**ERDMAN:** OK, thank you.

**ARCH:** Thank you, Senator Erdman, Senator Day. Senator Jacobson, you are recognized.

**JACOBSON:** Thank you, Mr. President. I got-- so I want to follow up on the comments of Senator Erdman. I, I've got some of the same concerns, I guess. My, my question is I, I do see the problem. This is a significant problem across the state on-- and behavioral health is something we've got to continue to be focused on. I'm a little concerned about how this impacts the school and particularly whether we're really talking about potentially an unfunded mandate here too or whether this-- what the flexibility is at the school level or what are we actually going to accomplish? And maybe I could ask Senator Day if you would mind yielding to a question?

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**ARCH:** Senator Day, will you yield?

**DAY:** Yes, I will.

**JACOBSON:** I guess my question would be if you could just elaborate a little bit more. I know I've, I've spoken with, with my local school district in North Platte. I think they see some value. I think they have some questions about costs associated with this. Can you explain how this works? Is this a recommendation, is this a requirement, and then how would that be funded?

**DAY:** So-- yes, thank you, Senator Jacobson. I appreciate your question. So the only thing that this bill does is we're not requiring them to hire any new staff. We are just asking schools to say this is the person in the building with all of the contact information and the list of, of resources that is relevant to the geographic area if a student or family were to need behavioral or mental health services. And so we're just facilitating the connection between students, parents, and resources in the community outside the school for these services.

**JACOBSON:** Perfect. Thank you very much. And I'll-- I, I would intend to vote green based upon that response. Thank you.

**DAY:** Thank you.

**ARCH:** Thank you, Senator Jacobson, Senator Day. Senator Linehan, you are recognized.

**LINEHAN:** Thank you, Mr. President. I just want to get up for a second here and say I'm in full support of the amendment and the underlying bill. This is something that we've actually-- it seems pretty simple, but I think we've been-- with Senator Walz, we've been working on it for three or four years. This is so if a provider needs to talk to the school, they call the school and the school knows who to send the call to because yes, some schools are set up where they've got it covered, but this is in every building too, so just to make sure that there's somebody to answer the phone if a provider needs to talk to them in the school. So I'd appreciate your support for both. Thank you.

**ARCH:** Thank you, Senator Linehan. Seeing no one left in the queue, Senator Day, you're welcome to close on AM2563. Senator Day waives close. The question before the body is the adoption of AM2563 to LB852. All those in favor vote aye; opposed nay. Has everyone voted? Mr. Clerk, please record.

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**CLERK:** 34 ayes, 0 nays on adoption of Senator Day's amendment.

**ARCH:** AM2563 is adopted. Next amendment. Mr. Clerk.

**CLERK:** Senator Morfeld would move to amend, AM2272.

**ARCH:** Senator Morfeld, you are welcome to open on AM2272.

**MORFELD:** Thank you, Mr. President. Colleagues, today I bring AM7-- AM2272 to LB852, which includes my LB912, a bill that adds mental health aid first training for school personnel to programs covered in part by lottery funds. This would be a voluntary program that would be made available to any teachers, administrators, or support staff that would be able to help gain knowledge to help recognize the signs and symptoms of mental illness and substance use disorders, including opioids and alcohol, information on local resources and services to share with students and parents and others who may be experiencing a mental health or substance abuse challenge, and also techniques to safely de-escalate crisis situations and how to refer a student and their parent to services if these students are identified as somebody who needs maybe a little additional help. I want to thank the committee for working with me on this, particularly Senator Linehan and Senator Murman. Both had suggestions which are incorporated into the amendment, one of which is that any referral must be approved by the parent so that there is parental control and guidance in this. And then in addition, we took out some of the other conditions that are sometimes tougher to identify unless you're a trained professional like schizophrenia and bipolar disorder. Otherwise, the bill came out with no no votes and I just want to thank the committee for working with me on this and particularly Senator, Senator Linehan and Senator Murman. Thank you.

**ARCH:** Thank you, Senator Morfeld. Debate is now open on AM2272. Senator Erdman, you are recognized.

**ERDMAN:** Thank you, Mr. President. So I wondered if Senator Morfeld would yield to a question or two?

**ARCH:** Senator Morfeld, will you yield?

**MORFELD:** Yes.

**ERDMAN:** Senator Morfeld, did you say this is a voluntary program that people can sign up for?

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**MORFELD:** Yep, it's a voluntary program that people can sign up for, but the training costs money, which is why we have to have a program or a little pool of money to be able to provide for that training. So it's not an unfunded mandate on this.

**ERDMAN:** OK, how much is that little pool of money?

**MORFELD:** So when we originally introduced it the last few years, I think we were taking about a quarter million to a half a million from the lottery funds. This funding would actually come next year when the lottery funds are reallocated.

**ERDMAN:** So you're, you're taking the money from the lottery funds then?

**MORFELD:** Yep, the money will be taken from the lottery funds next year when those are reallocated.

**ERDMAN:** And did you say a quarter of a million?

**MORFELD:** Pardon me?

**ERDMAN:** A quarter of a million dollars?

**MORFELD:** I believe, I-- it's based on a percentage of the lottery funds, so it's a moving target.

**ERDMAN:** OK.

**MORFELD:** So let me, let me find out how much we did. That'll be up to the Legislature next year on how to allocate how much, so.

**ERDMAN:** Do you know, do you know how many trainers that might be? I mean the--

**MORFELD:** Well, the-- there's two different ways you can get training; one, the department would maybe be able to bring in a national trainer or the, the better way would be to have a "train the trainer," like a trainer in the state of Nebraska that would be able to provide that training. That would also be cheaper.

**ERDMAN:** Would they have to be a psychologist or what kind of training would they have to have prior to taking this?

**MORFELD:** Yeah, almost all the trainers are trained mental health professionals. I, I don't know if it's psychologists or therapists--



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**ERDMAN:** OK.

**MORFELD:** --level or credential.

**ERDMAN:** All right. Well, thank you.

**MORFELD:** Thank you.

**ERDMAN:** Thank you, Senator Erdman, Senator Morfeld. Senator Walz, you are recognized.

**WALZ:** Thank you, Mr. President. I rise today in support of LB852, which is my personal priority, along with the support of AM1607 and AM2272. This is something that we've been working on for over three years and I believe that now is the time to get this bill across the finish line. In 2019, I introduced LB727, which was cosponsored by Senator Linehan, Pansing Brooks, Wishart, and Hilkemann. Thank you to these four senators for cosponsoring this bill again with Senator Day. The hearing had proponent testimony representing Nebraska Association of School Boards, the Nebraska School Psychologists Association, the educational service unit, Nebraska Council of School Administrators, Boys Town, Children's Hospital, the Medical Center, and ACLU of Nebraska. There was no opponent testimony and the bill advanced unanimously from committee. I believe this is a great bill with broad school support that makes common sense for Nebraska's children. We know that it is good for kids because we have seen the process work already. For example, Ralston Public Schools made the decision to implement a similar process seven years ago. While they contract with an outside agency to provide resources for students, their model can be compared to the concepts found in Senator Day's LB852. As a result of their efforts, Ralston Public Schools has been able to help many of the families and staff members work their way through a behavioral/mental health crisis and feel those steps have made significant difference in the lives of their students and staff. Let's replicate those remarkable, those remarkable outcomes across the state and please join me in voting green for AM2563, AM2272, AM1607, and the underlying bill, LB852. Thank you, Mr. President.

**ARCH:** Thank you, Senator Walz. Senator Jacobson, you are recognized.

**JACOBSON:** Thank you, Mr. President. Again, I guess I want to follow up on, on some of the questions that Senator Erdman had and I would have a question again for Senator Morfeld as it relates to shifting of funds from the lottery funds. Obviously, we, we're having our discussions in here about ARPA and there's a finite amount of money

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and so if somebody wants to get some money, they've got to take it from somebody. So I guess Senator Morfeld might-- if he would be willing to yield?

**ARCH:** Senator Morfeld, will you yield?

**MORFELD:** Yeah.

**JACOBSON:** My question would be can you tell me a little more precisely where would you be looking or would you-- I'm trying to figure out where the money would come from, from the lottery funds to--

**MORFELD:** Um-hum.

**JACOBSON:** Who would we take it from to shift it to fund this program?

**MORFELD:** Yeah, so every-- I think it's about every ten years, maybe every five years, the Education Committee reallocates all the lottery funds. Lottery funds, as you probably know, comes from the lottery and constitutionally, a certain amount of it has to go through K-12 and higher education, per the constitution. So right now, there are programs that will be sunseting, particularly discretionary funding that the Department of Education gets to then redistribute out. So again, it's going to be up to this Legislature next year or the next Legislature, I should say, but there's millions of dollars that are discretionary that right now goes to the Department of Education. They are in support of this legislation. So it would come out of that type of allocation and then the percentages would be re-- reallocated accordingly.

**JACOBSON:** Perfect.

**MORFELD:** Yep.

**JACOBSON:** All right, well, thank you very much. I, I-- again, I, I am very concerned, as I know the rest of you are, about unfunded mandates and also about we start allocating/reallocating dollars, then suddenly somebody needs a General Fund appropriation. So I think if we're going to contain it within the lottery and even if those dollars would dip due to the other gambling that may be going on. I'm assuming the Department of Education would have to figure out how to allocate this and prioritize it. So I guess I'm inclined to support the bill or support the amendment and ultimately the bill based upon that. So thank you, Senator Morfeld.

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**ARCH:** Thank you, Senator Jacobson. Senator Friesen, you are recognized.

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

**ARCH:** Senator Morfeld, will you yield?

**MORFELD:** Yes.

**ARCH:** So on page 2, line 3, it talks about, you know, most all of this will be approved with the-- by the parent or a guardian, except as in-- it states 43-2101. Could you explain in what circumstance would a parent or guardian not approve?

**MORFELD:** Yeah, thanks for asking that question. I'm going to double-check this off the mike because I remember looking at this-- the statute a few weeks ago when we were doing this, but 43-2101, I believe, refers to if they don't have a parent or guardian, they're a ward of the, the state, but let me triple-check that [INAUDIBLE]--

**FRIESEN:** OK, thank you.

**MORFELD:** Yep.

**FRIESEN:** Thank you, Senator Morfeld. Otherwise, I, I know it's going to be a reapportionment of money out of the lottery. Again, I think there may be a need for this. I'm still reading through the rest of the bill, so I'll reserve judgment on it yet. Thank you, Mr. President.

**ARCH:** Thank you, Senator Friesen. Senator Ben Hansen, you are recognized.

**B. HANSEN:** Thank you, Mr. President. I just read, I just read a certain section that I had some questions on and so I have to admit, I didn't ask Senator Morfeld beforehand what I was going to ask him, so I was hoping to get him to yield to a couple of questions, please?

**ARCH:** Senator Morfeld, will you yield?

**MORFELD:** Yes.

**B. HANSEN:** Thank you. On page 3, line 21, you start talking about the, the State Board of Education shall establish innovation grant programs. I was hope-- unless I-- I hope I didn't miss it. Could you

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elaborate on that a little bit? I more had a question about not the mental health first aid because that pertains to the bill we're talking about, but what's early literacy and quality instruction materials and personalized learning through digital education or other innovative areas identified by the board? What would that like entail? What does that mean?

**MORFELD:** I think that's leftover legislation actually--

**B. HANSEN:** OK.

**MORFELD:** --from a year or two ago. We may need to clean that up on Select. That's a good find. As you were reading through that, I think this was a part of a broader package a year or two ago. That's not the intent to have that in there.

**B. HANSEN:** OK.

**MORFELD:** So I'm going to double-check on that and make sure that I'm not missing something that that was required language, but I believe that this is leftover language from a year or two ago when we first introduced this.

**B. HANSEN:** OK, well, thanks. We'll, we'll talk off the mike about it some more.

**MORFELD:** We'll-- let's talk about the mike and I, I, I will take that out.

**B. HANSEN:** Cool. All right, thank you. I'll yield the rest of my time, thanks.

**ARCH:** Thank you, Senator Hansen and Senator Morfeld. Seeing no one left in the queue, Senator Morfeld, you are welcome to close on AM2272. Senator Morfeld waives close. The question before the body is the adoption of AM2272 to LB852. All those in favor vote aye; opposed nay. Has everyone voted? Mr. Clerk, please record.

**CLERK:** 28 ayes, 0 days on adoption of Senator Morfeld's amendment.

**ARCH:** AM2272 is adopted. Seeing no other amendments, Senator Day, you're welcome to close on LB852.

**DAY:** Thank you, Mr. President, and thank you to my colleagues for the discussion this morning. I am very excited about this bill. I did want to mention there was a recent study that was done titled America's

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Mental Health Report Card [SIC] and it was reported that Nebraska, I believe, was in the bottom ten, maybe even the bottom five states in the country in terms of providing students with adequate mental/behavioral health services. And so I think there's a lot of room for us to improve in this area and I think that this is one of the first small steps that we can make in helping to mitigate some of the issues that have become exacerbated by the pandemic in terms of youth mental/behavioral health services. And with that, I would encourage your green vote on LB852. Thank you.

**ARCH:** Thank you, Senator Day. The question is the advancement of LB852 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

**CLERK:** 27 ayes, 0 nays, Mr. President, on the advancement of LB852.

**ARCH:** LB852 is advanced to E&R Initial. Mr. Clerk, next item.

**CLERK:** Mr. President, LB1016, a bill by Senator Walz. It's a bill for an act relating to the Transportation Innovation Act; defines terms; provides for public-private partnerships. Introduced on January 13, referred to the Education-- or the Transportation Committee, excuse me. The bill was advanced to General File. There are committee amendments, Mr. President.

**ARCH:** Thank you. Senator Walz, you're welcome to open.

**WALZ:** Thank you, Mr. President. Good morning, colleagues. Today, I'm very excited to introduce LB1016. Last year, I brought LB542, which was a bill that would allow the Department of Transportation-- I'm trying to hurry because I know everybody wants to go to lunch-- to bond to help speed up the construction and completion of Nebraska roads, highways, and bridges. This was a concern specifically for me because of the expressway system that was passed in the Legislature in 1988. There is now one-third of that left of, of the, left of the system and it's now on track to be finished in 2040, according to the department's most recent report. The expressway system was estimated to be complete by 2003 and would expand 600 miles of two-lane traffic to four-lane highways. In 2016, the Transportation Innovation Act the Legislat-- the Legislature passed in statute that was-- that the expressway system would be completed by 2033, but now its completion date has been pushed back seven more years. Over the seven-- summer, the Governor's Office and NDOT held listening sessions in key spots where the system is not complete, including in my district. Through these listening sessions, it became clear to me that pushing more

money toward the department was not the best path forward because the biggest obstacle NDT seems to have has been with the delivery of projects, the ability to complete studies, design, and construct. This brings me to LB1016. Through research, I asked the question, how do other states complete projects so quickly? My office found that 32 other states allow in statute for public-private partnerships or P3s. NDOT's legal counsel, who is an Assistant Attorney General, has interpreted our current statute [SIC] as not enabling the department to enter into P3s. As I'm sure you know, we are a pay-as-you-go state, which seems like the fiscally responsible thing to do, but as we continue to see inflation, wages, and supply costs increase, we may not have the financial resources to continue down that path for every project. Through my office's work with the Fiscal Office, it's clear that interest payments are significantly less costly than what the state is paying in terms of inflation. For example, the initial projected cost of the expressway system was around \$200 million and now, just to complete the final one-third of this project, it will cost upwards of \$500 million, with the cost increasing every year. When the Transportation Innovation Act passed in 2016, it was my understanding that there were hearings across the state to see what Nebraskans needed most for transportation. That's where the goals, which we have listed in the statement of intent, came from. Seeing the goal pause for the expressway system move again even from 2016 is very frustrating for all Nebraskans. We are trying to make sure that we can accomplish the goals set out in 2016 before the Transportation Innovation Act money sunsets in 2033. P3 contracts would provide us with a different delivery method of construction and completion. It would allow the state to partner with a contractor or a business to enter into a contract for construction and completion of capital projects or services. Essentially, we are trying to lift the burden off the state needing the money in full at the time of the project construction and instead working with a private contractor on the payment and completion of a project. The bill's intention is to have the private partner finance the project and the state would make payments to the partner over a period of time. Let me take you-- just take a minute to walk you through the bill. First, it would enable the department to enter into contracts for construction and/or financing of current projects outlined under the Transportation Innovation Act. Secondly, we drafted the bill in a way to ensure that the contracting agency, NDOT, has oversight of the partner and ensures legislative oversight. Third, the bill asks the direct-- the director of the Nebraska Department of Transportation to create and adopt rules and regulations that would need to be followed for these contracts. And last, the bill gives-- fourth, it gives an outline of what needs to be

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included in the RFP and that the public or the private partner must demonstrate to the contracting agency that they are able to perform any duty, responsibility, or function that it's authorized to perform. Finally, we make it clear that this is only for solicited proposals, so private partners can't approach the state with a project. I want to be clear the state is not required to enter into these contracts. We are just giving the department another tool to complete projects. The Nebraska Department of Transportation has been working collaboratively with us on this bill and is in full support of P3s. Not only is this bill important for us to complete our current state's expressway system, it allows us to update our state's infrastructure. By allowing the department to enter into P3 contacts [SIC], we are creating safer bridges and highways for Nebraska and speeding up project completion time and helping to promote more commerce. We are also trying to ensure that the goals laid out in the Transportation Innovation Act are accomplished in our lifetimes. Chairman Friesen will be reviewing AM2128, which does a few things, including removing the \$100 million cap and the reference to the State Highway Commission. The amendment also includes enabling language for the NDOT to utilize progressive design-build project delivery. This came out of committee with an 8-0 vote. It has been support-- it has support from the Nebraska Department of Transportation, the League of Municipalities, and the city of Norfolk. The department sees this as something necessary they need to help Nebraska prepare for the 21st century transportation system. Additionally, this bill would help the NDOT to work with broadband partners, prepare for expanded electric vehicle charger state installation, and much more. I ask for your green vote on LB1016 and AM2128. Thank you, Mr. President.

**ARCH:** Before we continue debate, Senator Flood would like to recognize 50 members from the fifth grade in Norfolk Middle School in Norfolk, Nebraska, seated in the north balcony. Students, please rise, be welcomed by your Nebraska Legislature. Mr. Clerk, for a committee amendment.

**CLERK:** Transportation Committee, chaired by Senator Friesen, offers committee amendments, Mr. President.

**ARCH:** Senator Friesen, you're welcome to open.

**FRIESEN:** Thank you, Mr. President, and thank you, Senator Walz, for introducing LB1016 this year. The Transportation and Telecommunications Committee held a public hearing on LB1016 on January 31 and advanced the bill on an 8-0 vote of the committee. The amendment substitutes for and replaces the bill as introduced. The

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introduced copy of the bill is retained with the following changes: the term "progressive design-build" is added and defined as a project delivery process in which both the design and construction of a project are procured from a single entity that is selected through a qualifications-based selection process, the earliest possible stage of a project. It provides that pursuant to the Transportation Innovation Act, the Department of Transportation may utilize the progressive design-build contracting process in addition to the design-build or construction manager general contractor method of project delivery. The following provisions are eliminated from the bill: it removes the requirement that requests for public-private partnerships be provided to the State Highway Commission; it removes the requirement that public-private partnership projects be approved by the Legislature; and it removes the requirement that the State Highway Commission shall review and approve a public-private partnership entered into by the Department of Transportation. I would ask your support of the committee amendment. Thank you, Mr. President.

**ARCH:** Thank you, Senator Friesen. Mr. Clerk for an amendment.

**CLERK:** Mr. President, Senator Bostelman would move to amend committee amendments, AM2239.

**ARCH:** Senator Bostelman, you're welcome, welcome to open on AM2239.

**BOSTELMAN:** Thank you, Mr. President. I'll be quick. AM2239 was, was brought because of a discussion I've had with Associated General Contractors and this amendment was agreed by all parties involved with this bill. AM2239 strengthens the criteria when selecting contractors for progressive design-build contracts by including past costs and expenses of a firm when bidding and completing projects. What this does is allow our smaller firms that may have a smaller resume and less resource availability, but they may have a much better record on cost competitiveness. AM2239 ensures that the state takes into account the past costs and expenses of firms bidding on contracts and ensures our smaller firms have a seat at the table. I want to thank Senator Walz for allowing me to introduce this amendment. I urge a green vote on AM2239, AM2128, and LB1016. Thank you, Mr. President.

**ARCH:** Thank you, Senator Bostelman. Debate is now open. Seeing no one in the queue, question before the body is the adoption of AM2239. Senator Bostelman waives close. All those in favor vote aye; all those opposed vote nay. Has everyone voted? Mr. Clerk, please record.



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**CLERK:** 31 ayes, 0 nays, Mr. President, on the adoption of Senator Bostelman's amendment to the committee amendments.

**ARCH:** AM2239 is adopted. Next question before the body is AM2--AM2128. Senator Friesen, you're welcome to close. Senator Friesen waives close. Question is the adoption of AM2128 to LB1016. All those in favor vote aye; opposed nay. Has everyone voted? Mr. Clerk, please record.

**CLERK:** 31 ayes, 0 nays on adoption of committee amendments.

**ARCH:** AM2128 is adopted. Senator Walz, you're welcome to close on LB1016. Senator Walz waives close. The question is the advancement of LB1016 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Has everyone voted? Mr. Clerk, please record.

**CLERK:** 31 ayes, 0 nays on the advancement of the bill, Mr. President.

**ARCH:** LB1016 advances. Mr. Clerk.

**CLERK:** Mr. President, some items: LR383, a study resolution by Senator Erdman. Enrollment and Review reports LB519, LB741, and LB917 as correctly engrossed. Mr. President, Senator Hilkemann would move to recess the body until 1:00 p.m.

**ARCH:** All those in favor say aye. Opposed. We are recessed to 1:00.

[RECESS]

**HUGHES:** 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.

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

**CLERK:** I have one, new study resolution, LR384, Senator Machaela Cavanaugh. That's all that I had, Mr. President.

**HUGHES:** Thank you, Mr. Clerk. We will proceed to the first item on the afternoon's agenda. Mr. Clerk. Speaker Hilgers.

**HILGERS:** Thank you, Mr. President. Good afternoon, colleagues. We're about to start on LB1014. As I indicated before, this is a Speaker major proposal. I've worked with Senator Stinner to order the

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amendments. I've got the first round. There were fewer amendments this time around and they were also from fewer senators. So you'll see-- you will hear some senators have more than one. And so here are the first several. So first we've got the E&R amendments. Then after that, we have Senator Stinner's AM2584, which is the committee technical changes; Senator Linehan, AM2610; Senator Stinner, AM2580; Senator Morfeld, AM2561; and Senator Linehan, AM2608. I anticipate we'll have more after that round, but those are the first round, AM2584, AM2610, AM2580, AM2561, and AM2608. Thank you, Mr. President.

**HUGHES:** Thank you, Speaker Hilgers. Senator Matt Hansen, you're recognized.

**M. HANSEN:** Thank you, Mr. President. I move we adopt the E&R amendments to LB1014.

**HUGHES:** Members, the question is the adoption of the E&R amendments. All those in favor say aye. Opposed nay. E&R amendments are adopted.

**CLERK:** Mr. President, Senator Stinner would move to amend with AM2584.

**HUGHES:** Senator Stinner, you're welcome to open on your amendment, AM2584.

**STINNER:** Thank you, Mr. President and members of the Legislature. AM2584 is a technical amendment to add corrections to the ARPA spending bill to reflect the intentions of the bill as deliberated upon to this point. I'd like to walk the members through each section of this amendment to review those corrections. First, the first two of the corrections add operating and expenditure language to account for the potential for administrative costs to, to the funding. Item 1 adds the needed operating expenditure language to incentives under the Rural Health Systems and Professional Incentive Act. Item 2 similarly adds operating expenditure language to incentives for the nursing scholarship program. Item 3 clarifies that local public health departments receiving aid under the county public health aid program are the local public health departments eligible for ARPA funding. Item 4 clarifies the aid earmark for DHHS expenditures in the administration appropriation to the military department. Item 5 corrects the amount each community college can receive from the community college ARPA grant by striking \$15 million and inserting \$10 million to reflect the adjustments made to the grant program. Finally, Item 6 corrects the aid earmark for north Omaha in the recovery grant program for qualified census tracts by inserting no less than \$50 million, as was discussed on the floor last week. I'd like to just

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take a-- just a moment to talk about the next ten days. I have ten days left as a legislator. There's 11 of us that are also in the same boat. We have probably four of the more significant bills to discuss yet and to pass, ARPA being one of those bills. And I think if you just take the sections that are involved with ARPA, the public health response, we actually have \$157 million allocated to that, that area; negative economic impacts, \$619 million is negative economic impacts; water and sewer, broadband, \$85 million; \$115 million to premium pay; and \$15 million for administration. Those areas were hit hardest in COVID. They meet the guidelines, and I think that this is an important bill to pass. Tomorrow, we'll talk about the budget and the budget's an important bill to pass because it makes adjustments to the current budget. It provides wages and wage increases and dollars for our, our employees. Certainly, the 24/7s. It provides a 15 percent half way to the wall for our providers so that they can attract and retain some of the employees that they have today and retain the people that they need to, to attract. Certainly, we've looked at the nursing home thing and that's a, that's a premium pay area along with DD, hard struck, certainly by the present economy and the fact that we have inflation and they consistently are losing people, certified people and they need to have some help. The budget also includes quite a few areas where we have one-time spends, some of them related to ARPA in the housing side of things, but certainly other areas as well. And that gets us down to the last two and they seem to be intertwined. And it really bothers me that they are intertwined because I think we're better than this. We can talk about sentencing reforms, LB920. LB920, I think that we have been explained very clearly that what we're trying to do is keep our population safer. That means that you don't want people jamming out. That's unsafe practices. So by moving people closer to the Parole Board, first of all, they have to show good behavior. Second of all, they have to have programming, and third of all, when they're released, they're under the supervision of a parole officer. All of that equals safety. But we're spun up in political rhetoric and it's stalling a tax bill that is aggressive, that is transformative, that is needed for the state of Nebraska. I don't want to leave here losing all of it. Folks, we can do this. We can make these changes, we can make the state of Nebraska a much better place. We can make it more competitive from a tax aspect. We can give breaks to senior citizens. We can actually do something, something on prison overcrowding, which we failed to do and every chart leads you into that. And that's as big a budgetary issue, folks, as, as the budgetary issues that we're talking about as it relates to tax reform, as relates to appropriations and provider rates and salaries. Didn't we demonstrate to you that 5 percent cap was important and over 20 years,

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it's a \$300 million number. And didn't I also explain that when you put in big fixed asset projects like a prison that those-- you have to look out 20 years, you have to project it out, you have to have a master plan, you have to have all of the data to get it and you have to cite it in the, in the correct places. We don't have all that information yet. But that's a \$270 million, \$300 million project, plus the cost of operations associated with that. We built 800 beds since I've been here and haven't moved the dial. That should demonstrate to you that we're not-- we have a failed system that we have to make some changes. LB920 is, you know, pretty straightforward to me. I guess I break everything down into really simple ways of looking at things. It's about making Nebraska safer. Not-- as you've read in the paper, not everybody that goes in front of the Parole Board passes. But this is only the certain class of prisoners that will have that advantage. To keep that trajectory down to close to zero as we possibly can, that's fiscal responsibility. It's just as fiscally responsible as what we're trying to do with the safeguards on the income tax. It's just as fiscally responsible of what we've been trying to do with the budget. I'm just kind of a pragmatic business person. I get that. But this makes no sense. We have four major things to do. Let's get with it. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Stinner. Debate is open-- now open on AM2584. Senator Briese, you're recognized.

**BRIESE:** Thank you, Mr. President. Good afternoon, colleagues. And I, I certainly appreciate Senator Stinner's comments there and, and I agree with Senator Stinner how important the ARPA bill is, how important LB1014 is. And I don't think too many people would disagree with me that the tax bill that we talk about, the tax package that we talk about is equally, if not more important. I spent the last week and a half listening to budget debate, ARPA debate, etcetera, and I didn't object to any of the provisions in there, except one. We talked about it on the floor a little bit and, and I was good with it and I voted green on the budget bills. I voted green on ARPA so far. And in doing so, I relied on the expertise of the Appropriations Committee to strike a balance among competing interests. And I voted with the appropriators to move these things along. But along came the tax bills last week and it was a compromise that also struck a balance among competing interests. But we had a bloc of senators unwilling to recognize the work of Chairwoman Linehan and myself and other members of the Revenue Committee, a bloc of senators willing to throw seniors under the bus, a bloc of senators willing to saddle Nebraska property taxpayers with a \$200 million property tax increase, a bloc of senators unwilling to pass on some additional property tax relief and

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a bloc of senators unconcerned about the-- our high marginal income tax rate and its curtailment of economic growth in our state. And so my attitude has changed because you see, to move this state forward, we have to work together. And Senator Stinner described four major items we have to get done to move this state forward and working together means recognizing the important work of the Appropriations Committee, but it also means recognizing the work of the Revenue Committee. It means recognizing the importance of tax relief to everyday Nebraskans, and it means recognizing the importance of preventing a \$200 million property tax increase on everyday Nebraskans. Last week, during the tax debate, we spoke several times of a compromise, a package deal on taxes. As part of the deal, income taxes are married to the LB1107 fox and the community college tax provision is married to both of them. And now it really looks like we have added components to this package deal. And to me, that would be the ARPA provisions, and it would be the budget. And as far as I'm concerned, ARPA and the budget are tied to tax relief, and I won't be voting to advance the ARPA bill or the budget bill until we have an agreement to move the tax package. And even though I have some serious reservations about many components of the budget and the ARPA bill, I think at this point I'm willing to compromise and help move them along if the tax package is advanced as well. Thank you, Mr. President.

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

**ALBRECHT:** Thank you, President. I too stand and echo the comments just made by Senator Briese. You know, when you have a bill of this magnitude, LB1014, the ARPA funds, and you have to come up with where you'd like that money to come from. And when you ask, they say, nope, not ours. Nope, we're not going to work with you there. Nope, that's not going to work. We're keeping our all. That disturbs me, that disturbs Nebraskans, that disturbs the whole process when one committee can do what they want to do, move whatever they want. We're going to get to it. I hope we're all in the queue this time instead of Senator Lathrop blocking everything for us. You know, I want to talk about on page 19 of the bill. This is a lot more than a water study. The language on page 20: quote, to be used for the design, construction, and implementation of additional water supply projects, which shall only be used for such purpose. Eligible project costs shall include, but not be limited to, the cost for a water treatment plant, land acquisition, acquiring permits, wellfield pumping, a transportation of water over 25 miles for the purpose of providing potable water. Whatever that means. How does that deal with COVID? What is it about putting \$20 million in these ARPA funds, what does

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that have to do with COVID? Tell me that. Let's move on to page 22. This is the \$60 million for the community colleges. I have a community college in my district. Line 16: for funding a capital project for offering a course or a program that meets the criteria established in the Federal American Rescue Plan Act of 2021. Then in line 20: quote, the grant funds shall not be used to offset student or institutional costs for (1) individuals currently enrolled in secondary school or (2) the individuals enrolled in a program with the primary purpose of earning general academic transfer credits applicable toward a four-year degree. This is too much money to be going to new projects and programs that will have to be sustained by either property taxes or additional state funds. We are going to get some answers to some questions today, folks, because Nebraskans deserve to know what's in this ARPA fund and how it's going to be distributed. Senator Erdman had once said, are these one-time, one-time funding or is this something to help many, many other areas for years to come. But to strap people that are here in Nebraska based on the funding that we're going to say yes to today, that I'm going to have some heartburn with. And to think it's not OK to find money for underprivileged children who are behind in reading and math and help them get ahead, there was no money to be found, and shame on you for even trying to touch anything to do with, with the, the nursing homes. We've given them a 17 percent hit, a raise for their folks to try to get them into their facilities and pay them more than they would pay a normal nurse. That's not going to happen because they really probably don't need it because we're going to give them another \$110 million on top of it.

**HUGHES:** One minute.

**ALBRECHT:** I can listen to the, the fullback, quarterback, whatever his name is, that wants to scream and holler about whatever I'm going to say today, but I'm done. I will not support something like this, any funding that's going to go on and on and on for years to come. This is about helping people through the COVID transition, not about helping them in other ways. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Albrecht. Senator Arch, you're recognized.

**ARCH:** Thank you, Mr. President. I want to talk for a second and, and I'll have questions for Senator Stinner here in just a second about Section 18 in the ARPA bill and I'm, I'm referencing ER155. Just as a point of reference, if you're, if you're looking at the language and it has to do with, with child welfare aid. As I understand this, this, there is, there is two years of child welfare aid in this particular Section 18, page 10, and it's, it's broken out between \$3 million for

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an increase in provider rates and then \$7 million for the child welfare case count increase. Now I know, I know that with COVID, we saw a significant decline in cases. The number of cases dropped precipitously. And I think that in my discussions with the department and those who were tracking this closely and, and other, other organizations outside, I think everybody looked at that and recognized that this is-- that this was something temporary, that those cases would come back. Well, they have come back. And so now in the meetings that I've been in, there is, there is reported a significant increase in, in those numbers once again. So as I, as I see the dollars here, the \$7 million that goes towards that case count increase, that I understand. And then, and then it's \$7 million and \$3 million, so it's actually, it's actually \$10 (million) total. But I guess my question remains then with, with regards to the increase in provider rates. And so the way we had handled some other provider rate increases, we had put those into our, our general budget recognizing that that is an ongoing obligation and we weren't using ARPA funds for that. And in those cases, we were identifying the ARPA funds for recruitment and retention of staff. And so this is handled a little bit differently. And maybe Senator Stinner and I can talk more about this off the mike, but I, I would ask, I would ask him a question if he was willing to yield.

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

**STINNER:** Yes, I will.

**ARCH:** So, Senator Stinner, you, you-- I mean, you and I had multiple conversations about this, the ARPA being used for recruitment and retention and then the General Funds, the base rates were, were being increased there. Can you-- is, is there something else-- am I, am I missing something? Can you-- or maybe we can do this later, but is there something there that there's a reason why we put provider rate increases into ARPA in this particular case? Now it's-- I think it's, like I say, I think it's \$3 million as I, as I, I read the number. But there must have been something in the discussions and maybe, maybe you weren't into that, into that level of detail. But we can, we can talk about this off the mike as well.

**STINNER:** Yes, I'm, I'm trying to do the calculations as I, as-- trying to compare what's happening into the budget. But the Governor, I think, included the 10 and 15 in, in the regular ARPA request, which we did do. And as you explained, the first year, it was \$7 million for case counts and \$3 million for provider rate increases. Then obviously that \$3 million slides over and becomes another \$3 million, which is

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\$6 million for provider rates. And of course, in the budget then we put in some permanent increases in provider rates.

**HUGHES:** One minute.

**STINNER:** These were expected to be temporary within ARPA and expire. So then we came back and actually put in base increases of 15 percent.

**ARCH:** In, in the general budget?

**STINNER:** In the general budget, yes.

**ARCH:** OK. And so these-- this \$3 million here, not the case increase, but the \$3 million here, that is expected to expire then at the end of that. So while it's not identified for recruitment and retention, it would expire as we've done in other areas of social services, that would expire as well.

**STINNER:** Yes, the ARPA bill is time-definite money where the budget would be ongoing as a base increase.

**ARCH:** OK. Thank you, Senator Stinner. Thank you, Mr. President.

**HUGHES:** Thank you, Senators Arch and Stinner. Senator Linehan, you're recognized.

**LINEHAN:** Thank you, Mr. President. I'm actually up to talk about the amendment, AM2584. So as I understand it, I think when I read the bill this weekend, the language was the \$60 million and no school-- no community college would get more than \$15 million for-- it's in the same area that Senator Albrecht was talking about. So I want to talk to that and then maybe somebody can respond when they're on the mike next. I don't-- when I saw the \$15 million, I thought, well, that's good because and I know this is a little sticking up for Omaha because Metro Community College is significantly larger with more students than the other schools. So I have and anybody can come look at it or I can hand it out. So I've got the federal funds that have gone to the community colleges here. There was several different buckets, but the first bucket, for instance, Metro Community College got a little over \$6 million, while Mid-Plains got \$774,000, or almost \$775,000, so that the delta there is over \$5 million. So I'm wondering, is there anything in this bill that kind of takes into account how many students you have? And nothing against any of our community colleges, I'm sure they're all great, but they are very, very different in size. So if I'm looking, the pot is \$60 million and everybody gets 10, it seems to me like that might not be quite fair to Metro or Southeast



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Community College, so that's one question. And then I too want to know-- we talked all summer about ARPA money, and we talked about the fact that it needed to be one-time spend so it didn't increase our base going forward. And I was under the impression that was one-time spend for everybody, not just us, but for anybody we'd be giving money to. So I don't understand, as Senator Albrecht said on page 22 for funding for a capital project. So that means to me, we're building things. And if we're building things, that means you've got to have employees that are in the building, you've got to take care of the building, you gotta heat the building. I don't know, is there some limit on this, on building things because I've flipped through yesterday, several of community colleges and what they've been doing in the last year, and several of them are already building things, quite a few things with the ARPA money they already have. And I don't know, this kind of gets down in the weed on how community colleges are funded, but I see this from both Education Committee, which I sat on, and also from the Revenue Committee. So their levy limit, community colleges is 11 cents, but automatically in that 11 cents, they have 2 cents for a building fund, so they already have a building fund that they get. And from what I could, and if we stay on this too long before now and Select, from what I could pick up from clips I read and the budget reports that they had on their websites, we have a-- I think Southeast is building a \$24 million new building here on the Lincoln campus. I think they just finished a brand new health science building. I will get other examples, but there's a lot of building going on already. And then the other question I had is on the dual credit, as also Senator Albrecht mentioned, I don't quite-- \$15 million a year for dual credit, if I-- I looked Metro Community College, if it's dual credits, so it's a high school student taking college courses, the tuition is \$33 an hour, so \$15 million would provide 50,000 credit hours per year. I think we have about 25,000 seniors a year. Maybe not that many, 24,000. It seems like a lot of money. So are we-- is this dual enrollment--

**HUGHES:** One minute.

**LINEHAN:** --\$15 million per year? Excuse me, it's \$5 million per year. Is that for, is that for the child-- help pay for the classes? Because the other thing, and then see how this day goes. But we have a situation with dual enrollment and this, on Education Committee, I have written letters about this, asked community colleges, some kids pay-- or parents pay, some schools pay, and some schools pay half and the parents pay half. So I think we really should kind of dig down here and make sure it's fair for all Nebraskans. Thank you.

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

**FRIESEN:** Thank you, Mr. President. Well, I'll probably just start off where I left off the last time we talked about this bill and I think I was a red vote. And I go back to when I first came here, we did have a lot of money in our cash reserve. We spent a lot of money. I think our General Fund was-- spending was around that 5, 5.5 percent. And a short time later, we were out of money. And I remember all the senators when we were making cuts, we talked about how we're conservative senators. We don't like spending money, we're a high-tax state, we spend too much. And the first thing happens when you dangle a little money in front of us, we spend it. And I look at this and I think if this body would appropriate half of these dollars and leave the other half for next year, that would be quite enough. Let's pick the best of the best programs. Let's move them forward. But it seems like we're just pushing ahead and making sure that we appropriate every last penny and get it all spent. We're going to have a General Fund budget increase of what, 5.7 percent, I believe, highest one probably since I've been here. That doesn't make us fiscally conservative anymore. And I know there's all kinds of trade-offs between our General Fund and this ARPA money on who gets what. And I'm pretty happy to report I don't think my district gets really any of it because I don't have an ARPA bill and I don't have an A bill other than trying to fix the digger's hotline. So as we go through here, I, I find it hard to support certain things, especially. I talked numerously about how Offutt Air Force Base would be one of those. To me, the Lincoln Water System, \$20 million, we've got communities out in rural Nebraska that have had to fix their water systems. They've had to drill new wells. They, they go out in the country and they had to find their own water source. They worked with the NRD. They, they managed to get it done. I don't know if there's any USDA funds available out there. There's a revolving loan account, I think, for water issues. But for me to say that I need to spend \$20 million to help Lincoln find a new wellfield that doesn't seem to fit what rural Nebraska has to do when they have to find a new wellfield. And we can go through this long list of where we spend this money. And again, I'll go back to the fact that this year we're spending a billion dollars here and almost a half a billion dollars probably in our General Fund budget that if we were truly fiscally conservative, we would probably cut this all in half. And the next year, the new Governor and the new Legislature can make some wise choices again and fund those things that we feel-- they feel at the time deserves funding. Senator Wishart did have a nice bill in there, \$4 million for

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reverse osmosis systems. And I think for some rural communities, that might possibly be the answer if, if the EPA or whoever regulates probably the HHS who regulates our water systems, because right now I don't think that a, a small community will be exempt from having to treat their water if they have a public water system.

**HUGHES:** One minute.

**FRIESEN:** And so the reverse osmosis system still won't keep them from having to put in a treatment plant, for instance. And I think until we can find a way to change some rules, there are numerous small communities, villages out there who could greatly benefit from something like that. If they were able to put in a reverse osmosis system versus a water treatment facility, it would save us hundreds of thousands of dollars and, and provide good drinking water. So I think there's some options out there, and I'll continue talking about some of them as we move forward. Thank you, Mr. President.

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

**M. HANSEN:** Thank you, Mr. President and good afternoon, colleagues. Colleagues, I'm to talk a little bit about the bigger picture, as we've already been said. So already we've had one senator talk about how this bill is now tied with the tax package and this and the budget have to go along with the tax package in their mind. Colleagues, I'd like to remind everybody that if you look at the votes, I haven't been supporting the budget and I've also been one of the lead opponents of the corporate tax giveaways in the tax package. So if there's any thought or desire that is going to influence me, that's, that's misplaced. You can decide what you want your strategy to be going forward doing that. But I voted cloture for one of the bills, but I have not voted for any of the underlying bills. So in any sense that that is pressure on me to try and stop advocating for my community and my perspective and my constituents on taxes, I'm going to say that's misplaced and that's going to be kind of unfortunate and maybe, maybe successful. Maybe not. But I just wanted everybody to know going into that kind of full cards on the, full cards on the table or whatever metaphor I'm trying to go for there. I do not particularly like these budgets. I have not been voting for them. And if you think you can use them as leverage points to drop some of the opposition on taxes, you're mistaken at least as it comes to me. Going forward talking about taxes, we've already had the tax bill that was defeated on Friday described as a compromise. Colleagues, when you take supporters of the bill and add more things into the bill and do not talk to

opponents of the bill, it's not a compromise. You've just changed the bill. The key outspoken opponents to the corporate tax cut have been myself and a couple of other senators who have maintained their opposition all the way through. To any extent that there's been negotiations or compromise, it hasn't included us. If you don't need our votes-- I always say if you don't need our votes, you don't need me to vote for it, I understand why you don't come towards me and I understand why you don't negotiate with me. But it's increasingly looking like more and more like you might, and I would encourage you to moving forward kind of keep that in mind when you get up and declare something is a compromise and you've ignored a wide swath of senators who have been continually opposed to something, it might not actually be a compromise because you actually haven't negotiated with people who've had the opposition. Again, if you don't need my vote, if you can get to 33 some other way, I understand. I don't expect to be quartered on every issue and every policy. So colleagues, that's kind of the lay of the land where we're at. And if we want to start tying more things and holding more things hostage and going back and forth, we have the leverage to that and we can go down that path. And that's not necessarily something that I want to do or something that I have a desire to do. I'm going to share something now because a couple of people have asked and I've told people who've asked, so yesterday, or sorry, excuse me, on Friday, after kind of the surprise 11th hour amendment of the Social Security tax, I went ahead and filed an amendment to every Revenue Committee bill that had been prioritized and was still on some round of debate. And it's not my goal to filibuster all of those things. It was my goal to prevent a large last second tax package to be thrown on like it was on Friday. I, by all means, would love to have a up-and-down debate on some sort of tax package and to get to it. But when you say vote for this or we're going to kill Social Security in front of you. To me, that's not a debate. That's a hostage situation. And as you've seen, a lot of us did not respond to that well. We did not view that as a sincere debate or sincere attempt, and we're willing to stand up to that. I'm going to continue to stand up and resist on that and I'm going to use whatever motions under the rules that I have to. Again, it's not to derail or take time or waste time on other bills. But if the motion is to kind of keep playing this Whac-A-Mole of which bill is going to be the tax bill, which bill is going to be the real debate, we can play that game and I'll try and fight you on each step.

**HUGHES:** One minute.

**M. HANSEN:** If you've got a coalition of 33 who can move a bill forward and you want to announce it and put it on the schedule and all that,

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let's have the debate. But if we're going to keep tying other bills in, if we're going to hold the budget hostage like we held Social Security hostage, I'm just warning you the wheels are starting to come off this session. You know, if somebody wants to throw up adjourn sine die motion this afternoon, I might very well vote for it. Thank you, Mr. President.

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

**WILLIAMS:** Thank you, Mr. President. Good afternoon, colleagues. I wanted to just talk a little bit in general about where we are on a number of things here in the session, and I certainly appreciated the comments that Senator Briese and Senator Stinner made early in this discussion this afternoon, and I, and I echo many of those same concerns. We have a very unique opportunity that has been presented to us. And for those of us that have been here through times when we had a little money, times when we had to cut the budget significantly, and now an opportunity to do some things that are transformative for our state, I think it's, it's our obligation and our responsibility to hold to that and make that happen for the citizens of our state. And as Senator Matt Hansen said, I, I don't like the idea of holding things hostage, one thing for another. But at times, that's the way we do things in here and there are some big things that we have the opportunity to, to accomplish. We've talked a lot about the budget. I appreciate the work that the Appropriations Committee has, has done on the budget. They're spending each day in those hearings and looking at that while the rest of us are, are doing the other work of the body, which we do. At the end of the day, the mainline budget bill came out of Appropriations on a 7-2 vote. I think that's a strong vote showing us the work that they did. In addition now, we have in front of us today, LB1014, the, the ARPA budget, which by the way, came out of the Appropriations Committee with a 9-0 vote. And again, I appreciate, as we have heard many times through this discussion, the, the process that the Appropriations Committee used in weighing out three or four times more requests for dollars than we had dollars to, to put out. I appreciate that and recognize that that tells me while I was doing other things and the rest of us who were doing other things, they were doing their work that, that I think we, we need to support. Tied with that, of course, is the discussion now with the tax situation, which became last Friday, LB825, a different number than we looked at before. But it does encompass not only the tax proposal on the income tax side, the real estate side, but also the Social Security side. And I would argue those are all things that are within our reach of being able to do this session and take, take a step forward that we have not

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been able to take during the past number of years that we've been here and, and do something pretty substantial. What I recognize when I think about all of these things is that we spend a lot of time talking about our differences and very little time talking about the things that we agree on. And there are a substantial number of things that we agree on, and I believe if we can continue to focus on those, we can build on other things. But in that discussion of the budget and ARPA and the taxes, we can't forget the other significant ingredient that we can make a difference on. And that's LB920 and sentencing reform. My first two years in the body, I had the opportunity to serve on the Judiciary Committee. And for those of us that were here at that point in time, it was much the same discussion that we are having now--

**HUGHES:** One minute.

**WILLIAMS:** --except we were focused on LB605, which we did get across the finish line. For those of us that were, were here, we had great hope and expectations that that was going to change the direction of the incarceration rates in our state. Doing some things with, with probation, doing some things with problem-solving courts expansions, doing a number of things. The problem was we didn't bite off the whole apple at that time. We didn't take all of the considerations that were laid on the table. We took most of them, but we left a few off. And at the end of the day, what we had hoped would be the results of LB605 didn't materialize. And that reminds me again of a lot of the debate we had over the last week when we were talking about--

**HUGHES:** Time, Senator.

**WILLIAMS:** Did you say time?

**HUGHES:** Time, Senator. Yes, time, Senator.

**WILLIAMS:** Thank you.

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

**ALBRECHT:** Thank you, President. I'd like to talk a little bit more about the bill. I'm going to go into, I believe it was line-- OK, the workforce housing, we have four different areas to the tune of \$91 million. OK, I understand that we're talking about affordable housing, rural area housing, NIFA, and the water situation in Lincoln. So again, I don't know if we've even spent the dollars that we have allocated over the last couple of years in workforce housing. Would Senator Williams yield to a question?

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

**WILLIAMS:** Absolutely.

**ALBRECHT:** Thank you, Senator Williams. The last six years, we have always funded rural workforce housing. Have we used up all of those funds up and to this point?

**WILLIAMS:** Yes, we have. We funded two rounds. In 2017, we passed \$7 million, came in out of the Affordable Housing Trust Fund.

**ALBRECHT:** And do you know how many homes were built in the last six years with the workforce housing?

**WILLIAMS:** It must be approaching 1,000 now across the state. The first amount, the \$7 million built over 800 homes across our state, and they're still being built because of the--

**ALBRECHT:** Thank you. Thank you

**WILLIAMS:** --revolving nature.

**ALBRECHT:** So let me ask you, how many homes do you think will be built in the next three years using these funds? And would this be an appropriate appropriation for dealing with the COVID Relief Act?

**WILLIAMS:** The funding for the rural workforce housing as it is in the budget right now, there is a portion that comes from ARPA that was clearly designed to be a result of the COVID portion because of the workforce shortage, the supply chain changes, and the lack of contractors. The other portion of the funding comes from the cash reserve, which doesn't have those same restrictions.

**ALBRECHT:** OK, so you're blending those two?

**WILLIAMS:** Yes.

**ALBRECHT:** OK. Is it true that somewhere in all of this paperwork that we're trying to absorb, are we, are we building homes for over \$300,000 or more in these funds, the \$91 million?

**WILLIAMS:** The workforce housing or middle-income housing bill, LB7-- excuse me, LB518 that we did in '17, and then the bill that we did in 2020, \$275,000 was the cap to start with, that moved to \$285,000, and the bill that you will hear later on this, moves that cap to \$325,000.

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**ALBRECHT:** Thank you. Again, we have many areas that I have some degree of, of heartburn with, and I just, I just feel like, yeah, we've got all this money and we just have to, to get after it, use it in any way, shape, or form. I know the supply and demand chains of a lot of things: building a house, purchasing a car, getting parts just to, to be able to take care of everyday business, it's not as easy to get today. So we're going to allocate all these funds and to some of them, they're going to build some, some new buildings, they're going to, to be getting after this in ways that it's interesting to think that we have enough employees to do all this work, that we have enough supplies to get it all done.

**HUGHES:** One minute.

**ALBRECHT:** You know, we're going to be, we're going to be allocating in ways that we have never done before and to think that, that some of the-- I'm, I'm really kind of hung up on this-- these funds that we're going to give to the colleges because I know their first round of moneys that came to them, they couldn't, they couldn't find a way to spend it. So it was use it or send it back. How much of these dollars are we going to have to send back when maybe we could have used it in other places? So we've got some work to do, folks, before we just give an up-or-down vote on this particular package. Thank you.

**HUGHES:** Thank you, Senator Albrecht and Senator Williams. Colleagues, Senator Brewer would like to welcome 23 seniors from Burwell High School. They are seated in the north balcony, if they would please rise to be welcomed by your Nebraska Legislature. Also, Senator McDonnell would like to welcome 26 elementary students from Karen Western Elementary in Omaha. They are also seated in the north balcony, if they would rise to be recognized by our Nebraska Legislature. Thank you all for coming. Returning to debate. Senator Arch, you're recognized.

**ARCH:** Thank you, Mr. President. When we were going through the ARPA on the first round, I, I expressed a concern, I'm going to do it again. And that is, and we, we all have this concern, I'm not, I'm not unique in this, but that is that we just have to be really careful that we don't build certain things into this budget that then have a life after ARPA funds are gone. And, and so there's a lot of dollars and there's a lot of language in these bills, and we just have to make sure that it's clear so that the expectations are clear as well as these dollars are distributed. And one of the, one of the pieces that I've expressed concern about is, is specific. And I, I-- when I was on the first time we were talking about premium pay and, and that is that



the dollars that we provide through ARPA accomplishes what we believe needs to happen. And that is that there needs to be retention, recruitment, rebuild our workforces, get them back into nursing homes, developmental disabilities, child welfare, behavioral health, all the pieces of the social services. That's, that's our intention. So the language that we write into these bills are important. Language is important. And, and in particular, I want to, I want to reference again, I'm back to the ER155 on LB1014, page 16. Now here, here we're talking about specific to nurse-- skilled nursing facilities, but we have, we have language in other parts of this bill as well for other services in social services. But line 8 on that page says, "It is the intent of the Legislature that the money paid to the licensed and medicaid-certified nursing facilities pursuant to this section be expended by such facilities for the purpose of enhancing employee recruitment and retention of direct care staff." And so it, it states intent language. Now my understanding is we could change that to "shall." They-- it "shall" be used rather than simply intent language. But this is not statute. This is an Appropriations bill. And so I, I just, I, I just want to, and people say put it in the record, I want to, I want to put it in the record that what, what we're doing here is, is we are-- we want these dollars to go to recruitment and retention of staff. That's our intention. It's a strong intention. That is our intention. And so whether that language specifically states that, whether, whether it, whether it doesn't specifically, I mean, we've-- we could massage this bill for the next year. But, but the intention is that it's premium pay, that it goes to the recruitment and retention of staff. Now how would we ever know, right? I mean, that's a whole different question, but how would we know if it was used for that purpose? And so there is, there is some oversight that we'll have to, we'll have to exercise in this so that later on we find out that it wasn't used for that, but maybe a building was built or, you know, whatever it might be. But we want these dollars to go for that purpose. And I, I wanted to state that so that if any goes-- anybody goes back to look at this, at the record here, that I think the Legislature is pretty clear that this is the intention. The intention is that these dollars will end at the end of the prescribed period and are not baked into the ongoing General Fund budget. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Arch. Senator Jacobson, you're recognized.

**JACOBSON:** Thank you, Mr. President. I'd like to really speak on a couple of issues here. First of all, I'd like to talk a little bit about the community college situation and having Mid-Plains Community College in my district and really in my backyard, I want you to know

that if you look at colleges in general and you look at the western part of the state and, again, I'm going to skip the geography, but North Platte is west central Nebraska. OK? So you're in west central Nebraska with the community college and then you've got Chadron State, you've got NCTA, which is a part of the University of the Institute of Agriculture and Natural Resources, down in Curtis. Then you're going back to Kearney for UNK and then you're moving on back east. I can tell you, if you look at the investment that we have in colleges in the eastern sliver of Nebraska, it's huge. Metro's huge because it's in Omaha. But guess where the students come from? When you look at the students in-- at the University of Nebraska, when you look at UNO, when you look at the Med Center, when you look at, when you look at Metro, you got students from across the state and they're going there because the facilities are there, the money's there. I can tell you that if I look in North Platte at Mid-Plains and I look at the fact that they do training-- they used to do some training for the railroad. They're doing nursing training. They will do training for Sustainable Beef once it gets built. They'll be doing training for rail park workers once it gets built, and they don't have the facilities and they don't have the funding, all of the funding that they would need to really provide that training. Again, it's if you build it, they will come. It's if you build it, we'll hold people in that part of the state. And we also found studies where we find that where you go to college is typically where you may stay for a job. We're trying to hold people in the western part of the state, and we can do that by continuing to invest in those facilities as well. So I would-- I urge you to continue to think about not divvying dollars based upon where the, where the necessarily the student population is, but where those facilities are at and continue to reinvest in those facilities because we'll get the students if we have the facilities there for them to be there. I also want to talk briefly on workforce housing. I would tell you in North Platte, if Sustainable Beef gets built, 875 jobs. We've got 20 homes on the market today. OK, North Platte, a town of 25,000, has 20 homes available in the market. We are in a crisis situation in terms of trying to build new homes. Now I know there's a lot of discussion about how are these homes are going to get built? Where they're going to have to get built is we're going to have to bring builders from out of state. They're going to come in and build large tracts of homes. They'll bring their-- they'll bring people with them. They'll bring-- they'll, they'll have access to larger materials. There are homes being built here in Lincoln and Omaha, and they're being built because you got large contractors who have access to the supplies and the materials. So the way you do it is, I think Senator Friesen has made this point a number of times and

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he's correct, there's only so many homes are going to be built. What we're going to influence is where they're going to be built, not only where they're going to be built in Nebraska, but where they're going to be built in the United States. If we can bring builders from Colorado, Kansas, other places and bring them to Nebraska to build homes here, those homes will get built here. But we're going to need to be able to make them affordable when we do that. Workforce housing is a huge deal. When you look at what's happened, the cost of housing, you know, we're at a point right now to where you got to be north of \$300,000 if you're going to build a house today. That's where the numbers have taken us. So being able to raise that number on workforce housing is incredibly important as well. I'd also tell you that where North Platte is using the workforce housing is we use a program called Shot in the Arm, where we're giving a grant from our funding. It's actually \$840 and we're using that \$12,000 per, per home. We've got 38 remaining slots in this last round and we don't have any takers right now--

**HUGHES:** One minute.

**JACOBSON:** --because of the cost to build these house-- this housing. So we are concerned about that in terms of how do we continue to make that happen? And so I would tell you that-- and I-- and the other thing I would mention is it relates to ARPA funding in general. Well this money all has to be expended by 2026. I'm very concerned about delaying ARPA funding because if we delay it, people, once it's been allocated, they've got to make their plans, they've got to allocate everything and start building. With the delays that are out there, every year that goes by is a big delay. So thank you, Mr. President. I'm about out of time so I'll yield back to you.

**HUGHES:** Thank you, Senator Jacobson. Senator Wishart, you're recognized.

**WISHART:** Thank you, Mr. President. Colleagues, I rise in support of LB1014 and AM2534 [SIC--AM2584]. I do want to echo the words of Chairman Stinner. You know, this weekend I had the opportunity to talk with a lot of colleagues who are working on negotiating different priorities. And you know, I recognize what happened on Friday was incredibly stressful for those who care deeply about a revenue package coming through, a transformative revenue package coming through in terms of income, property, and Social Security taxes. I, I understand-- I can understand the frustration in, in what occurred on Friday, and then I recognize the drive of those who have been working on LB920 for years, some of them for years. Some of them, like Senator

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McKinney, who live and breathe Corrections reform in terms of the constituency that he represents. I understand the drive for them to want to see something come across the finish line. And then we look at the budget and we look at the opportunities to fund some major renovations at Offutt, the opportunities to work on major water projects, as well as funding some of the most vulnerable community members, and, and the need to get that across. And then, of course, we have the ARPA package today where when I look at it and what I see is an incredibly diverse portfolio of funding that represents many different people across the state and their needs, whether it be Grand Island sewer, whether it be an incredible meatpacking opportunity in, in North Platte, whether it be precious water resources for our Capital city. I see a lot of opportunities in ARPA for people to walk back to their districts with the confidence of having really done something this year. And so in all those conversations that I'm having over the weekend, the one thing that I pushed for everybody to understand is there is an opportunity for us all to walk away with success. And it just means that everyone needs to set aside the personal differences that you may have at this time in this session, when you feel like you've exhausted all of your relationships and desire to be around one, one another. We need to set those aside, step back, listen to others who have something they care deeply about and find a path forward. And we can all walk away this session having done something very significant for our own districts and for the state of Nebraska. We, we have that opportunity to do this. The way I see it is all of this is very connected and it goes back to what Chairman Stinner brought up early today. We have an opportunity with the amount of money and the fiscal stability we are in today to do major transformative tax cuts. And it's not just Social Security and income and property, it's also inheritance tax. And we just recently did a significant step forward with Chairwoman Linehan's leadership on military taxes--

**WILLIAMS:** One minute.

**WISHART:** --as well. We have that opportunity, but we also have to think about what are the upfront costs to our state that are staring us down in the face every single day. And as an Appropriations Committee member who has spent every single year funding more and more prison beds every single year to the tune of 800 beds, I would like to see us make a significant step forward in Corrections reform to reduce those costs, to afford us the ability to do significant revenue costs. These are all items that are attached to each other, colleagues, which is why instead of battling each other, we should be sitting in rooms,

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as I think is occurring right now as we speak, and negotiating a path forward. Thank you.

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

**LINEHAN:** Thank you, Mr. President. There's a little revisionist history going on here, and it-- I know that happens years later, but we're talking about days later. We did bring the income tax package to the floor and we couldn't get to the amendment. And somehow that wasn't a horrible thing or a big shock or a secret. And we worked on it and we had to pull it because a handful of senators wouldn't let us get to our amendment. So what we did Friday was the only way we could figure out how to get to the amendment. We could have done it the regular way. There were people here who would not let us. Now as far as the big package and the tax cuts, which the Revenue Committee has worked very hard on and the Appropriations Committee has worked extremely hard on their packages. I don't know if it was, like, the first day I was here this session, maybe it was the second or third day, I sat in a room with other leadership and we said, here's what we're going to do. And then we've been back and forth and I spent my time working out a tax package with ag and the chambers and Senator Lindstrom and Senator Briese and Senator Friesen, Senator Flood, Bostar, Albrecht, our whole committee. And we've, we've got several packages that still are, like, getting left behind here, including my priority. I'm not standing up and saying, oh, we're not going home unless my bill is in the package. This whole idea of LB920 wasn't even brought to my attention until maybe, what, seven days ago? So you had a group, there's 9 people on Appropriations, 7 [SIC] people on Revenue, 15 [SIC] people have been working for 50 days, almost, 49 days. And to be honest, we all know this, we were working long before we got here on it and we were chugging along. And Senator Briese and I sat here with other members of the Revenue Committee and other conservative members and said, oh, I don't like this spending, but, OK, it's fine, go, go. Fifteen percent, actually, 17 percent provider rates, really? OK, fine, go. And we get the ARPA bill and we're going to give another 15 percent for premium pay. OK, go, go. We didn't get up and scream. Because we had a deal and we knew what the deal was because Senator Stinner worked with us every step of the way, as he has said. And he gave us a box to fit a tax package in and we fit the tax package in the box. And then somehow five days ago, well, I'm a senator and I didn't get my way. Really? This LB920 was never part of the discussions from early on. We could have, I don't know, let me-- Megan Hunt could be standing up saying if I don't get my whatever bill, I'm going to go home mad. I could stand up and say, if I don't

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get my scholarship tax credit, I'm going to go home mad. Well, I am actually going to go home mad, but I won't blow up the whole thing over it. I mean, really, one senator gets to blow up 15 [SIC] people's work for the whole time we've got here. One senator gets to blow it up. I don't think that's quite fair to the people that have been working on it. Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator Linehan. Senator Flood, you're recognized.

**FLOOD:** Thank you, Mr. President. Members, good afternoon. I would like the tax bill to pass this session. I would like this bill to pass this session. I'm going to vote for cloture on LB1014. I am a member of the Revenue Committee and I am expecting, and that's maybe the wrong word, wanting the tax cut package to pass. And I hate the idea of this bill dying on Select File because we can't figure out a way to get the tax cut package passed. I understand the frustration. I understand the angst. I was with my colleagues on the Revenue Committee last Friday when that bill failed on a Select File amendment. And I have this part of me that thinks we're going to get that done. But I also have this fear that if this bill dies on Select File, in my experience, it doesn't matter if it's a Speaker's major proposal or not. The only thing a Speaker's major proposal allows you to do is to order the amendments. The time honored tradition in this Legislature is that when a bill dies on cloture, it's done. And so I, I guess I defer to the Speaker, and I know that's been different. I know Senator-- Speaker Jim Scheer had a situation where the budget died at one stage and he revived it and resuscitated it the next day, which I can understand that because you have a constitutional obligation to pass a state budget, and it would be irresponsible not to do that. But from where I sit, I hope the negotiations are successful because this bill advancing to Final Reading still gives opponents a chance to vote against it on the next round. There are a lot of people in this state that have invested a lot of time, not just all of us, in the compromise that's in front of us. And some of the things that I'm excited about as it relates to the work that the Appropriations Committee and all the members have done here are some of the efforts to try and find common ground to work with some of the housing money. I just talked to representatives outside in the Rotunda that were talking about how four major prominent bankers in the Lincoln community are working with all these nonprofits to put together an affordable housing strategy that will use these dollars and provide workforce housing in our state's second largest city. I think that's fantastic. I'm pleased about everything that's happening with STAR WARS, and it interplays and intertwines with what's happening in this

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bill as it relates to the ARPA funding. One of the keys in that, for me, is the idea of doing something really big and successful between Omaha and Lincoln, which has us working with the city of Lincoln as it relates to water sourcing. And there's an opportunity in this bill to continue a lot of that. Like, I would appeal to the people that are negotiating right now to find common ground. I don't think it's in our interest to vote this bill down on Select File. I don't think it's efficient or effective. If you feel strongly about not getting a tax cut package done, you can vote against it on Final Reading. I really feel that, you know, the, the work of a lot of people put into this and the message it sends, it ripples across the rest of the state to people that watch this process. They know we want tax cuts. I definitely want tax cuts. I would like to see the corporate income tax included in the tax cuts--

**WILLIAMS:** One minute.

**FLOOD:** --which I know is something that is objectionable to some in here. And I don't, I don't want to see it burdened with a bunch of legislative gymnastics around the tax cuts. I want what Senator Briese proposed on Friday. And I'm hopeful that the people that are talking right now are working toward a solution that allows this to go forward and gets the tax cuts done, and I would tie my vote to those two things. But I would wait until Final Reading before we do that in hopes that cooler heads will prevail and we can walk through this and find common ground. Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator Flood. Senator DeBoer, you're recognized.

**DeBOER:** Thank you, Mr. President. Colleagues, I'd like to ask a couple of just technical questions of Senator Stinner. Would you yield?

**WILLIAMS:** Senator Stinner, would you yield?

**STINNER:** Yes, I will.

**DeBOER:** Thank you, Senator Stinner. Let's get the timeline down. So if we-- when do we have to have these ARPA funds spent by?

**STINNER:** I think you have to have them spent-- well, you have to have them committed by 2024 and spent by 2026.

**DeBOER:** What does committed mean and what does-- what do we mean by spent? So committed means appropriated in our budget?

**STINNER:** Yes.

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**DeBOER:** OK. And spent means the dollars actually have to have gone out or can I have, say, a five-year contract with someone and I have made the contract, but I haven't spent it all?

**STINNER:** Let me put it this way, committed, yes, we have to appropriate the money in order to go to the various places they have to go to and they're all over-- overseen by agencies. So agencies then have to make sure that they have committed funds and then spent by a certain time.

**DeBOER:** So they have to be, actually, the, the money out of our coffers completely by '26. Is that right?

**STINNER:** Yes.

**DeBOER:** So if we don't appropriate the funds this year, what will the consequences be?

**STINNER:** Well, this is time-sensitive money, so it takes, it takes a while after appropriating the money for it to get sent to agencies, and many times they, they have to formulate. For an example, on shovel ready, they're going to have to formulate some kind of procedure and process, depending on how complex it is. If it's an aid program, generally it just goes straight out. So that would be-- that-- those funds would be readily available to go out. Certainly the overseeing of that by the agency, they may have some procedures and processes that they want to put in place. So there's timelines on each individual item here. And certainly the construction ones, as Senator Wayne had talked to, they become even more complex because construction has to be completed by a certain time. And there are certain reporting requirements, and so it's, it's a little more involved than a normal aid process.

**DeBOER:** OK, so we have to get these dollars out as soon as possible it sounds like. Were you on the Appropriations Committee scrambling to find good projects to fund?

**STINNER:** No, we had about \$4 billion worth of, worth of projects to look at.

**DeBOER:** And did you reject good projects?

**STINNER:** Did we reject good projects? All of them had certainly good projects, some of them didn't conform to the guidelines, so they were eliminated. But, yeah, all the projects seem to have some, some merit to them. Yes.



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**DeBOER:** So do you have any reason to believe that if we waited a year, we would find better uses for this money?

**STINNER:** I would never say that. No, I think we-- I think because of time sensitivity of it, the Governor has agreed that we would put these out in two, two tranches. One is the 520 that we have and then the funds that we may get, possibly even as far as June, would then be also appropriated and could go out.

**DeBOER:** And how long did you all solicit-- when did you first solicit projects for these funds?

**STINNER:** We actually had-- Senator Wishart had an LR and I think it was October. We met and had 55 different folks come in at the hearing and express an interest in ARPA funds.

**WILLIAMS:** One minute.

**DeBOER:** OK, so you've been working at this for a long time?

**STINNER:** Yes.

**DeBOER:** Thank you, Senator Stinner. Colleagues, I understand the concern that folks might have about spending a big chunk of money all at once. Nevertheless, I think what we have here are transformational opportunities to recover an economy that could have gone very badly if we didn't come in and try to revitalize parts of it. The committee has spent a significant amount of time and these dollars have a-- have an end date to them. They have an expiration date. I don't think we're just throwing money at projects. As you heard, we had about four times as many requests as we could actually fund. So I'm going to support this bill and I hope you will join me. Thank you.

**WILLIAMS:** Thank you, Senator DeBoer and Senator Stinner. Senator Kolterman, you're recognized.

**KOLTERMAN:** Thank you, Mr. President. I rise in support of LB1014 and AM2584. I'd like to talk a little bit about the concerns that people have about community colleges getting \$60 million. That \$60 million that we have in place came from the Governor. Actually, the Governor asked for \$90 million. That's his bill, \$90 million. When it got to Appropriations, we cut it to \$60 million. And as far as going equally to others, to each of the schools, that's, that's a request that the community colleges had worked out. All, all of those dollars are going to take care of things that they haven't been able to do. They're one-time spends. Things like equipment, sometimes in some instances,

there's going to be some buildings built, but it's things that they haven't been able to do under their 2 cents for capital construction. I'd like to remind the body that these, these institutions train workers for many of the H3 occupations in the state, high-demand, high-skill and high-wage jobs. We have registered and licensed practical nurses, dental assistants, radiology technologists, heavy and tractor-trailer truck drivers. The list could go on and on. This is, this-- if you hear nothing else for me today, which you probably can, can hardly hear me, 86 percent of these graduates, 86 percent of these graduates stay in the state of Nebraska in the districts where they're getting educated. So for us to not fund this under ARPA would be a big mistake. Community colleges play a key role in this state. They roll-- enroll a large number of students. And for every dollar that we spend, we get a \$2.20 return on investment. With that, I'll yield my time to the Chair. Thank you.

**WILLIAMS:** Thank you, Senator Kolterman. Senator Friesen, you're recognized.

**FRIESEN:** Thank you, Mr. President. So I think we-- we're getting a pretty good discussion going here, I hope it isn't looked at when I'm talking about the bill, I'm looking at it from a little different perspective than anybody else. But I look at a little bit what we're doing at the federal level and what we're doing with those dollars. And at the federal level, of course, we borrowed every last one of these dollars, but we are the cause of the inflation. With the federal government pouring this much money out and spending and the state's pouring money out and spending, we are driving up the cost of everything. We are-- we keep talking about housing and everything else, workforce development, community colleges, and, and I love community colleges. I'm a graduate of community colleges. I think more kids should go to community colleges instead of the university. There's a lot of trades out there that need people. But when we're trying as a Legislature to pick the winners and losers, we seem to always screw it up. It seems as though businesses should be talking more to the community colleges, and I like what Metro has done, and they seem to react really quickly to what businesses want. They have been what I would call the model community colleges that I would like to see. They are quick response to business. They react readily. They're willing to create any program that businesses come up and ask them to create. And I think they do a good job of getting the students in there and out of there with an education ready to go to the workforce. But right now, we just are short of people. And all of these programs that we're doing is not going to create any more people. Companies right now are scrambling to hire workers, and

they're pulling out all the stops. They don't need incentive to do this. They have enough incentive. They don't have workers. And so they're stealing them from other businesses. They're doing whatever it takes. And in a way, now we're trying to enter into that fray and help them choose winners and losers by incentivizing some of the workforce training. Companies are pretty smart. They'll figure it out themselves. But we're putting a tremendous amount of resources into the community colleges. I, I don't know that, you know, if they've been lax in their maintenance and everything, us shoveling money in there for a one-time fix doesn't fix their ongoing long-term problem, if that's the case. I'm sure everyone, you know, would love to have new buildings and, and new programs and stuff. But if businesses aren't asking for it then I don't know if there's a need to, to say that we should now inject funding into it. But again, I think some of the community colleges have done a great job and some not so much, but to say we're going to put more money into there and solve our workforce issues, it's not true. We don't have enough people. We've been short of people even pre-pandemic. And either-- there's a couple of choices here, either people are staying home of their own choice, they've quit looking for work. And so they're no longer a member of our workforce. It looks like from the numbers I see, our labor participation numbers are right up there pre-pandemic, probably a little higher.

**WILLIAMS:** One minute.

**FRIESEN:** So it tells me people are working. And unless we attract more people to come into the state, we are going to be short of workforce for businesses for the foreseeable future. And I'm not sure how any of the spending changes that. I, I look at the opportunities that businesses provide to, to, to people now that they're trying to attract. And they're, they're telling me they're willing to send them to school and pay them while they're going to school, they're willing to take interns and then let them take off and finish their school. They are-- most businesses are doing the right thing and they're doing it on their own. So when we talk about trying to solve some of the issues here, I'm not sure that some of this is going to solve the issues. Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator Friesen. Senator Matt Hansen, you're recognized.

**M. HANSEN:** Thank you, Mr. President. And good afternoon again, colleagues. I guess, colleagues, in terms of kind of the grand scope of things, I'm genuinely a little bit unsure on who's negotiating what

with who for what. I personally don't necessarily feel like I have been asked or have anybody at whatever literal or metaphorical table exist out there. I understand the votes are such that, again, if you don't need me to vote for something, you don't need me to vote for something. But again, I'm kind of concerned to hear that there's negotiations ongoing and that maybe that we even need to stall for time on this bill to figure out things that we could have figured out all session. A couple points to address. One, just to be clear, I guess I am going to support cloture in LB1014 and I will support cloture on the other budget bills as well. Despite not supporting the underlying bills, most likely. And the reason I'm doing that is to, I guess, just keep the session moving forward as a sign of good faith. To me, sometimes I'm able to vote against something without filibustering it, as surprising as that might be to some. And I want to be clear that for me, I'm not throwing up any roadblocks on the tax package because of an unrelated bill. I'm trying to stop components of the tax package because they're components of the tax package, because we are giving away so much revenue to the corporate, just corporate giveaway. And I understand there's plenty of people who want that, and that's good enough for me. But at the end of the day, one of us is going to win or lose. We are going to run out of time. Something's going to happen. But I'm not stalling on the tax package. I'm not doing anything on the tax package except for my opposition to the corporate giveaways in the tax package. I would love to see some other tweaks, including incorporating more people into the income tax cut because we talk about it being a middle-class income tax cut and ignore the huge portion of the middle class that doesn't qualify, but that's its own issue on its own day. The other thing is, and I wanted people to kind of highlight it because this piqued my interest is when we, you know, we talked about priorities were set at the beginning of the session. Senator Linehan talked about meeting with a group and picking out priorities at the beginning of session. I'm not sure what that group is, and I'm not sure what power that group had to decide the priorities for session. And maybe that group not being representative of all of the political views on this floor is an indication of some of the trouble we're getting into later on. I genuinely don't know what that was referenced, and I certainly had I had a vote at the table, what priorities do I have at session? I would not have necessarily picked the priorities that have been listed. For me, the-- again, there are plenty of things that we have. And I'm bringing up all these points because when we talk about process, you know, we talk about it was settled at the beginning of the year. We're going to trade the budget and ARPA for taxes. It's like I wasn't privy to that trade. You can't get upset at me for not being a part of a

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trade I didn't know existed until you announced it on the floor ten minutes ago. These are all the pieces that are, are getting pieced together around me, and I'm sitting here under the balcony listening to people give floor speech, talking about some negotiation I've never heard of happening or some deal or some meeting. And it's like, wow, I can only imagine what the public at home are trying to follow what this body is trying to do. You know, if I a sitting senator, can just basically have the best guess of looking at the agenda, looking at the amendments filed and trying to figure out where to go. And I am not begrudging anybody from having strategy sessions. I know we all do that. We all talk and all the sorts of things. But when it's announced, it's like a definitive like we decide at the beginning, I'm not sure who that is. I'm not sure who that's representative of, and I'm not sure what makes people think that that's going to sway my vote or change my vote. I have some serious concerns in some of these packages. And we'll keep advocating for that. Again, if you can get some votes around me, I understand that. But that's not-- I'm not stalling, I'm not trying to get time, I'm not trying to leverage one bill to another. I just want to make sure that when we have the tax bill, like, I give it--

**WILLIAMS:** One minute.

**M. HANSEN:** --my good college try to take out the provisions that I'm opposed to and change the provisions that I'm kind of neutral on for the better. That's what I'm trying to do. And now this is rolled into tax debate, was not necessarily what I wanted to talk about when I punched my light. I was going to talk about rental assistance, so maybe I'll talk-- punch in my light again. Thank you, Mr. President.

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

**VARGAS:** Thank you very much. I wanted to chime in, actually talk about housing a little bit. I appreciate part of the conversation that's happened and some good questions from Senator Albrecht and from Jacobson and Williams. You know, there's one really high level outcome that did come out of the committee, and I would say one of them was we had very compelling hearings about housing on several bills that were introduced. And I think it was very abundantly clear that, one, there was a need that happens both across urban and rural and everything in between. And, and not only was it necessary and needed, we had pretty broad support from the Chamber. We had realtors, we had bankers, we had, you know, the Lincoln and Omaha Chamber. The reason I bring that up-- and then developers and nonprofits alike, the reason I bring that

up is because one of the solutions we wanted to try to move forward on was working on a package. It's something that I worked on with the committee is trying to make sure there was some balance to some urban and rural and also making sure that it's things that we know work. You know, there's some things that you see in here for rural workforce housing, which is a very effective program that, that has existed for, for some time. The Planning Committee has done reports on the effectiveness and, and the need and the return on investment, so it's abundantly clear. And so if you ever have any questions about that, you know, Senator Williams, is, you know, is obviously an advocate for it. Since it was his, his bill, his baby, he got through the finish line and the urban one is very similar and is something that we worked on about two years ago that I hope is going to be something that we can invest into the north and south side recovery program. But I say that because it was, it was intentional, and the other parts of this was also the four nine percent lower income tax credit, gap financing portion, which was Senator McDonnell bringing a bill trying to make sure that we invest in projects that are not yet done or have gotten more expensive and making sure we have enough funds to then be able to bridge the financing for these affordable housing projects across, across the state. So I say that because that's another part that's part of this project, as well as just regular workforce housing and making sure we're meeting the needs of our community. So that's how this came about. We had amazing hearings. And I also want to thank the philanthropic community that has done so much to leverage our affordable housing program dollars from our Affordable Housing Trust Fund to obviously the work that NIFA has been doing to the work that our real estate, our realtors and bankers have been doing to better leverage, you know, affordable housing and first-time homeownership. And, and the work that's been done through our workforce housing programs. So I say that because I think it's good that we invest in things that we know work and this instance that aren't new programs, which is largely what this has been. And so I wanted to make sure that was clear because I know there are some questions about that. And you know, it is also in alignment with what the Governor had put forward about, I think, 60, 70 percent of these funds were for programs and, and suggestions that the Governor also supported. So I think there's some clear alignment. And so I wanted to make sure that was crystal clear. And the other side of workforce, you know, we talk about community college workforce. We talk about the workforce in terms of the dual credit programs. Listen, I just think this is an opportunity to make sure it's really clear that we want to make sure we're getting people into higher paid wage jobs and upskill them. This isn't a new thing, but what is new is whether or not economic recovery includes

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getting people back into the workforce. And I think it does. And that was a really great conversation we had in Appropriations Committee about bridging that gap. And so that is why we put the dollars in there because we have great partnerships with some of our community college institutions--

**WILLIAMS:** One minute.

**VARGAS:** --and our high schools that are trying to get people into these higher paid jobs quicker where they can do with a few years of college credit while they're in high school and then, and then be able to curb some costs here and get people into the workforce sooner, not later. So I wanted to make sure that was clear outside of all the other, I think, a balanced approach that we have here still. I want to support all those who supported us on cloture the first time around and asking you to support us in cloture again. Because again, many of us introduced bills that did not see the light of day in this, especially those of us on committee. What we tried to do was think about the greater state of Nebraska, obviously, and where shall we be investing the dollars that's going to grow and economically recover not only for north and south Omaha clearly, which is what we set aside funds for that, but also when we're talking about growing our state and the immediate needs for our workforce, for our economy, for jobs, for businesses small to large. And I just want to thank the committee for working on that and ask for your support on cloture on this. Thank you.

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

**SLAMA:** Thank you, Mr. President and good afternoon, colleagues. I, I appreciate the debate on LB1014. I am opposed to AM2584, respectfully. But I have learned a lot from debate today and this may be a situation where I end up changing my position from the first round to the second round just because I, I think we have had a really substantive debate on what's in ARPA, how it's going to be administrated. This is one of the biggest expenditures in Nebraska state history, and I understand that it's federal dollars, but we have a duty to our taxpayers to make sure that it's being spent in a responsible way. And I say that because I hear a lot from my constituents, all the time I hear from them. I knocked 13,000 doors during my election campaign. I've held dozens of town halls in literally every community big or small in my district, have had thousands of conversations with the people of District 1, so southeast Nebraska. And I've never, like, not once, ever heard anyone raise their hand in any of these conversations and

go, you know what, I think the government isn't spending enough of our money. Like, I would love to give you more money for the government to spend because you guys are just so great at it, you should spend more of it. I've never heard that, like, we are at zero point zero percent of my constituents have ever told that to me. But you know what I do hear an overwhelming majority of the time is that my taxes are too high. Why do I pay Social Security taxes when none of our surrounding states pay Social Security taxes? Why are my income taxes so high when I could just move across the border and pay less? Why do I bother running my farm here on the border of Nebraska, when I can just buy land across the river in Missouri or Iowa or Kansas and pay less? Right now, we're in a part of session where we're staring down the barrel of spending \$1.7 billion. That is ''b'' with a, with a billion and zero dollars of direct tax relief. And honestly, as we talk about investing in our state and these expenditures are investments and this is like a line that the federal government has used, and now it's like trickling down to the state level. I think the best investment our state can make is giving those excess dollars back to the people in tax relief and investing in projects that generate more tax relief down the road. And when it comes to LB1014, Senator Linehan and a few others have outlined some pretty valid concerns and concerns I, I share in terms of how LB1014 is going to be operated. I'd like to see firmer lids and hard caps on administrative-- administrative costs. I'd like to see more accountability and not see this money be spent with JPAs, which we're starting to see expand across the state and greatly increase the power of government in taxing authority in some of our areas in the state. So I'm, I'm still listening to debate on LB1014, but I do have some very serious concerns at this point that I, I hope can be addressed through amendments. I hope we can get through AM2584 and get to some cleanup amendments on LB1014 so we can get this in the best shape it can be in because we, at the very least, we owe that to our constituents and to our taxpayers. Thank you, Mr. President.

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

**ERDMAN:** Thank you, Mr. President. I was waiting for my turn wondering what might be the subject and Senator Vargas prompted my memory about workforce housing. We had his bill, LB1252, in front of Revenue Committee or Appropriations. Excuse me. And I believe that, that bill was \$20 million. We wound up agreeing to \$40 (million) and winds up getting \$50 (million), and we passed over that in the committee because we were going to use that as a, as a housing package at the end, and I've spoken about this on several occasions before. And so as we were wrapping up our afternoon on that Saturday, he presented the housing package, which was his bill, LB1252. And then also included in



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that was Senator McDonnell's LB1041. And that was they adjusted that back to \$21 million. We included Senator Dorn, his \$8 million, actually \$10 million, for refugee housing. And then we also included Senator Williams' LB1070, which was the workforce housing legislation. So when we did all that and we finished up, we had \$170 million or something in that range left and that would have been a great package to bring to the floor. But because of the housing package passed that took \$50 million-- \$150 million and left \$20 (million) and then Senator Wishart dropped in a bill that was an amendment from another committee of \$20 million for water source for Lincoln. And so I bring it to your attention that three of those bills that we had passed, Senator McDonnell's LB1041, Dorn's LB968, and Williams' LB1070, didn't have the necessary votes to make it for discussion in the Appropriations Committee, but they seem to make it to the floor. I have voted no on every workforce housing bill that has ever come before this body. I have never been able to figure out why the government should build houses, never have been able to figure that out. If the local contractor or investor finds it not to be economically feasible to build a house, why is it the obligation of the state to do that? Never understood that. So I voted no every time on every workforce housing bill. The other issue, and it was brought up earlier by Senator Albrecht, we have added, if this bill passes, we have added \$500 million, \$500 million at least to our budget on continuing appropriations. Say what you will about it being a one-time appropriations. It is not. And if just one-half of this one billion forty million becomes an ongoing appropriation, Senator Lowe, next time we do a budget, we will have to figure out how to get \$500 million more. I don't know how many times I have to say that. I must have said that, this must be at least about the tenth time I've said that. It's the truth. But we continue to go ahead and spend this money as if we have no repercussions later on and we will. And then when that happens, I'll make a little note to myself to remember to say I told you so. But that's exactly what's going to happen. Senator Friesen fairly described to you what's happening with workforce. We don't have the people, no matter how much money we give for training--

**WILLIAMS:** One minute.

**ERDMAN:** --and how much money we spend on what we think is going to improve workforce, people it's not going to work; we don't have the people. So this is where we're at. So that last \$170 million was peculiar to me. But that's the way things work around here. So when people have concerns about this bill, I can understand why because I was on the Appropriations Committee and I have questions about how that happened. Thank you.

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

**McCOLLISTER:** Thank you, Mr. President. Good afternoon, colleagues. I support LB1014 and AM2584. I also respect the process that we've undergone to get where we are now. The Judiciary Committee, the Revenue Committee, and the Appropriations Committee have done a great job. And I think all those committees represent the body as a whole, particularly, the Appropriations Committee and I, I respect the philosophy that the committee and Chairman Stinner have employed to order the, the priorities that they've come up with. What will the final outcome be, do you think? I think it's likely to be something like the LB1107 process that we saw a couple of years ago and it included a grand bargain, a grand bargain. What will that grand bargain include? It'll certainly include tax reductions. We definitely need the Social Security tax reduction. We need, we need to reduce those income tax rates. We don't compare favorably with other states. I know that to be true and we have additional work to get done on property tax reform. But I also think that it needs to include LB920. It's a problem that's been facing this Legislature for decades and a time has now come to a deal with that as well. We need to deal with sentence reform. We need to deal with jamming out. We need to deal with parole reform. My golly, you might have read the newspaper story in the World-Herald about how few times the parole committee has met full force. They can't seem to get enough members to attend a meeting to parole the people that need to be paroled. And those, my golly, those people make more than \$80,000 a year and they can't make a meeting once a month. There's something wrong here and that needs to be part of the bill that we, we deal with in LB920. So I hope the grand bargain will occur. It, it needs to occur. We need the tax relief. We need the property tax relief and we certainly need to deal with LB920. Thank you, Mr. President. Oh, sorry, the balance of time to Senator Dorn.

**WILLIAMS:** Senator Dorn, you are yielded 2:30.

**DORN:** Thank you. Thank you, Senator McCollister. Wasn't going to get up and talk on this bill, but as, as we go about the discussion, as we went about Friday's discussion, on the-- over the weekend, I'm sure many senators had the same thing I did. We had a lot of phone calls, a lot of visiting about what went on Friday and about what was going to be before us this week. It's just to me troubling, I guess, that we are where we're at. I keep asking myself, will this get worked out? Will we get some of these things across the finish line what I think are so critically important for this state in the next three to five

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years? And one of those being some kind of tax relief, but also the budget in ARPA. I think the ARPA funding, I mentioned it last week. I think the boost to our economy the next three to five years is going to be just like the CARES funding and that. People worry about, I call it the overall revenue, is that going to be there? There are so many things in the last two, three years from, I call it the federal government, yes, it is our money. It's whatever money you want to call it, but that have been infused into our economy. And when you look at the numbers as they come out, our strong revenue that we have had both income tax and sales tax, it shows how strong our economy is. It shows all of these things that are going really strong. Yes, will there be hiccups? There always is along the way.

**WILLIAMS:** One minute.

**DORN:** But in the bigger picture and the broader-term picture, and that's what I always like to look at or try to get a good handle on. In the longer-term picture, we are very, very solid financially. If you would have told us four years ago when we had \$300 million in the rainy day fund that we would be at a point where we have \$1.75 billion in the rainy day fund and that we would then sit here and argue about that money and this money. I think people would have laughed at all of us. Colleagues, we need to work this out. We need to get together and have something done. Thank you.

**WILLIAMS:** Thank you, Senator Dorn and Senator McCollister. Senator Briese, you're recognized.

**BRIESE:** Question.

**WILLIAMS:** I will rule that out of order. We have four members in the queue who have not spoken yet. Moving back to debate. Senator Machaela Cavanaugh, you're recognized.

**M. CAVANAUGH:** Thank you, Mr. President, and thank you for ruling out of order. I have not spoken on this and I think it is important for everybody to have an opportunity to speak at least once on such a major proposal. And so I appreciate that. I, I will echo some of the statements that Senator Matt Hansen has made today. There seems to be some grand compromise happening, but the people that keep saying that there's a grand compromise happening haven't really indicated what that is and who's involved so it's a little bit confusing. Those of you watching at home, I'm just as confused as you probably are because I don't know what people are trying to compromise on. I know that any attempts that I have made to compromise on things that I've opposed

this session have been unmet, not even rejected. Just there's not been a willingness to come to the table and talk about any of the concerns I have with some of the tax and revenue policies. So it's frustrating. I think it's-- I think everybody's getting frustrated with one another. I'm frustrated. I-- there's lots of things in the ARPA package that I don't agree with, but there's also things that are really important to do for people as it relates to COVID relief. And so while I'm not thrilled by the package, I understand the need to move it forward and the people of Nebraska deserve to have these dollars distributed to them. When we get federal dollars, just like any taxes that you want to give back to the people of Nebraska, these are taxpayer dollars. And if you aren't moving these forward to go back into the hands of Nebraskans, you're essentially doing exactly what you think people who don't support your tax cuts are doing. You are denying the people of Nebraska their right to their tax dollars, plain and simple. The only way we, as state senators, can reallocate federal taxed income tax dollars to the people of Nebraska is to authorize the states to use them for the people of Nebraska. There's been a lot of people standing up here and grandstanding on what a vote means. I'm not going to tell you, colleagues, what your vote means here. You can decide for yourself what your vote means. I'm voting for this because it provides much needed relief for developmental disability provider rates. It provides much needed relief for nursing home provider rates. Nursing homes across the state are closing their doors. I don't need any more data. I don't need any more proof. The people of Nebraska have spoken. They are hurting. The people in rural Nebraska are hurting because they don't have the workforce to take care of their nursing homes, and they can't afford to pay people. This isn't abstract. And this isn't about my constituents or your constituents. This is about the people of Nebraska are hurting. But if you want to punish me for not voting for your, whatever that was on Friday, monstrosity of a billion dollars without any thought to the future of the state of Nebraska--

**WILLIAMS:** One minute.

**M. CAVANAUGH:** --then that's your prerogative. But the people in Nebraska are hurting. And these tax dollars, just like the rental assistance tax dollars that the Governor is denying the people of Nebraska, just like the, the SNAP. It's all-- you just keep wanting tax cuts and you keep saying that that's what the people want. Yeah, if you ask the people, like, do you want me to cut your taxes? Sure, I want you to cut my taxes. But if you say, but that means that I can't give you rental assistance or childcare subsidies or access to food, food pantries, like you list off all the things you're giving up,

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they'd be like, well, well, I mean, thank you for the tax cut. But those things are important, too. Those things are important, too. Thank you, Mr. President.

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

**WAYNE:** Good after-- thank you, Mr. President. Good afternoon, colleagues. This is my first time speaking today. I've been actually trying to get caught up on a little bit of work. So I have an amendment that's not up yet. I, I rise in support of AM2584. My amendment will hopefully come up, but basically here's my fear of what's going to happen with the ARPA dollars. The Legislature is going to appropriate to committees or agencies I mean and commissions and those types of things, and they're going to spend the money without a thorough analysis of whether the projects actually qualify, whether the, the ideas behind what the Legislature is doing actually qualifies. And the reason that concerns me is because we'll have a new Governor next year. And whoever is Governor, if the agencies fail to do a thorough job of analyzing each project and analyzing each qualification, they're just going to turn around and say, well, the Legislature told us to do it and there's no accountability whatsoever. So I hopefully have an amendment that comes up to deal with that issue. But for the colleagues or for colleagues here in the room and people who are at home, what you see going on today is a direct result of term limits. See, big ideas in this body are hard to accomplish in eight, in eight years. Now I was fortunate enough before I got here being the president of a school board and actually making some legislative changes to the school board. I spent two years down here, one with the filibuster and one without on changing the size of Omaha Public Schools School Board so I met a lot of people. So when I came to the body my freshman year, I knew a lot of people. But if you're coming in as a brand new senator, it takes a year or two to build a relationship. But we had COVID the last two years, so there wasn't a whole lot of interaction outside of this body to where you could have a coffee, have a drink, have some pizza, have a salad, and have a conversation. So the people you know typically are in the same group of thought process because you kind of knew them for running from office. So when you have a big idea, it takes three or four years, you have to look no further than Inland Port Authority that I've introduced every year that finally got through last year that only applied to rural because that's where the greatest need was. But it was originally five years ago to go to Omaha, particularly north Omaha around the airport. But that big idea took a long time. So what you have is tax packages, criminal justice reform, all of those things

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that if you just took \$50 million a year, then over eight years you got a significant package. But you don't know if you can get it done. So when the iron is hot, when you have the funds, you try to jump on it and use every tactic you can because you're done. You don't have time to say, hey, next year, let's put a committee together and let's move the dial a little bit more this way. You don't have time to say, hey, let's do that. I mean, my first year, I found myself here every night, particularly with Senator Friesen and Hughes, having conversations. That's how I hopefully built that relationship, but if you don't have that time and you're confined by term limits and, oh, and by the way, if you have a family, you're going back home to work every day, then you can't build a relationship to build trust to have a big idea. That's one of the biggest problems is the relationship piece in this body. You just don't have the time. So you try to figure out how to get it done as fast as you can, as quick as you can to make sure you accomplish the goals that you came here for--

**ARCH:** One minute.

**WAYNE:** --and that takes legitimately six years. So you hope somewhere in the last two-- or one year at beginning at one year at the end or somewhere you got two years to play with, you don't get caught down in the topic that can drag out for two years because then you're out of time. So I hope the Executive Board, who has a, a bill to deal with three, three-term limits, or maybe we can do six-- two six-year terms. I hope that bill gets to the floor and we can have a conversation because I think it's important for the voters to understand what we're seeing is more partisanship. And the reason we're seeing that, I believe, is because we don't have time to build a relationship. And so you're looking at big ideas that take a long time to move across the aisle because we just can't build a trust that is needed in the first four years to get something done. Thank you, Mr. President.

**ARCH:** Thank you, Senator Wayne. Senator Matt Hansen, you're recognized. This is your third opportunity.

**M. HANSEN:** Thank you, Mr. President. Good afternoon, colleagues. So earlier when I was talking about I wasn't quite sure who negotiating with who with what. I took a couple of laps around the first floor of this building and found that about as informative as anything just to see the different people talking in different places and alongside some conversations under the balcony, I think I at least have an idea of what's going on. But again, that's something that I had to go take the initiative to seek out, to go do. And that's, I guess, on all of us. But when people get up on the microphone and act as matter of fact

or clear or this negotiating is happening or we're working on something, it's not always clear to the members of the body. And I still don't even necessarily know what the kind of broad terms of the agreement are going to be and whether it'll be something I support. Again, a lot of these issues are already pretty close, so a few votes one way or the other. You don't need to get unanimous. You just need to get filibuster proof or veto proof depending upon the issue. I did want to talk about-- just to clarify, I've been meaning to do this. This has come up ever since we passed rental assistance, LB1073 on Final Reading last week. I passed out a letter to everybody. I also kind of sent it to the media. A few sources have picked it up, but the LB1073, the emergency rental assistance being adopted without the E clause does mean that unless the Governor of his own volition kind of decides to apply today or tomorrow, we are going to miss the March 31 deadline. I want to be very clear the March 31 deadline was the last day we could guarantee a receipt of all of the funds, not of any funds. So future efforts to go and get the emergency rental assistance funds will still be important, even if they're not necessarily being issued this week. We've confirmed with the Department of Treasury that there is a minimum number of, I believe, just over \$50 million that Nebraska can get, including if we apply over the summer or if we apply through some other method. And I want to just really reaffirm this is not an, you know, a significantly burdensome application. There's not a lot of stuff we have to prove. As far as I can tell, I think it's literally, you know, a one-page letter and a bank routing information. It is not a, if that, it is not a burdensome process to apply, and these funds have the flexibility to both be used for emergency rental assistance, utility assistance, some of the other things that were initially even proposed to be components of LB1014. That is money that we, the state of Nebraska, are frankly just leaving on the table. Maybe we can get some of it in the future. I think our vote last week probably knocked some money off the top that we'll just never get back. And again, that's a policy decision we can make in the Legislature. I can stomach, I'm disappointed, but I can stomach and I'm not necessarily going to use that as leverage or collateral payback on another issue. But I do want to talk about when we talk about kind of a misuse of priorities and LB1014. We are spending money in the wrong situation. We're allocating it wrong. We're spending it too fast. All of these things. There's other pool of sources, resources out there that we could have used, even if we wanted to sit on it for a while and figure out how to use better in the future. We could have accepted. And so if individuals, especially individuals who didn't support that or aren't continuing to support that when we have a chance are upset about how ARPA is allocated, I just remind you that

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we had literally kind of a, a, a separate opportunity to fund some of the things that had been in the ARPA proposals in addition to rental assistance [INAUDIBLE]. That was there, that is still technically there should the Governor sign the bill and apply. It is still technically there. I think we have some other avenues as well. But again, when we're talking about priorities of the state, when I see something like that--

**ARCH:** One minute.

**M. HANSEN:** --thank you-- and, and I don't mean this in a way if there's going to be retribution or change or whatever. But some of these floor speeches to me do ring kind of hollow when I hear, see people who are opponents of that bill not willing to support that bill to kind of just reject the money outright and not even give us an opportunity to collect it, to reject that money outright. So then all of a sudden be upset about how different appropriations go, to me is just disappointing. I'll just leave it there. With that, thank you, Mr. President.

**ARCH:** Thank you, Senator. Senator Stinner, you're recognized.

**STINNER:** Thank you, Mr. President. Members of the Legislature, I just wanted to get up once more and try to distill out or at least tell you about a strategy that we incorporated that we looked at in the Appropriations Committee as it relates to provider rates. I think that's been discussed several times here. I want to give you a little bit of an insight into what we were looking at. Obviously, 24/7 facilities and some of the pay increases that were instituted at the state level to attract and retain did carry over into the session. And it was a fairly good size ask. As we looked at the various areas for providers, we chose nursing homes, DD, child welfare, and behavioral health, and all of them unique in their own, own regard. But let's just talk about the nursing home side of things. Nursing homes right now will be getting \$20 per Medicaid bed under the Governor's program. Actually, the math comes out to about where we're at today with that 15, 20 percent increase in nursing home rates. So we took a look at boosting the base pay, the base of nursing homes reimbursement by 15 percent. The other part of this is the premium pay, and we call it premium pay because I didn't want it to be base pay in the nursing homes. In other words, if you put it in-- if they start to use it as base pay, then everybody gets hooked and then they have this cliff effect at the end of the third year. So we were very careful and, actually, HHS came to us and said, you're using the wrong terminology. It needs to be this terminology and that's what we used. And it's



really for attracting and retaining, retaining bonuses and attracting the certified staff because there's two problems that have happened in nursing homes. One of them is certified staff, which we heard about, certainly in the Mullen situation. But we also have a reduction in census. The number of people that have coming in have slowed down, certainly during the COVID situation. Obviously, COVID impacted their numbers as well, so they have two, two primary problems. Census being low to try to build, they need to build the census up and obviously then they have to have staff in order to build that census up. So with this 15 percent plus the 15 percent in premium pay, we felt like that at least could get their frontline people up to a wage of that \$18 to \$20 an hour, similar to what we were doing with the state 24/7. It did work as you look at the Kearney hospital for the vets, it did work in that situation as pay rises did attract the staff that they need to fully employ it. So that gave me comfort that this was probably the right strategy for us. But now we have a little bit of a step down. My hopes are that base pay goes up by two percent and supplements that so that we don't have a cliff effect at the end of that. But it buys us time to step that base pay up to get to, to a level where certainly the nursing homes, especially in the rural areas, can survive. Under DD, there is a 35 percent vacancy rate with the DD. I know my providers are short on people, 100 percent turnover in staff over a two-year period of time. So their frontline people were making between \$12 and \$13 dollars an hour. So our, our, folks, we sat down and we looked at a 30 percent increase across the board, and that's on \$13. We get them to \$16.90, which make them competitive with the McDonald's and some of the other competing factors. So that's what we really concentrated on there is to try to get base pay at 15 percent, get them halfway there, and then obviously use provider rates or premium pay so that they could utilize that to attract and--

**ARCH:** One minute.

**STINNER:** --to retain the staff that they have to fill those holes. Child welfare, we kind of talked about, obviously, the Governor's folks use the, the provider rate language in the ARPA bill, but that was a mechanism to get those dollars out. If it falls, if we don't do something at the end of those two years, it would fall back to the original amount so that 15 percent pay increase also was there with obviously some of the ARPA money. Behavioral health was a little bit different animal because there was money there. The problem is switching between programs. So we gave a base increase of 15 percent on the rate side to pour some money out to them, but also tried to say, hey, you can't continue to hold within five or six program dollars in one program and no dollars in another, you should be

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switching those programs back and forth. That was the language that's actually in the bill in order that we have behavioral health staffing.

**ARCH:** Time, Senator.

**STINNER:** Thank you.

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

**J. CAVANAUGH:** Thank you, Mr. President. There we go. Thank you, Mr. President. I rise in support of AM2584 and LB1014, and I appreciate what Senator Stinner was just talking about in the process. And generally, like a lot of people, you know, I had my opinions about how this money should be spent and on specific projects, and I suggested one project that ultimately wasn't funded. And I think a lot of people had suggestions of things where they thought the money should go and that they thought clearly qualified for the American Rescue Plan Act funds and were, I guess, disagreed, disappointed with the outcome. But ultimately, you can't make the, the decision on individual things. You can't throw out the whole program, all of the expenditures that the Appropriations Committee did and all that work because I disagree with one particular decision. And so that's why I'm supporting LB1014, and I will support it going forward because, overall, I think that they made the general, the overall right decision, even though I disagree with a few specifics and, and I don't think anybody should be totally happy with any decision. Nobody got everything they wanted and nobody got nothing, I guess. And as Senator Stinner just talked about all of the expenditures for healthcare, for provider rates, and those things are important and they are specifically important because of what this money is meant to be for, which is addressing the issues that arose as a result of the coronavirus, the COVID-19 pandemic and access to healthcare, availability of hospital beds, availability of providers is part of that and was a huge-- is a hugely important aspect. And again, a lot of people talked about-- Senator Erdman, actually, I think, made a good point that some of these would probably be-- will probably become ongoing expenditures. There's-- I don't think there's any question that some of the things that we spend this money on, though not intending to become ongoing expenditures, are going to become ongoing expenditures. And one of the reasons for that will be that we are spending this money purposefully as one-time spends and it's structured to be that way. But some of the things that we're doing as one-time spends are good ideas, and once they get spent, we, we do that, we will see the positive results of spending it that way. And when somebody comes back and, and makes the case that we should

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fund it through General Funds, they will have the evidence of what happened here with these expenditures from ARPA and be able to say this is what happens when we spend this money in this way and we get a positive result. And that's a good thing. If we have evidence of positive results, that is an argument to spend money in a specific way. And that's-- that is a, I would say, an evidence-based, logical approach to appropriation. So I think, though, Senator Erdman said it as a negative thing, I think it could be a positive thing. I, I do agree that if we end up having an argument to increase expenditures by about \$500 million a year, that would put us in a bad position. But I think we would have to make a determination on a case-by-case basis of which programs bring value to the state of Nebraska and whether that's an appropriate expenditure. So again, I, I support the overall package, even though I disagree with some specific portions of it. And do wish that there were some other things that were put into it that weren't included, and I've heard lots of people make that case about things that they think should have been included and were not. But again, that's not an argument to vote against the entire bill just because you didn't get-- we didn't get everything we wanted. Everybody didn't get everything they wanted. I don't think if I-- if somebody here got everything--

**ARCH:** One minute.

**J. CAVANAUGH:** --thank you, Mr. President-- if somebody here got everything they wanted out of ARPA, I'd like to hear it. But I think that, that overall, it's a complete package, is a successful expenditure of this money and is a, a logical, reasonable way to approach this. And so I appreciate the work of the Appropriations Committee and, and I will vote for both this amendment and for the bill when we come-- when it comes to that. Thank you, Mr. President.

**ARCH:** Thank you, Senator. Senator Hunt, you are recognized to speak. Senator Hunt on the floor? I do not see Senator Hunt, we will pass on to Senator Briese. You are recognized and this is your third opportunity.

**BRIESE:** Thank you, Mr. President, and good afternoon again, colleagues. I heard it suggested earlier that the tax package was not a compromise and but, man, it was a compromise. We-- and that's why it's all tied together and there were some, some very substantial negotiations went into that. The marriage of the income tax provisions, both of the income tax provisions to the LB1107 fix and then the additional LB1107 credits relative to community property-- community college taxes paid and then considerable negotiations or

discussions were undertaken relative to the 5 percent cap. And so if that wasn't a compromise, what we did there, I really don't know what is. Yes, maybe not everybody was a party to it, but typically that's not the case anyway. And I heard some concerns about the corporate tax provisions in the tax package. We need to remember that those corporate tax rates are important. You know, corporate rates are part of a corporation's cost structure and reducing and improving-- reducing those rates improves the cost structure, which can benefit Nebraska consumers. It can benefit the employees of those corporations that can benefit Nebraska shareholders. And as it benefits corporations, it will attract more businesses to do business in our state. And competition is good. It's good for consumers, it's good for Nebraskans. So those corporate-- and plus it improves our rankings, which is important as we try to encourage businesses to come here. So we need to, need to remember, though, what really is at stake here. When you look at that tax package, this tax package is going to prevent a \$200 million property tax increase on everyday Nebraskans. Your constituents and mine. It's extremely important that we get that done. This package is also going to provide within five years another \$195 million a year in the form of tax relief. That is extremely important to all Nebraskans. It's also going to help us reduce our extremely high marginal income tax rates, and that's important as we try to attract residents, businesses, and grow our state. And we can't forget the tax break that we're talking about here relative to our senior citizens, to our Social Security recipients. That as well is extremely important. So we need to remember what is at stake here, and the stakes could not be higher. We need to get this resolved. We need to move this across as a package, ARPA, budget tax relief. Thank you, Mr. President.

**ARCH:** Thank you, Senator. Senator Bostelman, you're recognized.

**BOSTELMAN:** Thank you, Mr. President. I want to talk a little bit about comments I made on the mike this morning. To put it in perspective, I had been contacted by several parents about the issue of furies in schools and that. And, and the reason why I brought it up on the mike was I couldn't believe that anything like that was happening. Anything like that could happen in Nebraska schools. And I want to make sure that we had a quick end resolution, I guess, to that. And that's why I wanted to make that discussion just because I felt it pretty hard to believe, so. Senator Walz's office and myself, we've looked into this and called several of those schools that had been brought to my attention, and they assured us none of that happened. So with that, I would like to, if there's any apologies need to be made if anyone took it the wrong way. It was just something that I felt that if this

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really was happening, that we needed to address it and address it quickly. So with that, I want to end the discussions on furrries, furrries and that within the state and thank Senator Walz and others that helped me work with this to look at this. And thank you, Mr. President.

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

**M. CAVANAUGH:** Thank you, Mr. President. I think we're at the end of the discussion on this amendment. And I'll be voting green on that. I have concerns about some of the amendments that are pending, but I guess we'll just take them each as they come. The negotiations that have gone on or compromises, when you're compromising with yourselves, it's not really a compromise when you're just taking what everybody who wants a certain thing wants and putting it together and not working with the people who have opposed what you're trying to do consistently. That's not a compromise. I don't have to be in any room for any negotiations, but you might want to have somebody who is in opposition to what you're trying to accomplish have a seat at the table and then you won't be met with so much resistance when you get to the floor because you would have actually attempted to work through a compromise. But just having like-minded people who all want the same thing and then being like, oh, you want that and I want this, so let's both have it, OK. That's not a compromise, that just costs the state an obscene amount of money. So at least that's my understanding of compromise. But I went to Catholic school, so maybe I wasn't educated correctly. Who knows? Thank you, Mr. President.

**ARCH:** Thank you, Senator. Seeing no one left in the queue, Senator Stinner, you're recognized to close on AM2584.

**STINNER:** Thank you, Mr. President. Members of the Legislature, AM25-- what is it, 04, AM2584, excuse me-- well, if I could see, I'd be dangerous-- is the, the cleanup bill for the ARPA to LB1014 and I would appreciate your green vote. Thank you.

**ARCH:** Thank you, Senator.

**STINNER:** I'd like a call of the house, please.

**ARCH:** There has been a request to place the house under call. Question before the body is, shall the house go under call? All those in favor vote aye; opposed nay. Record, Mr. Clerk.

**CLERK:** 19 ayes, 2 nays to place the house under call.

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**ARCH:** 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, Senator Matt Hansen, Senator Dorn, Senator Linehan, Senator Hunt, Senator Hilgers, please return to the Chamber. The house is under call. All members are now present. Senator Stinner, for what purpose do you rise?

**STINNER:** I'd like a roll call vote in reverse order, please.

**ARCH:** Mr. Clerk.

**CLERK:** Senator Wishart voting yes. Senator Williams voting yes. Senator Wayne voting yes. Senator Walz voting yes. Senator Vargas voting yes. Senator Stinner voting yes. Senator Slama voting yes. Senator Sanders voting yes. Senator Pansing Brooks. Senator Pahls. Senator Murman voting no. Senator Moser voting yes. Senator Morfeld. Senator McKinney voting yes. Senator McDonnell voting yes. Senator McCollister voting yes. Senator Lowe voting yes. Senator Linehan voting yes. Senator Lindstrom. Senator Lathrop voting yes. Senator Kolterman voting yes. Senator Jacobson voting yes. Senator Hunt voting yes. Senator Hughes voting yes. Senator Hilkemann voting yes. Senator Hilgers voting yes. Senator Matt Hansen not voting. Senator Ben Hansen. Senator Halloran. Senator Gragert voting yes. Senator Geist voting yes. Senator Friesen voting yes. Senator Flood. Senator Erdman. Senator Dorn voting yes. Senator DeBoer voting yes. Senator Day voting yes. Senator Clements voting yes. Senator Machaela Cavanaugh not voting. Senator John Cavanaugh voting yes. Senator Brieese 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. Senator Murman changing from no to yes. 39 ayes, 0 nays, Mr. President, on the adoption of Senator Stinner's amendment.

**ARCH:** AM2584 is adopted. I raise the call. Mr. Clerk.

**CLERK:** Mr. President, want to read a few things before we proceed, if that's all right. Study resolution, LR385, Senator Linehan; LR386 Senator DeBoer; Day, LR387 and LR388, LR389; Murman, LR390; Gragert, LR391. Senator Hunt offers amendments to LB1173 to be printed. New A bill, LB750A by Senator Friesen. It appropriates funds to implement the provisions of LB750. Mr. President, the next amendment is, is AM2610 by Senator Linehan.

**ARCH:** Senator Linehan, you're recognized to open on your amendment.

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**LINEHAN:** Thank you, Mr. President. This is a pretty simple amendment. It just says that any organization that is appropriated money from the ARPA funds from this bill, LB1014, can't use more than 15 percent for administrative costs. We do the same thing-- if you, if you look at the bill, it doesn't say exactly how much, but behind every section, it says that there's going to have to be some administration-- administrative costs by the agency that's putting the money out. So that's covered. The agencies are covered. But then what I didn't see in the bill and maybe it's there and I just didn't recognize it, but there's no cap on administrative costs. So if you're going to give, let's don't name anybody in particular, there's a lot of-- there's a billion dollars here. But let's say the ABC nonprofit group is going to get-- and there is no ABC nonprofit group so don't look for it. Well, let's say there was an ABC nonprofit group in there that was going to get \$5 million dollars-- [RECORDER MALFUNCTION] is they can only use 15 percent of that for administrative costs. It's a pretty standard thing that's in most. The reason-- some suggested 10 percent because I think the actual ARPA dollars say 10 percent, but-- I don't see Senator Arch right here right now, but I talked to Senator Arch this morning and that's when we go to the HMOs. That's what we have-- I think it's HMOs, managed care. That's what we say they can have is 15 percent for administrative costs. So just to make sure-- it helps I think everybody. When there's no guidelines on this, it can get kind of away from people because if you got to-- if you keep track, you know, if you get-- you know, it's just like your monthly paycheck. You ex-- know what you have to do and just so they don't get carried away with administrative expenses. So that's all it is. Thank you, Mr. President.

**ARCH:** Thank you, Senator. Debate is now open on AM2610. Seeing no one in the queue, Senator Linehan, you're welcome to close on AM2610. Senator Linehan waives close. Question before the body is the adoption of AM2610 to LB1014. All those in favor vote aye; opposed nay. Has everyone voted? Mr. Clerk.

**CLERK:** 32 ayes, 0 nays on adoption of Senator Linehan's amendment.

**ARCH:** AM2610 is adopted. Mr. Clerk, for the next amendment.

**CLERK:** Mr. President, next amendment. Senator Stinner, AM2580.

**ARCH:** Senator Stinner, you're welcome to open on AM2580.

**STINNER:** Thank you, Mr. President. Members of the Legislature, I first want to thank Senator Williams for allowing me to use about \$4 million

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of his funds for rural workforce housing in the ARPA bill. AM280 [SIC AM2580] is a portion of Senator Briese's LB1203, which was heard in the Appropriations Committee. AM2580 uses \$4 million from ARPA funds in 2022-23 to contract with a statewide nonprofit organization that supports children and families to increase childcare capacity in areas of need. This would be done by providing grants to expand or start childcare programs for the first five years of age. For your information, presently, currently, the institution that is distributing most of the federal funds is Nebraska Children and Family Foundation. Nebraska's working parents, employers, communities have been carrying the burden of insufficient childcare access for years and the problem has only become worse in the wake of the pandemic. Nearly 80 percent of our state's children have all available parents in the workforce. Parents who need and are willing to work should not have to choose between their jobs and caring for children. This is a problem with statewide, statewide implications. On average, the gap between available childcare slots and the potential need is 12.3 in urban areas and 30.4 in rural areas. In approximately 64 of the Nebraska's 93 counties, more than 25 percent of the residents don't have a reasonable access to childcare within driving distance. Even though stabilization grants have helped childcare providers survive the loss of revenue due to the COVID-19, the state had still lost about 7.4 percent of its licensed childcare programs between 2019 and 2021. And 45 percent of the statewide early childhood professional workforce turned over between '20 and '21. This phenomena was almost certainly driven by instability in the childcare market and a lack of financial security offered by, by the professions. Nebraska's business and economic leaders have targeted the lack of workforce as one of the most urgent challenges facing our state and its employers. Any realistic strategy for addressing the workforce crisis must also address the need to grow childcare capacity in the Nebraska communities. Nebraska Chamber has indicated that we must add 43,000 18-to-34-year-old residents to Nebraska to bolster the statewide workforce. This is a demographic segment most likely to need childcare for prekindergarten-age children. Local high-quality childcare options make it easier for parents to get to their jobs and stay focused throughout the-- with-- throughout the day knowing their children are being well cared for. This is good for children, parents, employees alike. It helps increase family earnings and workplace productivity while lowering employee absenteeism, absenteeism and turnover. It also makes our state and its communities more marketable and-- to new businesses and industries looking to locate jobs in proximity to the highly engaged and productive workforce. I would like to thank the Nebraska Chamber and its Lincoln and Omaha chapters for their work in



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supporting this initiative, First Five Nebraska for providing a backdrop of data to show the need, Kids Can Community Center, and CRCC of Omaha for coming out and testifying for the support, the Nebraska Area of Economic Development Association, the Nebraska State Alliance of YMCAs, and numerous other groups that have offered their support. Dedicating, dedicating \$4 million in ARPA to growing community care capacity will not solve the widening childcare gap throughout Nebraska, but it is a necessary step in the right direction. I would like to thank everybody for your interest and support on this issue and I would urge you a green vote. And before I get off the, the mike, I, I will tell you that this is an area of interest since I-- even before I was elected. I got involved with the Sixpence program in Scottsbluff. It was a pilot program. About 61 percent of the kids that showed up for kindergarten weren't ready to be there, so the Sixpence program is zero to about two to three years old. And then, obviously from three to, to kindergarten is some additional early childhood, at least in Scottsbluff and Gering. This is an important subject. I think when you look at what happened prepandemic, we were short in almost every-- short of childcare services in almost every county. And I think there is a study out there, certainly by the bureau, that looked at what that cost was to the state of Nebraska and it was \$745 million cost because we didn't have adequate childcare to fit that workforce. So we're trying to put people back to work. I understand that the state still has some stabilization grant money, but we-- I cannot get an answer on what-- how they're going to use it or when they're going to use it. So this is really kind of a focused-- with a not for profit, not for profit simply because they're not going to take any organization or administration costs out of this. They're a-- they're proficient at looking at the entire state of Nebraska and they've worked with other people over numerous years. Whether they be governors, Republican or Democrat governors, this is an organization that has worked with them. So with that, I'd, I'd like your green vote. Thank you.

**ARCH:** Thank you, Senator Stinner. Senator Williams, you are recognized.

**WILLIAMS:** Thank you, Mr. President, and good afternoon, colleagues, and I rise in full support of AM2580. There's a number of things that, that I'm passionate about and on that list, of course, as you know, is workforce housing and also education and education at all levels. And underneath LB2580 [SIC AM2580] is the taking of \$4 million that was originally allocated of ARPA dollars to the rural workforce housing. I actually think this is a wonderful use of it, going to the early childhood and childcare industry in this form. When I became very

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involved with, with the workforce housing and looking at needs of our companies across the state this past-- about a month ago, I had a chance to meet with a number of manufacturers and were asking them, you know, what are the things that are a hindrance to you growing your business? And of course, workforce is clearly the number one thing. When we probed deeper with them, I asked them what was underneath that and the housing issue was number one, but right next to that now is childcare. And as an employer myself, it, it continues to be a struggle. If, if mom can't find affordable, safe childcare for their young ones, they are not going to be in the workforce. So I think this allocation of dollars makes great sense. Not too long ago, First Five and others did a survey on childcare providers and found some interesting things that are not surprising, that childcare providers suffer from low pay, lack of benefits, and stress. And I think about that and turn around and, and recognize that we are trusting some of our most precious assets, our kids, to childcare providers that are struggling with low pay, no benefits, and stress. And I think it is, again, our obligation that when possible, we find some solutions and I believe this is one of them. I would encourage your full support and your green vote on AM2580. Thank you, Mr. President.

**ARCH:** Thank you, Senator. Senator Vargas, you are recognized.

**VARGAS:** Thank you. I'm going to try not to be too repetitive here for the sake of-- I think there's a clear policy that supports that this is always a good decision in terms of how we should spend recovery dollars. I'm honestly going to speak more just from the sense of I think I'm one of the few working parents that have kids under the age of five that would be in the early ed system. I have this-- had this conversation many times with Senator Cavanaugh, as we both have kids that are under the age of five. And I share that because for those right now, working parents that are trying to figure out early education and childcare and trying to figure out what are the best both access and high quality, there's just no question on whether or not it's, it's a need when you get to talk to a parent. Now there are other things that are-- obviously families are struggling with, but this was a really great part of the hearing where we did hear a more comprehensive solution for trying to direct federal recovery dollars towards helping working parents in this capacity. It was one of the conversations we had and, and, you know, I think this is-- probably could have been a lot more and it wasn't included in the package, like many things that were included in the package, but I do appreciate that Senator Williams is allowing or supporting \$4 million to come from the rural workforce housing for this, for this specific amendment and I do support this amount. Like I said, it could have been a lot

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more in terms of what was requested, in terms of what they would have needed and wanted. You just couldn't find all the dollars, obviously, and we-- it didn't, it didn't fit at that time. But I'm supportive of this amendment and I am supportive of the early ed space in this capacity because if you're working parent right now and you're making these really unnecessary tradeoffs and you don't have high quality or even access to early ed, and being able to provide this through an entity that we know works and through a nonprofit in the way that it's worded, I think it's going to provide access to working parents that need it the most. And this is still an area of need and I hope-- and I know the chamber has been, you know-- and Senator Stinner is being kind. Look, he's been working on this for, for years and been leading the workforce development, early ed space, you know, commission along with leaders across the state. And this is a very small fraction of, I think, the least that can and should be done in this space. So I would urge your support of AM2580 and thank everybody for voting yes on this. Thank you.

**ARCH:** Thank you, Senator. Senator Matt Hansen, you are recognized.

**M. HANSEN:** Thank you, Mr. President, and good afternoon again, colleagues. Colleagues, I just want to, I guess, rise on this one and say-- I'll probably support this amendment since it's a senator--Speaker-- excuse me, Senator Stinner, Senator Williams, and Senator Vargas have all spoken in favor of it. But in terms of talking about priorities and needs in terms of the ARPA budget and what we've been looking at forward, to me, I understand the-- you-- the process here. And just a refresher for those watching at home, obviously, the ARPA funds have largely been allocated so when you want a change, you both have to suggest the amount you want for your new program or your new spending, as well as where it comes from in the budget. And I bring all this up to say is I'm very glad to see some increased investment in early childhood, you know, early childhood and care of that nature. I think that's something we-- at least I routinely hear from my constituents in terms of needing access to, needing more support, frankly, just needing more providers in addition to both just pure availability as well as cost. The reason I have some hesitation, of course, is it's drawing from some of the housing funds. And I think we as a state really have been struggling to provide the housing that we need. And I know there's-- to some extent is to, you know, what obligation is that as the state? Is that a state obligation or not? It's one of those things that frankly, colleagues, that-- and this is something we've worked with and struggled with in Urban Affairs is housing at the moment is not really anybody's priority or anybody's charge. I've had some issues and some efforts to make the cities take

some more charge in housing issues with some successes and some opposition to that. There's been some focus on whether or not we need to have more direct efforts of housing at the state level. But what we see that there's not necessarily a coordinated housing policy in terms of making sure that there's available housing through-- across the state, what we do instead have is two or three really good funds administered that can provide some growth to housing and the rural workforce housing is one of them. And while I understand I probably do support the change, I just want to highlight the fact that, you know, we, we are falling farther and farther behind in terms of available housing and affordable housing. And I don't necessarily mean affordable housing in terms of any specific price point, I just mean affordable to any given family in terms of, you know, spending, not being cost burdened to rent burdened. And when we see that, we see that across the state, we've had repeated issues and studies, I know, talking about the difficulties and that. Blueprint Nebraska I keep talking about identifying, you know, 50,000 units. I think with the pandemic, that number hasn't improved at all. And if anything, we're probably behind the eight ball in terms of increasing housing to meet our increasing housing needs. Again, on one study by I believe the Omaha Community Foundation said the Omaha metro area, which I know included Council Bluffs and others, but was probably looking at close to 100,000 units over the next decade or so on its own in terms of just need of raw housing. And again, there's lots of components that go into that, including that-- trying to incentivize the build and the building of all types of housing, including, you know, senior housing, dense housing, you know, single-family homes. And we have some programs that are great at doing that and that is why I'm hesitant to see the one time, I think, that the state has really stepped up to put kind of a game-changing amount of money into housing in some of these ARPA, funds and some of these cash transfers. To start seeing it is a source to pull some away is a little bit difficult. That being said, I do support the overall effort to promote early childhood education and promote those efforts. I'm glad that there's some focus being on that. I'm glad that Senator Stinner has brought this bill--

**ARCH:** One minute.

**M. HANSEN:** --and so I will be supporting it. But I did want to speak on that issue in the sense that please do not think that taking away any money from housing means there's less of a need for housing or haven't proven the need for housing. I had a component to spend money on housing that didn't get incorporated in LB1014 and I think just we could hear there are tens of millions, if not hundreds of millions of dollars worth of need for housing in the state. So that's something

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we're going to have to continue to focus on or-- I'm term limited-- the bod-- the state will have to continue to focus on in the future. Thank you, Mr. President.

**ARCH:** Thank you, Senator. Senator Linehan, you are recognized.

**LINEHAN:** Thank you, Mr. President, and I understand the concern about childcare. I've got seven and a half, I guess, is how you say it, grandchildren. Four of them are kind of beyond-- well, not the littlest one, but I have babies, so I know this is expensive. It's hard on parents. But here-- in the language of the amendment-- I think I'm reading this right and if I'm not, I'm sure somebody will correct me and I would like them to-- there is included in the amount shown as aid for this program for '22-23, \$4 million federal funds to contract with a statewide nonprofit organization that supports children and families to increase childcare capacity in areas of need. So it's-- the way I read this, it's one organization that's getting the \$4 million, but maybe I'm not reading it right. But it doesn't say organizations, it just says organization. And then the other thing I think we need to be aware of-- and Senator Stinner mentioned this and I understand he's-- if I understood him right, I can see why he might be frustrated and there does need to be some clarification, I would agree with him. From the three plans for the-- so a lot of money came to Nebraska through health and human services. It didn't come to us. Like, this is-- this \$1 billion is, like, one out of six, I think, that came to the state and a lot of that money went directly to health and human services. So in the response and relief supplemental appropriations of the CRRSA [SIC], I think they call it-- well, I'm not sure. I'm not good at-- X, whatever you call those things-- they got \$59.6 million in that grant. And then in the ARPA grant that went straight to HHS, they got \$143 million. And then in the last one, American Rescue Plan-- this is all for childcare-- they got \$89.4 million. So-- and of that-- all that was-- went to HHS, the remaining that HHS is still-- I'm hoping I'm saying this all right. I'm sure the Governor's Office will be calling me if I'm not. In the first act, there's \$58.3 million remaining. In the next act, there's \$96.8 million remaining and in the last one, there's-- they've got all \$89.5 million. So if there's \$250 million, \$300 million sitting in HHS for childcare, I'm not sure why we need to do this, but maybe I've got my numbers mixed up. Thank you, Mr. President.

**ARCH:** Thank you, Senator Linehan. Senator Jacobson, you are recognized.

**JACOBSON:** Thank you, Mr. President. I guess as I look at this, they-- these are two issues that are important to me as I continue to look at economic development. And having spent 42 years in banking, I can tell you that everything is interrelated. And when you start looking at economic development in the community, it's not one thing, it's a combination of things and it's that, it's that proverbial weak, weak link in the chain that breaks the chain. I think about some of the challenges that are out there today and as I start prioritizing them, I recognize the fact that with COVID and following COVID now as we move past COVID, we're dealing with a situation where we have a lot of people who have left the workforce and we're finding that the rate of people that have not returned to the workforce is still fairly high. And I think a lot of that is tied up in two areas; it's childcare and it's also caring for elderly parents because of nursing home closures or concerns about being able to see those loved ones in nursing homes or assisted living facilities. I would also tell you that we have the-- we have a big challenge in housing. And if you don't have a place for people to live, you're going to have a hard time attracting people to take jobs. If you don't have a place for those people that have to have their children taken care of, you're going to have a problem with them coming back to work and being productive in the workforce. And if you don't have a place for them to be, your elderly parents or others in assisted living, you're going to have a hard time being able to do anything but stay home with them and care for them. So that's all part of the mix in addition to attracting industry and having the right things going on to create those high-paying jobs that attract a healthy workforce. So we're seeing all of that right now and of course, with the inflation going on, that doesn't help matters any either. So as I look at this particular bill, as I've spoken before, I'm a big proponent of, of workforce housing. I think it's critically necessary. If you don't have it there-- I know it's been raised before about government being involved in housing. Well, government is involved all the time in incentives. Just look at our federal tax code. The federal tax code is filled full of incentives that incents people to do certain things, to invest a certain way. We're doing the same thing when it comes to workforce housing when you start looking at how do you incent people to build a home that is affordable and make sure that you're comfortable doing it, that's-- and that the buyer can afford to buy it. If they can't, they're not going to and if they don't have a place to come there and live, they're not going to come work in your community. It's as simple as that. Same thing is true when it comes to childcare. So as I look at this, given the dollar amount that's involved, I'm going to support this amendment because these are both issues that I think are important. And I think

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we're probably splitting the baby a right way I think on this case in being able to allocate dollars in areas that are both important to economic development and moving our communities forward. So I'm going to, I'm going to vote, vote yes on this amendment.

**ARCH:** Thank you, Senator. Senator Friesen, you are recognized.

**FRIESEN:** Thank you, Mr. President. Right now, I think I will support this amendment. But what I want people to start thinking about is we can subsidize early childcare, we can subsidize housing, but is there a plan to where someday this can run on its own? The more we keep subsidizing-- I mean, there are some states now are going to send out a gas tax rebate because people can't afford to drive. If we continue down this path of always subsidizing everything without a long-term plan of how is daycares going to be funded down the road, are we going to just keep subsidizing? Because if we keep subsidizing, they'll just keep raising the cost. And when the state gets involved, we put requirements on daycare facilities, which raises their cost. It just gets to be a vicious circle. And it's not that I'm opposed to this at this time, but really in the long term, there is no plan to ever have businesses step up and pay their employees enough so they can afford childcare. Because again, it is the business out there that wants the employee to show up for work. It is their responsibility to see to it that their employee can show up for work. Those couples out there who don't plan to have kids, now they're having to pony up for childcare. It's the businesses to me, it's their responsibility to pay their employees enough or else start their own daycare or subsidize a daycare, make contributions to a local daycare. But again, the state is stepping up always to subsidize this or that because we've driven the cost up so high that nobody can afford it. In today's markets, I mean, wages are rising. I don't know, I think the cost of daycare is probably going up as fast as wages are going up. But at some point, I feel that businesses need to step up and make sure that there's childcare facilities for their employees. Where's their responsibility? Why is it the taxpayers' responsibility? There are mothers who choose to stay home or fathers, both can choose to stay home and take care of their kids. That's their choice. They don't receive help. If they make that conscious decision to stay home, should they be given a childcare subsidy? Because that's probably the best option, having a parent stay home with their child, but it isn't always an option. But again, we keep subsidizing everything and at some point, there should be a plan, some sort of plan in the future to be able to wean ourselves off of this and say that now daycare facilities down the road are going to have to make a living by what they charge for taking care of the, the kids. And businesses is the

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ones that should pony up and have to pay for some of that if they want their employee to show up for work. They have some responsibility on this, whether it's through higher wages or a stipend to families with kids. There's numerous alternatives that they can do. And so far, I'm not seeing any of that here being placed-- burden placed upon the businesses. And as a taxpayer, I think we should be asking for some sort of plan longer term where we don't have to do this. Thank you, Mr. President.

**ARCH:** Thank you, Senator. Senator Walz, you are recognized.

**WALZ:** Thank you, Mr. President. I do agree that we need a long-term plan, but I think that providing resources is, is part of that long-term plan. I was going to ask Senator Stinner if he could yield to a question.

**ARCH:** Senator Stinner, will you yield?

**STINNER:** Yes, I will.

**WALZ:** Thank you, Senator Stinner. Unfortunately, my computer's gone. I've been trying to look at the amendment and the bill. Can you just briefly or recap what nonprofits, what organizations will benefit from, from this amendment?

**STINNER:** Yes. I-- it actually got me by surprise too, so I did my investigation and DHHS has used the Nebraska Children and Family Foundation over a long period of time and they are using them now. They have coverage over 88 rural counties, so they are spread out. The other side of it is they just kind of give the money to the not for profit, cuts down on the administrative cost associated with that. So there's really two good benefits; one is coverage; secondarily, the, the lack of-- because it's a not for profit, they don't use a whole lot of administrative costs associated, so it's probably the best way of distributing the funds.

**WALZ:** OK, that was the only question I had. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Walz and Stinner. Senator Williams, you are recognized.

**WILLIAMS:** Thank you, Mr. President. Good afternoon, colleagues. I wanted to finish the thought I had last time when I was on the mike when I was talking about childcare providers, through a survey, being subject to low pay, no benefits, and stress and that we're trusting our most important assets there. And I, i think about that, especially



when every day in our local paper, we hear about recruitment of athletes to the University of Nebraska and other places. And I just ask you, would we trust our best athletes to someone that was suffering from low pay, no benefits, and stress? Stress, yes, but not no pay and no benefits. We wouldn't do that with our athletes and yet that's the situation that we place our, our kids into regularly. I want to talk briefly about what I have seen communities and businesses do to step up and take an active role in solving this problem. It is clearly not fair to say that businesses and communities are ignoring this because I'm aware of numerous situations, in particular in my hometown, where businesses and the community in general are stepping up in a significant fashion to address the issue of childcare and early childhood education. A significant facility is in the process of, of the fundraising right now to be built in Gothenburg. It is a partnership that includes the school, the hospital, the community, and many businesses in town. But I would also tell you that those things-- the traditional business model that we have looked at for childcare simply doesn't work today and that's why we have to recognize and find different solutions to this. Organizations like Sixpence, organizations like First Five, organizations like Beyond School Bells, all are seeking those kind of arrangements to find a solution and they're working together. And they all need our help and it's our responsibility, I believe, to give that. But there are communities, there are businesses, and there are individuals that are participating in finding solutions to this situation. This isn't going to go away and it isn't going to go away quickly, it's just like our housing issue. We continue to work on that. You will be hearing hopefully later today LB1069, which is my personal priority bill with the updates for the Rural Workforce Housing Act that need to happen so that we can better handle the issues as we move forward. LB1069 is not the funding portion. That portion is partially from ARPA and partially from Cash Funds in the budget and I'd like to again thank the Appropriations Committee for, for recognizing that need as we go forward to do those kind of things. So with that, again, I would encourage strongly your green vote on the Stinner amendment that is on the board so that we can move forward. Thank you, Mr. President.

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

**WAYNE:** Thank you, Mr. President. Colleagues, this is another one that I'm, I'm actually struggling on. One, I believe DHHS-- and I haven't been here for the whole conversation-- that they opened up a grant process and they still have like \$89 million for childcare, so I'm a little, little concerned about that. But again, again, I have an amendment hopefully that'll come up, AM2619, that adds some guardrails

around what are actually qualified projects? We're going to put money into affordable housing, rural affordable housing. Our affordable housing in Nebraska is completely defined differently, defined differently than affordable housing underneath the federal HUD and home program. And just last week, one of the employees for the Department of Treasurer [SIC] told many states-- I wasn't on the conference call, but told a couple of other states that I do know people at-- and they were on this council-- call about housing and ARPA and they literally said they're going to use the home definition and guidelines. Go look at the home definition and guidelines. And I don't know if rural, and I'm going to be quite honest, urban are going to be able to meet those definitions for that much poverty. It's based off of LIHTC if you look at LIHTC housing and some things like that, but there are specific guidelines. Now I know in the qualified census tracts in north and south Omaha, there is enough poverty that we can meet those guidelines. But it is the HUD's home definition and flat out what the Treasury said, according to my other colleagues in different states, is that they said they don't have time to move these, these dollars fast enough to come up with their own rules and regs regarding affordable housing. So they're just going to go ahead and adopt what HUD has already adopted through their home program because they've already identified what they consider to be affordable housing. That is completely different than what we're doing here in Nebraska. So again, I hope my amendment comes up because each agency is going to have to go through in, in detail, understand the legal analysis and more guidance from the treasurer than what I think we're doing right now because they're the enforcers of what we appropriate. My biggest fear is we appropriate these dollars and the agency fulfills what we appropriate and then next year where we're talking about a clawback, or in two years, we're going to be fighting about who was responsible. They'll say, well, you told us to appropriate it and then the new governor and the agency will say, well, it wasn't our fault. You just said appropriate it. We need to make sure there are checks and balances, not just from the Legislature, but from the enforcers, which is our government side, our governor side of this equation to make sure that we are making sure that we're using these funds correctly. And I think the affordable housing piece is going to be critical when we start talking about rural versus urban and how we use those dollars and how they meet the national requirement of the HUD home. So if you think people can build a HUD home under \$165,000, which rural is saying they can't, that might be a problem when we come to these federal dollars. So I'll probably go along with this amendment. I don't-- I have a little concern about the \$89 million and why nobody has asked HHS where those-- that dollars are, but it does

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concern me that when you look at the guidance that's being talked about and the trainings that are going on across the country, we're not, we're not, I don't think, making sure that there's going to be enough emphasis on making sure all these projects meet the definitions that are required by ARPA. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Wayne. Seeing no one else in the queue, Senator Stinner, you're welcome to close on AM2580.

**STINNER:** Thank you, Mr. President. Members of the Legislature, I can tell you I could talk about early childhood for quite some time. I did get an early childhood fellowship and I also worked on a work-- workforce task force as it relates to quality daycare centers, so the people who get it right, the regions who get it right, the cities, the state who get the childcare-- quality childcare, they will be the ones that will attract and retain that workforce. If you remember, childcare was the number three most important item when STRATCOM was looking at the state of Nebraska on their scoring model. So I think it's important, but you got to remember we were behind the curve going into COVID. We lost some more childcare centers, over 200 of them, both home-based as well as childcare center. We need a program to incent people to get back into the business. I know in my community, we lost three childcare centers, a couple home-based, and there is dollar-- grant dollars associated with trying to bring those folks back, trying to build numbers so that people can get back to work. So I would ask for your green vote. Thank you.

**HUGHES:** Thank you, Senator Stinner. Colleagues, the question before us is the adoption of AM2580. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**CLERK:** 26 ayes, 7 nays, Mr. President, on the amendment.

**HUGHES:** AM2580 is adopted. Next item.

**CLERK:** Senator Morfeld would move to amend, AM2561.

**HUGHES:** Senator Morfeld, you're welcome to open on your amendment, AM2561.

**MORFELD:** Thank you, Mr. President. Colleagues and members of the Legislature, LB-- well, I should say this is LB867, which is in the form of L-- AM2561, but it would appropriate \$500,000 from the federal funds allocated pursuant from the Federal American Rescue Plan Act of 2021 for state aid to the Department of Health and Human Services for the Human Immunodeficiency Virus Surveillance and Prevention Programs

for education on the benefits of pre-exposure prophylaxis medication for the costs of such medication and education. So what this is, is essentially this is the medication that prevents people who are a high risk of getting HIV from getting HIV. And so folks that are at high risk, so maybe their, their spouse or their partner has HIV. This-- if they take this medication, they will not get HIV. And so what's important about this is a lot of different things. One, we have to educate Nebraskans that this is out there, which is one of the biggest barriers, as we know, is educating people that this is a resource, that this is out there, that this is a type of medication you should be taking if you're high risk. Two, we also need to be able to help provide for the medication. It's very expensive. It's outside of the reach of a lot of people that are high risk and should be taking this medication. So this is a current program that is-- does not have enough funding, but has-- is eligible for funding under the ARPA funding guidelines. Where are we getting this funding from? That's one question a lot of people have asked me about. I have sat down with Senator McDonnell and he has agreed to allow me to take \$500,000 out of his NIFA program. There's \$47 million total; his portion is \$11 million. And so this would take a half a million dollars out and the money would go to (1) educating people who are high risk and (2) being able to provide and defray the cost of this medication for the people that are identified as high risk, but cannot afford it. This came out of an interim study that was brought to me by a constituent who is a fellow elected official and we had a lot of testimony come in about folks that are high risk for HIV, but if they would have taken this, they would not have contracted HIV. Keep in mind that once you contract HIV, it is very, very, very expensive to get the medication to keep them alive. And why that's important is for a lot of different reasons: (1) it's really tough for those people to stay alive without that medication, but (2) oftentimes the medication is so expensive and the medical treatment is so expensive that quite frankly, they then have to go on Medicaid and then the state has to provide that. So this is a small investment in keeping people healthy, keeping them safe, but also saving the state a lot of money down the road in terms of preventing HIV and then having to provide people that care necessary to keep them alive. And so I'm happy to discuss this. It's a very simple program. It's a program that already is in place at the Department of Health and Human Services. This boosts additional funding for that program that is very much needed and it also qualifies for ARPA because this is a high-risk class of individuals. So with that, I'd be happy to answer any questions that you may have. Thank you.

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**HUGHES:** Thank you, Senator Morfeld. Debate is now open on AM2561. Senator Machaela Cavanaugh, you are recognized.

**M. CAVANAUGH:** Thank you, Mr. President. Thank you, Senator Morfeld and Senator McDonnell for bringing this amendment forward and finding the funding for it. I think this is a really interesting topic that isn't discussed a lot and honestly, I didn't even know-- I believe that we had a hearing about this in HHS and I didn't know that this was even an issue. So I very much appreciate Senator Morfeld for digging into this particular issue and bringing it forward to the full Legislature and I also appreciate Senator McDonnell for being willing to help find some of the funds for this. So this is included-- there's included in the amount shown as aid for this program federal funds for the Human Immunodeficiency Virus Surveillance and Prevention Program and what I find really fascinating about this is that I didn't even know that this is where we were at medically with HIV and medications and trying to curb the tide. So when we had that hearing, I, I was really fascinated to hear that. I also felt a little remiss that I hadn't been more up to date myself in, in knowing where we're at in this really important, ongoing epidemic that's been happening for decades and taken so many lives too soon. And so I just really appreciate that Senator Morfeld is an advocate for this, has brought it to our attention, and that we're going to be able to do something to help make sure that fewer people in the state of Nebraska are faced with this deadly disease. I do like looking at how these things all fall into place when I'm looking at our amendments. And it's kind of more complicated so if people are watching at home and you're trying to figure this out, you have to go to the E&R underlying bill that we moved when we started on this bill and not the original amended bill that we moved forward because lots of changes were made from, from General to Select on the E&R, which is technical changes and so page numbers and everything change. But this goes to Section 20, agency 25, which then you have to find Section 20 in your E&R version of the bill, which I found Section 25, but not section 20. Section 20 is on page 12, agency 25, and so that's where we see a little change. This is inserting in there, OK, inserting within Section 20. So if there's other changes made, that's one of the things I'm always curious about is how does this get reconciled once changes are made between different-- if the same section is amended multiple times during this process with multiple amendments, I'm just curious how that works, but I suppose I'll find out like the rest of us. Just I am looking forward to voting for this and supporting AM2561. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Cavanaugh. Senator Matt Hansen, you are recognized.

**M. HANSEN:** Thank you, Mr. President, and good afternoon, colleagues. I did want to rise and support Senator Morfeld's amendment and appreciate those who have worked with him to make sure it has a viable path forward to get attached to the ARPA funds. I think in terms when we're talking about ARPA funds, obviously there are lots of different avenues that we can use to apply them and use to help them. Obviously, one of the clear avenues was talking about people who have, you know, kind of most directly suffered some sort of health income or health disparity. When we're talking about those populations, obviously, populations such as people who have suffered from HIV and AIDS just throughout history have always fit into that category. And I think having an opportunity to-- this time to use some funds directed at providing access and providing, you know, response to kind of healthcare issues, directing them to a program specific to this program makes so much sense to me. We've seen this time and time again where we have the opportunity to kind of invest and educate and, and promote access to what are oftentimes very cost-prohibitive, on a personal measure, individuals. Because, you know, as we talk about this, we talk about things we can do or things we want to do or what should, what should we do, we've got to keep in mind that, you know, a lot of individuals approach situations very differently in terms of when we're talking about including individuals, you know, in terms of when we're even talking about access to insurance, things of that nature, you know? A lot of individuals don't have reliable access to insurance, not because they're not working, but just because there's many jobs still in which that is not a requirement or a guarantee. There are many individuals who have access to insurance, but it is limited or does not necessarily cover or apply in all situations that they would like. We see this over and over again and so doing some opportunities here to provide some incentives, some education to help bridge some of these gaps such that, you know, in many instances, a preventable issue can be addressed would mean a lot. We see this a lot in our opportunity to address ARPA again, as I said. You know, we were looking at all sorts of different things in terms of, you know, capital construction and other things. Frankly, I would recognize and concede with others there are probably some things inside the ARPA bill that are difficult to explain their connection to ARPA. I think looking at a direct health response and a direct health response to kind of an often underserved or, or disserved group is very important. And that's why I'm really glad Senator Morfeld worked with others. I do think this is kind of an interesting process where you have to work to figure out where to take the money from in addition to where, where to just go forward. You know, initially, when some of the initial conversations were said in terms of, much like the last amendment,

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where are we taking it from, where are we bringing it from, you know, I believe this is coming from some NIFA money, which is Nebraska Investment Finance Authority, which is dealing with primarily housing and issues of that. Overall, would be pretty skeptical about addressing taking too much from that fund, but again, this situation, it's a limited enough amount for a targeted enough need that, in my mind, is a very pressing need and I think that could be a very important and significant role to serve. So with that, Mr. President, I do support Senator Morfeld's amendment. Thank you.

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

**J. CAVANAUGH:** Thank you, Mr. President. Well, I rise in support of AM2561 and again in support of LB1014. And I agree with the sentiments that have been already articulated about why this is important. This is exactly the type of thing for which ARPA was intended. There's, you know, a list and we've gone over this many times, but there's people, populations that were disproportionately impacted by the coronavirus, the COVID-19 virus, and some of those populations were disproportionately impacted because of their socioeconomic-- their situation where they lived and-- but some people were adversely affected or disproportionately impacted because of underlying health conditions. People became at higher risk of bad outcomes due to exposure to the coronavirus and that is why we-- they're-- this is an important use of the ARPA dollars because it addresses, helps individuals who were disproportionately impacted on-- in the health impact of the coronavirus. There's also-- certainly people can talk about the evidence that individuals with HIV are-- have other issues that come up more than just as related to COVID. And so this is generally, like all-- like a lot of the things, the money that we're spending in the ARPA dollars, where we're choosing to spend them, we are choosing to spend them in this way because they were impacted economically, health-- mental, physical health impacted by the coronavirus disproportionately. But they do have-- the, the private projects we're undertaking do have long-term benefits to the state of Nebraska as a whole. And so this is one of those where increasing funding to getting, getting people to new medication that is successful in helping people diminish the impact of HIV in the community, but also to diminish the spread of HIV through this prophylaxis process that-- as Senator Morfeld spoke about, meaning that it prevents people from ultimately contracting HIV to begin with, meaning we don't have to later on expend as much money in care and treatment for people. And so this is a smart investment, investment in the real sense, where we're putting up money in the front end and it

actually returns us a savings in the long run in terms of expenditures. So it checks both of those boxes in terms of why we should-- this is an appropriate use of ARPA funds, why it serves the goals and objectives that we want to serve in this process and, and the populations in which we are intending for the ARPA funding to benefit and help recover because the-- from the coronavirus funding-- or I'm sorry, the coronavirus impact. Again, the, the ARPA funds, as we keep saying, is the American Rescue Plan Act, which was meant to be helping people recover from this. And by recovery, we mean get back to at least where you were before, but hopefully we can help people put structural changes in place that will put us in a better position. And this is one such change that I think will help in the long run put us in a better position than we were before the, the coronavirus, so--

**HUGHES:** One minute.

**J. CAVANAUGH:** Thank you, Mr. President. Again, I'd urge your green vote on AM2561 and green vote on LB1014. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Cavanaugh. Senator Slama, you are recognized.

**SLAMA:** Thank you, Mr. President. I appreciate Senator Morfeld's AM2561 and I, I appreciate the efforts made on this front. I do have a in-law with this, with this condition, but I, I do have concerns about the applicability to ARPA funding with prophylactics and I would just like to yield to Senator Morfeld if he had any reason as to why this would fall under the COVID pandemic because I do have concerns that it's not applicable to ARPA funding, so I'll yield the remainder of my time to Senator Morfeld to answer that question.

**HUGHES:** Senator Morfeld, 4:15.

**MORFELD:** Yeah and maybe we can have a discussion, Senator Slama. But in terms of applicability, my understanding is, is that people that are in high risk-- that have high-risk health concerns and particularly that are exacerbated by COVID, which folks in the HIV population are, are eligible for ARPA. So I don't know if there's anything contrary to that. I'll, I'll talk to Fiscal here off to the side, but I don't know if Senator Slama would yield to a question. This is her time, obviously, that she gave me, but yeah, what, what-- can you, can you describe your concerns? I, I haven't heard any yet, so I'm interested.

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



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**SLAMA:** Sure. No, I'm just looking at the text of the bill and I'm sorry for not raising this with you beforehand. And I understand your explanation of high-risk populations being more highly impacted by the COVID pandemic. I'm just trying to figure out how this does tie in to ARPA funds. And you answered, I think, my question about how these individuals are high risk and if we can prevent it on the front end, we'll have fewer people seriously infected with COVID. So I, I--

**MORFELD:** OK.

**SLAMA:** --do appreciate you answering my question. Thank you, Senator Morfeld.

**MORFELD:** Yeah, thank you, and I'll, I'll, I'll kind of expand upon that now that I've had just a second or two to think about it. So folks that have HIV, particularly during the pandemic, have been at higher risk-- HIV or in this case, preventing folks from getting HIV, they're at a higher-risk population of one, they're already stigmatized in many ways for many different reasons and so their likelihood of going to a hospital or getting assistance is slimmer. But then, two, they're a higher risk population during a global pandemic for that reason and then also because oftentimes, these folks have a hard time accessing healthcare for various reasons, income related or otherwise. And so we did do our homework and we were told that this was ARPA eligible and I'll go off and get some more details and some more facts from Fiscal right to the right of me here. And if anybody has any other questions surrounding that, I'm happy to answer them. Thank you.

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

**CLEMENTS:** Thank you, Mr. President. I was looking at the amendment and trying to find words amending ER155 and I see that the amendment is really referring to AM2330. I haven't quite yet found where it is in ER155, but I would hope that gets corrected. But as far as the, the proposal here was part of LB867. It did come to the Appropriations Committee and in our process, I've-- my notes, I see that three committee members supported this and we had other-- we had a total of, I think, 40 requests that got zero funding and this is one of those; 43 that did get funding, part or all. And I had a couple of items that I wanted to get funded. The education recovery accounts had five people that supported it, but it still doesn't have any funding. And I had another one that had, I think, three supporters. And so this was pretty low on the priority list and there are a number of other items

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that were, in my opinion, more or higher priorities and so I do not support AM2561. Thank you, Mr. President.

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

**B. HANSEN:** Thank you, Mr. President. Just have a couple of questions for Senator Morfeld if he's willing to yield, please?

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

**MORFELD:** Yes.

**B. HANSEN:** I had, I had similar concerns that Senator Slama did about the appropriateness of this bill when it pertains to ARPA funds being used. And you made a point-- is, is this bill for both people who have HIV and for those who are at risk of getting it or is it all for the people who are at risk of getting it?

**MORFELD:** Yeah, so this is a preventative program, so it's for the folks that are at risk of getting it. And just to clarify, I just heard from the Legislative Fiscal. It's under the health disparities portion of the ARPA funds, so it does qualify. So just wanted to throw that out there.

**B. HANSEN:** And the health disparity funds are typically used for people who currently have an illness who are more at risk of getting more ill if they get COVID, correct?

**MORFELD:** Yes and HIV is absolutely one of those.

**B. HANSEN:** And I agree with you, but this is for people who don't have HIV.

**MORFELD:** Yeah, this is for people who don't have HIV to prevent them from getting HIV so that if they get HIV, they're not at higher risk of getting-- or a high-- higher risk of complications because of COVID.

**B. HANSEN:** OK. I think that's the rub that maybe I have a little bit here, I'm kind of stuck on because there's a lot of people who are at risk of many things that we are not giving ARPA money to. I understand possibly the need. I understand-- nothing against the merit of the bill. It's just more of the, the appropriateness of, of ARPA money being used for this. And do you know-- these-- are people who are

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maybe a part of this program, are they getting any federal funds already to help with medication for prophylactic use?

**MORFELD:** Yeah, so this is an existing program within the Department of Health and Human Services and it is getting some funding. I haven't gotten the exact amount. I'll go back to Legislative Fiscal, but my understanding, it was a few hundred thousand dollars a year from federal funds. And from the providers that we heard from, it wasn't enough to fulfill the need.

**B. HANSEN:** OK, so pretty much every year, it is-- it gets used up?

**MORFELD:** Yep, that's my understanding, but I'll make sure I do my homework on that.

**B. HANSEN:** OK. All right. Yep. Thank you, Senator Morfeld, appreciate it.

**MORFELD:** Thank you.

**B. HANSEN:** I think, colleagues, that's maybe --I'm still deciding what I'm going to do here yet, but I think Senator Slama kind of brought up and some of the concerns that I have as well is that this is for people who currently do not have an illness that we're using ARPA for, which makes sense. We would use ARPA money to help people, those-- for those who currently have an illness who would have a harder time if they did contract COVID, but these are people who do not have an illness right now. They might be at risk. I'm not going to deny it one bit, but, like, where do we-- where does it stop? Do we, do we give the people who are ill, the people who are at risk of being ill? And so I'm hoping we can just kind of think about that with this amendment. But with that, I yield the rest of my time. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Hansen and Senator Morfeld. Senator Stinner, you're recognized.

**STINNER:** Thank you, Mr. President. Just a short note on where we're at on the ARPA bill, since General File, we've actually had nine amendments to the ARPA bill. I think that shows some real good flexibility and working things back and forth. This bill obviously has the consent of Senator McDonnell, so that would be a tenth-- the tenth amendment if it passes. So I think that shows good faith on everybody's part and the willingness to work together and certainly, I think we're making some positive progress. So thank you very much.

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**HUGHES:** Thank you, Senator Stinner. Senator Ben Hansen, you're recognized.

**B. HANSEN:** Thank you, Mr. President. Sorry, I forgot to ask Senator Morfeld one more question, if I could, if he would be willing to yield?

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

**MORFELD:** Yes.

**B. HANSEN:** Thank you. I think I noticed in the fiscal note, does this create a new position in HHS? In the fiscal note, it looked like they-- we would have to create a public or a health director-- I forget the exact name-- that was \$95,000 a year.

**MORFELD:** I am looking at the fiscal note.

**B. HANSEN:** I'm sorry, I don't have in front of me too and I didn't ask--

**MORFELD:** No, I have the fiscal note literally right in front of me. They said the annual administrative cost is \$92,000 per year. I don't know if that's a person. Yeah, community health educator to establish tracking measures for the amount spent. So yeah, it would be one person to help educate folks and spread the word and then also administer the funds and make sure they're being administered appropriately.

**B. HANSEN:** OK. I know sometimes we have issues with the fiscal notes, whether-- how accurate they are not, so.

**MORFELD:** [LAUGHTER] Yeah, no, I'm aware.

**B. HANSEN:** But sometimes if this, this is what I have to go with, sometimes it helps to make a decision on whether this is appropriate or not as well because we're not creating a new program, but we're creating new employees that then cost \$92,000 a year and that's kind of an ongoing expense for a one-time-- supposedly one-time expense. So thank you for answering my question.

**MORFELD:** Yeah.

**B. HANSEN:** I'll yield the rest of my time.

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**HUGHES:** Thank you, Senator Hansen and Senator Morfeld. Seeing no one else in the queue, Senator Morfeld, you're welcome to close on AM2561.

**MORFELD:** Yes, thank you, Mr. President. Colleagues, I really appreciate all of your questions. The bottom line is, is that this does fall under ARPA under the health disparities portion of ARPA. I, I do appreciate some people are saying, well, listen, this is, this is preventing people from getting HIV and maybe we want to be helping with people who have HIV right now to be able to prevent those complications with COVID. But I really think that, quite frankly, you know, an ounce of prevention is worth, you know, whatever the pound. I can't remember exactly how that euphemism goes, but what, what this is doing is it's preventing people from getting HIV. And is that medication somewhat expensive and out of reach for a lot of people? It absolutely is. But what's even more out of reach for people and even the taxpayers in the state of Nebraska is helping keep people alive who actually get HIV and that literally can cost hundreds of thousands of dollars a year. So what we're doing is we're spending a few thousand dollars per year from these federal funds in preventing somebody from getting HIV to make it so that (1) they stay healthy and they don't get a disease like HIV, but then (2) saving the taxpayers a ton of money on the back end, literally hundreds of thousands of dollars in the back end. Because what happens when somebody gets HIV is it's so expensive that essentially they have to go on state and federal programs and then we have to pay for that medication and rightfully so to keep them alive, but they can't afford it. And so what this is doing, what this is doing is preventing people from getting HIV so that we can make sure that folks are healthy and that people are able to be able to provide for themselves so that they don't have to go on government programs just to stay alive once they, they get the HIV. And so this is a small way in which we can get the support to the folks that need it, educate them on how to take this medication to prevent HIV. And quite frankly, colleagues, it not only keeps them healthy, it saves the state and the taxpayers hundreds of thousands of dollars, if not more down the road. And we heard testimony to that effect time after time and, and I hope that you'll support this legislation. It's a small step, but it'll be a big step in saving the state a lot of money and keeping people safe and healthy. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Morfeld. Colleagues, the question before us is the adoption of AM2561. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 27 ayes, 5 nays on adoption of the amendment.

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**HUGHES:** AM2561 is adopted. Speaker Hilgers for an announcement.

**HILGERS:** Thank you, Mr. President. We have-- AM2608 is the last one of this first round. I have two other amendments-- I've spoken to Senator Wayne, Senator Morfeld-- AM2619 and AM2616 that I want to make sure we get to. And so I think normally cloture would be around 5:15 or 5:30, but if we have to go a little longer, we will go past to make sure that we have a full and fair debate to get those particular amendments up. I have talked to-- I've spoken with, excuse me, with Senator Friesen about his amendments and so we're at least going to get to those two after AM2608 and that might mean that cloture will be a little bit past four hours. Thank you, Mr. President.

**HUGHES:** Thank you, Speaker Hilgers. Mr. Clerk, next item.

**CLERK:** Senator Linehan, AM2608.

**HUGHES:** Senator Linehan, you're welcome to open on AM2608.

**LINEHAN:** Mr. President, so this again is just a very simple-- it's AM2608 and it's a total of five lines. So what we have discovered in the Revenue Committee and Education Committee, some groups are joining together to form joint public agency. So what that is, is-- again, I'll make up somebody so I'm not talking about specifics. Well, let's say you have a school and they're at their levy limit and they can't raise any money, but then they decide to get an agreement with the town they're in and the town has 5 cents levy limit that they can borrow, so they join a joint public agency and all of a sudden, instead of living within-- if it was a school, \$1.05, they're living within \$1.10. And with that 5 cents, they can, without a vote of the people, build a new school building. This has happened a couple of times. I have a feeling that it's going to happen-- we tried to get ahead of it this year. We'll come back and try to put some guardrails around it next year, but right now we don't have any guardrails around it. So basically a fire department could give their levy authority to a school, a school-- a city could give it to the county. You could have all kinds and you're building things without a vote of the people and let's remember when you get into the things where you're building things without a vote of the people, that's-- it's just-- that is not the way we've ever run things in Nebraska. So what I'm concerned on this bill is we're giving a lot of groups significant amount of money. There's been conversations and in their handouts, they're talking about building new buildings. Several of these groups we're giving money to are at their levy limit or close to their levy limit, so this is just an effort to make sure we don't have, you know, a JPA spring

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where they're popping up everywhere. So it would-- just says that if you are using these funds, you can't join with another public agency and raise your levy limit. So I'd appreciate a green vote. I don't want to filibuster. I just think it's a good idea. So thank you very much. Here to answer any questions.

**HUGHES:** Thank you, Senator Linehan. Discussion-- debate is now open on AM2608. Senator Machaela Cavanaugh, you're recognized.

**M. CAVANAUGH:** Thank you, Mr. President. I would ask if Senator Linehan would yield to some questions?

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

**LINEHAN:** I'm sorry. Yes, I didn't hear that. I'm sorry.

**M. CAVANAUGH:** Sorry. I was just asking if you would yield, thank you. I'm just looking through and I don't know-- do you have a comprehensive list of what the joint public agencies are?

**LINEHAN:** Well, I know there is-- at Southeast Community College, I think they have a joint public agency with Lincoln Public Schools. They built the career academy. They built a new building. I think that too is in a bond that didn't pass and then they did it anyway. Beatrice Public Schools, twice-- a bond effort failed twice and they joined with the ESU and they're doing it anyway. And then I think there's a school in-- well, I'll let him speak to it if he wants to, but there's another school, yes.

**M. CAVANAUGH:** OK. So the schools, as far as I know and I very much could stand for corrections, they're not included in the stipulations around the shovel-ready money, correct?

**LINEHAN:** I'm not-- you'd have to ask--

**M. CAVANAUGH:** OK.

**LINEHAN:** --one of the appropriators. I think the schools can't be, but that, that's just hearsay. I don't know that.

**M. CAVANAUGH:** Right, I'll confirm that. Thank you. But the community colleges, so we have community colleges in the ARPA plans. So if we were to adopt your amendment, does that mean that any money going to community colleges would not go to Southeast Community College?

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**LINEHAN:** No, no, no, no, no. This has nothing to do with what they've already done. This just says if they're going to build something new, which that's-- obviously they can-- I think it's actually \$75 million that's going to community colleges if you add in the dual credit-- that they can't, they can't get outside their levy limit without a levy override. Anybody in the state can have a levy override. Voters decide to spend more than the levy lid, they can go ahead and do that. But this, this has been used in a couple of times where they kind of drive around the levy override, drive, drive around the bond failure, and I just don't want to see it springing up all over.

**M. CAVANAUGH:** OK. I think I understand that part. What I'm kind of getting stuck on is how does this inter-- collaborate with the ARPA funds? Are you--

**LINEHAN:** I'm just saying it can't. Like, they can't, they can't use ARPA funds. And it doesn't have to be community college-- anybody.

**M. CAVANAUGH:** I-- yeah, that was just--

**LINEHAN:** Anybody can't use ARPA funds and then to help pay for the cost and maintenance, they do a JPA, which, which raises property taxes.

**M. CAVANAUGH:** I see. OK. So if they-- they can't-- basically they can't create a JPA after they get the ARPA funds and, and keep the ARPA funds.

**LINEHAN:** Exactly.

**M. CAVANAUGH:** OK, thank you. I think--

**LINEHAN:** To pay for-- to be very exact, to pay for anything they used ARPA funds on.

**M. CAVANAUGH:** OK.

**LINEHAN:** Now they could still do a JPA with something else and some other money--

**M. CAVANAUGH:** Sure.

**LINEHAN:** --but not with the ARPA money.

**M. CAVANAUGH:** Thank you. I really appreciate it and I think I'm less confused now, so thank you.



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**LINEHAN:** Thank you.

**M. CAVANAUGH:** I'll yield the remainder of my time to the Chair.

**HUGHES:** Thank you, Senators Cavanaugh and Linehan. Senator Erdman, you're recognized.

**ERDMAN:** Thank you, Mr. President. I've heard of these JPAs before and the one that came to my attention first was the one in Beatrice and I was wondering if Senator Dorn would yield to a question or two?

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

**DORN:** Yes.

**ERDMAN:** Senator Dorn, I had-- that information became available to me when I was in Scottsbluff. I met a gentleman on the ESU 13 board and he was describing what your ESU and your school did. Can you give us a description of how they went about doing that GPA [SIC]? How they, how they formed that and what happened?

**DORN:** Well, basically, Senator Linehan was right. They tried a couple of bond elections in Beatrice and they didn't pass, so there's-- then they went and with the ESU-- part of the Beatrice School Board and part of the ESU school board then formed a joint public venture. And that is the agency that's going to do the bonding then for them now building a school. The ESU will not be liable for any part of those bonds. The school is going to be liable for those bonds.

**ERDMAN:** So then it's going to raise property tax to pay for those?

**DORN:** No, Beatrice is not going to raise their-- they're at \$1.05 now and what they are doing is they are using part of that \$1.05 now to pay for those bonds. So it depends on how you look at it. They are not going above the \$1.05. Could they still do, I call it a lower operating budget? Would they lower their levy then? That's something you'd have to ask them. I don't know. But they're using-- in that \$1.05, they're using so many cents of that to pay for these bonds and for that school.

**ERDMAN:** OK, so let me see if I can conclude what you said. If they didn't have the bonded indebtedness, they could lower their mill levy because they wouldn't need \$1.05, is that be fair?

**DORN:** That we'd have to ask them. That is something that I don't know if they would have lowered it. I couldn't tell you that. That would be

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a decision of their superintendent and school board if they would've lowered it if they wouldn't be doing this. I don't know that.

**ERDMAN:** But the question is wouldn't they lower it-- the question is they don't want to lower it, but, but they sure could because obviously you've got to have extra money to pay the bonded indebtedness--

**DORN:** Yep.

**ERDMAN:** --or the taxpayers would have voted for it. That doesn't make any sense.

**DORN:** Some of the articles I've read-- and I've just read articles in the paper pertaining to that aspect of it-- they will now have less money available for their operations of the school because they are using part of that money to pay for this bond.

**ERDMAN:** So, so the whole just of having the GPA [SIC] is basically this: it allows them to go into debt without a vote of the people. Would that be a fair statement?

**DORN:** They are, they are going to build that building without a vote of the people, yes.

**ERDMAN:** And it's going to-- they're going to create a debt instrument that they wouldn't be able to do unless they had a vote of the people if they had a bond issue, right?

**DORN:** That-- I'm not sure I quite understand that question. They have had two bond issues that failed. They thought if they did another one, it would also fail.

**ERDMAN:** Well, somebody had a--

**DORN:** So they are, they are, they are allocating or making the commitment that over so many years, part of their budget now, part of their \$1.05 will be used to pay those bonds off.

**ERDMAN:** So tell me, how does the school borrow money?

**DORN:** It does it with that JPA and they have that joint venture and the--

**ERDMAN:** Yeah.

**DORN:** --ESU then is the one that is doing the bonding--

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**ERDMAN:** OK.

**DORN:** --not the school.

**ERDMAN:** Right. So what I'm saying is that an agency of that group they put together, the GPA [SIC] is the one that's taking on the indebtedness by securing the bonds.

**HUGHES:** One minute.

**ERDMAN:** So they are creating an agency that can create debt and that's not what schools or the ESU can do. So that's what they're doing. They're circumventing the will of the people to build a school and they're creating a play-- a way to create debt that someone has to pay off with tax dollars. Is that a fair statement?

**DORN:** That is-- they are creating debt and they will have to pay that off.

**ERDMAN:** Yeah. So it's happening and, you know, the taxpayers need to understand that. And if you were one of those that voted against a bonded indebtedness, there's an election coming up. So be aware. Thank you.

**HUGHES:** Thank you, Senator Erdman and Dorn. Senator Bostelman, you're recognized.

**BOSTELMAN:** Thank you, Mr. President. The other school that Senator Linehan was trying to think of was Wahoo. So Wahoo did it this last year with ESU 2, I believe it was. They joined a J-- they formed a JPA. There was a lot of discussions from a lot of the farmers that come up to me and talked to me about it. Their concern was, was there was bond issues that failed, but then there was a JPA formed, but then they didn't get a vote on that and how that-- their question was, was how that could happen. But that is, that is exactly what happened, similar to what Senator Dorn was saying what happened down in Beatrice. So I do support AM2608. I think that is-- it is a good amendment. There's good intentions behind it. I yield the rest of my time back to the Chair.

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

**FRIESEN:** Thank you, Mr. President. I stand in support of AM2608. I think it's just a simple amendment to make sure that some of these funds aren't used in this way. I don't think it will impact anything

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at this time, but this is an issue I think the Legislature needs to look at in future years. But to my knowledge, I don't know that there was anything in the ARPA funding that would be impacted by this statement. But again, I stand in support of the idea that we need to somehow put some controls in place for these creation of these JPAs. Thank you, Mr. President.

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

**PANSING BROOKS:** Thank you, Mr. President. I'm still trying to listen to all of this because I'm not sure how Lincoln is going to be affected on these-- the JPA and ARPA funds and so-- and I need to know more. But in the meantime, as I've done before on previous days, as a reminder, on the last day of the Legislature, we get to talk about the positive experiences that have happened during our time in the Legislature. So clearly there isn't all the time in the world and there's certainly not enough time to talk about the value and the friendships that have made, made each of you here so important to me and have made my legislative experience so amazing. So I've talked about Senators Aguilar, Albrecht, Arch, Blood, Bostelman, Brandt, Brewer, and so Senator Briese, I think, is here. So Senator Briese, I want to talk about you and say that you are always polite and kind. I have never heard you raise your voice. You are studious. You work really hard. I feel fortunate to have worked with you on, on a couple of the property tax bills and I know that you have a big heart and you care a lot about, about people, so I appreciate it and I just want you to know that it has been an honor to serve the people of Nebraska with you. Thank you. The next one of people who are here, Machaela Cavanaugh. Senator Machaela Cavanaugh, I want to thank you. You are persistent beyond measure, determined, tenacious. You have one of the hugest hearts in the Legislature, that's for darn sure. Whenever there is a battle, I always want to be on your side because you have an ability to think things through in an amazing way and it's better to be on your side on things. So I admire that. You are very bright and capable and you have made the body listen to and understand things from a very different perspective and I appreciate that and I want you to know it has been an honor to serve the people of Nebraska with you, Senator Machaela Cavanaugh. Thank you. The next one that I have in alphabetical order is Senator Day. Senator Day, you are a beautiful, kind soul. You, you are a great listener and always willing to help on any issue. You're independent. You are small and mighty and even on your stool. And I just-- I want to say that you are also not to be trifled with and you are also one who doesn't give up. And I appreciate getting to know you this, this past couple of years, and

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you're a wonderful addition to the Legislature and it has been an honor for me to get to serve the people of Nebraska with you, Senator Day. Thank you. How much more time to have left?

**HUGHES:** 1:40.

**PANSING BROOKS:** OK, the next one that I have-- see who's in the Chamber. Oh, OK. How much time?

**HUGHES:** 1:30.

**PANSING BROOKS:** 1:30. OK, Senator Dorn. Senator Dorn, Senator Dorn, are you listening? Senator Williams and Senator Dorn, I'm talking to you on the mike. OK, Senator Dorn, I just want to say that you are a sweet and thoughtful and studious man. I think you understand and explain very complicated issues and appropriations really well. I do think that you work for the people of your district better than most--

**HUGHES:** One minute.

**PANSING BROOKS:** --and are an incredible advocate and do so much good for the people in your district and for the state. So it has been a true honor for me to be able to serve the people of Nebraska with you, Senator Dorn. Thank you. Thank you, Mr. President. I'll be back later.

**HUGHES:** Thank you, Senator Pansing Brooks. Seeing no one else in the queue, Senator Linehan, you're welcome to close on your AM2608.

**LINEHAN:** Thank you. Just to re-echo what Senator Machaela Cavanaugh asked and it was a very good question, is this has nothing to do with-- people can do this right now. They are doing it. It's just the funding in this bill can't be used to do it. So with that, I would appreciate your green vote on AM2608. Thank you very much.

**HUGHES:** Thank you, Senator Linehan. Colleagues, the question before us is the adoption of AM2608. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**CLERK:** 31 ayes, 0 nays on the amendment.

**HUGHES:** AM2608 is adopted. Next item, Mr. Clerk.

**CLERK:** Senator Wayne would move to amend, AM2610.

**HUGHES:** Senator Wayne, you're welcome to open on AM2610.

**WAYNE:** Thank you, Mr. President. Colleagues, this is just kind of a belt-and-suspender amendment. So the dynamics of it is there will be an oppor-- like, every day, there's new-- not studies, trainings going on and there's little tweaks that everybody is saying about the final rules and their interpretations. And so really, what this says is that all grants underneath the ARPA funds, each commission agency, everybody needs to (1) adopt rules and regulations relating to the distribution of these funds and report them back to the executive branch within 60 days after this is passed. The second portion, it says that all boards, agencies, and commissions shall report to the Executive Board in 90 days after they look at the projects that come in and determine whether or not they're actually eligible. And here's why, colleagues. This is really simple. We have an election going on where there will be a new governor. And what I would hate to happen is there's a clawback that occurs, let's say, of \$100 million, and whoever the next governor is, is going to say well, it's the Legislature's fault and the, and the agencies are going to say, well, we're just doing what the Legislature told us to do. They ran their own legal analysis or their own analysis through Fiscal Office and we think they're right without doing any, any independent analysis within the agency. So all this is doing is trying to hold -- make sure we're all hold accountable and there's not a blame game going on in the next couple of years if there's problems with the ARPA dollars. The last thing this will do for, for the body's perspective is going into next year, we'll know if those are ARPA dollars meet the ARPA requirements and how much is left over and if we need to make any more adjustments at that point. The point of it is, is we're distributing money-- and, and the biggest one I'm going to keep harping at is the small processors. When Senator Brandt hand out of that-- hand out of that-- hand out the-- handed out the fact sheet, you look at them, all of them is about upgrades and expansions. So there's questions. Now rather than continue to argue about whether there's questions or not, we want to make sure the Department of Agriculture comes out with the right rules and regs and meet the ARPA requirements and that they make their own determination in addition to ours that they meet. And it applies to everybody, not just small businesses. It applies to, to the DED as it relates to north Omaha, that they need to make sure every project is deemed eligible in their own independent analysis. And reason why that's important is almost every agency has their own attorneys and has the ability to make that determination. So just like any corporation, which I consider agencies mini corporations, they also need to make their own analysis of whether these funds are being properly used. And if not, at least, at least tell the Legislature why those projects are deemed ineligible so we can make a-- also an

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intelligent decision on what we should do going forward. So it's truly about accountability. It's truly just a belt and suspenders, that we don't get into a blame game two or three years from now blaming whose fault it is, the executive branch or our branch. We both need to make sure that we are make-- that we make sure that these projects and the reasons we're putting these projects together are deemed eligible underneath ARPA. So with that, I would ask for your green support. It's not controversial. It's just making sure that every agency is doing what's required of them. Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator Wayne. Debate is now open on AM2619. Senator Pansing Brooks, you are recognized.

**PANSING BROOKS:** Thank you, Mr. President. So I'm still standing up, taking some time to celebrate the people in this body and celebrate the colleagues and friends that I've made in this body because what gets reported is, is the angst that we've had over time with one another and not, not the good things. So I'm not going to have time to do this during my goodbye on the last day, so I'm going to continue to do it here. Trying to see who's here in alphabetical order next. Senator DeBoer I don't see. OK, Senator Erdman, are you here? Senator Erdman? He's usually here. OK, Senator Flood. Senator Flood, Senator, Senator Flood has cared about this institution and this body greatly. He's provided a lot of, of knowledgeable care and input and-- on processes and procedures and he has-- he's worked to invest in the Legislature with its experience as a speaker, and he has done good for the state now for I think it's ten years, is that right? And so it has been an honor to serve the people of Nebraska with you, Senator Flood. Thank you. OK, Senator Friesen, you're next. Senator Friesen, you can smile. It's nothing terrible. Senator Friesen taught me about Fireball, among other things. He has a great sense of humor and he is very determined and he has-- he's-- I think he's really good at explaining things when he gets on the mike and what he's, what he's thinking about. And one thing about Senator Friesen is that he is always willing to sit down and listen and he may not agree, but, but this guy is always willing to sit down and listen. And he's one of the other-- others in here with a great wife, so here's to Nancy, so. And so Senator Friesen, it has been an honor to serve the people of Nebraska with you. Thank you. Senator Geist. People are in and out of the place. OK. Oh, Senator DeBoer. Senator DeBoer is a sweet, brilliant soul. She's a problem solver and she's a friend to all people. She is wise beyond her years, in my opinion, with a spiritual dimension that many of us don't carry or have the ability to do. She's also one of the best aunts ever. I've seen that and that interaction. She, she generously opens her doors to all, to all who want to come

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for gathering and that is a gathering of community and gathering of colleagues. And I really appreciate that no matter the person or the-- where they lead on the spectrum, Senator DeBoer makes sure that all are welcome. And Senator DeBoer it has been a true honor to serve the people of Nebraska with you. Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator Pansing Brooks. Senator Lowe, you are recognized.

**LOWE:** Thank you very much, Mr. President. As we look at this and, and, and the review and the report that these agencies are going to have to file, I'd like to ask Senator Wayne a question. Would Senator Wayne yield?

**WILLIAMS:** Senator Wayne, would you yield?

**WAYNE:** Yes.

**LOWE:** Thank you, Senator Wayne. Some of this money from ARPA will be going to political subdivisions, won't it?

**WAYNE:** Potentially, yes.

**LOWE:** And would this be considered an unfunded mandate if we make them file these reports?

**WAYNE:** Probably, technically yes, but they could use 10 percent-- up to 10 percent of their ARPA funds to pay for it so they could still use ARPA funds.

**LOWE:** But it would be an unfunded mandate.

**WAYNE:** Technically, yes.

**LOWE:** And we could be in line to pay for that if, if--

**WAYNE:** I see where you're going. There's probably a possibility of that, yes.

**LOWE:** OK, thank you and I'd-- I would yield you any time you'd like from this.

**WAYNE:** Yes.

**WILLIAMS:** Senator Wayne, you are yielded 3:45.



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**WAYNE:** Thank you. Colleagues, this is why words are so important. So in a brief conversation after Senator Stinner thought about it for a little bit, he asked a question. Then it made me start thinking and I just did quick research on my phone and I'm going to have to pull this and correct it either into LB1024 or sometime some other day. Words matter. And when you use the rule-- words rules and regulations for agencies, then they have to go through a hearing process and that will bog down the disbursement of these funds. That's why I'm, I'm requiring something because there's so many words in this 200 and-- page rules of how we just disperse this, we need to make sure every agency. So what I'm going to do is insert this either in LB1024 or somewhere else where we talk about guiding-- guidance documents and they'll still have to do a report. But I can't require-- I mean I can require them to do rules and regs, but then that means funding wouldn't even be disbursed until maybe fall, if not December. That's how important words are in statutes and in federal rules. And if we just made that mistake, imagine distributing a \$1 billion and where the mistakes can lie and who's going to pay for the clawback if we don't get it right? Our taxpayers. So I will bring this back. I'm not going to try to rush it today and I have another bill with LB1024 that we can put it in requiring the same thing, but it's important that we get this right because there will be clawback. So with that, Mr. President, I'd like to withdraw my amendment.

**WILLIAMS:** Amendment is withdrawn. Mr. Clerk.

**CLERK:** Senator Morfeld would move to amend, AM2616.

**WILLIAMS:** Senator Morfeld, you are recognized to open on AM2616.

**MORFELD:** Thank you, Mr. President. Colleagues, this is really a kind of a cleanup/technical and clarifying amendment. I introduced this on behalf of Senator McDonnell, who's been busy working on some things and some negotiations here today, but essentially this relates to his apprenticeship program and makes it so that it's clear that it goes to the right training program within the Department of Labor. And it's a very simple amendment, but it states, and distributed through the recommendation of the Nebraska Worker Training Boards pursuant to the guidelines established in the current section of statute. We worked with the Department of Labor to find the best place to put this and they said that this program would be the most efficient, most effective place to put this funding that will help support our high-skilled apprenticeships. It's funding that's already been allocated for that and this is a clarifying amendment to make sure it

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goes to the right place and under the right program and I'd be happy to answer any questions that you may have.

**WILLIAMS:** Thank you, Senator Morfeld. Debate is now open on AM2616. Seeing no one in the queue, Senator Morfeld, you are recognized to close. Senator Morfeld waives closing. Members, the question is the adoption of AM2616 to LB1014. All those in favor vote aye; those opposed vote nay. Have all voted? Record, Mr. Clerk.

**CLERK:** 30 ayes, 2 nays, Mr. President, on the amendment.

**WILLIAMS:** AM 2616 is adopted. Mr. Clerk, you have a motion on the desk.

**CLERK:** I do. Mr. President, 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 full and fair debate afforded to LB1014. Senator Stinner, for what purpose do you rise?

**STINNER:** I would like a call of the house and a roll call vote in reverse order, please.

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

**CLERK:** 28 ayes, 5 nays-- 29 ayes, 5 nays, Mr. President, 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. All unexcused members are present. Members, the first vote is the motion to invoke cloture. There's been a request for a roll call vote in reverse order. Mr. Clerk, call the roll.

**CLERK:** Senator Wishart voting yes. Senator Williams voting yes. Senator Wayne voting yes. Senator Walz voting yes. Senator Vargas voting yes. Senator Stinner voting yes. Senator Slama voting no. Senator Sanders voting no. Senator Pansing Brooks voting yes. Senator Pahls. Senator Murman not voting. Senator Moser voting yes. Senator Morfeld voting yes. Senator McKinney voting yes. Senator McDonnell voting yes. Senator McCollister voting yes. Senator Lowe not voting.

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Senator Linehan not voting. Senator Lindstrom. Senator Lathrop voting yes. Senator Kolterman voting yes. Senator Jacobson voting yes. Senator Hunt voting yes. Senator Hughes. Senator Hilkemann voting yes. Senator Hilgers voting yes. Senator Matt Hansen voting yes. Senator Ben Hansen voting yes. Senator Halloran not voting. Senator Gragert voting yes. Senator Geist. Senator Friesen not voting. Senator Flood voting yes. Senator Erdman not voting. Senator Dorn voting yes. Senator DeBoer voting yes. Senator Day voting yes. Senator Clements not voting. Senator Machaela Cavanaugh voting yes. Senator John Cavanaugh voting yes. Senator Briese voting no. Senator Brewer voting yes. Senator Brandt voting yes. Senator Bostelman voting yes. Senator Bostar voting yes. Senator Blood voting yes. Senator Arch not voting. Senator Albrecht voting no. Senator Aguilar voting yes. Senator Lowe voting yes. Senator Friesen, did-- no? OK. 34 ayes, 4 nays, Mr. President, on the motion to invoke cloture.

**WILLIAMS:** The motion to invoke cloture is adopted. Members, we will now vote on the advancement of LB1014 to E&R for engrossing. All those in favor say aye-- been a request for a machine vote. All those in favor vote aye; those opposed vote nay. Have all voted? Record, Mr. Clerk.

**CLERK:** 33 ayes, 7 nays, Mr. President, on the advancement of the bill.

**WILLIAMS:** LB1014 is advanced. I raise the call. Mr. Clerk, for items.

**CLERK:** Thank you, Mr. President. New resolution: LR392, Senator Friesen, study resolution. Amendments: Senator Friesen to LB344A, Senator Friesen to LB1014, Senator Linehan to LB1014 and Senator Linehan to LB1014. That's all that I have, Mr. President. Thank you.

**WILLIAMS:** Thank you, Mr. Clerk. Returning to the agenda. I believe we're at LB1016 [SIC LB1083].

**CLERK:** Mr. President, LB1016 [SIC LB1083] is on General File. It was a bill originally introduced by the Business and Labor committee. It, it is a bill for an act relating to claims against the state. It appropriates funds for the payment of certain claims and provides for the payment of claims. Introduced in January 18. At that time, referred to Business and Labor. The bill was advanced to General File. I have pending those committee amendments, Mr. President.

**WILLIAMS:** Thank you, Mr. Clerk. Senator Ben Hansen, you are recognized to open on LB1083.

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**B. HANSEN:** Thank you, Mr. President. If you get-- if everyone remembers, colleagues, that we-- I opened on this already from last time we brought it on. I read the opening. This is the state claims bill. The accepted state claims bill, previously passed a denial claims bill from before. I believe it was LB1084. So these are the accepted claims bill. I read through them when I was on the microphone last time. I explained just briefly about which-- where they were going, which departments and the claim write-offs and the workmen's-- workers' compensation claims. And so with that, I will take any questions if anybody has any. Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator Hansen. Mr. Clerk, there are committee amendments from the Business and Labor Committee. Senator Hansen, you are recognized to address your amendment.

**B. HANSEN:** Thank you, Mr. President. This is an amendment that we-- I got from Department of Labor that added on three other workers' compensation claims because they came in later after we-- four of them, excuse me, after we did the bill. And also there is a decrease in the claims write-off, I believe, from the Department of, the Department of Labor on here from \$254,000 down to approximately \$177,000. So we just had to add those in and that's what this amendment entails. It adds on a few more workers' compensation claims and a decrease in the amount of claims write-off, so. And that's pretty much what the amendment is. Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator Hansen. Mr. Clerk for an amendment.

**CLERK:** Mr. President, Senator Machaela Cavanaugh would move to bracket the bill until March 31.

**WILLIAMS:** Senator Cavanaugh, you are recognized to open up your bracket motion.

**M. CAVANAUGH:** Thank you, Mr. President. I'm sorry, I-- so how long do I have to open?

**WILLIAMS:** 10:00.

**M. CAVANAUGH:** OK, thank you. So Senator Ben Hansen and I talked about this a little bit, so he knows that I am taking time. And I did have a question for him initially, but I found the answer in this enormous book. I love literature. It's the LFO Directory of State Agency Programs and Funds. OK, so there is, on this bill-- on the amendment, the committee amendment, it takes 400-- page 2, line 4, it takes \$425,000 from a revolving fund. And so being the curious person that I

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am, I wanted to figure out what that revolving fund was. So going back to the first page, it actually tells you that the revolving fund is the Workers' Compensation Claims Revolving Fund and the claims included in this section shall be paid through Program 593 and Agency 65. So Agency 65, I looked up in the front of this book, is the Department of Administrative Services, which makes sense, and then Program 593 is the workers' compensation claim, so to fund all state workers' compensation costs. This program provides statutory benefits for state officials and employees, including the university and state colleges, who are injured while performing duties within the course and scope of their state responsibilities. The program goals focus on providing medical care to injured employees and returning them to employment quickly, reviewing and making payment of all claims in a timely manner, and working cooperatively with the agency personnel, the Attorney General's Office, and treating professionals. So there is -- wow-- \$18 million in this fund right now, so I will ask Senator Ben Hansen to yield to a question in a little bit to give him time to find an answer. I don't think it actually says how the revolving fund is funded, where that money comes from. Maybe it does in an earlier agency claim, but that is a question that I would have. In a few minutes, I will ask the senator to yield to that. OK, so this bill is paying out state claims. And in reading over the-- was it the original bill? No. So their state claims can be paid-- anything from zero to \$5,000 can be paid by-- paid by this commission that doesn't need anything-- any approval. And then after that, it's \$5,000 to \$50,000 has to go through a more arduous level of approval. And then anything over \$50,000 requires the Legislature's approval. So these are claims made-- workmen's comp claims made against the state that are over \$50,000. And there's one for \$125,000 for a claim. And I am curious what these claims are about because that is a lot of money, \$125,000, and so this one is to pay-- sorry. OK. I'm, I'm looking. I'm trying to be quick, sorry-- through the testimony. So this is one of those things that's like a function of government. This and, like, passing the budget are things we have to do and so it's something that oftentimes-- like my first year, we moved these, these bills and I had no idea what they were. People just said, oh, we have to do them. Like, OK, we have to? I don't know what happens if we don't, but it's always, you know, err on the side of caution, I guess. So I'm trying to figure out-- I don't see where this person's claim is outlined and what it's for. [INAUDIBLE] OK. No. I am getting out of control with the mountain paper I have on my desk. It's becoming problematic and I apologize. Keeping everything from the budget at the ready. Oh, in the testimony, that is where the \$5,000 information came from and it was from Alan Simpson, the Risk Manager for the state of Nebraska. But I

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do believe at some point, there was testimony as to why these, these specific claims needed to be paid and I'm trying to find that information. Would Senator Ben Hansen yield to a question?

**WILLIAMS:** Senator Hansen, would you yield?

**B. HANSEN:** I will. Yes.

**M. CAVANAUGH:** Thank you, Senator Hansen. I'm trying to find-- I have the transcript from your hearing and I'm just trying to figure out what the different claims were. Do you recall any of the-- so there's-- the first one is \$125,000. Do you recall what the claim was for?

**B. HANSEN:** A page just handed you a sheet that has a summary of each one right there, so.

**M. CAVANAUGH:** That is fantastic.

**B. HANSEN:** It has all of them on there. It has workers' compensation, compensation claims and indemnification claims too.

**M. CAVANAUGH:** OK, awesome. Thank you for that.

**B. HANSEN:** Um-hum.

**M. CAVANAUGH:** I have one more question.

**B. HANSEN:** Yep.

**M. CAVANAUGH:** The revolving fund, as I mentioned, I found where that is on page 589 of our funds book, but it doesn't say how it is-- like, where that money comes from. And there's \$18 million in that fund and we're expending, like, \$400,000. So do you know or can you give me an answer about that?

**B. HANSEN:** Yes and actually, if you flip to page 619--

**M. CAVANAUGH:** OK.

**B. HANSEN:** --in the Department of Administrative Services, they do have a synopsis of how that works.

**M. CAVANAUGH:** OK, page 619. So it's an insurance policy. So does that money just sit there then, the \$18 million?

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**B. HANSEN:** Until it is used, yes, and it's, it's similar to insurance policies, what they say. It operates similar to an insurance policy; those who have claims, those who don't. They subsidize those claims. It's the way-- they have the authority to charge agencies premium for workers' compensation claims. Depending on how many workers' compensation claims that they might have, it is probably their-- what their premium is going to be.

**M. CAVANAUGH:** So this is-- like, state agencies are, are paying within this fund?

**B. HANSEN:** Yes.

**M. CAVANAUGH:** OK, thank you. That's helpful. I appreciate that. OK, I'll, I'll alieve [SIC] you from questions for the moment. So the \$125,000 is for an individual who was-- alleges he was injured on November 1, 2019, while working as a high-voltage electrician for the University of Nebraska. He was maneuvering the portable light trailer by hand when the tongue jack collapsed and pinched the left hand between the hitch and the ground. That sounds-- yikes. Uh, how much time do I have, Mr. President?

**WILLIAMS:** 1:50.

**M. CAVANAUGH:** OK. All right, I have a few-- there's a few more to talk about, so I will hold off on that. And I'm also going to get my readers because this is a very small print, so I will yield the remainder of my time right now to the Chair. Thank you.

**WILLIAMS:** Thank you, Senator Cavanaugh. Debate is now open. Senator Clements, you are recognized. Senator Clements waives his opportunity. Senator Machaela Cavanaugh, you are recognized.

**M. CAVANAUGH:** Thank you, Mr. President. I was trying to have a quick conversation before I got-- had to talk again. So-- OK, the next one is Kenneth Rezac and he alleges he was injured on May 14, 2013, while working as a tech 2. He and injured his low back and received a loss of earning capacity, assigning permanent total disability and his claim is for \$100,000 and that dates back to 2013. Would Senator Ben Hansen-- I'm sorry, would you yield to another question?

**WILLIAMS:** Senator Hansen, would you yield?

**B. HANSEN:** Yes.

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**M. CAVANAUGH:** Thank you. So this claim of \$100,000 dates back to 2013. Do you recall the details as to why it took so long?

**B. HANSEN:** I do not know and some of these claims I do not have some information on it because they're-- went to small-- they went to claims court. They went through a hearing or a trial and then some of that is being held confidential. It could be. What-- the information that I have is what you have in front of you.

**M. CAVANAUGH:** OK.

**B. HANSEN:** It's got a summary of what they can-- what, what they're explaining and how some of this stuff happened. I know there may be some other people that might be able to answer your question better off the microphone if-- and I can help you out with that if you need to.

**M. CAVANAUGH:** So these are-- walk me through this a little bit. So these are claims that have gone through the small claims court and they had a payment that was over the \$50,000 and that's why they come then to the Business and Labor Committee?

**B. HANSEN:** From my understanding, yes, and then we have to have a hearing, they have to explain what they are, and they have to go on to the floor for us to prove it, anything over \$50,000.

**M. CAVANAUGH:** And it's not necessarily-- it's not the individuals that are receiving the payment that are coming to the hearing, it's the different entity agencies that are involved?

**B. HANSEN:** Yes.

**M. CAVANAUGH:** So I, I think I saw Department of Transportation maybe came. So one of them must be related to-- like, did the agencies that, that the workmen's comp claim was from, did they come and testify or how does that work?

**B. HANSEN:** The Attorney General's Office did.

**M. CAVANAUGH:** Oh, OK. Oh yeah, see, there is one from the Department of Transportation. They-- oh, this one is for writing off a bill. I don't know that-- it's part of this bill.

**B. HANSEN:** I don't know what you're looking at.



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**M. CAVANAUGH:** It's the testimony from Jeff Schroeder from the Department of Transportation asking us to write off-- requesting the bill totaling \$327,000. Sorry, this is-- this seems like it's with the wrong bill, but it says it's this bill. So I-- I'll ask a page to come make a copy to give to you and then maybe--- just confusing, but anyways, thank you, Senator Hansen.

**B. HANSEN:** Yep.

**M. CAVANAUGH:** Thank you. OK, so I appreciate your patience with me, Senator Hansen. The next one is \$150,000 workers' comp and it is someone who was injured on-- while working for the Department of Corrections on or about January-- I'm sorry, December 7, 2018, and February 27, 2019. His injuries left-- his-- he injured his left knee and lower back while conducting an area check of the external yard and slipped on ice that was covered by snow. OK, that's unfortunate.

**WILLIAMS:** One minute.

**M. CAVANAUGH:** Thank you. And then the next one is Billy Maxwell-- oh, I'm sorry, a gentleman who alleged he, he was injured by-- on January 10 and 28, 2012, while working. He injured multiple body parts that required medical treatment and surgery when he tripped on a piece of plywood in an area under renovation. And that one's for \$50,000. Wow, that took a long-- that took ten years to get to us. Wow. OK, I will yield the remainder of my time right now and get back in the queue. Thank you.

**WILLIAMS:** Thank you, Senator Cavanaugh. Senator DeBoer, you are recognized.

**DeBOER:** I'm sorry, Mr. Speaker. I accidentally pushed my button when I was trying to push a different one, so that is all.

**WILLIAMS:** Thank you, Senator DeBoer. Senator Cavanaugh, you are recognized.

**M. CAVANAUGH:** Thank you, Mr. President. Is this my last time and then my closing?

**WILLIAMS:** You still have your closing.

**M. CAVANAUGH:** OK. Thank you. So-- all right, I'm back to the claims and then this-- so this bill is a small-- oh, can you give a copy to Senator Hansen? Thank you. Sorry, conducting some side business here on copies. OK, so this is the bill-- the state claims bill. And I've

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had people asking what I'm doing. I'm taking time. That's what I'm doing. I'm taking time. Why? Because I can. Whenever others aren't taking time, I'll take time to slow things down and to see if those that are negotiating on some mythical negotiation somewhere at an undisclosed location can reach some sort of agreement that can get this body to move forward in a productive way. So I'm going to just take time until that, until that time, a little bit of a pun, sorry. OK. So Senator Ben Hansen, if you have a chance to just look at-- maybe he's-- the-- if you have a chance to-- I'm going to ask you to yield now, but if you have a chance to look at that and then maybe we can talk about that in a few minutes. So other testimony comes from the general counsel on behalf of the Department of Labor. And they, they have three separate claims for write-off this year. The Department of Labor is seeking write-off of both unemployment insurance benefit and a tax debt and debts occurred through the Contractor Registration and Wage Payment and Collections Act. As you may recall, NDOL first started writing off debt in 2018 and promised to go forward on an annual basis. We continue to honor that promise and this year added the labor standards programs for the claim-- and gives the claim numbers-- Department of Labor is seeking to write-off \$935,864.89-- 89 cents is key-- in unpaid unemployment insurance, taxes, and payments in lieu of contributions and reimbursements and \$4,865,177.18 in penalties in accrued interest. So I think I'm missing the fiscal note on this. I was thinking it was that \$400,000, but maybe it's larger than that. Sorry, here we go. OK, so the total fiscal note for this LB1083 is \$9.2 million for writing off, which we know they can-- we can afford to do because we have \$18.5 million in the fund that this would come from. It would be interesting to learn more about how we get to \$4.8 million in one year that need to be-- that needs to be written off in penalties and accrued interest. How-- I don't understand how that works. The unemployment tax debts accrue at 18 percent interest. The total tax write-off is \$5,000-- \$5,801--

**WILLIAMS:** One minute.

**M. CAVANAUGH:** --\$5,801,042.07. This number consists of 119 separate employer accounts that the department has determined uncollectible-- yikes-- \$5 million point-- \$5.8 million. And then there's another claim-- write off \$254,728.26 in unemployment insurance benefit overpayments. Huh. So we are writing off overpayments, OK. This number consists of 157 individual claimants and 231 total overpayments to the department-- that the department has determined uncollectible. There is no statute of limitations on any of the aforementioned debt, so the Nebraska Department of Labor is seeking to write off this

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uncollectible debt. Oh, so then it might not just be from the past year, it could be from--

**WILLIAMS:** Time, Senator.

**M. CAVANAUGH:** Thank you.

**WILLIAMS:** Thank you, Senator Cavanaugh. Seeing no one in the queue, Senator Cavanaugh, you are recognized to close on your bracket motion.

**M. CAVANAUGH:** Thank you very much, Mr. President. OK, so since there's nobody-- and I do intend to pull this so please give me a heads-up when I'm about out of time. So-- OK, the Department of Labor goes through similar lengths for unemployment insurance benefit overpayments. Before an unemployment, unemployment insurance benefit debt is determined uncollectible, the overpayment has gone through several collections attempts. The Department of Labor has statutory authority to collect through civil action offset against future benefits set off against any state income tax refund and set off against federal income tax refunds if the overpayment is due to fraud or misreported earnings. If a claimant has filed for benefits since the debt was established, the department has to-- has attempted to recoup the overpayment. Some may have had levies placed on their wages. Of the 231 overpayments proposed for write off, collection for all debt has been attempted through-- edge of our seats-- through the Department of Revenue State Income Tax Offset Program and 52 of the debts were run through the IRS Income Tax Refund Offset Program System to attempt collection against federal income tax refunds. Thirty-eight of the debts were discharged in bankruptcy. The Department of Labor makes every effort to collect all outstanding debts and has litigated collection efforts in both state and federal courts to put the benefit write-off of \$637,508. In perspective, in 2021 alone, the department collected \$2.2 million in benefit overpayments. All the unemployment debts proposed for write-off have been the subject of multiple collection efforts. The Department of Labor is seeking to write off all debts over five years old that have not been-- had a repayment of any kind in the last three years, debts that have been written off through bankruptcy, and debts of business that have closed. So for the next claim, they're writing off \$230,330, which consists of 267 Contractor Registration Act fee requests at \$40 per contractor in the sum of \$10,680. Contractor registration fees go to the contractor and professional employer organization registration cash fund six. Six-- 267 Contractor Registration Act citation fees in the sum of \$138,150. The citation fee goes to the school fund and two Wage Payment and Collection Act citation fees in the sum of \$81,500. These citation

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fees go to the school fund. The contractors under Contract Registration Act write-off are unable to be located by the Department of Labor and multiple collection efforts have been pursued. The citation fees under the Wage Payment and Collection Act were incurred by two employers who were going out of business and did not have the funds to make final payroll. The Department of Labor has no way to pursue those citations, as they no longer operate in Nebraska. This is the first time the Department of Labor has requested a write-off for our labor standards program. This concludes-- OK, sorry, I was reading somebody's testimony. This concludes their testimony. So kind of fascinating stuff. When you're not on a committee and these technical bills come through, you think they're kind of boring, but this one's pretty interesting. Mr. President, how much time do I have left?

**WILLIAMS:** 1:15.

**M. CAVANAUGH:** OK, I am going to go ahead and pull my motion. Thank you.

**WILLIAMS:** Your motion is withdrawn. Thank you, Senator Cavanaugh. Moving to debate. Senator Machaela Cavanaugh, you are recognized.

**M. CAVANAUGH:** Thank you, Mr. President. OK, so we've got then the testimony from Michael Green-- Greenlee, attorney at Department of Health and Human Services is testifying, I believe, about specific Section 3 would permit the Department of Health and Human Services to write off certain debts owed for fiscal or accounting purposes and to provide additional information. The total debt for which DHHS is requesting write-off authorization is in the amount of 2.573-- \$2,573,279. It just really I find it so, so funny when we have, like, 27 cents when it's over \$2 million. When you do your taxes, they just have you round up. The requested write-off amount relates to debts owed by-- to DHHS by way of assistance provided through 15 different programs. The debts are due to overpayments made for services provided for which we have not been reimbursed. Would Senator Hansen yield to a question?

**WILLIAMS:** Senator Hansen, would you yield?

**BOSTELMAN:** Of course.

**M. CAVANAUGH:** Thank you. So this-- I didn't know that this was part of it. So this \$2.5 million from DHHS is writing off for, for services that were provided but hadn't been reimbursed. Who would be the person-- who would be doing the reimbursing?

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**B. HANSEN:** Who is it? Yeah, are you talking about Medicaid funding?

**M. CAVANAUGH:** Is that-- it doesn't specify it in the testimony.

**B. HANSEN:** Yes, that's primarily probably what it is.

**M. CAVANAUGH:** So--

**B. HANSEN:** I can get-- I can check and make sure if-- you know, but.

**M. CAVANAUGH:** So we are providing \$2.5 million in Medicaid services, but not getting reimbursed for them?

**B. HANSEN:** It might be sometimes people who have used Medicaid and they pass away and so it's uncollectible debt. It might be funds that they couldn't get back through other means through, through collections. So there's-- it's a various-- there's various reasons from my understanding about why some of this is uncollectible.

**M. CAVANAUGH:** OK. That's interesting. Thank you. I appreciate that. So I guess maybe I should have continued reading the rest of the, the letter because it says the debt being submitted for write-off is being submitted because (1) the debtor has passed away with no probate being filed-- so thank you Senator Ben Hansen-- or (2) because the debtor had the debt discharge in bankruptcy or (3) because the applicable, applicable statute of limitations has passed, including money owed from persons who remained on needs-based assistance. The majority of this year's submissions, nearly 85 percent, fall within the third category. So because the applicable statute of limitations has passed, including money owed from persons who remained on needs-based assistance-- OK. Well, Senator Hansen, I appreciate you answering my questions. I'll yield the remainder of my time. Thank you.

**WILLIAMS:** Thank you, Senator Cavanaugh. Senator Hansen, you are recognized to close on AM2142. Senator Hansen waives closing. Members, the question is the advancement or the adoption of AM2142 to LB1083. All those in favor vote aye; those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**B. HANSEN:** 33 ayes, 0 nays on adoption of committee amendments.

**WILLIAMS:** AM2142 is adopted. Returning to debate. Seeing no one in the queue, Senator Hansen, you are recognized to close. Senator Hansen waives closing. Members, the question is the advancement of LB1083 to E&R Initial. All those in favor vote aye; those opposed vote nay. Record, Mr. Clerk.

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**CLERK:** 34 ayes, 0 nays, Mr. President, on the advancement of LB1083.

**WILLIAMS:** LB1083 is advanced. Mr. Clerk, do you have any items?

**CLERK:** I have nothing at this time, Mr. President.

**WILLIAMS:** Moving back to the agenda. We moved to LB902.

**CLERK:** Mr. President, LB902. It's a bill by Senator Aguilar. It's a bill for an act relating to postsecondary education; adopts the Nebraska Career Scholarship Act. The bill was introduced on January 7 of this year, referred to the Education for public hearing, advanced to General File. There are committee amendments pending, Mr. President.

**WILLIAMS:** Thank you, Mr. Clerk. Senator Aguilar, you're recognized to open on LB902.

**AGUILAR:** Thank you, Mr. President. Members of the body, good evening and good evening, Nebraska. LB902 creates the Nebraska Career Scholarship Act. This legislation codifies a program that was developed in collaboration between Governor Ricketts, the Legislature, and the higher education sector and it existed in the budget since 2020. Career scholarship dollars are currently sent out to the community college system, private colleges, university system, and the state college system. These scholarships are targeted to students pursuing degrees in programs that are needed in our local communities. The purpose of the program is to create a strong tie, tie to the communities across the state that need workforce such as Norfolk, Columbus, Grand Island, and North Platte. LB902 is-- was advanced unanimously from the Education Committee with an amendment that Chairperson Walz will explain. Before that, I'd like to continue to give background on this important program. Some of our state's largest cities do not have four-year college and I represent one of them, Grand Island. Other first-class cities with populations greater than 20,000 without four-year colleges are Norfolk, Columbus, Scottsbluff, Gering, and North Platte. According to a study prepared for central Nebraska, Hall County has fewer bachelor's degrees than the state average. My community recognizes the looming impact of automation and the need to attract higher-skilled workers to ensure that Grand Island can remain competitive for our largest employers and create new job opportunities. While it is unlikely that a four-year college will relocate to Grand Island, the partnership our community has developed with Wayne State College allows my community the ability to host college seniors who will work full time in local businesses for credit

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while living in Grand Island's downtown district, of which we are very proud. From the mayor of Grand Island to the chamber of commerce to the economic development volunteers and staff, creating a dense urban environment downtown has been a priority. The part-- this partnership gives Grand Island a meaningful fighting chance to increase our higher-skilled workforce and attract young talent. Norfolk's effort has been a model for what we want to accomplish. Their effort was adopted by the State College System Board of Trustees in 2020 after Governor Ricketts proposed that the Legislature gave the green light to the career scholarship program. What I'm asking the Legislature to approve this session is expanded funding to begin the same process in Grand Island. Again, Chairperson Walz will explain more about that in the committee amendment. The additional funding in this bill allows the Wayne State College-- Wayne State Co-op Program in Grand Island to begin with 25 students in its first cohort this fall and these students will be-- begin living in downtown Grand Island in the fall of 2025. Tuition to attend Wayne State annually is about \$5,000. The scholarship pays \$2,500 in the freshman year, \$3,000 in the sophomore year, \$3,500 in the junior year, and \$5,000 plus housing and a total of-- for a total of \$15,000 their senior year in Grand Island. We will see in AM2194 and LB902A that we are requesting an additional \$50,000 to be drawn from the General Fund to support the growth of this cohort in Grand Island. During the next biennium, the state colleges will request that \$240,000 in additional funding be allocated towards this initiative, growing to a total of \$600,000 in year-- fiscal year '26. I would like to thank Senator Flood for his help with this bill, Nicole Barrett from Senator Walz's Office for her, her work on the amendment, the Education Committee for unanimously advancing this bill, the nine senators who co-sponsored this bill, and I'm also thankful for the broad, bipartisan support it has received. I would appreciate your support for this important bill for the communities across the state to aid them in their efforts to expand their workforce with graduates from Nebraska colleges and universities. Thank you, Mr. President.

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

**CLERK:** Mr. President, the Education Committee would offer committee amendments, AM2194.

**ARCH:** Senator Walz, you are recognized to open.

**WALZ:** Thank you, Mr. President. First of all, thank you, Senator Aguilar, for bringing this bill. It had a lot of support and came out of the committee, as you said, unanimously. AM2194 substitutes for the

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bill, making the following changes to the introduced green copy: it reverts some of the program changes back to the intent of what has been included in the original program, as established in the budget bills, to finish four years of the original program unchanged. It then implements a process for making revisions to the program, specifically modifying eligible programs of study beginning with the academic year 2024 and 2025. This process has the Board of Regents, state colleges, and private colleges working with the Department of Economic Development to determine eligible programs based on workforce needs in the state. It changes the way the Department of Economic Development allocates the money to community colleges and private colleges in future years by simply stating that the amount for each group shall be the amount appropriated in the budget bill each year. Finally, it provides intent language to appropriate \$50,000 for the upcoming fiscal year 2022-2023 from the General Fund to the Nebraska State Colleges for cooperative programs with Wayne State College. I believe Senator Aguilar will explain this a bit further when he introduces the A bill, which is up next on the agenda. These changes were supported by Senator Aguilar, the postsecondary institutions, interested lobbyists, and the Governor's Office. They were adopted unanimously by the committee. I encourage your green vote on the committee amendment and the underlying bill. Thank you.

**ARCH:** Thank you, Senator. Debate is now open. Seeing no one in the queue-- oh, excuse me, Senator Erdman, you are recognized to speak.

**ERDMAN:** Thank you, Mr. President. I was wondering if Senator Aguilar would yield to a question?

**ARCH:** Senator Aguilar, will you yield?

**AGUILAR:** Yes, I will.

**ERDMAN:** Senator Aguilar, is this-- this is an appropriations for not this year, but next year and the year after right?

**AGUILAR:** Yes, I think there is money coming this year yet, though.

**ERDMAN:** It says '22-23 and then '24-25.

**AGUILAR:** I stand corrected.

**ERDMAN:** I, I just was curious about that. So this is the intent, right? This is-- your intent is to do this. We can't appropriate this money. It's the intent to do that in those following two years?



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**AGUILAR:** Yeah, I understand that.

**ERDMAN:** So is it-- was this your idea or did somebody bring this to you, this bill?

**AGUILAR:** Are you talking about the bill in general?

**ERDMAN:** Yes.

**AGUILAR:** Well, as I said in the opening, the idea came from a program that Mike Flood introduced-- Senator Flood introduced for Norfolk a couple of years ago.

**ERDMAN:** OK. All right, thank you.

**AGUILAR:** Thank you, Senator Erdman.

**ARCH:** Thank you, Senators Erdman and Aguilar. Senator Flood, Flood waives. Seeing no one left in the queue, the question before the, the body is the adoption of AM2194. All those in favor vote aye; opposed nay. Has everyone voted? Mr. Clerk.

**CLERK:** 35 ayes, 0 nays on adoption of committee amendments.

**ARCH:** AM2194 is adopted. Senator Aguilar, you are welcome to close on LB902.

**AGUILAR:** I'd just again like to thank everyone and encourage you to vote green on this for the communities, for the students, and for the businesses throughout our state. Thank you.

**ARCH:** Thank you, Senator. The question before the body is the advancement of LB902 to E&R Initial. All those in favor vote aye; opposed nay. Has everyone voted? Mr. Clerk.

**CLERK:** 36 ayes, 0 nays on the advancement of LB902.

**ARCH:** LB902 advances. Next bill, Mr. Clerk.

**CLERK:** LB902A is a bill by Senator Aguilar. It appropriates funds to implement the provisions of LB902.

**ARCH:** Senator Aguilar, you are welcome to open on LB902A.

**AGUILAR:** Thank you, Mr. President. LB902A simply funds the Nebraska Career Scholarship Act by taking \$50,000 from the General Fund to start up the Wayne State College collaboration in Grand Island.

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There's also included in the appropriation to this program for \$3 million from the General Fund for state aid for the career scholarship-- Nebraska Career Scholarships. Again, I would ask you to vote on LB902A and the underlying bill as well. Thank you. Please vote green.

**HUGHES:** Thank you, Senator Aguilar. Debate is now open on LB902A. Seeing no one in the queue, Senator Aguilar, you're welcome to close. Senator Aguilar waives closing. The colleague-- the question before us is the advancement of LB902A to E&R Initial. All those in favor say aye-- excuse me, we're on General File. My apologies. All those in favor of vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**CLERK:** 29 ayes, 0 nays on the advancement of the A bill, Mr. President.

**HUGHES:** LB902A advances. Next item.

**CLERK:** LB1069, a bill introduced by Senator Williams, relates to the Rural Workforce Housing Development Act; redefines terms. It changes provisions relating to the workforce housing grant program, annual fund certification, annual audit, and return of funds. Introduced on January 18 of this year, referred to the Business and Labor Committee, advanced to General File. I do not have committee amendments. I do have other amendments to the bill, Mr. President.

**HUGHES:** Senator Williams, you're welcome to open on LB1069.

**WILLIAMS:** Thank you, Mr. President, and good evening, colleagues. I'm here to introduce my priority bill for this year, LB1069, which would update the Rural Workforce Housing Investment Act. This bill was heard, as you just heard, by the Government-- or the Business and Labor Committee. There was no opposition testimony. It was advanced on a 7-0 vote and supported by the bankers, the realtors, and the homebuilders across our state. Over the past several years, Nebraska has been battling the issue of workforce shortages. It is estimated that there are over 50,000 unfilled jobs and only approximately 20,000 people seeking employment. This was a problem before COVID and now it has even gotten worse. In addition to a worker shortage, we also have a significant shortage of available workforce housing. Again, with COVID, we have seen increases in building costs, supply chain delays, and fewer contractors amplifying the problem. We clearly have a continuing need, particularly in our rural areas, and we have a proven method of addressing this need through the Rural Workforce Housing

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Investment Act. I'll give a little bit of history. In 2017, I introduced LB518, which created the act and used \$7 million from the Affordable Housing Trust Fund. This bill was heard by the Business and Labor Committee and advanced and it was their committee's priority bill in 2017. Thank you. In 2018, DED awarded the \$7 million to 14 nonprofit development companies to fund housing projects in rural areas all across our state. By 2021, over \$110 million had been invested in rural workforce housing, resulting in over 800 homes being built. Those homes mostly are paying property tax. The builders paid income tax. The people living in those homes paid income tax and sales tax, sales tax on the building itself. The program was oversubscribed, so we stepped up again in 2020 and appropriated \$10 million in General Funds to do a second round of grants through the program. Again, the program was fully subscribed and I believe approximately 17 awards to nonprofit development companies were granted. Because most of the projects are using revolving fund arrangements, the local programs just keep growing. It's the gift that keeps giving. This program has been one of the most successful DED programs ever, a 15 to 1 return on the investment and growing. This program has allowed us to build hundreds of houses across all of rural Nebraska. Today, we are asking for your help again to continue this program. I've introduced three bills. You've heard about them this session: this bill, LB1069, there's LB1070 and LB1071 also. This gives us the flexibility to use some ARPA dollars and couple that with some additional Cash Fund dollars. LB1069, which is in front of you today, simply updates and makes a few changes to the act. Now that DED has operated the program for several years, we have discovered a few changes that we believe will enhance and improve the program for the future. During the summer and fall, we held several stakeholder meetings with people using the program and DED staff. Several of the changes are cleanup and technical in nature. They include a classification in the definition of "matching funds" that ensures that statewide political subdivisions may contribute matching funds, two, a clarification in the definition of "nonprofit development organizations" that ensures that local nonprofit development organizations are included, a clarification in the definition of "workforce housing" that ensures funds from the National Housing Trust Fund are excluded, and it also removes an unnecessary requirement that a nonprofit workforce housing investment fund be certified annually by the Department of Economic Development. There are a few substantive changes and those are as follows: first of all, LB1069 extends the program through 2026-2027-- that's five years-- and the funding that we have put in place through LB1070 and LB1071 also extend that for those five years. Second, it increases the limit on the cost of construction for owner-occupied homes to \$325,000

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and rentals to \$250,000. That has been a major stumbling block as we saw supply chains and cost of housing and materials go up significantly. Several of the projects over the past year have struggled maintaining the previous level of \$285,000 for a single-family dwelling. Number three, it lowers the required local match. We have done this with a one-to-one match. This would lower the match to a \$1 of local funding for every \$2 contributed through the act. It also lowers the financial oversight from requiring an annual audit to requiring a financial review and it also allows the department to make the determination relative to the cumulative amount an individual grantee may receive each year. Clearly, we have a need, we have a, a method that we have used to solve that need through this program, and that is what we are here to continue with LB1069. As the Clerk stated, there are amendments and Mr. President, I would have that be my opening and then I would like to move to the amendments.

**HUGHES:** Mr. Clerk.

**CLERK:** Mr. President, Senator Williams, first amendment I have is AM1867 with a note you wish to withdraw that.

**WILLIAMS:** That's correct.

**CLERK:** Mr. President, Senator Williams would move to amend with AM2299.

**HUGHES:** Senator Williams, you're welcome to open on AM2299.

**WILLIAMS:** Thank you, Mr. President. AM2299 simply clarifies a couple of minor things. First of all, you may remember that when we passed LB518 in 2017, the money came from the Affordable Housing Trust Fund. The act still contained language that if there were funds left over, those would go back to the Affordable Housing Trust Fund. That would have been the right thing to do, but now, going forward since 2020, the funds have come directly from in, in essence, the General Fund or the Cash Reserve, so AM2299 places those moneys back to the General Fund rather than the Affordable Housing Trust Fund. The second thing the amendment does is it clarifies the language on the matching grant to be certain that everyone understands that it is a one-for-two grant program. Those are the changes. I'd be happy to answer question about-- questions about how the program has worked and where we go from here and why it is necessary to continue this. Also, Senator Vargas has an amendment coming up that will add the middle-income housing for the urban areas into LB1069 and I fully support that program. That has always also been very successful. With that, I would

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encourage your green votes on AM2299 and the underlying LB1069. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Williams. Debate is now open on AM2299. Senator Jacobson, you're recognized.

**JACOBSON:** Thank you, Mr. President. I've spoken many times on this issue and I really applaud the efforts by Senator Williams to bring this forward. This is an important bill for rural Nebraska in particular. I've watched in several communities how they've utilized this. I was recently in Aurora, Nebraska, and looked at the work that they did. They've created a housing subdivision. It was in soy-- it was a soybean field a year ago. Today, it's growing up in houses. I think it's important that people remember that as a developer, when you're going out in these rural communities and you're going to build a subdivision with multiple new housing, you're likely going to come in, annex in farm-- adjacent farmland to the community to be able to build a large enough area to put in a subdivision and build a housing area. And anyone that goes out and does development and has done development understands that any profits in a development come on the back end, not on the front end. You've got significant infrastructure costs. I did visit with the folks in Aurora to really understand what they were doing, how they were using not only these dollars, but how they were funding this project to be able to make it happen and make the housing affordable. They indicated, I think, that the city is contributing some of the infrastructure costs to help bring that infrastructure cost down and then they're using this program to build substantial housing in that area. Again, I would just tell you that our rural communities are running out of housing and a lot of this housing is aging. And as you look at-- and particularly, we're seeing this in North Platte as we're starting to look at amp-- ramping up more employment. I don't know how we're going to create the housing. That's what we're struggling with. And that's why I've been going around to different areas, seeing what they're doing. I-- rather than reinventing the wheel, I like to see projects that have worked and try to figure out how they've done it successfully. This program does indeed work. It's a great program and I think it's one way that we're going to solve the problem of housing. It's not the only one. This is one of the tools in the toolbox, but I think it's a very effective one. I would encourage you to vote for the bill and the underlying amendment. Thank you, Mr. President.

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

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**ERDMAN:** Thank you, Mr. President. Well, this-- my comments will come as no surprise to anybody. I'm voting against LB1069. I've never been able to figure out why the government has to build housing. So I'm going to ask Senator Williams a question, if he'd yield.

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

**WILLIAMS:** Certainly.

**ERDMAN:** Senator Williams, why doesn't a private investor-- why doesn't a contractor, whoever is building these houses, do this without the government's help?

**WILLIAMS:** Well, I would tell you if there are private investors that were willing to do this, that would be preferable and they would be doing it. The plain fact is they're not available and they're not doing it.

**ERDMAN:** And why would you think they're not doing it?

**WILLIAMS:** Because there is too much risk involved with it; the infrastructure costs to do this where you have to buy the land, put in the streets and sewers, and knowing that you're not going to be able to build enough houses quick enough to, to recoup those costs. It takes the, the normal developers out of the market.

**ERDMAN:** Are they using-- aren't, aren't these houses available to use TIF?

**WILLIAMS:** In some cases, TIF has been used. In most cases, not at this point, but it can be used.

**ERDMAN:** OK, so you're talking about changing this from a one to one to one to two. So what, what-- on a \$325,000 house, what would the grant be on that house?

**WILLIAMS:** Well, the grant is not on a house. It's on an entire project. It doesn't subsidize a house if the-- if that's what you're looking at--

**ERDMAN:** OK.

**WILLIAMS:** --and asking.

**ERDMAN:** OK, so on an entire project, what would be the percentage?

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**WILLIAMS:** Well, it would-- they would be in for-- if, if you applied for a \$1 million grant, you would have to raise \$500,000 locally to put into it. So a \$1.5 million project, the local match would be \$500,000 under the proposed-- with LB1069.

**ERDMAN:** So it's one-third, right? One-third?

**WILLIAMS:** Yes.

**ERDMAN:** OK. So a development project is greater than \$1 million, would you agree?

**WILLIAMS:** Oftentimes they can be.

**ERDMAN:** OK, so then they have to raise this-- under the current proposal and the current rules, they have to raise-- under that \$1.5 million, have to raise \$750,000, right?

**WILLIAMS:** No, under the current rules, they'd have to raise \$1 million. The match is one to one under the current rules.

**ERDMAN:** One to one? Well, if you said it was a \$1.5 million project, they'd have to raise--

**WILLIAMS:** Yeah, yeah.

**ERDMAN:** Yeah, \$750,000, right? OK.

**WILLIAMS:** And the maximum grant is \$1 million.

**ERDMAN:** So, so earlier in the day, I think you spoke with-- answered questions for Senator Albrecht about how many houses have been built. Could you share that with me again? I thought you said 7,000. What did you say? How many houses have been built?

**WILLIAMS:** There's been-- with the first program with the \$7 million that the state invested, to date, there are over 800 housing units--

**ERDMAN:** OK.

**WILLIAMS:** --built with that.

**ERDMAN:** OK.

**WILLIAMS:** I don't know how many have been done with the second project yet because those just went out last year.

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**ERDMAN:** OK. I heard you say seven and I didn't know what that-- I didn't understand that. Thank you.

**HUGHES:** Thank you, Senators Erdman and Williams. Senator Ben Hansen, you're recognized.

**B. HANSEN:** Thank you, Mr. President. I apologize to Senator Williams for not kind of bringing some of these questions beforehand. I just-- when I looking at the bill, thinking about a couple of things. I did vote this bill out of committee, but I did maybe just had a couple of questions of Senator Williams if he would yield, please?

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

**WILLIAMS:** Yes.

**B. HANSEN:** Thank you. I didn't ask this in committee, or maybe I did, but we're increasing the amount of the cost of the house that we're going to build from \$250,000 to \$325,000?

**WILLIAMS:** From \$285,000 to \$325,000.

**B. HANSEN:** That's-- \$325,000, OK, and, and I was just hoping maybe you can like explain a bit of why we had that increase.

**WILLIAMS:** We had the increase because many of the communities that were involved with the program were struggling getting homes built for workforce or middle income and keeping the price under the \$285,000. Part of that was due to supply chain issues and increased building costs during the period of time.

**B. HANSEN:** OK. I-- the only reason I asked that is typically the average cost to build a home in the state of Nebraska is about \$85 to \$95 a square foot. And if they build a house, that's about \$325,000, it comes out to about a 3,000-square-foot home.

**WILLIAMS:** I, I think if you would look at those figures, you're up closer now to \$200 a square foot to build a house, not \$85 or \$90.

**B. HANSEN:** OK and it very well could be, yeah. These are the most recent numbers I got, but yeah, because of cost and supply chain issues, I'm sure that's probably higher. That was-- and also for a rental home, it goes from \$200,000 to \$250,000?

**WILLIAMS:** That's correct.



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**B. HANSEN:** OK. And for the same reasons as previously?

**WILLIAMS:** Yes.

**B. HANSEN:** OK. Good. Thank you, Senator Williams, appreciate it.

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

**KOLTERMAN:** Good evening, colleagues. I'll try again. I rise in support of LB1016-- or LB1069 and AM2299. I've been in the development business as a partner for probably 20 years in Seward, Nebraska with a, with an entity and we've developed private developments usually ranging from 20 lots at a time. And I will tell you at today's prices, it's getting harder and harder to find people that want to do this kind of development. When you start looking at the costs involved, you're-- you look at the cost of the land itself, you look at the cost of the engineering, the cost of the materials to put in this-- the, the things like the water and the sewer, and it just becomes unbearable and there's a tremendous amount of risk involved with that. And then once you get the development put together with 20 lots, you have to find somebody that's willing to commit to buying those lots at whatever costs you have invested. So if you, if you're investing \$1 million and you've got 20 lots, you've got to make your-- you've got to get back you \$1 million plus a small profit. So the people that are doing these developments are people that have the ability to, to cover that risk. And, and I will tell you, it's getting harder and harder as, as the prices of land inflate, as the prices of material inflate, as the builders become less and less, the ability to find people that want to work. This is a risk and for some small towns, if we don't have the help available to them as a state, we won't, we won't see these housing developments increase in these small communities. So I support this from the perspective of it's not, it's not a super lot amount of money, but it is something that can help a community like-- I think the first one that subscribed to this was in Senator Friesen's district. It was Aurora and it's successful. I think York subscribed to it. They've been very successful. So I would encourage a green vote on LB1069 and AMM2299. Thank you.

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

**ERDMAN:** Thank you, Mr. President. Senator Kolterman, it hurts my throat to hear you talk. I'm sorry about that. Anyway, so I was

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wondering if Senator Williams would answer a couple more questions. Senator Hansen brought to mind one that I didn't ask.

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

**WILLIAMS:** Certainly.

**ERDMAN:** Senator Williams, in my earlier conversation, I asked about individual houses and you said this is not for individual houses. So if it's not for individual houses, but a subdivision, what difference does it make what the value is? You said you're raising it from 270-- \$285,000 to \$325,000. If it's not for individual houses. Why do we need to raise the value?

**WILLIAMS:** Because the goal is still to match the price of the home to what the cost of a home would be. So if the nonprofit development corporation has to invest in a project, for instance, half a million dollars doing what Senator Kolterman was saying, buying the land, putting in the infrastructure, and then they have to hire a contractor to build a home, the hope is that they can recoup some of that cost back. And right now, those homes are costing above \$300,000 to build that home that is somewhere around a 14-- 1,450 square foot with a full basement unfinished and a two-car garage.

**ERDMAN:** OK, so if you do the math, you got a \$325,000 house, you put 50 down. Mortgage, 275. I don't know what the interest rates are today, but your payment, your mortgage could be \$1,500 a month, your property tax would be \$500 a month, and your insurance is probably going to be \$250 a month. So you're talking \$2,300, \$2,400 a month on a-- on your, on your escrow payment. That is a pretty significant load for somebody to bear. You being a banker, what kind of income would someone need to be able to afford a \$2,400 mortgage?

**WILLIAMS:** Well, most of these people will be dual-income families and a teacher or two teachers, a nurse, a teacher, those kind of things. I think they have sufficient income to do that in the, you know, with \$100,000 to \$125,000 of income.

**ERDMAN:** So you're saying \$125,000 would be sufficient?

**WILLIAMS:** Yes.

**ERDMAN:** OK. Well, thank you for answering those questions. I appreciate it. But it still doesn't change my opinion. I was opposed to it when I came up. I'll be opposed to it again and it could be 41

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to 1, doesn't make any difference, but that's where I'll be. Thank you.

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

**JACOBSON:** Thank you, Mr. President. I, I enjoyed the conversation here because I think it's always an important opportunity to educate people as to the process. I think it's important to remember as you move west and try to build, material costs are higher, all the subs are more expensive. So the cost to build a home in North Platte, for example, is higher than it is here in Lincoln or it would be in Omaha, probably 15 percent higher. The other thing that's a little bit of a unique situation in North Platte is there's a lot of the area in North Platte, you can't dig a basement. So if you can't dig a basement, now, all of a sudden you're living square footage goes down. And as we all know, basements are a lot more cost effective in terms of being able to build for additional square footage. So that brings another issue to the table. I think we also need to recognize that one of the challenges that we have in our part of the state, central, west-central Nebraska and North Platte, is you're running into a situation where the current wage level, OK, for an individual-- and as Senator Williams has indicated, we're talking, in many cases, these would be two-income households-- that your average wage is, is not as good, typically because you don't have-- we don't have the same quality of jobs. That's why Sustainable Beef is going to be so important because we're going to be able to see a significant higher wage available for a lot of employees in that area. We have the Wal-Mart food distribution center that pays well. We have the railroad who has always been our premier employer who has certainly the highest wages paid and the best benefits, certainly jobs that we want to preserve and, and grow. And then you've got the hospital. So those are our major employers that are paying the higher-end wages. So if you can't afford housing in our area, you move to where the better jobs are at and where housing is potentially available and affordable. And typically, that means moving east or moving out of the state. So when you start looking at what do we do, there are 20, 2-0, homes available in the market in North Platte today, 20. You don't want to know what those are going to look like in many cases or how they're priced. OK, we have a-- we're beyond the housing crisis, we're beyond a housing crisis at this point in time. And why do we have the housing crisis? Because of cost to build. It's, it's unaffordable and now interest rates are moving higher and it's going to be even more unaffordable if we don't continue to take steps to do these kinds of programs to encourage people to go out and build more housing, contractors to get

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involved, communities to get involved with nonprofits or for-profit entities to build more rural workforce housing. Let's also remember that housing isn't static. Remember that you'll have people that will-- we think-- I think about in North Platte, there are people that might be in four- and five-bedroom homes. They're widows or widowers and they're staying in that house because they don't have a place to move to, but if they could move to a new home that's smaller, they would move out of their four- or five-bedroom home. And all of a sudden, that's available for a younger family to move into that's more cost effective. So we need to, we need to look at the entire circle in the housing side. And I'm not a realtor. I've seen one on TV, but I'm not a realtor, and I can tell you that that's the way the process works as you're moving from place to place. And there's a housing-- there's a house for different incomes and as long as you're building more houses and making more available, you'll see that movement and you'll see more opportunities for people to buy homes. So thank you, Mr. President.

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

**CLEMENTS:** Thank you, Mr. President. There's been a question in my mind as to who really does the granting of these funds and I'd like to ask Senator Williams a question.

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

**WILLIAMS:** Certainly.

**CLEMENTS:** The bill talks about nonprofit organizations that does the grant funding. Would you explain what kind of nonprofits are doing this?

**WILLIAMS:** Certainly, Senator Clements. That's a, that's a great question. Under the bill, the definition of a nonprofit development organization means a local, regional or statewide nonprofit development organization approved by the director and the director is the Department of Insurance. We have many local entities that have their own development companies that are established on a nonprofit basis. They can be that. They can be a regional area or a district area and we've had a combination with the grants that have been approved so far of all-- all of those kind of things have been approved.

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**CLEMENTS:** OK, thank you. So it's a variety. There's development districts throughout the state are, are there not?

**WILLIAMS:** There are and they would qualify.

**CLEMENTS:** OK, so this is eligible-- available to any-- anybody in the state that wants to try to apply for that, right?

**WILLIAMS:** That's correct.

**CLEMENTS:** And the person who applies for it is the builder, is that right?

**WILLIAMS:** No, the nonprofit development organization applies.

**CLEMENTS:** But they give grants to whom?

**WILLIAMS:** They don't necessarily give grants. That's not how the program has worked.

**CLEMENTS:** Oh, OK.

**WILLIAMS:** They receive the funds and they become-- I would say in most cases, they become the developer themselves. They purchase the land. They put in the infrastructure. They hire a, a contractor to build the home. They then hire a realtor to sell the home and then they recoup the, the funds and do it again.

**CLEMENTS:** When the house sells, then it goes back to this pool of money?

**WILLIAMS:** If that's how they've set it up. The flexibility that we have created under this program gives the nonprofit a lot of flexibility on how they handle it, but the majority of them are set up that way where they reuse the funds, which is the real beauty of this, because every time it comes back, they can invest it again and build another house.

**CLEMENTS:** All right. Thank you, Senator Williams. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Clements and Senator Williams. Senator Slama, you're recognized.

**SLAMA:** Thank you, Mr. President. I'll be brief. I rise in full support of LB1069 and AM2299. Senator Jacobson was absolutely right when he outlined the housing crisis as beyond a crisis and I can attest to

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this personally. My husband and I spent the better part of a year on Zillow and other housing websites trying to find a first home that we could afford within my district. A few popped up and they were off the market that day. We eventually lucked out this spring and were able to find an affordable first home that we could work and raise a family in, but our home buying experience was complicated not only by the housing shortage, but also by the supply, supply chain crisis. A lot of the houses that are going up on the market today, whether you're talking in rural or urban Nebraska, our urban homes are older homes that need some work and with contractors and supply chain issues, that work could very easily be extended out a year or more in order to make those homes livable. So when I look at LB1069, I see a, a wonderful opportunity to invest in our communities and, and I-- this is something that really disproportionately impacts rural areas. Senator Williams got to this point well. And that, the money normally doesn't line up to build new homes in rural areas, which is why we're seeing such a shortage and such an aging out of our housing stock. Hence, the need for some supports. Normally, I'm a very small government person, but this is a very narrowly tailored program intended to target a very high need in our rural areas, so I stand in strong support of it and would like to thank Senator Williams for being a champion of this issue. I'm, I'm really eager to see LB1069 and how it builds on our current program by looping in some of the higher-need, lower-income communities by lowering the, the match requirement. It's going to make a generational impact on our state and I'm proud to support it. Thank you, Mr. President.

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

**MOSER:** Thank you, Mr. President. A couple of years ago, I couldn't jog like that. I had a couple of questions for Senator Williams if he would respond.

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

**WILLIAMS:** Certainly.

**MOSER:** Thank you. I was talking to one of our fellow senators a little bit about who makes money on this thing, how does the incentive work? And so I, I was chatting with you about this, so I thought I might ask you on the record so people understand how it works. So the guy who-- or the couple, whatever, that buys the home, they pay market price for it?

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**WILLIAMS:** That is the way it is established and that's the way everyone that I have seen has worked.

**MOSER:** So if they live in it a year or so and then they flip it, they're not going to make a whole lot and if they do, they keep the money.

**WILLIAMS:** They're selling at market value. They bought it at market value and they're selling it at market value.

**MOSER:** So it's kind of their investment?

**WILLIAMS:** Yeah.

**MOSER:** So what's the benefit of the, of the grant program? It guarantees that the developer is not going to lose money?

**WILLIAMS:** Well, the developer-- and I think this is where people get confused with this. There is not a normal developer in this situation. If there were a normal developer that was willing to take on the risk, they should do it and they would do it, but what we see right now is that is not available. So the nonprofit development organization becomes, in essence, the developer and they can reduce their risk by using the grant program to do that. The grant does not subsidize a homeowner buying the property. It does not subsidize the contractor that builds the property. They're going to contract for a property at a specific price and that's, that's how the program is intended to work.

**MOSER:** Yes, I don't recall the program that we used in Columbus, but we got around \$600,000 for a housing development. And what they did is put it in the streets and the sewer and the water and all those things, bought the land and then they sold the lots for a better price and with the understanding that then the homes would be priced a little bit less than the market. And they built about 40 or so homes with that and the lots were-- normally, they would cost \$40,000. They were \$25,000 to \$30,000, so a lot of the private developers bought several of them just to get that extra edge so that their-- they could sell them more quickly and, and hopefully make more money. Well, those are just a couple of questions. You know, you're always worried about, you know, who's going to get the benefit of the grant and so it sounds like we're getting housing. That's the benefit of the grant.

**WILLIAMS:** That's the purpose of this entire program is to provide housing.

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**MOSER:** Thank you.

**HUGHES:** Thank you, Senator Moser and Senator Williams. Senator Erdman, you're recognized and this is your third opportunity.

**ERDMAN:** Thank you, Mr. President. I listened to Senator Jacobson talking about those older folks who have a four- or five-bedroom house. We had that issue in Bridgeport and some of the community people got together and built a retirement village that they rent out to those local people because before they had that, people were moving to Scottsbluff, out of the area, and their grandkids and, and their kids were still in Bridgeport. So they give them an opportunity. They built several units there. They rent those for \$750, \$800 a month and that unit is always full and it freed up a lot of those homes that those people were living in that were paying a lot of property tax and had to take care of the yards and so it freed them up to move there. And so the question that one has to ask is why are we short of people to work in Nebraska? And so building these houses, we have to have somebody move there to fill those houses and I talked to a person last week that transferred from Texas, had a pretty significant raise to come to Nebraska. And when they got their first paycheck, they had less money than they had in Texas, even though they'd gotten a raise because of the income tax that we have. So a house that is \$325,000 in Nebraska in most communities is going to be a 2 percent property tax. And if-- it doesn't take a rocket scientist. You don't have to be an actuarial to figure out that's over \$6,000 bucks a year. That's \$500 a month. So people that are looking to move somewhere aren't thinking about Nebraska and that's why we have a shortage of workforce in Nebraska is because our taxes are too high. And so we continue to do those things that local investors that need to make money won't do because there's too much risk or there's not enough profit. But the government can do that, that's what we do. And at some point in time, we're going to overbuild and then we're going to have a housing crunch again, a crash, and we're going to say, wow, we shouldn't have built all those houses. And when you talk about starter homes, basically a starter home to me has wheels under it. And that's what happened back in Kearney in the '70s when they were short of people. They built several mobile home parks and that's where those people started. And so sometimes in the society in which we live, everybody wants to start at the place where their parents are after 40 years of work. And so I don't know if I'll get another vote, but I'm going to be red on LB1069. Thank you.

**HUGHES:** Thank you, Senator Erdman. Seeing no one else in the queue, Senator Williams, you're welcome to close on AM2299.



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**WILLIAMS:** Thank you, Mr. President, and I appreciate the discussion and-- that we have had this evening on this. AM2299 simply clarifies that if there are funds left over in the program, they would go back to the General Fund, which is where they're coming from, rather than the Affordable Housing Trust Fund, and it also is clarifying language on the matching grant portion. That is simply what AM2299 does. I would encourage your green vote. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Williams. Colleagues, the question before us is the adoption of AM2299. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**CLERK:** 27 ayes, 4 nays, Mr. President.

**HUGHES:** AM2299 is adopted. Next item, Mr. Clerk.

**CLERK:** Senator Vargas would move to amend, AM2303.

**HUGHES:** Senator Vargas, you're welcome to open on your AM2303.

**VARGAS:** Thank you very much. I'll try to keep this brief. A lot of the questions that Senator Williams were asked actually apply to this. This is the Middle Income Workforce Housing Investment Act signed into law in 2020 by Governor Ricketts, something that he has supported and the administration has supported, along with the rural workforce housing. This is simply doing three things: (1) making sure that the program stays in place, extending it; (2) making sure that we're reducing the matching grant requirement to 50 percent; and then (3) doing the clarifying changes for where the money goes when it's not utilized, going back to General Funds. It is many of the similar same things as Senator Williams said in his bill and it works very similarly, but for urban, for Lancaster, for Douglas, and I urge your support of this because it is going to make sure that we keep two good programs that are working and make sure that we're harmonizing what we did in Senator Williams' into the urban workforce housing. Thank you.

**HUGHES:** Thank you, Senator Vargas. Debate is now open on AM2303. Senator Friesen, you're recognized.

**FRIESEN:** Thank you, Mr. President. Would Senator Vargas answer some questions?

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

**VARGAS:** Yes.

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**FRIESEN:** So Senator Vargas, would-- what are some of the differences between the rural workforce housing development program and this program?

**VARGAS:** One, it's really dedicated to urban, to the urban center core. So this is really to qualified census tracts that are in Douglas or Lancaster and this is creating the same type of opportunities, but in urban Nebraska. They have to be in qualified census tracts, so low-income, high-need areas.

**FRIESEN:** Are the matching amounts the same?

**VARGAS:** The matching amounts are currently the same, but the same thing that we did in this one was, was lowering it 50 percent. We're proposing the same thing, to lower it to 50 percent.

**FRIESEN:** So you're taking it down to-- the match will be one half of the grant?

**VARGAS:** Correct, yes.

**FRIESEN:** OK. Thank you, Senator Vargas. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Friesen and Senator Vargas. Seeing no one else in the queue, Senator Vargas, you're welcome to close on AM2303. Senator Vargas waives closing. The question before us is the adoption of AM2303. All in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**CLERK:** 25 ayes, 3 nays, Mr. President, on the amendment.

**HUGHES:** AM2303 is adopted. Mr. Clerk.

**CLERK:** I have nothing further, Mr. President.

**HUGHES:** Colleagues, the question before us is the advancement to E&R Initial of LB1069. Senator Williams, you're welcome to close.

**WILLIAMS:** Thank you, Mr. President, and, and good evening again, colleagues. I again remind people that this legislation was heard in front of Business and Labor, had no opposition testimony and was advanced on a 7-0 vote. It was supported by the bankers, the realtors, the home builders. Also remember that the Governor included \$75 million in his proposed budget for workforce rural and the middle-income program in the more urban areas. We continue to talk about a need. This solution has worked and has helped us with the need

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and this program continues to improve. And with the changes that we have implemented through LB1069, I think we will ensure the future for the next five years. This does extend the program through the '26-27 year. With that, I would encourage and ask for your green vote on my priority bill, LB1069. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Williams. Now, members, we will vote to advance to E&R Initial. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**CLERK:** 30 ayes, 3 nays on the advancement of the bill.

**HUGHES:** LB1069 advances. Mr. Clerk, next item.

**CLERK:** LB853 is a bill introduced by Senator Day. It's a bill for an act relating to revenue and taxation; provides a homestead exemption for certain disabled veterans. Introduced on January 6, referred to the Revenue Committee, advanced to General File. There are Revenue Committee amendments pending.

**HUGHES:** Senator Day, you're welcome to open on LB853.

**DAY:** Thank you, Mr. President, and good evening, colleagues. LB853 is my personal priority bill and it would create a new prorated homestead exemption for veterans with service-connected disabilities that are rated as between 50 percent and 90 percent on the VA schedule for rating disabilities. Whenever we're working on legislation that would create a new exemption for a group of Nebraskans, I know the natural question that comes up is why? Why does this make fiscal sense? While there is a clear fiscal rationale based on the justification of lost earning power, I would also appeal to the debt of gratitude that we owe this group of Nebraskans in particular. These are Nebraskans who left home to serve our state and country and have come back having made enormous and life-changing sacrifices. While each veteran with a service-related injury faces a lifetime of unique and personal challenges, for the purpose of-- purposes of evaluation, service-related injuries are determined by a graduated rating system under the VA schedule for rating disabilities. The ratings range from zero to 100 percent and higher ratings may reflect a single serious disability or a combination of several smaller disabilities. The basis for these ratings are the average impairment of earning capacity that results from the service member's injury. It's also important to understand that when a veteran has more than one disability, the ratings are not simply added together. For example, a 30 percent disability rating plus 20 percent disability does not equal a total 50

percent disability rating. Instead, combined ratings are calculated by a formula and rounded down to the nearest 10 percent, meaning veterans often have a rating that is less than the sum of their injuries. While a 1 to 100 rating system may seem remote and calculated, I would urge everyone in this room to consider the life-altering changes that those with service injuries go through and consider the physical and psychological loss as if they suddenly happen to ourselves or a loved one. For the 17,629 Nebraska veterans who have, who have a 50 percent or greater service-related injury, this is their daily reality, a life forever altered by the courage they showed in serving our country and our way of life. Although the size of our veteran population is declining among the youngest generation of veterans, service-connected injuries are increasing as a proportion of those returning home. Post 9/11 veterans report a 43 percent rate of service-connected disabilities, significantly higher than veterans from other periods. Additionally, among this subcategory of veterans with a service-related disability, 39 percent of these injuries have a disability rating of more than 70 percent. Unfortunately, we have another generation of Nebraskans trying to build their lives while experiencing the lasting effects of their service injuries. When we think of the nature of a partial disability, it seems only natural to be optimistic about the effects of a partial service injury. Yet these are injuries that would be considered massive in any colloquial or commonsense meaning of the term. For example, a case of 70 percent impairment for post-traumatic stress disorder involves suicidal thoughts, near continuous panic attacks, inability to manage stressful situations, and a projected 70 percent loss of earnings. This veteran would not qualify for our homestead exemption in the status quo. In terms of physical injuries, another example would be if your arm is amputated at the shoulder, you would qualify for-- you qualify for a 100 percent service disability and would get the exemption. However, if it's amputated below the deltoid but above the elbow, it's a 70 percent disability in your nondominant arm and an 80 percent disability in your dominant arm. Regardless, in each case, we would not currently give those veterans the homestead exemption. Veterans with a 50 percent or higher service-related injury only suffer from a partial disability in the clinical, cold, and bureaucratic meaning of the term. As anyone else can see, these are life-altering, altering injuries, excuse me. Alaska, Illinois, Kansas, and Vermont already include versions of 50 percent or higher service-related disabilities in their property tax exemptions and it is time for Nebraska to join them. LB853 would prorate the level of service-related disability for those who are 50 percent or more disabled, matching the level of property tax exemption with their level of service disability and 10

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percent tiers. I'm not pretending that LB853 comes anywhere close to enough to make up for what many veterans have lost in defending us. However, I am asking you to consider giving this amount back to make, to make things slightly easier for those who have given so much to all of us here today. LB853 advanced from the Revenue Committee unanimously and received no opposition testimony. Additionally, there is a committee amendment, LB-- excuse me, AM1601. This would fix a drafting error that accidentally placed the exemption for non service-related injuries and would correct this and grant the exemption to service-related injuries. So with that, I ask for your green vote on the committee amendment, AM1601, and the underlying bill, LB853. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Day. As the Clerk stated, there are amendments from the Revenue Committee. Senator Linehan, as Chair of the committee, you are recognized to open on the amendments.

**LINEHAN:** Good evening, Mr. President. Thank you. Thank you, Senator Day, for providing an overview of LB853. Senator Day brought the language found in committee amendment AM1601 to the hearing on LB853. The Revenue Committee adopted the language on an 8-0 vote. The amendment moves the language for the partial homestead exemption for military veterans to the correct section of statute. The amendment clarifies a partial exemption for military veterans applies to service-related disability injuries. Thank you, colleagues, and I ask for your support of the committee amendment, AM1604, and for your support to move LB853 to Select File. I'll be happy to answer any questions. Thank you.

**HUGHES:** Thank you, Senator Linehan. Mr. Clerk, there's an amendment to the committee amendment.

**CLERK:** Mr. President, Senator Sanders would move to amend the committee amendment, AM2371.

**HUGHES:** Senator Sanders, you're welcome to open on AM2371.

**SANDERS:** Thank you, Mr. President. Good evening, colleagues. Today, I'm introducing a friendly amendment that adds to the text of my bill, LB1080, into LB853. I would like to thank Senator Day for allowing me to amend my bill into hers and for bringing this legislation that supports Nebraska disabled veterans. AM2371 amends the original text, LB1080, my bill, which also changes homestead exemption provisions, LB853. LB1080 had no opposition at the hearing and advanced on an 8-0 vote from the Revenue Committee. The bill was brought to us by the

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Sarpy County Commissioners. AM2371 represents a modest change to our homestead exemption laws that will make a big impact for our veterans who are permanently and totally disabled. It provides a friendly process for veterans whose disabilities make it difficult for them to refile for the homestead exemption each year and whose disability is extremely unlikely to improve over time. Under AM2371, veterans who are totally and permanently disabled can apply for a homestead exemption every five years rather than on a yearly basis. We chose five years because this proposed processes coincides with the current practices in the Sarpy County Assessor's Office, requiring that veterans submit a summary of benefits every five years to confirm their disability status. AM2371 is the result of numerous conversations. The Sarpy County Board of Commissioners have led with the county assessors, county veterans, service officers, and other interested parties. Given the large population of veterans in Sarpy County and Douglas County, we expect the biggest impact will be seen in these two counties. Sarpy County estimates that 1,000 veterans, or 10 percent of the homestead exemption recipients, would be impacted by this change in Sarpy County alone. I am happy to answer any questions that you may have and I urge you to vote green on AM2371 and the underlying-- underlining bill. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Sanders. Debate is now open on AM2371. Senator Brewer, you are recognized.

**BREWER:** Thank you, Mr. President. Well, I'll start by thanking Senator Sanders, Senator Linehan, and Senator Day for this bill and the amendments. I think to understand the system that's used for, for determining disability, I probably need to tell you my story so you understand how the process works. So in 2014, I retire after almost 37 years. You're sent to a medical facility and they assess you and that assessment determines how much disability you have. Now what they do is they look at the injuries you sustained throughout your time in the military and then they put a value to each of those. So let me run through just a quick list here. So at the time I retired, they determined I had two damaged vertebrae in my neck, C4 and C5, three damaged vertebrae in my back L-- or S1, L4, and L5-- I'd had my left thumb blown off and reattached, but it reattached just fine-- loss of hearing in the right ear, loss of vision in the right eye, damaged rotator cuff in the right arm, 21 different shrapnel wounds, seven gunshot wounds to include the left lung, right arm, right calf, neck, and head, both ankles fused, and a traumatic brain injury. So for those injuries, you're awarded 70 percent. None of those exceeded 70 percent and the way it works is that they use a math formula where you add them all together and it's some number that's way below anything

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you could ever dream of. And then for you to ever increase that number, it is a very difficult process you go through of being reevaluated. Each county has a county service officer that works with veterans and, and their job is to help you increase that if it's possible, if you're deserving and you can prove it, but normally that is a very long process, sometimes ten or more years before you can have one of those increased. So when you hear some of these numbers and you question whether or not this is really a reasonable thing or if they really need it or not, understand these numbers really don't reflect the, the true amount of injuries that they've sustained. It is a math formula that's used so that the government can pay you or recognize you for the least amount possible. So with that, I would ask your vote-- green vote on LB853 and amendments. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Brewer. Senator Jacobson, you're recognized.

**JACOBSON:** Thank you, Mr. President. I really want to applaud Senator Day, Senator Sanders, and of course, Senator Brewer for their work on this bill. There's really never enough that we can do for our veterans. It's, it's really unbelievable when I come here and I spend time around Senator Brewer and I'm always in awe of someone who has done what he's done for our country, suffered the injuries that he suffered, and he's here serving in the Legislature. He's really a source of strength for me when I come here and watch him and watch what he's done in his career and what he's done for our country and recognize that he's not alone. There are a lot of people out there just like him. So again, I understand this can have some minor impact on the counties as you start looking at, at this exemption, but I think it's the very least that we can do for our veterans. I would highly encourage everyone to vote green on the-- on all of the amendments and the underlying bill and Senator Day, thank you again.

**HUGHES:** Thank you, Senator Jacobson. Seeing no one else in the queue, Senator Sanders, you're welcome to close on AM2371. Senator Sanders waives closing. Members, the question before us is the adoption of AM2371. All those in favor of vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**CLERK:** 37 ayes, 0 nays on adoption of the amendment to the committee amendments.

**HUGHES:** AM2371 is adopted. Next item, Mr. Clerk.

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**CLERK:** Senator Hansen, FA165. I have a note you want to withdraw, Senator. Thank you. I have nothing further to the committee amendments, Mr. President.

**HUGHES:** Thank you, Mr. Clerk. Senator Linehan, you're welcome to close on AM1601. Senator Linehan waives closing. Members, the question is the adoption of AM1601. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**CLERK:** 38 ayes, 0 nays, Mr. President, on the adoption of committee amendments.

**HUGHES:** AM1601 is adopted.

**CLERK:** I have nothing further, Mr. President.

**HUGHES:** Senator Day, you're welcome to close on a-- LB853. Senator Day waives closing. Colleagues, the question is the advancement to E&R Initial of LB853. All those in favor of vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**CLERK:** 39 ayes, 0 nays on the advancement of the bill.

**HUGHES:** LB853 advances. Colleagues, pursuant to the, to the agenda, we will now move to the 7:00 items. LB741A, Mr. Clerk.

**CLERK:** Mr. President, LB741A is a bill by Senator DeBoer. It appropriates funds to implement LB741. Senator DeBoer has an amendment pending, Mr. President, AM2628.

**HUGHES:** Senator DeBoer, you're welcome to open on LB741A.

**DeBOER:** Thank you, Mr. President. I'm actually going to ask to move to my amendment time and waive the opening on this.

**HUGHES:** Without objection, we'll move to AM2628.

**DeBOER:** Thank you, Mr. President. Colleagues, this is the trailing A bill for LB741. There has been an adjustment to the A bill that I just got maybe 15 minutes ago, so I thank all the ones in Bill Drafters who are working and this was just prevented-- or presented to me. LB741A with-- so AM2628 is a white copy, strikes the original so that the new matter is now AM2628. That includes the money for Senator Brandt's LB1001, which was included on Select File, and that is the vast bulk of the, the A bill. There is \$10,000-- or \$11,209 for an amendment



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that I put on as well. So that is the A bill and I would encourage your green vote on 7-- or on AM2628, which replaces LB741A.

**HUGHES:** Thank you, Senator DeBoer. Debate is now open on AM2628. Seeing no one in the queue, Senator DeBoer, you're welcome to close on AM2628. Senator DeBoer waives closing. Colleagues, the question before us is the advancement of AM2628. All those in favor of vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**CLERK:** 35 ayes, 0 nays, Mr. President, on the amendment.

**HUGHES:** AM2628 is adopted. Returning to the bill, seeing no one in the queue, Senator DeBoer, you're welcome to close on LB741A. Senator DeBoer waives closing. Members, the question before us is the advancement to E&R Initial of LB741A. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**CLERK:** 33 ayes, 0 nays on the advancement of LB741A.

**HUGHES:** LB741A advances. Mr. Clerk, next item.

**CLERK:** Yes, sir. Mr. President, the next bill is LB752A. It's a bill by Senator Arch. It appropriates funds to implement the provisions of LB752.

**HUGHES:** Senator Arch, you're welcome to open on LB752A.

**ARCH:** Thank you, Mr. President. Good evening, colleagues. LB752A is the appropriation bill for one of the Health and Human Services Committee's priority bills. As a reminder, LB752 is the Health and Human Services Committee's Christmas tree related to licensure in public health and we'll be discussing that just a couple of bills from now. LB752A appropriates \$79,552 from the General Fund for fiscal year '22-23 and \$99,326 from the General Fund for fiscal year '23-24 to the Department of Health and Human Services to carry out the provisions of the Alzheimer's Disease and Other Dementia Support Act, including the creation of advisory council, which is one of the bills included in LB752. The money appropriated to the department will pay for the FTE needed to support the council. With that, I ask for your green vote on LB752A, also on the underlying LB752 when we get to it. Thank you.

**HUGHES:** Thank you, Senator Arch. Debate is now open on LB752A. Seeing no one in the queue, Senator Arch, you're welcome to close on LB752A. Senator Arch waives closing. Members, the question before us is the advancement to E&R Initial of LB752A. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

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**CLERK:** 35 ayes, 0 nays on the advancement of the A bill.

**HUGHES:** LB752A advances. Mr. Clerk, next item.

**CLERK:** LB1024A by Senator Wayne. It's a bill for an act to appropriate funds to implement the provisions of LB1024.

**HUGHES:** Senator Wayne, you're welcome to open on LB1024A.

**WAYNE:** Thank you, Mr. President. Colleagues, this A bill, we already-- we're working on the amendment, so it will completely change on Select File along with LB1024. I would ask for a green vote so they can stay together and we can have the conversation on Select File regarding the amendment that we're proposing to adopt to change LB1024. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Wayne. Debate is now open on LB1024A. Seeing no one in the queue, Senator Wayne, you're welcome to close on LB1024A. Senator Wayne waives closing. Members, the question before us is the advancement to E&R Initial of LB1024A. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 27 ayes, 0 nays, Mr. President, on the advancement of the A bill.

**HUGHES:** LB1024A advances. Mr. Clerk, next item.

**CLERK:** Mr. President, Select File. Senator McKinney, Enrollment and Review amendments to LB707.

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

**McKINNEY:** Mr. President, I move to adopt the E&R amendments to LB707.

**HUGHES:** Members, the question is the adoption of E&R amendments. All those in favor say aye. Opposed nay. The E&R amendments are adopted.

**CLERK:** Senator Flood would move to amend, AM2205.

**HUGHES:** Senator Flood, you're welcome to open on your amendment, AM2205.

**FLOOD:** Thank you, Mr. President, members. As a member of the Banking Committee, it's my pleasure to introduce this amendment. It is a friendly amendment. AM2205 addresses a concern raised when the Legislature adopted LB649, the Nebraska Financial Innovation Act, last session, which authorized the creation of digital asset depositories.

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LB993, introduced by Senator Bostar, has been added to LB707 pursuant to an amendment adopted on General File. LB993 would provide limitations on digital asset and cryptocurrency custody services. During the Banking, Commerce and Insurance Committee hearing on LB993, concerns were raised regarding the existing requirement under Section 8-3009 for a digital asset depository to maintain unencumbered liquid assets valued at not less than 100 percent of the digital assets in its custody. After discussions with the banking industry, the consensus view is that it is inappropriate to require a digital asset depository to main [SIC] 100 percent reserves for digital assets held in custody since they are not, quote unquote liabilities under the digital asset depository. AM2205 would reflect the industry standard that stablecoin issued by a digital asset depository have 100 percent in liquid asset reserves, backing any outstanding stablecoin issued by the digital asset depository, also known as a DAD. The amendment is supported by the Nebraska Department of Banking and Finance, the Nebraska Bankers Association, representatives of the digital assets industry as well. The department believes the amended-- the amendment will enhance the regulation of stablecoin issued in our state. I would ask you to support AM2205 and the underlying bill and thank you for your consideration.

**HUGHES:** Thank you, Senator Flood. Debate is now open on AM2205. Senator Williams, you're recognized.

**WILLIAMS:** Thank you, Mr. President. I just want everyone to know that as Chairman of the Banking Committee, I fully support this amendment, as does the committee, as we do the next amendment that's coming up from Senator Dorn. So I encourage your green vote on AM2205. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Williams. Seeing no one else in the queue, members, the question before us is the adoption of AM2205. All those in favor of vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**CLERK:** 26 ayes, 3 nays, Mr. President, on the adoption of the amendment.

**HUGHES:** AM2205 is adopted. Next item.

**CLERK:** Senator Dorn would move to amend, AM2405.

**HUGHES:** Senator Dorn, you're welcome to open on your AM2405.

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**DORN:** Thank you. Thank you, Mr. President. I want to thank Senator Williams for allowing us to add this amendment, LB24-- AM2405 was my bill, LB811. It's a straightforward bill. Under a 1953 law, auctioneers from another state who wanted to conduct a public auction in Nebraska had to be licensed under the same required-- requirement as Nebraska auctioneers. The out-of-state auctioneer is supposed to apply for a license with the county clerk. The county clerk is then supposed to track down the requirements of the other state where the auctioneer comes from. The county clerk then creates an application and license and chain-- charges the same fee as the other state. County clerks haven't been doing this. Lancaster County hasn't issued an auctioneer license in 15 years and it's not being used. The law doesn't provide any guidance about what clerks do with the application and there is no enforcement mechanism if an auctioneer from another state doesn't apply for a license. LB811 does not change any requirement for auctioneers who sell real property. Real estate auctions would continue to be conducted in compliance with the Nebraska Real Estate Licensing Act. The Real Estate Commission did a simple chart for you-- and that's the handout that we just gave out here-- so that you can see what 8-- LB811 changes. It simply eliminates an out-of-date, unused, unnecessary licensing registration. This was brought to us by the county, the county group and I-- the first thing that happened or one of the things that's been happening in the last few years is some of the clerks have been approached and asked about doing this. They don't know what the statute is. They don't know what to charge. This is a bill that was 53 years ago that basically is time to change and take it off the books. Thank you.

**HUGHES:** Thank you, Senator Dorn. Debate is now open on AM2405, Senator Erdman, you're recognized.

**ERDMAN:** Thank you, Mr. President. Senator Dorn, you yield to a questioner or two?

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

**DORN:** Yes.

**ERDMAN:** Senator Dorn, who brought this to your attention that it's needed to be changed?

**DORN:** The NACO did, the county group.

**ERDMAN:** Say that again?

**DORN:** NACO, the county organization--

**ERDMAN:** OK.

**DORN:** --brought this to my attention, yes.

**ERDMAN:** All right. So let's just follow through and let me read line 4 and it says this-- this is the underlined part-- "all auctioneers of any state shall comply" and then it goes on to say with requirements of the Nebraska Real Estate License Act before conducting a sale of real estate in this state. So why did we need to do that? Because the old language said that nothing contained in this section and it listed them-- shall be construed to permit any person to conduct a sale of real estate without first complying with the requirements of Nebraska Real Estate License Act. So what, what did we change here that makes a difference?

**DORN:** We, we really didn't change anything except eliminating the old statute. That's all we changed. They-- and that's why we're-- the county clerks were having an issue, especially I call it along the borders or whatever when somebody would-- the out-of-state auctioneers were found out that they-- we had this statute in place so they would go to the clerk's office, which is where they were supposed to go, to find out about this. Generally speaking, the clerks didn't know what was going on. They would get ahold of NACO or somebody else. And that's why we contacted also the Nebraska Real Estate Commission and that's the handout that we handed out there with Greg Lemon and he basically is saying that there is no change to this. It's just eliminating a statute so that when-- people don't have to come and ask the clerk what they're supposed to do and then nobody knows.

**ERDMAN:** So you're trying to tell me that that old language, if I read that old language, I wouldn't know that I have to have a real estate license?

**DORN:** I guess I-- you have to ask that question again.

**ERDMAN:** OK.

**DORN:** I didn't catch that part.

**ERDMAN:** All right, here's what it used to say.

**DORN:** Yep.

**ERDMAN:** Nothing contained in this section and it lists them shall be construed to permit any person to conduct a sale of real estate without first complying with the requirements of the Nebraska Real

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Estate License Act, OK? That would say to me if I read that, hey, I can't sell real estate in Nebraska unless I have a license. And so you're changing it to say all auctioneers of any state shall comply with the requirements of the national real estate-- Nebraska Real Estate License Act before conducting a sale of real estate in the state. It says the same thing.

**DORN:** Well, it, it's-- it may somewhat say the same thing, but the interpretation was that those auctioneers from out of state, they now had to make sure they qualified with the Nebraska one, so then they would go ask the clerks and the clerk said they didn't know what was going on or whatever because it's an out-of-date-- what it does is it changes the wordage so that now they can conduct that auction here in Nebraska.

**ERDMAN:** They--

**DORN:** Well, they could before. I, I agree with your thought process on that, but what this does is it clarifies, it clarifies the part that they now don't have to come and ask a clerk because we-- that's the part we had a statute-- in statute in Nebraska.

**ERDMAN:** You're not-- let me understand this. So you're changing it-- if they couldn't find this statute before, what's changing the language going to make them available to find it now?

**DORN:** Well, that-- basically that bottom part just clarifies that they have to conduct-- to conduct a sale in Nebraska, they have to meet our licensing procedures.

**ERDMAN:** No, the old part said that too. The old part said nothing contained in this section shall be construed to permit any person to conduct a sale of real estate without first complying with the requirements in our real estate. It said the same thing. It said--

**DORN:** One minute.

**ERDMAN:** --exactly the same thing.

**DORN:** It, it-- this is a clarification. That was the way I was presented with it, that this is now going to eliminate that 50-year-- 53-year-old provision that the clerks were having an issue with because people came forward.

**ERDMAN:** I, I sell real estate and I've never gone to the clerk of a-- of the, of the county to ask them a real estate question.

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**DORN:** You--

**ERDMAN:** I look it up on the real estate website.

**DORN:** You, you don't, but out-of-state auctioneers were. That's where the issue was. It was the out-of-state auctioneers not having that clarification that they did not need to do it.

**ERDMAN:** I'm a no.

**HUGHES:** Thank you, Senator Erdman and Senator Dorn. Seeing no one else in the queue, Senator Dorn, you're welcome to close on AM2405. Senator Dorn waives closing. Members, the question before us is the adoption of AM2405. All those in favor of vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**CLERK:** 30 ayes, 1 nay, Mr. President, on the adoption of the amendment.

**HUGHES:** AM2405 is adopted.

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

**HUGHES:** Senator Williams, you're welcome to close. Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move to advance LB707 to E&R for engrossing.

**HUGHES:** Colleagues, the question before us is the advancement of LB707. All those in favor say aye. Opposed nay. LB707 advances. Mr. Clerk, next item.

**CLERK:** Senator McKinney, LB863. I have Enrollment and Review amendments. LB863.

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

**McKINNEY:** Mr. President, I move to adopt the E&R amendments to LB863.

**HUGHES:** Colleagues, the question is the adoption of E&R amendments to LB863. All those in favor say aye. Opposed nay. The E&R amendments are adopted.

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

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

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**McKINNEY:** President, I move to advance LB863 to E&R for engrossing.

**HUGHES:** Members, the question is the advancement of LB863 to E&R. All those in favor say aye. Opposed nay. LB863 advances. Mr. Clerk, next item.

**CLERK:** Mr. President, LB752 has Enrollment and Review amendments, first of all, Senator.

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

**McKINNEY:** Mr. President, I move to adopt the E&R amendments to LB752.

**HUGHES:** Colleagues, the question is the adoption of E&R amendments to LB752. All those in favor say aye. Opposed nay. The E&R amendments are adopted. Mr. Clerk.

**CLERK:** Arch would move to amend with AM2302.

**HUGHES:** Senator Arch, you're welcome to open on AM2302.

**ARCH:** Thank you, Mr. President. Colleagues, AM2302 to the E&R amendment is a technical amendment that clarifies language and harmonizes provisions with the most recent edition of the Licensed Professional Counselors Interstate Compact, which has already been enacted in two other states. The addition of the language in Section 7 will ideally make it easier for the Federal Bureau of Investigation to complete the required criminal background checks and fingerprinting under the compacts that Nebraska is a party to. In Nebraska, we have licensed mental health practitioners, LMHPs, and licensed independent mental health practitioners, LIMHPs, within the overarching licensing umbrella. Within that license, you can also specialize in such areas as social work, marriage and family therapy, or professional counseling and receive a certification. The additional language in Section 16 clarifies that only licensed independent mental health practitioners, or LIMHPs, with certifications in professional counseling may be eligible for the Licensed Professional Counselors Interstate Compact here in Nebraska. After speaking with the Council for State Governments and the Department of Health and Human Services, we all felt this language accurately reflected the intent of the compact. By the way, every state does this differently. They all have different names and, and certifications, qualifications, so we're trying to find the one that matches with the state of Nebraska for the compact. Other LIMHPs may not have had the required training under the compact, while LMHPs would not be able to independently diagnose certain serious behavioral health conditions, which is a requirement



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under the compact. I'd like to thank Senator Blood, the Council for State Governments, the Department of Health and Human Services for working with us on this amendment, continuing to help find ways to bring healthcare professionals to Nebraska. With that, I urge your green vote on AM2302 and on the underlying E&R amendment. Thank you.

**WILLIAMS:** Thank you, Senator Arch. Debate is now open on the amendment. Seeing no one in the queue, Senator Arch, you're recognized to close. Senator Arch waives closing. Members, the question is the adoption of AM2302 to LB752. All those in favor vote aye; those opposed vote nay. Have all voted? Record, Mr. Clerk.

**CLERK:** 35 ayes, 0 nays on the adoption of the amendment.

**WILLIAMS:** AM2302 is adopted. Mr. Clerk.

**CLERK:** Nothing further, Mr. President.

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

**McKINNEY:** Mr. President, I move to advance LB752 to E&R for engrossing.

**WILLIAMS:** Members, you've heard the motion to advance. All those in favor say aye. Those opposed say nay. LB752 is advanced. Mr. Clerk.

**CLERK:** Senator, with respect to LB805, I have E&R amendments.

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

**McKINNEY:** Mr. President, I move to adopt the E&R amendments to LB805.

**WILLIAMS:** Members, you've heard the motion to adopt the E&R amendments. All those in favor say aye. Those opposed say nay. The amendments are adopted. Mr. Clerk.

**CLERK:** Senator Brandt has AM2581. I have a note you want to withdraw. I have nothing further on the bill, Mr. President.

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

**McKINNEY:** Mr. President, I move to advance LB805 to E&R for engrossing.

**WILLIAMS:** Members, you've heard the motion to advance LB805. All those in favor say aye. Those opposed say nay. LB805 is advanced. Mr. Clerk.

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**CLERK:** Mr. President, LB805A. I have, I have E&Rs, first of all, Senator.

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

**McKINNEY:** Mr. President, I move to adopt the E&R amendments to LB805A.

**WILLIAMS:** Members, you've heard the motion to adopt the E&R amendments. All those in favor say aye. Those opposed say nay. The E&R amendments are adopted.

**CLERK:** Senator--

**WILLIAMS:** Mr. Clerk.

**CLERK:** --Hughes would move to amend, AM2592.

**WILLIAMS:** Senator Hughes, you're recognized to open on AM2592.

**HUGHES:** Thank you, Mr. President. Colleagues, this is a very short amendment. We caught a drafting error that came down from Bill Drafters and I want to thank Keisha in the Fiscal Office for catching this. This just makes clear that the first year we're asking for ARPA funds and after that, it will have to come out of General Funds if the Appropriations Committee so, so desires. I would appreciate a green vote. Thank you.

**WILLIAMS:** Thank you, Senator Hughes. Debate is now open on AM2592. Seeing no one in the queue, Senator Hughes, you're recognized to close. Senator Hughes waives closing. Members, the question is the adoption of AM2592 to LB805 [SIC LB805A]. All those in favor vote aye; those opposed vote nay. Have all voted? Record, Mr. Clerk.

**CLERK:** 31 ayes, 0 nays, Mr. President, on the adoption of Senator Hughes's amendment.

**WILLIAMS:** The amendment is adopted.

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

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

**McKINNEY:** Mr. President, I move to advance LB805A to E&R for engrossing.

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**WILLIAMS:** Members, you've heard the motion to advance LB805A. All those in favor say aye. Those opposed say nay. The bill is advanced. Mr. Clerk.

**CLERK:** Mr. President, LB800 [SIC LB809]. Senator McKinney, I have Enrollment and Review amendments, first of all.

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

**McKINNEY:** Mr. President, I move to adopt the E&R amendments to LB809.

**WILLIAMS:** Members, you've heard the motion to adopt the E&R amendments. All those in favor say aye. Those opposed say nay. The amendments are adopted.

**CLERK:** Senator, Senator Gragert would move to amend with AM2591, but I have a note you want to withdraw.

**WILLIAMS:** Withdrawn.

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

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

**McKINNEY:** Mr. President, I move to advance LB809 to E&R for engrossing.

**WILLIAMS:** Members, you've heard the motion to advance LB809. All those in favor say aye. Those opposed say nay. The bill is advanced. Mr. Clerk.

**CLERK:** Senator McKinney, LB809A. No E&Rs. Senator Gragert, I understand you want to withdraw AM2442.

**WILLIAMS:** Withdrawn.

**CLERK:** I have nothing further pending to AM2442-- sorry--

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

**CLERK:** -- LB809A.

**McKINNEY:** Mr. President, I move to advance LB809A to E&R for engrossing.

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**WILLIAMS:** Members, you've heard the motion to advance LB809A. All those in favor say aye. Those opposed say nay. The bill is advanced. Mr. Clerk, LB800.

**CLERK:** Senator McKinney, I have Enrollment and Review amendments, first of all.

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

**McKINNEY:** Mr. President, I move to adopt the E&R amendments to LB800.

**WILLIAMS:** Members, you've heard the motion to adopt the E&R amendments. All those in favor say aye. Those opposed say nay. The E&R amendments are adopted. Mr. Clerk. Senators-- Senator Hilgers for a-- you are recognized.

**HILGERS:** Thank you, thank you, Mr. President. Good evening, colleagues. As I mentioned earlier this morning, today's evening agenda I wanted to present to the body really just Select File bills that were clean, that didn't have any real substantive amendments, i.e., other, other bills that had come out of committee, anything that were substantive or new material. Because of that, there are-- I've given members who have filed amendments the opportunity to withdraw them and stay on tonight's agenda, at least in two instances, one of which is LB800 and another is LB888 if the senators wish to continue to have debate on the amendment. So those two bills tonight we will skip over, so we'll skip over LB800, LB888. It doesn't mean that we won't ever come back to them. It just for tonight because I've conveyed to the body that I wanted these Select File bills to be clean and not controversial and not add new material. We'll skip over them and we'll find some other time on another day for the agenda. So we'll skip over those two bills. Thank you, Mr. President.

**WILLIAMS:** Thank you, Speaker Hilgers. Mr. Clerk, back to the agenda, LB750.

**CLERK:** LB750, Senator McKinney, I have Enrollment and Review amendments pending.

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

**McKINNEY:** Mr. President, I moved to adopt the E&R amendments to LB750.

**WILLIAMS:** Members, you've heard the motion to adopt the E&R amendments. All those in favor say aye. Those opposed say nay. The E&R amendments are adopted. Mr. Clerk.

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

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

**McKINNEY:** Mr. President, I move to advance LB750 to E&R for engrossing.

**WILLIAMS:** Members, you've heard the motion to advance LB750. All those in favor say aye. Those opposed say nay. LB750 is advanced. Mr. Clerk.

**CLERK:** LB1273, Senator. I have E&Rs first of all.

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

**McKINNEY:** Mr. President, I move to adopt the E&R amendments to LB1273.

**WILLIAMS:** Members, you've heard the motion to adopt the E&R amendments. All those in favor say aye. Those opposed say nay. The amendments are adopted. Mr. Clerk.

**CLERK:** Senator Matt Hansen, I have FA186 with a note you wish to withdraw.

**WILLIAMS:** Withdrawn.

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

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

**McKINNEY:** Mr. President, I move to advance LB1273 to E&R for engrossing.

**WILLIAMS:** Members, you've heard the motion to advance LB1273. All in favor say aye. Opposed say nay. LB1273 is advanced. LB1273A, Mr. Clerk.

**CLERK:** Mr. President, Senator McKinney, I have no amendments to LB1273A.

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

**McKINNEY:** Mr. President, I move to advance LB1273A to E&R for engrossing.

**WILLIAMS:** Members, you've heard the motion to advance LB1273A. All those in favor say aye. Those opposed say nay. LB1273A is advanced. Mr. Clerk, LB1112.

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**CLERK:** Senator, LB12-- excuse me, LB1112, I have Enrollment and Review amendments.

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

**McKINNEY:** Mr. President, I move to adopt the E&R amendments to LB1112.

**WILLIAMS:** Members, you've heard the motion to adopt the E&R amendments. All those in favor say aye. Those opposed say nay. The E&R amendments are adopted. Mr. Clerk.

**CLERK:** I have nothing further on LB1112, Senator.

**WILLIAMS:** Senator Erdman, you are recognized.

**ERDMAN:** Thank you, thank you, Mr. President. I had, I had not heard from too many of the folks out west, but I did get some correspondence from a superintendent and-- in my district and he sent me an email and he said that they have no 9th through 12th grade math teacher and it's been open since January. As of today, he's had no one to fill that application. And he said requiring the district to have a semester of computer science is a great idea, but his question is who teaches it? So he, he asked this question: how meaningful is it when you don't have a qualified staff to teach it? Who is going to teach this computer science at their school to meet the requirements? This may be a requirement that's easily fulfilled in the larger schools in the eastern part of the state, but when you get into my district, they don't have qualified teachers to even teach math or science and that's it's a little difficult for them to meet the requirements on computer science if they don't have a qualified teacher. So I was wondering if Senator McKinney would yield to a question?

**WILLIAMS:** Senator McKinney, would you yield?

**McKINNEY:** Yes.

**ERDMAN:** Senator McKinney, what and how should I answer this superintendent about what he should do to try to accomplish the requirement of LB1112?

**McKINNEY:** He could-- it-- I'm not sure if they read the bill after we amended it, but the bill would allow for blended learning and the school districts also could use online education to assist with, with that concern.

**ERDMAN:** So you said they could do it online?

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**McKINNEY:** Yes.

**ERDMAN:** OK, I don't know-- he didn't say anything about that. I'd have to get a hold of him and see, but we don't have the same kind of instructors in rural Nebraska that you have in eastern Nebraska. So did you say the amendment allows that to happen?

**McKINNEY:** Yes, it allows for online education and blended learning.

**ERDMAN:** OK, thank you.

**McKINNEY:** No problem.

**WILLIAMS:** Thank you, Senator Erdman and Senator McKinney. Senator Clements, you are recognized.

**CLEMENTS:** Thank you, Mr. President. I also had communication from a school and it was an eastern Nebraska school near me and from a principal who was concerned about having to be an endorsed teacher to teach computer science. They don't have anybody that is able to do that and I was glad to hear that online learning could be a substitute for that. I just am hoping that the Department of Education will allow the flexibility there for schools that are having trouble finding a certified teacher to do computer science. He also mentioned that if you require a in-school five-hour class, things like music, band, welding, ag education, business, STEM, engineering, which are electives, might be selected-- might not be selected if they have to have a mandatory computer science class. So I, I just wanted to raise those concerns that I had received and I am just hoping that the online course will qualify so that a school does not have to get a certified teacher for this subject. Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator Clements. Senator, Senator Bostelman, you are recognized.

**BOSTELMAN:** Thank you, Mr. President. I have similar comments from my ESU and here's a couple of comments there. So at this point in time, I'd be opposed to LB1112. Twelve of the 16 districts reporting indicate that LB1112 carries unfunded mandates that will directly result in additional cost of staffing and materials required in order to meet the requirements. Ten of the 16 districts indicate that there are foreseeable scheduling challenges for students and staff in adopting an additional single-course requirement for high school. Eleven of the 16 districts are concerned that the addition of another single-course requirement at the high school means that they are denying students of other course opportunities they may choose to

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take, which include courses like ag, welding, etcetera, that are also H3 work areas in our state and 14 of the 16 districts assert that they already require a computer science or technical course in the seventh or eighth grade for all students. Many of them say--- some of the, the superintendents, principals I heard from say they already give one on one with, with computers and that. So I think there's a concern within the ESUs and schools that this is not needed. They're already doing things along this line, so thank you, Mr. President. I yield the rest of my time back to the Chair.

**WILLIAMS:** Thank you, Senator Bostelman. Senator Albrecht, you are recognized.

**ALBRECHT:** Thank you, Speaker [SIC]. I had supported this on the General File and I told Senator McKinney that I thought it was really a great idea. And in the meantime, I have heard from two of my schools and again, the same concern is that they're probably going to have to hire someone at \$60,000 to \$75,000 with benefits and, and such. So it might not work for me and of course, these unfunded mandates-- and when you think of local control, we might have to switch gears here just a little bit before I could get on board, so thank you.

**WILLIAMS:** Thank you, Senator Albrecht. Senator Brandt, you are recognized.

**BRANDT:** Thank you, Mr. President. Would Senator McKinney be available to answer a question?

**WILLIAMS:** Senator McKinney, would you yield?

**McKINNEY:** Yes.

**BRANDT:** Thank you, Senator McKinney, and, and we've talked about this exact thing with, with some of our small schools out there and I'm not going to pile on. I mean, they have the same concerns that have been voiced tonight, but one of, one of the ideas that the schools brought forth because we meet with the superintendents and I said, you guys have to come up with some solutions. And one of them-- in a lot of our schools, in our junior highs, they receive this training and in a lot of our schools-- for example, if an eighth grader takes algebra 1, that counts toward high school credit. So does this bill enable the same situation with these computer classes?

**McKINNEY:** I can't say for-- with, with 100 percent certainty because I still don't understand how that works in practice, where a kid takes a



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class at middle school and it counts as a high school credit. I just don't know how that works in practice.

**BRANDT:** When does this bill go into effect?

**McKINNEY:** 2026.

**BRANDT:** OK, so it would be possible next year to come up with some fixes to the bill that could address a lot of these concerns for the small schools?

**McKINNEY:** Yes, for sure.

**BRANDT:** And you'd be, you'd be all right with that?

**McKINNEY:** Yeah.

**BRANDT:** All right, thank you, Senator McKinney.

**McKINNEY:** No, no problem.

**WILLIAMS:** Thank you, Senator Brandt and Senator McKinney. Senator Moser, you are recognized.

**MOSER:** Thank you, Mr. President. Senator McKinney, could you respond to a question or two?

**WILLIAMS:** Senator McKinney, would you yield?

**McKINNEY:** Sure.

**MOSER:** We had a little discussion about this earlier. Some of the schools that emailed or called me were concerned about adding another requirement for graduation and that, you know, there are some kids who struggle to graduate and requiring everybody to take computer coding might be another hurdle to them graduating. So is there any thought in your mind of making this available to students, but not necessarily a requirement for graduation?

**McKINNEY:** We, we thought about that and in consideration of that, we extended it out to the 2026 incoming freshman class. So when they work on their education plans in middle school, they'll be preparing high school with that in mind.

**MOSER:** Yeah, I don't know if the high schools in your district have higher graduation rates or lower than the average, but, you know, it's just something I didn't think about when I voted for it earlier. And

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the argument-- you know, you get a lot of calls from people who complain about something that's going to make them do extra work and sometimes you just kind of let those calls kind of, you know-- like water on a duck's back. You just kind of let it go. But I thought this was a pretty valid argument, so that's kind of what changed my mind. Thank you.

**WILLIAMS:** Thank you, Senator Moser and Senator McKinney. Senator Linehan, you are recognized.

**LINEHAN:** Mr. President, I rise in support-- strong support of Senator McKinney's LB1112. I was at the hearing. This was not-- this was brought by the business community. We must have had-- it was one of the few hearings I've been at this year-- and I also chair the Revenue Committee-- where we had as many business owners, CEOs. Here's the deal: today, we passed the bill-- or we at least got-- sent it on-- the ARPA bill, sent it on to Final Reading with \$75 million in it for workforce development, at least that much. And we have a bunch of business people, business owners, CEOs come in and say we have kids graduating from high school. We can't give them jobs because they don't know how to do anything on a computer. Well, I don't know. Would you-- everybody that works for us here has to know how to turn on a computer, how to use a program. Senator McKinney worked with the schools. They can do it online. They don't have to have an instructor. This was at the request of the business community. And if we think we're-- workforce is what we're all about today and I agree, we're all about it. This is what they need. They want kids who graduate from high school-- we can graduate kids from high school. They don't have to know how to-- well, let's, let's don't even go there. Let's just stick with the idea that it's pretty hard-- if you go into any place today and you want a job, you know how to run a computer. Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator Linehan. Senator Erdman, you are recognized.

**ERDMAN:** Thank you, Mr. President. So I, I happened to look up the fiscal note here and it looks like they're going to create another position over at the Department of Education. Senator McKinney, will you yield to a question?

**WILLIAMS:** Senator McKinney, would you yield?

**McKINNEY:** Sure.

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**ERDMAN:** So Senator McKinney, you see that on the fiscal note, it says it's appropriating \$134,247 from General Fund to the Department of Education. So they're going to hire another person to teach this online. This online class will be taught by that person, is that correct?

**McKINNEY:** No, it won't be taught by them. They just would oversee the, the implementation and program.

**ERDMAN:** So they're going to, they're going to have a cost of \$134,000 to oversee this program?

**McKINNEY:** Yeah.

**ERDMAN:** Do you agree with that?

**McKINNEY:** I don't know if I agree, but that's what they put in for it.

**ERDMAN:** I think I'd do it for \$50,000. I mean, think about that. So we've got 512 people who work at the Department of Education and they surely can't find somebody that can oversee this program?

**McKINNEY:** Possibly, but, you know, they, they put it in.

**ERDMAN:** This is absurd. I-- you know, I, I just shake my head when I see these things. And so I would assume that they asked the department for a, an opinion and I would assume that's exactly what the department said and why wouldn't they if, if they can just choose to get how much money-- ever money they want? Thank you for answering the questions.

**WILLIAMS:** Thank you, Senator Erdman and Senator McKinney. Senator Brandt, you are recognized.

**BRANDT:** Thank you, Mr. President. Would Senator Linehan yield to some questions?

**WILLIAMS:** Senator Linehan, would you yield?

**LINEHAN:** Most certainly.

**BRANDT:** Thank you, Senator Linehan. You're in a unique position. You serve on both the Education Committee and you're Chairman of Revenue. This morning, we had a two hour discussion on unfunded mandates. You just gave some testimony that the business community is all for this. Is, is the business community willing to throw some dollars in this

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for these rural schools, particularly those 160 school districts that don't receive any state aid?

**LINEHAN:** Senator McKinney would be better to answer this because I am going on, you know, whatever-- how many hours we've been here, but my recollection is that the online programs, they would and do fund and wouldn't make available to any schools that would use them without charge. That is-- I think that's right. Senator McKinney is shaking his head yes.

**BRANDT:** All right. Thank you, Senator Linehan. Senator McKinney, would you yield to a question?

**WILLIAMS:** Senator McKinney, would you yield?

**McKINNEY:** Yes.

**BRANDT:** Senator Linehan just told us that this would be at no cost to the school districts if they use online learning. Is that correct?

**McKINNEY:** Yes, the curriculum is free to the districts and the business community has offered to provide that free of charge.

**BRANDT:** All right, thank you. That's what I needed to hear.

**WILLIAMS:** Thank you, Senator Brandt, McKinney, and Linehan. Seeing no one in the queue, Mr. Clerk.

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

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

**McKINNEY:** Mr. President, I move to advance LB1112 to E&R for engrossing.

**WILLIAMS:** Members, you've heard the motion to advance LB1112. All those in favor say aye. There's been a request for a machine vote. Members, you've heard the discussion, all those in favor of advancing LB1112 vote aye; those opposed vote nay. Have all voted? Record, Mr. Clerk.

**CLERK:** 26 ayes, 5 nays on the advancement of the bill.

**WILLIAMS:** LB1112 advances. Next bill, Mr. Clerk.

**CLERK:** LB112A. Senator, I have no amendments to the bill.

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

**McKINNEY:** Mr. President, I move to advance LB1112A to E&R for engrossing.

**WILLIAMS:** Members, you've heard the motion to advance LB1112A. All those in favor say aye. Those opposed say nay. The bill is advanced. Mr. Clerk, returning to General File, LB1144.

**CLERK:** LB1144 is a bill by Senator Friesen. It's a bill for an act relating to telecommunications; changes discontinuance of service provisions under the Nebraska Telecommunications Regulation Act. It defines terms. It changes provisions relating to Nebraska Broadband Bridge Act related to grant matching fund requirements. Introduced on January 19 of this year, referred to the Transportation Committee, advanced to General File. There are committee amendments pending, Mr. President.

**WILLIAMS:** Thank you, Mr. Clerk. Senator Friesen, you are recognized to open on LB1144.

**FRIESEN:** Thank you, Mr. President and members of the Legislature. LB1144 is the second Transportation and Telecommunications Committee priority bill and it focuses on our ongoing effort to expand and improve broadband availability across the state. As I will point out, during the explanation of the standing committee amendment, LB1144 incorporates a number of ideas from other bills that the committee considered this session. You will recall that last session, the Legislature enacted LB388, which introduced on behalf of the Governor and it created the Broadband Bridge Act. The bridge act used \$20 million in state General Funds administered through the Public Service Commission to provide grants to fund broadband improvement in unserved and underserved areas of Nebraska. The bridge act also provided that any federal funds directed to the state for broadband improvement would be administered through this program. The Public Service Commission released the first-year bridge grant acts in January and following the release of their order, there were questions raised about the process developed and its administration. My view has been that the majority of the changes and improvements made to the bridge act process should be, for the most part, left to the commission to address and refine and address the statutory change, at this point, should be focused on those changes the commission cannot make administratively. The commission, in preparation for the year two grant cycle, has opened a docket to review the process, solicited public comments, and conducted a public hearing for the proposed

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changes on March 22. We should allow that process to work. I believe the better process at this point in time is to give the commission the opportunity to review their implementation of the program and give them a chance to make revisions based upon their comments and ideas they have received. The committee will introduce some interim LR that will provide oversight to the commission's administration revisions in the year two grant process results and the need next year for any additional legislative response to the administration of this program, as well as any federal support programs. Mr. President, at this time, I'd like to move to an explanation of the standing committee amendment, as it becomes the bill.

**WILLIAMS:** Thank you, Senator Friesen. As the Clerk stated, there are amendments from the TNT committee. Senator Friesen, as Chair of the committee, you are recognized to open on the committee amendments.

**FRIESEN:** Thank you, Mr. President. AM2107 does become the bill. The amendment incorporates elements of other bills that were considered by the Transportation and Telecommunications Committee this session. Section 1 is a revised version of LB914, introduced by Senator Bostelman. The amendment provides that the commission may create and maintain an official Nebraska broadband map, funding for which shall come from the federal broadband funding, which can be used for maps--mapping purposes. The commission is to review and determine the need to maintain a state map. Section 2 is a revised version of Section 1 of original LB1144. The amendment revises current law regarding the discontinuance or abandonment of voice telephone service. This section is updated to clarify process for a carrier that wishes to retire copper facilities and upgrade to fiber. The law is amended to provide that a hearing is only required if the commission determines it is necessary. The section is amended to apply to communications companies and telecommunications providers. Section 3, this section is a revised version of LB1234. The section creates an expedited process for the telecommunications companies to obtain railroad crossing permits. The current rail crossing permit process is amended to provide that if a telecommunications company files a completed rail crossing agreement with the railroad and if the railroad fails to respond to the application within 30 days of receipt of the completed application, the telecommunications company may petition the commission for the issuance of a expedited crossing permit. The commission required to issue the permit within 15 days of receipt. The expedited permit must require placement of the facilities within the railroad right-of-way within a public road crossing. For purposes of this section, the word response should be given its plain and ordinary meaning. Section 5 amends the Broadband Bridge Act and provides that the current match

rate to receive a bridge act of 50 percent of the project cost is reduced to a 25 percent match for projects located in high-cost-of-service locations. The commission is authorized to provide longer extensions than the current one six-month extension upon a showing of good cause for completion of projects. Section 7, this section adds new language to the bridge act challenge process. The commission may require that a provider challenging a grant application provide speed test data in portions of the application being challenged. Senator Flood will have an amendment which will require the commission to obtain speed test data when application is challenged. Section 8, this section incorporates language from LB1214 and provides that any entity receiving a grant shall, as a condition of the grant, agree to provide broadband service in the project area for a period of 15 years following the receipt of funding. Currently, a grant recipient must agree to provide service until released from the obligation by the commission. Additionally, the Commission shall not add to the obligation of a grant recipient unless specifically authorized by the bridge act or by federal law. Section 9 enacts a new provision of law under the bridge act. It provides any provider receiving support from the Nebraska Universal Service Act, the bridge act, or any federal funds administered by the commission for the provision of broadband service shall be subject to service quality. Customer service, and billing regulations established by the commission is a condition of support. Service quality regulation shall only apply to those locations for a provider that receives commission support. The commission shall not add to the obligations of a provider after support has been awarded. This, I believe, is a very significant provision, probably the most important provision of LB1144. We are starting the process of investing tens of hundreds of millions of dollars into broadband. It is important to make sure that we have accountability built into the process that's 5, 10, 15 years after the grant is made that a funding decision made to build 100 by 100 broadband. Using this process, the project is still capable of providing that service and that the provider has maintained the investment they have promised the state. There have been some not comfortable with this section and Speaker Hilgers has developed an alternative that he will offer and if adopted, I can also support it. Section 10 adds a new provision to the bridge act that states nothing in the act authorizes the commission to regulate internet service and all provide-- also provides that the commission shall not deny a bridge act application based on pricing or terms and condition of service, although the weighted scoring system may take into account an applicant's terms and condition of service. Sections 11 to 16 amendments to the bill Senator Dorn's Precision Agriculture

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Infrastructure Act. The act will be administered by the Public Service Commission and creates a grant fund with the purpose to provide precision agriculture connectivity to accelerate rural economic development and provide high-speed connectivity to farm sites in unserved areas of the state. Funding for the act shall come from the federal Broadband Equity, Access, and Deployment Program and grants from the program shall not exceed \$2 million per year. Finally, the committee amendment adds the emergency clause to those provisions of the bill that address the Broadband Bridge Act. And Mr. President, that concludes my introduction of the committee amendment and I would be happy to address any questions. Thank you, Mr. President.

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

**CLERK:** First of all, Mr. President, Senator Flood had an amendment to the committee amendments, AM2316, but I have a note he wishes to withdraw.

**WILLIAMS:** Withdrawn.

**CLERK:** With that action, Senator Hilgers would move to amend, AM2428.

**WILLIAMS:** Speaker Hilgers, you are recognized to open on AM2428.

**HILGERS:** Thank you, Mr. President. Good evening, colleagues. AM2428 is a friendly amendment. So when the committee did its work in-- they included Section 9 and Section 9 really ported over some of the quality of service requirements from the voice context into the broadband context and I understand what Senator Friesen was trying to accomplish. Part of the issue was that it would-- the requirements in the voice context were fairly broad and that put into the broadband context, we were concerned that certain companies wouldn't apply. They would be deterred from require-- from applying because of the additional regulation. So what AM2428 does is it strips out Section 9 and then comes back and says, look, what we're really trying to do, which is what I think Senator Friesen is trying to get at, is to say anyone who takes these dollars has to commit to a certain up-and-down speed over a certain timeframe. And so what-- this new section and this amendment would be essentially to accommodate the concerns addressed by the committee or identified by the committee and Senator Friesen, but doing it in a slightly more narrow way to make sure that we're not deterring that investment. So again, this is a friendly amendment and I would encourage your green light on AM2428.



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**WILLIAMS:** Thank you, Speaker Hilgers. Debate is now open on AM2428. Seeing no one in the queue, Senator Hilgers, you are recognized to close. Senator Hilgers waives closing on AM2428. Members, the question is the adoption of AM2428. All those in favor vote aye; those opposed vote nay. Have all voted? Record, Mr. Clerk.

**CLERK:** 34 ayes, 0 nays on adoption of Senator Hilgers' amendment.

**WILLIAMS:** AM2428 is adopted. Mr. Clerk, you have another amendment to the committee amendment.

**CLERK:** Senator Flood, AM28-- AM2408, excuse me.

**WILLIAMS:** Senator Flood, you are recognized to open on AM2408.

**FLOOD:** Mr. President, with your permission, I'd like to withdraw and refile this amendment on Select File.

**WILLIAMS:** Amendment is withdrawn.

**CLERK:** I have nothing further, Mr. President.

**WILLIAMS:** Thank you, Mr. Clerk. Debate is now open on AM2109 [SIC]. Seeing no one in the queue, Senator Friesen, you are recognized to close on the committee amendment, AM2107. Senator Friesen waives closing. Members, the question is the adoption of AM2107 to LB1144. All those in favor vote aye; those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**CLERK:** 37 ayes, 0 nays on adoption of committee amendments.

**WILLIAMS:** The amendment is adopted. Returning to debate on LB1144. Seeing no one in the queue, Senator Friesen, you are recognized to close. Senator Friesen waives closing. Members, the question is the advancement of LB1144 to E&R Initial. All those in favor vote aye; those opposed vote nay. Have all voted? Record, Mr. Clerk.

**CLERK:** 37 ayes, 0 nays to advance the bill, Mr. President.

**WILLIAMS:** Thank you, Mr. Clerk. LB1144 advances. Mr. Clerk for items.

**CLERK:** Mr. President, one study resolution, LR393 by Senator John Cavanaugh. That will be referred to the board. Amendments to be printed: Senator Linehan, LB1014; Senator Wayne to LB888; Senator Blood to LB800; and Senator Flood to LB1144. Name adds, Mr. President:

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Senator Matt Hansen to LB852. And Senator Matt Hansen would move to adjourn the body until Tuesday, March 29 at 9:00.

**WILLIAMS:** Members, you've heard the motion to adjourn till 9 a.m. tomorrow. All those in favor say aye. Those opposed say nay. We are adjourned.