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Appropriations Committee October 20, 2023
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CLEMENTS: Clerk, are we recording and are we broadcasting? Will it be online? OK. That's my gavel. Welcome. And thank you all for coming. Welcome to the Appropriations Committee hearing. My name is Rob Clements. I'm from Elmwood. I represent Legislative District 2, which is Cass County and eastern Lancaster County. I serve as Chair of this committee. We'll start off by having the members do self-introductions, starting with my right.

WISHART: Senator Wishart from District 27, which is western portion of Lincoln and Lancaster County.

CLEMENTS: Go ahead, Senator.

DORN: Senator Myron Dorn, District 30, part of Lancaster County and all of Gage.

McDONNELL: Mike McDonnell, Legislative District 5, south Omaha.

LIPPINCOTT: Loren Lippincott, District 34.

DOVER: Robert Dover, District 19: Madison County and south half of Pierce County.

CLEMENTS: Assisting the committee today is Cori Bierbaum, our committee clerk. And to my left is our research assistant, Dan Wiles. This hearing is open to the public, but with invited testimony only. For those who are testifying today, please fill out a green testifier sheet and hand it to the committee clerk when you come up to testify. To better facilitate today's hearing, I ask that you abide by the following procedures. Please silence your cell phones. When you come to testify, spell your first and last name for the record before you testify. Be concise. We request that you limit your testimony to five minutes or less. But we will be flexible as we know that some have more content. Written materials may be distributed to the committee members as exhibits only while testimony is being offered. Hand them to the clerk for distribution when you come up to testify. With that, we're going to begin with a short introduction by me. The purpose of this resolution is to examine the progress and the ability to expend federal funds allocated pursuant to the federal American Rescue Plan Act of 2021. We're examining whether such funds have the ability to be extended by December 31, 2026, which is the federal requirement, and to calculate the total that may not meet the December 2026 guideline-- deadline and look into recommendations for alternative uses for any unexpended funds. This is my notebook from the 2022. These are the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

billion and 40 million dollars' worth of allocations that we made. And at that time we had \$4 billion of requests that would cut it down to-- I thought \$1 billion was going to be a big number, but we had to cut it down to a billion. But this is what we started with, and we're interested to know as to how those projects are going. And we're going to start off with testimony from the Legislative Fiscal Office represented by Mikayla Findlay. Please go ahead.

MIKAYLA FINDLAY: Thank you, Senator-- Chairman Clements. My name is Mikayla Findlay, M-i-k-a-y-l-a F-i-n-d-l-a-y. I am representing the Legislative Fiscal Office and am testifying on behalf of our director, the Legislative Fiscal Analyst, Keisha Patent, who is not able to be here today. So I gave you all a handout. The first two pages of the handout show a chronology of the enacted ARPA State Fiscal Recovery Funds appropriations by bill number beginning with LB1014, which was passed in the 2022 session. The total amount appropriated in LB1014 was \$779.8 million. During the 2022 session, four additional bills were enacted which appropriated ARPA funds. These are shown on page 2 of the handout. These include A bills for the following: LB805 for noxious weed management; LB1024 that adopted the Economic Recovery Act; LB1068 for evaluation of the ethanol production facilities; and LB1144 for personnel to administer broadband projects. The total appropriated for these four bills was \$257.3 million, bringing the total, total ARPA funds appropriated in the 2022 session to \$1,037,000,000 and leaving about \$2.5 million unappropriated. Also on page 2, changes made during the 2023 session are shown. These include reducing the appropriation to the Department of Economic Development for the Economic Recovery Act and appropriating funds for the Department of Health and Human Services technology costs in LB813, the deficit bill, and in the mainline budget bill, LB814, appropriating funds to the Department of Natural Resources for data collection projects, the Lincoln Second Water Source Project, and Recreational Water Project Grants. The net change related to these adjustments was an additional \$2.4 million being appropriated, bringing the total ARPA appropriations to \$1,039,000,000. Of the total amount allocated to the state, less than \$500,000 has yet to be appropriated. As shown on pages 3 and 4 of the handout, expenditures reported through June 30, 2023, totaled just over \$230 million. Total obligations are almost \$500 million, which is nearly half of the total amount appropriated. Expenditures equal about 22 percent of the total amount appropriated. It is important to note that the obligations and expenditures are not even across programs, as some programs have expended nearly all funds appropriated for that purpose, whereas some have yet to obligate or

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Rough Draft

expend any funds. For fiscal year '23-24 to date, the current fiscal year, an additional \$70 million in ARPA funds has been expended. Expenditures in this time frame, time frame include payments related to nursing scholarships, local public health departments, food banks, grants to rural fire and rescue departments, payments to nursing facilities, Game and Parks wastewater projects, community college dual credit and infrastructure programs, shovel-ready grants, the Law Enforcement Training Center Project, state colleges water upgrades, Nebraska State Fair infrastructure, reverse osmosis grants, and deaf and hard of hearing interpreter services. These expenditures will be available on the next quarterly report. Including these additional expenditures to date, about 29 percent of the total funds appropriated have been expended. Beginning on page 5 of the handout is included some information for a handful of other states, including Indiana, Kansas, Missouri and Iowa. These charts show how ARPA obligations and expenditures for each state and include total percentage of adopted budget that has been expended through June 30, 2023. The percent of budgeted funds expended ranges from 8 percent in Missouri to 54 percent in Kansas. In addition, there are charts showing the ARPA eligibility category of each state's adopted ARPA budget. One additional item to note is the issuance of another interim final rule in August of 2023 from the feds, which did not change prior eligible uses for ARPA, but did expand eligibility to include three additional uses. The first of these is emergency relief from natural disasters or their negative economic impacts, which includes temporary housing, food assistance, and other immediate needs in the event of a natural disaster. Mitigation to lessen or avert the threat of physical or economic damage can also be eligible. The second additional use is surface transportation projects. The amount allocated for surface transportation cannot exceed 30 percent of the total allocation to the state and cannot supplant other federal or state funds. The third additional use is certain Title I projects that are eligible activities under the Community-- Community Development Block Grant or Indian Community Development Block Grant. The deadline to allocate funds under the new eligible uses is December 31, 2024. For surface transportation projects and Title I projects, the deadline for expenditures of funds is September 30, 2026, rather than December 31, 2026, which is the deadline for expenditures under all other eligible categories. If any committee members have additional questions regarding this information, please contact the Fiscal Office and we will respond at a later date.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

CLEMENTS: I understand. Thank you, Mikayla. We're not going to ask you questions. And if we do get questions to let everyone know if you have questions for the Fiscal Office, you can express those during the hearing. Mikayla will be taking notes and we'll be taking notes and reply if there's something that we need. Next up, we would like to welcome Lee Will. Welcome.

LEE WILL: Thank you. Feel like it's been too long. Thank you, Senator. Chairman Clements and members of the Appropriations Committee, my name is Lee Will, L-e-e W-i-l-l, and I'm the State Budget Administrator for the state of Nebraska. The American Rescue Plan, ARPA of 2021, provided significant federal stimulus dollars to the state of Nebraska through multiple funding streams for a variety of programs and purposes. The State and Local Fiscal Recovery plan-- Program, as indicated by the name, allocated funding to both state and local governmental entities. The state of Nebraska, 93 counties, 4 metro cities, and 525 localities identified as nonentitlement units of government or NEUs were eligible for a total award of \$1.7 billion. The Budget Division, along with State Accounting and the Military Department, assisted agencies in ensuring ARPA compliance and provided guidance on the distribution of these funds. As you will hear from testifiers following me, these funds have made wide-ranging impacts with most being either fully expended or obligated, either formally or informally, per Mikayla's point previously. This hearing and upcoming legislative session is critically-- is critical based on the time constraints of ARPA funds with obligations necessary by 12-31-24 and expenditures by 12-31-2026. The state was wise through this process to invest these one-time funds in one-time projects to ensure we do not set ourselves up for budget challenges going forward. The final obligation deadline by the end of '24 will prevent any shifts of funds to new programs, heightening the criticality of ensuring these funds are devoted to programs that can be fully expended by 2026. For the sake of committee's time, I am also representing the Department of Veterans' Affairs and the Department of Corrections who received public health and safety premium pay dollars. These increases ensured the state is competitive in pay for positions that respond to public health and safety. Corrections received \$20.4 million that has been fully expended to support increases to our correctional officers. From December 2021 through September 2022, the department was successful in hiring 675 staff members. That number includes 576 new staff who have worked in protective service positions. This investment was a rousing success to ensure safety within our facilities and ensure a higher quality of life for our inmate population. Veterans' Affairs has also

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

expended their funding of \$3.5 million for premium pay to provide funding to frontline public health workers that assisted in keeping our veteran population safe during the pandemic. Additionally, the Legislature approved ARPA funding of \$1.8 million for Wyuka Cemetery for purposes of sediment control and stormwater projects. These funds were directed to the Department, excuse me, the Department of Administrative Services, State Budget Division or State Building Division. A contract has been signed that fully obligates these funds with completion, completion of the project estimated October 1, 2024. The Governor, Governor remains available to work closely with Appropriations Committee and other members of the Legislature to ensure these funds are delivering value to the great citizens of Nebraska. I'm happy to take any questions you have. Thank you.

CLEMENTS: Are there questions from the committee? Seeing none,--

LEE WILL: Thank you.

CLEMENTS: --thank you, Mr. Will. Next, Agency 84, Department of Environment and Energy representative. Welcome.

JIM MACY: Thank you. Senator Clements and members of the Appropriations Committee, my name is Jim Macy, spelled J-i-m M-a-c-y, and I'm the director of the Department of Environment and Energy. I welcome the opportunity to give the committee a status on the update of three infrastructure projects funded through ARPA appropriations being implemented by the Nebraska Department of Environment and Energy. Here's a brief summary. First, on reverse osmosis systems, LB101-- 1014e Section 50-- 51 set aside \$4 million for the reverse osmosis systems. RO treatment is used to remove nitrate from drinking water, which is eligible for assistance under the Drinking Water State Revolving Fund and therefore under ARPA. The ARPA final rule states that eligible projects can also include private wells, testing initiatives to identify contaminants in wells, and treatment activities and remediation strategies that address contamination. Out of the \$4 million, \$2.8 million is intended for RO water treatment plant improvements in public water systems; \$2.775 million has been obligated to the city of Wisner for a new RO plant, with the remaining \$25,000 planned for the village of Elmwood to complete RO membrane replacements. The balance of \$1.2 million in RO grant funding is being provided to private well owners at home RO installations. All assistance under these grants are being directed to the entities with levels of nitrate above ten parts per million, the EPA established drinking water standard. No expenditures have been incurred by the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

city of Wisner to date as this project is being co-funded through the Drinking Water State Revolving Fund. There is no risk of underutilization of ARPA funds. Projects of this scope are being-- are in bidding process in excess of \$5 million, well above the 2.775 present-- \$2.775 million presently obligated to Wisner. Small treatment installations, those were RO units were installed in the homes of rural private well owners. The department has allocated \$1.2 million, which will be in rebate agreements by the end of June of 2024, with the installations to be completed by September of 2024. This private well effort is allocated under a standalone eligibility category that the U.S. Treasury has established in the ARPA final rule. The funds set aside for these private RO systems may not be fully utilized, but there is no risk of underutilization of the funds. Whatever amount funding remains next September would be amended into Wisner's grant agreement. Their project needs are in excess of \$5 million. Second, State Fairgrounds. LB1014e Section 52 State Fairground Project provided \$20 million in assistance for wastewater and drainage systems updates to the State Fairgrounds. Stormwater infrastructure improvements that provided a water quality benefit, benefit or is considered a green improvement, such as bio soils that capture the initial dirty runoff following rainwater events, is eligible under the Clean Water State Revolving Fund. In addition to eligibility under the SRF, a portion of this project is also eligible under the ARPA eligibility category and impacted industries, including tourism. The Nebraska State Fair is a-- is a state showcase tourism event which unfortunately was impacted by the pandemic. The Nebraska State Fair signed in-- an agreement in June 21, 2023, for wastewater and drainage system updates to the State Fairgrounds. There have been \$94,880 in expenditures to date, and ongoing engineering design costs are being incurred. The overall project is an estimated 20 percent design point, with the initial phase of construction opening bids this past Tuesday. As noted, the majority of the project is aligned with the eligible uses under the Clean Water State Revolving Fund. But with over a quarter of the \$20 million obligated funds eligible through the aid to impacted industry, the tourism category, there is no risk of underutilization of ARPA funds for this activity. Third, the Cedar-Knox project. LB1014e Section 53, rural drinking water projects provided \$7 million as a grant assistance for the Rural Drinking Water Project that serves rural connections and at least four communities in two contiguous counties in order to convert groundwater sources and to provide drinking water system infrastructure and distribution. The Cedar-Knox project operated by the Lewis and Clark Natural Resource District is the only eligible entity for grant assistance under these

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

funds. The Cedar-Knox Rural District signed an agreement in September of 2022 for the \$7 million appropriation. The project is, is under design by the district's engineer consultant. No expenditures have been incurred to date as this project is also being co-funded with the Drinking Water State Revolving Fund, again, the rural water system to work with an engineering consultant of their choosing. The project is at a mix design point. Plans have been approved by the department for a new water tower, a major distribution system improvements with a construction estimate just over \$6.7 million in cost, which will go out for bid during the winter. Their new groundwater source is still under evaluation, with test wells having recently been drilled to determine water quality. Their initial wellfield location was met with concerns by a group of residents offering negative feedback against the initial site. Significant feedback to the extent the district decides to switch locations to Alton, Nebraska, area. Regardless, progress on all three of these appropriation elements detailed under LB1014 is being made, so there's no risk of underutilization of these ARPA funds. In summary, overall, the ARPA funds appropriated to the Department of Environment and Energy for water and wastewater infrastructure and the decisions made by the Legislature were not those being shovel ready but shovel worthy. As a result, over 5,000 Nebraskans will have a continuous supply of safe drinking water, and the State Fairground improvements will be measurably reduce water quality impacts to the Wood and Platte Rivers. All that I presented to the committee today will be under contract for construction by the end of 2024, with all the funding being disbursed by the end of 2026. Water and wastewater infrastructure projects take time to develop, plan, and construct but are worth completing for the benefits to the residents of our great state. Thanks for your time and attention. I'll take any questions.

CLEMENTS: Thank you. Are there questions from the committee? I have-- I heard the word Elmwood mentioned where I live. Would you repeat, what was the comment you had about Elmwood, Nebraska? There was a reverse osmosis I believe.

DORN: Early on.

CLEMENTS: Yeah, pretty early. I'm interested. Go ahead.

JIM MACY: All right. So there's \$2.775 million that's been obligated to the city of Wisner for the new reverse osmosis plant. And there's a remaining \$25,000 planned for the village of Elmwood within that ARPA.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

CLEMENTS: All right. Thank you. Probably four days ago, I received an alert on my phone not to drink the water in my house because Elmwood's reverse osmosis system needs repair. And it's very nice to see that. I was hoping if there was leftover money, I tell them to come get some, but they've already been to you so very good. Any other questions from the committee? Seeing none.

JIM MACY: Thank you, Senator.

CLEMENTS: Thank you, sir. Next will be Agency 82, Commission for Deaf and Hard of Hearing.

ARLENE GARCIA GUNDERSON: Good afternoon, Chairperson Clements and members of the Appropriations Committee. My name is Arlene Garcia Gunderson, spelled A-r-l-e-n-e G-a-r-c-i-a G-u-n-d-e-r-s-o-n. I am the executive director for the Nebraska Commission for the Deaf and Hard of Hearing. I wanted to take this moment to thank you, first of all, for allowing our agency the opportunity to provide valuable services to our fellow Nebraskans with the appropriation of \$500,000 ARPA funding. The intent in our request was for rural communication access and a fund to provide relief and support to provide effective communication access in rural Nebraska. Access and availability to rural Nebraska has long been a problem for Nebraskans who are deaf and hard of hearing. The intent for the Legal Communication Access Fund that we created was to provide access for legal meetings and situations for Nebraskans who are deaf and hard of hearing that may occur outside of a courtroom. To this day, approximately \$32,000 of that total appropriation fund has been utilized in accordance with the intent. However, our agency has encountered many challenges to fulfill the utilization of the remaining funds as originally planned. Considering those challenges, our agency is requesting that we do-- we can combine the criteria for the two programs into one centralized overall fund to provide effective communication to access support. This revised approach would broaden the criteria to include not only sign language interpreters, but also other auxiliary aids as well. And it would also expand the coverage to include Lincoln and Omaha areas. By doing so, we would continue to provide necessary monetary support for effective communication access in rural Nebraska and also address the pressing need for communication access support in both Lincoln and Omaha, where it's equally critical. Thank you for your time today. I'm happy to answer any questions you might have.

CLEMENTS: Are there questions from the committee?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

WISHART: Chair.

CLEMENTS: Yes.

WISHART: Thank you for being here. And I think this is the first time you've been in front of the Appropriations Committee in your new role. So congratulations. Looking forward to working with you. If we--

ARLENE GARCIA GUNDERSON: Thank you. Yes.

WISHART: If we are to combine the, the opportunities for this funding to be invested in, do you feel confident the full amount of ARPA funds would be spent by the 2026 deadline?

ARLENE GARCIA GUNDERSON: I would hope so. If there's a way to extend it, we would be very happy to, to have that opportunity. We would do our best. We would make sure that Nebraskans are available with this fund-- are aware that this fund is available to them.

WISHART: What is the biggest challenge you see from being able to utilize these funds?

ARLENE GARCIA GUNDERSON: Well, because the rural fund is only limited to rural areas, we only have 115 American Sign Language interpreters in the state. We already are-- have a critical shortage and we can't provide services to people who live in Omaha and Lincoln because the fund says the fund-- the money must be used rurally.

WISHART: So is the issue in the rural parts of the state that it's a need there, but there aren't enough interpreters to be able to utilize the funding to support that need?

ARLENE GARCIA GUNDERSON: Correct. Not enough interpreters, meaning we can expand the services and also provide auxiliary aids like real-time captioning, remote interpreters. You know, that's our new reality these days.

WISHART: OK. Thank you.

CLEMENTS: Other questions? I have a question. My report here shows a \$500,000 limit. Is that your understanding?

ARLENE GARCIA GUNDERSON: That's correct.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

CLEMENTS: And what would you do by adding Lincoln and Omaha? How would you utilize funds?

ARLENE GARCIA GUNDERSON: As I mentioned earlier, the rules that currently are in place do not allow Omaha and Lincoln residents to utilize those funds. Now I'm asking that we expand those funds to be eligible for all Nebraskans. The most-- the largest population of deaf and hard of hearing people live in Lincoln and Omaha. And not to mention in rural areas we can expand that to provide the real-time captioning as well as other auxiliary aids.

CLEMENTS: Do you know why Lincoln and Omaha were excluded?

ARLENE GARCIA GUNDERSON: I don't. It was written by the previous executive director, not myself. And that's why I'm here.

CLEMENTS: Very good. We'll look into that. Thank you.

ARLENE GARCIA GUNDERSON: Thank you very much.

CLEMENTS: Next, Agency 13. Department of Education. Welcome.

BRIAN MAHER: Thank you. Good afternoon, Chairman Clements and members of the Appropriations Committee. I'm Brian Maher, B-r-i-a-n M-a-h-e-r. I'm here representing the Nebraska Department of Education, and I serve as the Commissioner of Education. I want to thank you for the opportunity to come here and discuss this iss-- this issue, and explain the utilization of funds from the Nebraska Department of Education. Before I begin some of the technical conversation, I want to say that in my first few months in the-- in the position as commissioner, I've had an opportunity to meet with Governor Pillen and I've had an opportunity to listen to Governor Pillen on a number of occasions. And I want to say that the Department of Education is on point with the Governor regarding the youth in Nebraska specifically, that all children will be served by the state and that no Nebraska children will be left unserved. You are receiving a handout from the Department of Education. And before I get into areas that I don't know very well, I'm going to turn it over to Amy Rhone from our Office of Spec-- Special Education. And I will stand by for any questions that you may have of me or of the department.

CLEMENTS: Welcome. Please introduce yourself.

AMY RHONE: Good afternoon. My name is Amy Rhone, A-m-y R-h-o-n-e. And as Dr. Maher said, I am the administrator and state director of the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

Office of Special Education. So we've provided you with a handout of our current funding report. And as you are very well aware, pursuant to LB1014, Section 13, signed into law in April of 2021, the Nebraska Department of Education Office of Special Education received, received funds through the Coronavirus State Fiscal Recovery Fund. There is an appropriation to this program of \$1 million of federal funds for state aid. The Nebraska Department of Education shall spend the funds appropriated in this section exclusively for programs and interpreters that provide services to students who are deaf or hard of hearing in the following manner. The first one is \$300,000 for equipment; second, \$300,000 for services; and third, \$400,000 for enhanced educational interpreter training and mentoring programs. The first area of allocations is the selection of specific services that can be enhanced to support students who are deaf or hard of hearing or training on services provided to service providers. The total allocation is \$300,000. So in collaboration with the Commission for the Deaf or Hard of Hearing who you just heard from, the NDE Office of Special Education has already confirmed two programs. The first is the American Sign Language at Home, a family curriculum to families that do not have access to supporting their students using educational interpreters. And then the second is the NDE will be utilizing the Northern Signs Research Inc., which aims to support the development of creative teaching and assessment materials to promote children's language, learning, literacy and all of this is in American Sign Language. So both of those are outlined. The total and current committed funds for this section is \$47,057.89. The NDE does have a very robust plan for those additional funds that will be obligated by December 31 of 2024. The Office of Special Education is currently conducting a needs assessment in collaboration with the Deaf or Hard of Hearing Regional Programs to determine what training for service providers is needed in each of the regions. Our state is divided into five specific regions to support the students and families of deaf-- students who are deaf or hard of hearing. A survey of parents, families, and service providers will also be conducted to see what additional supports are needed to support families and underestimate-- understanding services that are available through the Individuals with Disabilities in Education Act for students who are deaf or hard of hearing. Based on this needs assessment and Regional Action Plan completion, the remaining funds of \$252,942.11 will be disbursed amongst the regions to provide training and support services based on individual child counts in those regions. The second area of the allocation is the selection of specific equipment that can be enhanced to support students who are deaf or hard of hearing or training on

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

equipment provided to service providers based on a needs assessment. So the NDE Office of Special Education has conducted that needs assessment in partnership with the Nebraska Department of Education Assistive Technology Partnership, also known as ATP. We will capture or have captured a statewide picture of what needs for equipment are currently present in the state. And then once we know this, the equipment for deaf and hard of hearing students is handled by our deaf or hard of hearing regional program, allowing for regional equipment needs to be met. So the NDE Office of Special Education has began the development of a memorandum of understanding to transfer those funds to our assistive technology partners, to make those purchases of fairly high-cost equipment to support our students with deafness or hard of hearing. The total committed funds in this section is \$300,000, the total. The third and final area of allocation in the selection of-- is the selection of projects to support students who are deaf or hard of hearing regarding educational mentoring support. The total allocation for this section is \$400,000. Interpreter mentorship programs are being created to address the increased demand for high-quality interpretation services and the need for ongoing support for new and experienced interpreters. For students who are deaf or hard of hearing attending school in general education settings, the provision of an educational interpreter is the most important accommodation. The demand for educational interpreters has soared in recent years and has paralleled the increase in the number of students who are deaf or hard of hearing and who are attending local schools. Rapid growth in the field of educational interpreting has resulted in a shortage of well-prepared interpreters, a situation that is even worse in rural settings. Many individuals employed as interpreters have little to no completed-- have not completed formal training or preparation through interpreter preparation programs, and even fewer have had appropriate training for employment in educational settings. The paucity of interpreters couples with the concern about the quality of interpretation puts a high emphasis on the need to grow our own in our rural and high-shortage areas. So one way we plan on addressing this is through an RFP or a request for proposals where we received six requests to do educational interpreter mentorship. Those six proposals and what they plan to do with those funds are outlined in your report. The total grant award in this-- the total grant awards in this section equals \$395,856, leaving approximately \$4,000 in funds that are remaining to be obligated. The Department of Education greatly appreciates the opportunities that the CSFRF funds provides us in expanding supports to our infants, toddlers, students, and families, and plans to use each dollar to the maximum extent possible

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

and have everything obligated and spent by the appropriate date. And I would gladly answer any questions.

CLEMENTS: Are there questions? Seeing none, thank you for your report. Next, we have Agency 14, Public Service Commission.

CULLEN ROBBINS: Good afternoon, Chairman Clements and members of the committee. My name is Cullen Robbins, spelled C-u-l-l-e-n R-o-b-b-i-n-s and I'm the director of the Nebraska Universal Service Fund and Telecommunications Department with the Nebraska Public Service Commission. Thank you for the invitation to provide an update on the use of appropriated funds in the context of LR200. Even though I'm sure it is-- that it is clear to the committee, I do want to start by clarifying the distinction between State Fiscal Recovery Funds and Capital Projects Funds or CPF, as I will refer to them occasionally. Both are funds under the ARPA umbrella, but the Capital Projects Funds that we administer are separate and distinct. They can only be used for a few specific purposes, including broadband deployment. So my testimony will cover two topics. First, a clarification on the allocation of funds via LB1144 and LB1144A and second, an update on the Capital Projects Funds that we are administering. LB1144 and LB1144A passed during the 2022 session included an appropriation of \$324,875 in fiscal year 2022-2023 and \$316,738 in fiscal year 2023-2024 from the ARPA State Fiscal Recovery Funds. We want to clarify that no State Fiscal Recovery Funds have been or will be used by the Public Service Commission. In fact, State Accounting has confirmed that there were no state agencies that received ARPA State Fiscal Recovery Funds for the purposes of broadband deployment. So the appropriation outlined in Section 2 of the LB1144 A bill is not being and will not be used for that purpose, which, according to our understanding, is the only purpose that it can be used for. So with that explanation out of-- out of the way, I'm happy to update you on the status of the Capital Projects Funds that are being used to deploy broadband to unserved and underserved areas of the state. In order to administer those funds, the Public Service Commission entered into a memorandum of understanding with the Department of Economic Development to use those funds for the purposes of broadband deployment. Of the \$128.7 million allocated to Nebraska through the CPF, \$87.7 million of those funds was approved by the Department of Treasury and set aside for broadband deployment per LB1024 passed during the, the 2022 legislative session. That funding is intended to cover both the grant awards themselves, as well as administrative costs for the program. Eighty million of those funds were made available through the first round of broadband grants. Grants were

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

required to be made available or, excuse me, grants were required to be split between Congressional Districts 1 and 3, with at least \$40 million available to both areas. Grant applications were due in late February and the commission issued grant awards in late June. In Congressional District 1, \$40.3 million in grants were awarded to 13 applicants for 27 projects, serving over 3,000 locations. In Congressional District 3. \$21 million in grants were awarded to 14 applicants for 38 projects, serving over 3,700 locations. These projects are on an 18-month buildout timeline, with the possibility for a six-month extension. So as of now, about 61.3 of the \$87.7 million has been awarded. We are close to kicking off another round of grants for Congressional District 3 in order to fulfill the requirement to award at least \$40 million in each of the congressional districts, with the likelihood that we were to award grants in the late spring of 2024. Assuming a May or June grant award date allows for a full 18-month buildout time frame, as well as a six-month extension, which we do allow, if necessary, to bring project completion dates around May or June 2026. That timeline allows for final closeout of projects well ahead of the December 31, 2026, deadline for CPF funds to be expended. So in summation, we are well on track to spend these funds in a timely fashion and for the purposes outlined in CPF guidance. We have appreciated the opportunity to work with DED, and I would say that from our perspective that has been a beneficial and productive arrangement. Thank you again for the opportunity to provide an update, and I'm happy to answer any questions you might have.

CLEMENTS: Are there questions from the committee? I have one question. On the LB1144 funds, you said \$324,875 in one fiscal year and then another \$316,000 in the second fiscal year.

CULLEN ROBBINS: Yes, sir.

CLEMENTS: And my report doesn't show that second number. Could you give me that entire number, 316--?

CULLEN ROBBINS: Yes, sir. \$316,738.

CLEMENTS: And the fiscal year involved there?

CULLEN ROBBINS: '23-24.

CLEMENTS: OK. And none of those funds are going to be obligated. Is that what you said?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

CULLEN ROBBINS: That's correct. We will not use those funds.

CLEMENTS: All right. Any other questions?

DORN: Yeah. When, when funds were appropriated to PSC or whatever the PSC could probably use or whatever, who made the determination or how was the determination made, I guess, which projects qualified and which didn't in your-- in the PSC?

CULLEN ROBBINS: Within, within the Capital Projects Funds grant process, you're asking? We, we utilize the framework of the Broadband Bridge Program that has defined criteria that lay out how we evaluate the applications. They are scored and there are priorities that are actually based in statute on how we kind of sort those into which projects get priorities and prioritizing which get a lower priority. And so we evaluate all of those through the process, and that's how we determine who gets the award based on priority and then by scoring.

DORN: I guess I asked the question wrong. I guess if, if federally we thought they qualified when some of these things came forward in our ARPA appropriations, federally thought they qualified and then later there were determinations made. I had a bill--

CULLEN ROBBINS: Yes.

DORN: --not-- did not qualify. How was that determined or how did you come about by that?

CULLEN ROBBINS: Yeah. And yeah, your, your bill sought to use BEAD funds, obviously another, another source of funds. But for Capital Projects Funds, the Department of Treasury laid out very specific guidance on the purposes that they could be used for. Broadband deployment is one of them. Community, community facilities, I always forget the, the exact term, multipurpose community facilities is a use, and that's what they're being used for in Congressional District 2. And so I think there was a third one that escaping my mind off the top of my head. [INAUDIBLE]

DORN: But I mean, was the ultimate decision the board or was that the department or who ultimately made that? You looked at the scoring and if it didn't qualify, who made that determination?

CULLEN ROBBINS: The-- I guess I'm still kind of a little bit confused, like, for, for when, when we're making determinations on whether, for example--

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Appropriations Committee October 20, 2023
Rough Draft

DORN: Qualify.

CULLEN ROBBINS: --your bill would qualify for BEAD, we had to look to the, the guidance that the NTIA put out as to what the allowable uses would be for that. And we had-- we did do a comment cycle asking a lot of those questions also to kind of get outside opinions on what qualified and what didn't. And ultimately that was where the determination was made that most of the purposes for what were in that bill would not qualify to be used for BEAD. Some of them may have, but we probably would have had to move them down. It would have been only if money was left over in BEAD that we could have used it for this purpose. So there was an allowable use potentially, but it would not be something immediate that could be accessed.

CLEMENTS: All right. Other questions? Seeing none, thank you for coming.

CULLEN ROBBINS: Thank you very much.

CLEMENTS: Next agency is Department of Agriculture. Welcome.

SHERRY VINTON: Thank you. Good afternoon, Chairman Clements and members of the Appropriation Committee. My name is Sherry Vinton, S-h-e-r-r-y V-i-n-t-o-n, and I'm the director of the Department of Agriculture. The department was allocated \$12 million of coronavirus State, State Fiscal Recovery Funds for three specific uses: funding the Independent Processors Assistance Program; adding funds to the Noxious Weed and Invasive Plant Program grants; and funding a dairy industry study. I'm here to provide the status of the obligation and expenditures of these grant funds. The Independent Processors Assistance Program was appropriated \$9,875,000. The program meets ARPA provisions because the grants fund facility upgrades to increase meat processing capacity, train employees, and cover increased costs due to the economic impact of the pandemic on small food processors. The department disbursed approximately \$4,750,000 in the first round of awards at the end of 2022 to 62 meat slaughtering operations. Recipients received up to \$80,000 up front to use as specified in their contract, which included the provision that funds be obligated prior to June 30, 2024. The remaining \$5.1 million is expected to be fully obligated in the second round of funding completed in the first quarter of 2024. The entire \$2 million appropriated for the riparian vegetation management grants was paid out to five weed management entities for vegetation management programs improving the conveyance of streamflow in natural streams. The grants were deemed not to meet

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Appropriations Committee October 20, 2023
Rough Draft

ARPA eligibility requirements and instead came from the revenue loss funds made available to the state of Nebraska because the ARPA final rules stated that projects relating to water were to be aligned with the Clean Water Act. We were informed by EPA that such product-- projects do not fall under the Clean Water Act due to sediment entering the waterway. Contractual payments were processed on an actual cost reimbursement basis to the weed management areas. A dairy industry study was appropriated \$125,000. The dairy industry in Nebraska experienced negative economic impact due to the pandemic, and the goal of the study is to maintain the infrastructure needed for long-term viability of the dairy industry in Nebraska. The department followed standard procurement procedures and entered into a contract with Ever.Ag Insights for the study to be completed by November 30, 2023. Ever.Ag has informed the department there will only be one invoice for the total amount of up to \$92,500 after the completion of the study. Therefore, while such funds are obligated, no payment has been made as of today. The \$32,500 remaining after payment of the ARPA funds specifically allocated for the study will not be obligated for any other purpose. I appreciate the opportunity to testify on this matter and I would welcome any questions you might have.

CLEMENTS: Are there questions from the committee?

DORN: I guess I have a question. I don't quite understand in your vegetation management grants. It said that you allocated the money, but then they found out you-- they didn't qualify. What happened? I know you used other funds then.

SHERRY VINTON: Correct.

DORN: What happened to the ARPA funds or what will happen to the ARPA funds, I guess? I don't know.

SHERRY VINTON: I-- it's my understanding this is another bucket ARPA funded.

DORN: But what--I--

SHERRY VINTON: It's my understanding that it came from a different bucket of ARPA funding.

DORN: Oh, a different bucket of ARPA funding.

SHERRY VINTON: Correct.

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Appropriations Committee October 20, 2023
Rough Draft

WISHART: Chairman.

CLEMENTS: I'm not aware-- go ahead.

WISHART: My understanding is that \$10 million Nebraska was able to spend on revenue loss funds.

SHERRY VINTON: Correct.

WISHART: So this was a part of that.

SHERRY VINTON: Correct.

WISHART: This came out of that \$10 million.

DORN: So basically in the ARPA funds, it got switched. The \$2 million got switched from this, this pocket to this pocket.

WISHART: My understanding and again, this is dusting off older information, my understanding is that you can designate \$10 million of total ARPA funds as revenue loss.

DORN: Okay.

WISHART: And so this would be designated under that category.

CLEMENTS: All right. So the-- we'll have to look into whether this, this \$2 million very likely is still available for other uses or do we put it back in the \$10 million?

WISHART: I think it's a-- if Keisha was here and somebody from Fiscal could help, but I think-- I think that my understanding is it's a designation as opposed to a different bucket, but I could be wrong.

CLEMENTS: All right. We will--

SHERRY VINTON: And we can get you a detailed explanation.

CLEMENTS: All right. And we'll-- would like Fiscal to be-- the Fiscal Office to be able to be informing us as well. But if you get us a detailed explanation that would help us make sure how we treat this.

SHERRY VINTON: We can make it sure that it's clearly explained, Senator Clements.

CLEMENTS: All right. Yes.

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Appropriations Committee October 20, 2023
Rough Draft

WISHART: Thank you for being here, Director.

SHERRY VINTON: You're most welcome.

WISHART: So it sounds like just \$32,000 then, once we clarify the \$2 million, but \$32,000 is what is remaining unobligated.

SHERRY VINTON: \$32,500, yes.

WISHART: OK. Do you have any suggestions on, on plans for what we could utilize those ARPA funds for within the Department of Ag?

SHERRY VINTON: Within the Department of Ag, we have a position that could use these funds to administer the remaining grant funds rather than using [INAUDIBLE]

WISHART: OK.

SHERRY VINTON: And it would provide quite a cost savings.

WISHART: OK, great.

SHERRY VINTON: Any other questions?

CLEMENTS: Any other questions? Seeing none, thank you.

SHERRY VINTON: Thank you.

CLEMENTS: Our next agency is Department of Labor. Welcome.

JOHN ALBIN: Thank you. Good afternoon, Senator Clements and members of the Appropriations Committee. For the record, my name is John Albin, J-o-h-n A-l-b-i-n, and I'm the Commissioner of Labor. Section 15 of LB1014 appropriated \$10 million to the Nebraska Department of Labor from the Coronavirus State Fiscal Recovery Fund for workforce training-- worker training programs administered by the Department of Labor and distributed through the recommendation of the Nebraska Worker Training Board pursuant to the guidelines established in Section 48-622.03. I have asked the page to distribute a copy of the guidelines to the committee members. The focus of the grant awards to be made by NDOL is for retention and recruitment of workers in critical segments of the Nebraska economy. NDOL divided the \$10 million appropriated by LB1014 into three subgrant-- subaward categories: \$4 million was allocated to healthcare worker recruitment and retention. The entire amount has been obligated under eight

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

separate awards, and payments will be made to 1,639 individuals. Four million was allocated for teacher recruitment and retention in critical instructional categories. There was a total of 78 awards made in the amount of \$3,995,000, benefiting 1,639 individuals. Two million was allocated to the worker training grant pro-- worker training grants consistent with ARPA principles. There have been 12 grant awards under this category in the amount of one-- \$1,972,735, benefiting 2,126 workers. As of today, \$9,967,735 has been obligated through subawards. All recipients of the subawards have completed all NDOL required forms and signed agreements. NDOL is confident the grants meet the requirements of the CFR. The remaining \$32,265 is less than 1 percent of the funds appropriated and NDOL is working to allocate that last remaining amount to eligible grant applicants. The timeline for the NDOL ARPA grants is that they must be obligated by December 1, 2024, and liquidated by December 31, 2026. Of the grants awarded, almost \$8 million were awarded for recruitment and retention of healthcare workers, childcare workers, and teachers. The first requests for distribution of grant awards under these two categories have been received and are being processed. All requests for payment under the two grant categories for teachers and healthcare workers are due January 15, 2024, with projected payment date of no later than the end of March 2024, assuming that the grant recipients have satisfied the terms of the grant agreement. NDOL has an extensive waiting list of eligible grant applicants in the event that any of the original applicants falls by the wayside. That concludes my testimony. I'd be happy to answer any questions you might have.

CLEMENTS: Are there questions? I had one question about healthcare workers and teachers. Were those new employees or existing employees?

JOHN ALBIN: It was a mixture of both. You could use it for recruitment of new employees. You could also-- in healthcare, well, both provide for recruitment as well as incumbents. In healthcare, we even included a section where you could tier it. So like, say, someone was a CNA when they started, and within the grant period you could get them up to an RN status, then we would award funds based upon the RN status rather than the original CNA. So it was kind of a combo.

CLEMENTS: Do you have an idea of how many healthcare and how many teachers were benefited by this?

JOHN ALBIN: Well, I said in my testimony, 1,639 twice. Once-- once those is not correct. I can get you the corrected numbers, but I think the numbers were similar in both categories, about 1,600 to 1,700

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

individuals that would receive the bonuses. The way we structured the bonuses, we actually make a grant award to the employer, and then it's the employer that has to get the money out to the employees as a term of the grant.

CLEMENTS: Oh, I see. I had-- I had missed that. Those numbers are in there.

JOHN ALBIN: Yes.

CLEMENTS: But that's fine. You don't need any more--

JOHN ALBIN: OK.

CLEMENTS: --information. Senator.

LIPPINCOTT: What is our current unemployment rate here in Nebraska?

JOHN ALBIN: As of this morning, it's 2.1 percent.

LIPPINCOTT: Where do we rank nationally?

JOHN ALBIN: That is sixth nationally.

LIPPINCOTT: Six.

JOHN ALBIN: Which is an interesting statistic if you're in our business, because 2.0 or 1.9 was considered the greatest-- our lowest number ever. And suddenly there's a whole bunch of states down below that. So it's quite an anomaly; 2.1 percent is the second lowest rate that Nebraska's had historically.

LIPPINCOTT: And what does that equate into numbers? How many people are or how many job positions are there that are open right now?

JOHN ALBIN: In ter-- in ter-- there are two different numbers, actually. In terms of my jobs board that I post, there are about 35,000 openings in Nebraska. If you look at BLS numbers as to the number that they are unemployed or seeking and seeking employment or seeking self-employment, that number is around 20,000. The number who are actually drawing benefits during any given week is around 3,500 right now.

CLEMENTS: All right. Senator.

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Appropriations Committee October 20, 2023
Rough Draft

McDONNELL: Thanks for being here. Since you looked at it this morning, who is the lowest? If we're sixth, who's the lowest?

JOHN ALBIN: I think Maryland is.

McDONNELL: What's their number?

JOHN ALBIN: Their number is 1.6, which is kind of an astounding figure because up until 2023, the lowest figure ever was 1.9. So I don't know whether there's some statistical anomaly floating through there or whether it's the job market is just that much tighter there than it is here. I can't answer that question.

McDONNELL: Thank you.

CLEMENTS: Senator Dover.

DOVER: Yeah, is that-- is there-- I'm guessing is there a national standard then for it? I mean, everyone's reporting exactly the same. [INAUDIBLE]

JOHN ALBIN: Yeah, This is done by-- the Bureau of Labor Statistics comes up with the official number and they do surveys in every state. Obviously, the samples are a lot smaller in a state like Nebraska. So I think they're a little more volatile just because you're working with a smaller sample than in New York or California. But yeah, Bureau of Labor Statistics applies the same standards across the board and they make the adjustments. I don't have any role in that calculation process.

DOVER: Thank you.

CLEMENTS: Other questions? Senator.

LIPPINCOTT: This is a kind of subjective question. But our current birthrate is around 1.8. It requires 2.11 to remain net neutral. So my question would be these job positions that are open and available, I wonder what percent of those would be because we have a booming economy and we've got more jobs versus we have a dwindling population.

JOHN ALBIN: Well, the population in the state continues to grow, not huge amounts, but it continues to grow. So it's not just a function of population. But I think our growth rate is, if I'm remembering right and I could be really wrong but I don't think I am, is slightly below the national growth rate. So obviously that would contribute to the

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Appropriations Committee October 20, 2023
Rough Draft

worker shortage. But remember, a baby now probably isn't in the workforce for two decades. So it's-- there's not exactly a one to one correlation, but there certainly is a correlation.

CLEMENTS: Any other questions? Thank you, Director.

JOHN ALBIN: Thank you.

CLEMENTS: Next would be the Military Department. Welcome.

CRAIG STRONG: Good afternoon, Chairman Clements and other members of the Appropriations Committee. I am Craig Strong, C-r-a-i-g S-t-r-o-n-g, the Adjutant General of the Nebraska National Guard and the agency director for the Nebraska Military Department, agent 31-- agent-- Agency 31. Thanks for the opportunity to participate in this hearing regarding the progress and ability to expend federal funds allocated to the state of Nebraska from the Coronavirus State Fiscal Recovery Fund pursuant to the Federal American Rescue Plan Act of 2021. Federal funds were appropriated to the Military Department in the amount of \$10 million in FY '21-22 and \$9 million in FY '22-23 for the administrative costs relative to utilization of ARPA funds. Included in these amounts is \$9 million earmarked for the Department of Health and Human Services for information technology utilization expenses incurred which are related to pandemic relief processing and to incurred equipment operating expenses for March 3, 2021, through June 30, 2023. As of 17 October 2023, \$10,786,780 have been utilized for operating expenses associated with the administering of federal funds allocated to the federal American Rescue Act of 2021. HHS has leveraged \$9 million of the expenses previously allocated-- articulated and will not need to further expend ARPA administrative dollars. Through 2026, an estimated \$5.5 million will be needed by the Department of Economic Development to administer the Economic Recovery Act. Other lesser costs are for development projects or to develop projects and plans and manage grants for the Department of Labor and the Department of Agriculture for a total of \$500,000. Accounting for all of these programs that I've just discussed, it is anticipated that there will be an additional \$4 million remaining that may be utilized for alternate-- alternative ARPA uses for the Governor and the legislative direction. Chairman Clements, committee members, that concludes my testimony. I would be glad to answer any questions that you might have. Thank you.

CLEMENTS: Any questions? Senator.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

LIPPINCOTT: How are your recruitments regarding enlisted and also officer corps?

CRAIG STRONG: Right now, we are in an upward trend in recruiting over the last two years from the pandemic period. So there's an uptick there. But as of now, we are at our end strength allocation is currently the end strength is that we have assigned are 3,000-- 3,120-ish for the Army and then approximately 1,000 for the Air Guard. And so we still have availability to meet our authorized strength in particular for the Army Guard. And actually that is our number one priority across, across the state.

CLEMENTS: Question? Yes.

DORN: Thank you, Senator Clements, and thank you for being here. If I understand your last paragraph right, then you're saying that this is-- that the state ARPA funds of \$4 million that you don't believe will be used by your department?

CRAIG STRONG: Well, we do not-- our department does not execute funds as much as administer the distribution to other departments for the purpose of administrative costs and overhead. So we have \$4 million that will be unexecuted and we anticipate to be unexecuted and available for however the, the Legislature and/or the Governor sees fit.

CLEMENTS: Other questions? Seeing none, thank you, sir.

CRAIG STRONG: Thank you very much.

CLEMENTS: Next agency is Game and Parks Commission. Would a representative of Nebraska Game and Parks please come.

JIM SWENSON: I was daydreaming.

CLEMENTS: Welcome.

JIM SWENSON: Welcome. It's good to be here. Good afternoon, Chairman Clements and members of the Appropriations Committee. My name is Jim Swenson, J-i-m S-w-e-n-s-o-n, and I have the honor of serving as the deputy director of the Nebraska Game and Parks Commission, 2200 North 33rd Street, Lincoln 68503. LB1014 adopted in 2022 appropriated a total of \$8.1 million to Game and Parks for wastewater treatment projects at five state park areas identified on the handout that was just provided. Wastewater facilities at those locations were failing

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

and deemed eligible for ARPA funding after review of the information provided within the federal Treasury final rule documents addressing wastewater projects as well as provisions of the Clean Water Act. We also consulted with the Nebraska Department of Environment and Energy, who agreed with our projects' eligibility. The document that you see provide-- was provided shows that as of October 20 of this year, we have expended just over \$5.7 million of the amount appropriated and just over \$1.4 million is obligated to future expenditures for the five projects listed. Each project is scheduled for completion by the end of this year. The total expended and obligated at this time is \$7,148,220. We have remaining \$951,780, which we will work to expend by December 31, 2026. deadline. And we have identified six additional wastewater projects we believe are eligible for the remaining ARPA funds. estimated need of those projects being \$2.3 million. Thank you for the opportunity to share this information here today. I will answer any questions you may have.

CLEMENTS: Questions from the committee? Looks like you have more projects than you have money.

JIM SWENSON: There's always things to do.

CLEMENTS: Very good. Thank you for coming. Next we have the Agency 48, Postsecondary Coordinating Commission. Welcome.

GARY TIMM: Thank you. Good afternoon, Senator Clements and members of the Appropriations Committee. I'm Gary Timm, G-a-r-y T-i-m-m, and I'm the finance officer for the Coordinating Commission for Postsecondary Education. LB1014 includes two sections directing the commission to allocate and distribute ARPA funds to the six community college areas. Section 36 allocates up to \$10 million to each of the six community college areas for grants to fund capital projects or workforce programs. As of today, 15 projects totaling \$59 million have been obligated with the grant proposal for the final \$1 million expected shortly. Of the \$59 million obligated, \$29.6 million has been disbursed to the community colleges. The disbursement schedule included in each of the grant agreements have the funds being disbursed to community colleges by January 2026 at the latest for the workforce programs, with most of the funds being disbursed by July 2024. Eleven of the 15 projects are capital projects and have been-- and have completion dates prior to December 2025. With the capital projects, the final rule did specifically enumerate that job and workforce training centers are eligible capital expenditures. Section 50 allocates \$5 million over three fiscal years beginning in 2022-23

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

to support discounting of tuition assessed to high school students for enrollment in college courses for credit. Grant agreements have been completed with all six community colleges obligating the entire \$15 million. The final disbursement is scheduled for August 2025 and the handout I had provided shows what those projects are for Section 36, as well as the last page showing what the first distribution was for the Section 50 funds.

CLEMENTS: Are there any questions? From the sound of that, you expect to expend all of the funds with no leftovers.

GARY TIMM: Correct. Correct.

CLEMENTS: Very good. Seeing no questions, thank you for coming. Next Agency 50, state colleges. Welcome.

PAUL TURMAN: Good afternoon, Senator Clements, members of the Appropriations Committee. My name is Paul Turman. That's spelled P-a-u-l T-u-r-m-a-n. I'm the chancellor of the Nebraska State College System. The handout that's being distributed provides just an overview of the expenditures of the two different funding sources that we were provided for the state colleges and totaling \$8 million, carved off into two different areas. The first being STEM-based equipment to provide additional educational training for a number of our healthcare-related partnership programs that we have through the Rural Health Opportunity Program, as well as the Public Health PHEAST early entry program partnerships that we have with the University of Nebraska-Lincoln Medical Center. To date, we've spent roughly about 57 percent of the \$2 million that we've been allocated at about \$1.1 million. We have commitments or waiting for equipment to come from vendors at \$233,000. And we have in process either bidding or working with vendors to acquire additional resources at about 18 percent. So in total, when you take out those kind of broad areas, we have about 13 percent of the funds that we anticipate spending throughout the course of this academic year. So by the end of this fiscal year, we anticipate we should have all of the STEM-based equipment on our campuses and functioning in our labs in our educational facilities. In addition to the STEM-based equipment, we were awarded \$6 million for water and sewer projects. Our board approved the allocation of \$2 million per institution at its June 2022 meeting. And in that process, we began to work with the department or the Military Department, which was the entity that was provided the funds that were routed to the state colleges. And it wasn't until actually in March of 2023 when all of the processes were in place for us to be able to have access to

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

those funds. And so our three campuses are a little bit different in the way that they're approaching those projects. Peru had to start with a A&E firm to do a comprehensive study of which elements of the campus could go forward first in utilizing those funds. We anticipate having to do the projects at Peru in two phases. Once the design work is done this spring, they would go out for bid and they would work on those projects in summer 2024, summer 2025. At Chadron and Wayne, those projects will be completed hopefully in the summer of 2024. The-- those two institutions had already done comprehensive studies of their water systems prior to the pandemic, and so they were able to move more quickly toward the design piece, which has been a little bit more delayed for Peru. But overall, I think the, the other significant hurdle that we have is we really can only do those projects in the summer, need to wait for courses not to be in session or residence halls not be in use. And so we have a relatively tight window to be able to work on those projects. And so the design phase was held off a little bit until knowing when we were going to be able to go out for bid and get those projects up and-- up and running, but certainly anticipate expending the \$8 million that was allocated in these two different buckets. And I'd be happy to answer any questions that the committee might have about the state colleges.

CLEMENTS: Are there questions? Just give me a minute here to look at this. Would you look at the top section, work in progress under Peru State College, \$30,702.94.00. What, what is that number really?

PAUL TURMAN: It should just-- yeah, the zero zero should be off of there. Sorry.

CLEMENTS: OK. That's 30,702--

PAUL TURMAN: 702 and 94 cents.

CLEMENTS: All right.

PAUL TURMAN: Yep. Apologize, Senator.

CLEMENTS: That helps. I didn't think it would be \$32 million

PAUL TURMAN: No.

CLEMENTS: All right. That's all I had. That clarifies it. Anyone else? Seeing none, thank you for coming, Mr. Chancellor.

PAUL TURMAN: Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

CLEMENTS: Next Agency 51, University of Nebraska. Welcome.

KRISTEN HASSEBROOK: Thank you. Chairman Clements, members of the Appropriations Committee, my name is Kristen Hassebrook, K-r-i-s-t-e-n H-a-s-s-e-b-r-o-o-k, and I'm here on behalf of the University of Nebraska system to give you an update on the status of our American Rescue Plan dollars appropriated to us in 2021. Thank you for having this hearing and allowing us an opportunity to share our progress with you. You will be receiving a handout that outlines as of September 30, 2023, the status of all projects under our University of Nebraska system purview. Of those four projects, one was a formal request from the NU system; and the other three projects the NU system was identified to lead or partner upon which we were pleased to do so. First, the UNK-UNMC Rural Health Project to build a new UNMC health education facility at the UNK campus, focused on new and expanded medical education programs, was specifically targeted to rural Nebraska. The NU system was appropriated \$10 million for startup cost of the new facility and \$50 million for capital construction for a total of \$60 million. The project itself is a total \$95 million project. As of September 30, the system has expended roughly \$3.8 million of that funding, with the remaining \$56.2 million being already obligated. Just for some context of the total \$95 million plan project, we already have \$77 million in obligated sort of progra-- project funds, the two largest commitments being \$64 million to MCL Construction for building construction, utilities, infrastructure, site work, parking and landscaping; and \$5.4 million for RDJ-- RDG Design Services. That facility on the UNK campus will provide for the expansion of UNMC allied health and nursing programs in Kearney, while launching new programs to train physicians, pharmacists, and public health professionals. A groundbreaking ceremony was held on September 5, 2023, and construction began later that month. We are-- construction is targeted to be completed in late 2025, with students being able to enroll in that expanded programs beginning in the fall of 2025, utilizing some existing UNK facilities until the new building opens. With that completed project, the Rural Health Education Building will train more than 300 students, which is an additional 300, 300 on top of the already 300 students training out at the facility for a total of 600. While not requested by the NU system, the Nebraska Legislature also appropriated \$25.5 million to the Behavioral Health Education Center of Nebraska, housed at UNMC to administer awards for internships, fellowships, practicums, telehealth services in rural Nebraska, and training for behavioral health professionals impacted by the pandemic. BHECN, as we call it, was appropriated \$25.5

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

million in fiscal year '22-23 and has spent those funds in three categories: administrative and operating costs, review committee costs, and awards. You can see in your chart kind of a breakdown of those categories, what has already been spent in those fiscal years, as well as what has already been obligated for the administrative and review process. In terms of awards, there have been two rounds of funding to 110 awardees across Nebraska to address these behavioral health challenges. That award process included an application and extensive review process. In your handout is kind of a detailed breakdown of each of the awardees, their organization name, what kind of the broad category was, and the amounts and where they stand as of September 30. Round one awards were announced in January of 2023 with about \$1,000,000 expended in FY '22-23 and \$1.2 million in '23-24. There is an additional \$17 million obligated to those round one award winners. Round two awards, which were announced in June of 2023, saw about \$100,000 expended in FY '23-24 and an additional \$3.1 million is obligated for the round two award recipients. The entirety of that \$25.5 million of the funding has either been expended or is currently obligated. In addition, the university received \$150,000 for UNL to update a 2014 Assessing Climate Change Report and \$1 million for UNMC and UNL to conduct an assessment of the environmental and human health effects of the chemicals released from the AltEn ethanol plant in Mead. The Institute of Ag and Natural Resources with their \$150,000 for the Climate Change report update, those funds just became available this spring. They expended approximately \$10,000 in FY '22-23, another \$29,000 so far in FY '23-24, and the remaining amount has been budgeted for salary support for the report writing team, associated research, web development and communication costs, and engagement with a third-party independent entity as outlined in the statutory language. The final report for that is due to the Nebraska Legislature on December 1, 2024, which is also when the funds are expected to, to expire. Finally, \$1 million was appropriated UNMC and UNL to assess the environmental and human health effects; \$426,000 has been expended in FY '22-23 and another \$50,000 in FY '23-24. The remaining \$523,000 are obligated to complete the assessment and related costs. Those funds are set to expire on June 30, 2024. On behalf of the University of Nebraska system, our four campuses and nearly 50,000 students, I'd like to thank you again for the opportunity and I'd be happy to try to answer any questions you might have.

CLEMENTS: Are there questions? From what you've said, I believe they're saying there are no unused funds.

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Appropriations Committee October 20, 2023
Rough Draft

KRISTEN HASSEBROOK: Not apparent at this time.

CLEMENTS: All of these expect to be obligated and spent.

KRISTEN HASSEBROOK: And we are tracking them, like I mentioned, on a-- at the system office on a monthly basis. So we would be happy to provide more of an update if you would like.

CLEMENTS: Well--

DORN: I guess the question--

CLEMENTS: Go ahead.

DORN: Thank you, Senator Clements. Thank you for being here. The, the facility out at Kearney, the new one, you said in here your report you had the groundbreaking and that that is intended to be done by the--

KRISTEN HASSEBROOK: End of 2025.

DORN: --end of 2025.

KRISTEN HASSEBROOK: Because we will be admitting students that fall, fall of 2025.

DORN: The fall of 2025, you-- that was my question. When will the, I call it, classes start?

KRISTEN HASSEBROOK: Fall, 20-- that-- that's the school year 2025.

DORN: The fall of '25 that's when--

KRISTEN HASSEBROOK: So they'll use existing UNK-UNMC facilities and probably just some UNK facilities as well until if there are-- is a little bit of construction timeline, you know, issues but--

DORN: But you will have classes, maybe not in the building, but you will have those classes starting next--

KRISTEN HASSEBROOK: Yes, started for fall of 2025.

CLEMENTS: Regarding that facility, will some of the instruction be by teleconference or is it local professors?

KRISTEN HASSEBROOK: Currently, I don't-- I don't know the answer to that, but I'd be happy to get a good answer and follow up with you.

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Appropriations Committee October 20, 2023
Rough Draft

CLEMENTS: All right. I'd be interested in how much we're going to have of on-site professors as opposed to teleconference. All right. Well, that's very good. Thank you for your report. Next agency is Agency 78, the Crime Commission, which has a longer name that I can't remember. Is a person here. Welcome. I see you're wearing a different hat than you were before.

BRYAN TUMA: Yes. OK. Good afternoon, Senator Clements and members of the Appropriations Committee. My name is Bryan, B-r-y-a-n, Tuma, T-u-m-a, and I serve as the executive director of the Nebraska Commission on Law Enforcement and Criminal Justice. I'm here today to offer an update on the allocation of the American Rescue Plan Funds provided to the commission to address the expansion of facilities at the Nebraska Law Enforcement Training Center. ARPA funds allow for investment in critical infrastructure as a nonrecurring expenditure that can be strategically important to long-term assets that provide benefit over many years. In that regard, I wish to thank the Legislature for recognizing the importance of the programming and infrastructure requirements associated with the Law Enforcement Training Center. The infrastructure improvements made possible by this funding will significantly enhance the delivery of law enforcement training, which ultimately translates to better trained officers, improve public safety, and reduce liability for local and state government. The Legislature provided \$47.7 million in ARPA funds to address this project. The competitive bid process identified Dewberry and Associates of Fairfax, Virginia, to address architectural design and engineering services. The initial contract, along with change order fees, is estimated to be \$4.5 million. The remaining balance of \$43 million-- \$43.2 million would be available for construction issues. DAS Building Division has identified a preliminary construction cost threshold of \$36.72 million, which represents 85 percent of the \$43.2 million available balance. Dewberry will address design issues to a detailed construction cost estimate, which will ensure sufficient funds remain available to complete the project and address unanticipated construction costs. The design phase is near completion and Dewberry will provide cost estimates no later than November 15, 2023, which will allow us to pass on to the committee a more accurate estimate of total project costs prior to the start of the next legislative session. Recently, DAS Building Division was able to negotiate a 20-year lease with a 20-year renewable lease options on two tracts of land adjacent to the NLETC site, a 36 acre tract north of the training center and a 34 acre tract south of the facility. The property owner is Hall County, but the Central Regional Airport

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

Authority is responsible for the management and utilization of the project-- property. The negotiated annual lease for both properties will total \$48,000. Going into the project, there was a concern regarding the high cost to acquire land for the project. The negotiated lease for land provides an extremely cost-effective approach to the project and provides the training center with sufficient area to address future programming requirements. The lease costs will be absorbed into the operating budget for the facility with no need to use ARPA funds for land acquisition. An additional benefit includes expedited access to the properties which will allow construction activities to begin in the spring of 2024, and this will ensure the project can be completed prior to December 31, 2026, and the expiration of the ARPA dollars. In terms of, excuse me, in terms of infrastructure, the project provides improvements to address two high-priority training programs for law enforcement. Emergency vehicle operations training will be significantly enhanced with expansion of the existing driving track. In conjunction with improvements to the driving track, there will be reconfiguration of the large concrete surface area referred to as the skills pad. A new EVOC building will be constructed to address classroom instruction and provide space for guest instructors and curriculum development. The construction of an indoor range facility will provide a year-round firearms training environment and incorporate enhanced firearms training technology. This facility will include additional instructor offices and classroom space to support firearms and other training initiatives. The intent is to leverage the ARPA funds as an investment to expand future training capabilities and needed infrastructure capacity. Moving forward, DAS Building Division will begin efforts to address competitive bidding process to identify contractors and address the timeline for construction activities. Associated with that effort will be permitting requirements, environmental assessments, and civil, excuse me, civil engineering design issues. In closing, I wish to thank the members of the Appropriation Committee and the Legislature for the historic investment of funds to improve the Nebraska Law Enforcement Training Center. I can tell you the law enforcement community is excited to see the outcome of the expansion project and how it will improve training opportunities for the future. I'm happy to address any questions you might have.

CLEMENTS: Are there questions? Senator.

DORN: Thank you, Senator. Thank you for being here today. I guess when I hear you talk through some of this, there's, I call it, some maybe

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Appropriations Committee October 20, 2023
Rough Draft

not full expenditures of the funds, but it also says by November 15 you'll have the bidding on some of this project.

BRYAN TUMA: Yeah.

DORN: So you'll by next January or whatever, January 24, you'll have a better handle on--

BRYAN TUMA: Yes.

DORN: --what it's actually going to be.

BRYAN TUMA: Yes. So we've been working with Dewberry and Associates and they have a firm that's identified to really identify what the construction cost can be, and we'll have that before November 15 and provide that to the committee.

DORN: Thank you.

CLEMENTS: Very good. So right now, some of the figures you gave us have about \$6.5 million of unused unallocated funds. But we'll have to see how the--

BRYAN TUMA: Yeah.

CLEMENTS: --projection comes out before we know if that's available.

BRYAN TUMA: Yes. So our goal is and I think this is DAS Building Division, the typical process they use identify 85 percent of the available funds. That gives them some cushion, so to speak, for addressing unanticipated costs.

CLEMENTS: Very good. Well, we will just wait to see your report after the estimate is coming in. So thank you for providing this information.

BRYAN TUMA: Thank you very much.

CLEMENTS: Next, we have Agency 83, community colleges. Welcome.

COURTNEY WITTSTRUCK: Hello. I don't know why I would have expected this chair to be higher since session, but it's not. Good afternoon, Chairperson Clements and members of the Appropriations Committee. My name is Courtney Wittstruck, C-o-u-r-t-n-e-y W-i-t-t-s-t-r-u-c-k, and I represent the Nebraska Community College Association. And in case you'd like to follow along with any of our data, I'm using the exact

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Appropriations Committee October 20, 2023
Rough Draft

same data that the CCPE just handed out a few speakers before me. So I'm here today first and foremost to assure you that projects for which the community colleges were appropriated ARPA funds will meet the prescribed deadlines and there will be no unused funds. But you don't just have to take my word for that. The community college's ARPA funds are monitored and administered by the CCPE, as you previously heard, an impartial, independent state agency unconnected to the colleges. As Gary Timm and the CCPE confirmed in his earlier testimony, the community colleges are on track to meet all ARPA requirements and deadlines. Furthermore, if other previously allocated ARPA funds should become available, I urge you to consider appropriating additional dollars to the community colleges. Community colleges play a leading role in driving Nebraska's recovery from the negative impacts of COVID and the resulting workforce crisis in which our state currently, currently finds itself. In 2022, community colleges respectfully requested \$25 million in ARPA funds each in order to help Nebraska navigate the throes of the pandemic. In the end, instead of \$25 million, each college was appropriated \$10 million for which we are extremely and genuinely grateful. With those funds, our community colleges have been able to pursue capital and equipment projects, such as expansion of a health and science center in western Nebraska, H-3 workforce training centers, expansion of CDL, robotics, transportation and welding programs, etcetera. But several ARPA eligible projects that would be very beneficial to the state of Nebraska had to be cut, some of which include expanded applied science, transportation and mechatronics programs, in addition to electrical technology, construction technology and ag program extension-- expansions, to name a few. These projects and others like them, are ready to kick off the moment that you say go, and they will meet all of the increasingly tighter ARPA timelines. As the CCPE testified earlier, the community colleges are reliable ARPA partners. Our reporting is accurate, transparent, and our projects are eligible and on track. Furthermore, community colleges are one of the few funding recipients with statewide reach. Additional appropriations to community colleges will benefit the entire state of Nebraska from north to south, east to west, and rural to urban. By awarding each community college an additional \$15 million or we'll take whatever we can get in vacated ARPA funds, thus fulfilling the college's original funding request, you would accelerate Nebraska's recovery from the current workforce crisis and would lift up every community in every corner of Nebraska. Now I have detailed updates of every project. For the sake of time since it was gone through by the CCPE briefly, I'm happy to do as little or as much summarizing as you'd like. So I'm

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Appropriations Committee October 20, 2023
Rough Draft

happy to go through them all or I can simply just give you this summary and--

CLEMENTS: I believe if you would leave with the clerk your information, we can distribute it to the committee.

COURTNEY WITTSTRUCK: OK.

CLEMENTS: Are there any questions from the committee? I think the detail we can review separately and in the interest of time I appreciate that.

COURTNEY WITTSTRUCK: I figured.

CLEMENTS: Appreciate your offering to use some unused money.

COURTNEY WITTSTRUCK: I figured I'd throw it out there. If you don't, you know, you miss 100 percent of the shots you don't take so I had to shoot my shot, Senator.

CLEMENTS: Well, very good. We'll keep that in mind. And we're glad to see that the money has been used so far. Thank you.

COURTNEY WITTSTRUCK: You're welcome to come to any of our facilities anytime to see the money at work.

CLEMENTS: Very good.

COURTNEY WITTSTRUCK: Thank you.

CLEMENTS: That will conclude community colleges. We will now ask the Department of Economic Development. Welcome and thank you for waiting your turn. I know that you have quite a few items and we welcome you.

K.C. BELITZ: Thank you. Appreciate it. Good afternoon, Chairman Clements and Senators. For the record, my name is K.C. Belitz, K C B-e-l-i-t-z, representing the Department of Economic Development. Also here on behalf of the department, we have Dave Dearmont, Robin Kilgore, and Trevon Brooks. If there are questions, related items that may have happened before my tenure, we wanted to make sure that we had answers for you available. So we have the subject matter experts here as well. We do appreciate the opportunity to give you a progress report on the expenditure of the federal Coronavirus State Fiscal Recovery Funds that were allocated to the Department of Economic Development. We are administering \$271.8 million of those federal

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Appropriations Committee October 20, 2023
Rough Draft

funds that were received by the state. As of October 10, DED has obligated about \$260 million of those funds and has disbursed \$107.7 million. And of course, those numbers change each and every day, as a matter of fact. So in terms of this afternoon, in the interest of time, we thought we'd kind of highlight five programs or buckets where 95 percent of those funds reside, obviously happy to answer questions about any of them. But 95 percent of those funds allocated to DED fall within five categories: shovel ready, housing, behavioral healthcare capacity, wastewater infrastructure, and qualified census tract economic recovery. So shovel ready that program partners with the private sector by providing grants to nonprofits to mitigate financial hardships caused by COVID-19 and to assist with capital projects that were delayed due to the pandemic. Seventy-five nonprofits all across Nebraska were awarded shovel-ready grants. Shovel-ready investments are supporting some major capital projects at museums, performing arts centers, zoos, wildlife centers, sports facilities, and botanical gardens all across the state. DED has disbursed \$56 million of that \$100 million in federal funds allocated to the shovel-ready program. And we feel confident that, that those funds will be expended prior to the ARPA deadline at the end of 2026. Talking about housing funds, that includes \$40 million for the QCT affordable housing programs in Lincoln and Omaha. In Lincoln, ten nonprofits received awards for 14 projects. In Omaha, 10 nonprofits received awards that represented 11 projects in Omaha. The program is progressing well. The department has begun processing those payment requests for award recipients. In addition, DED used \$20.5 million of ARPA funding to contract with NIFA, the Nebraska Investment Finance Authority, as described in the Investment Finance Act. This is supporting development of affordable housing units eligible for federal four and 9 percent low-income tax credit programs. Through the pandemic relief housing program, \$8 million is available to eligible nonprofit organizations to develop affordable housing for income-qualifying households in a disproportionately impacted county or in a qualified census tract or for refugee or other immigrant households. We've gone through two award cycles in that program and have awarded \$6 million of funds to seven housing agencies. We have opened the third application cycle for that remaining \$2 million, and those-- that cycle actually closes here just next week. The Rural Workforce Land Development Program is the loan program at this moment that DED does not expect to expend those funds in, in the way that it was initially designed. As currently written, the program carries a level of risk for those communities, which I'll describe in a moment. And so that has precluded DED from, from having those funds obligated. So the way that worked out is the

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Appropriations Committee October 20, 2023
Rough Draft

program was created to fit federal coronavirus funds into the framework of an existing state housing program, in this case, rural workforce housing. Unfortunately, that was a bit like fitting a square peg into a round hole. So as we announced those awards to 12 communities in March of this year, we were still working through the process with the federal government to determine exactly how federal and state statutes both applied, including what came to be the critical issue, and that's the subject of federal interest in those projects, so the federal government's interest in the property that was purchased or improved using these federal ARPA dollars. By June, we had gotten clarity with the federal government and issued a memo to detail our compliance team's research into that-- into those regulations. And what that uncovered was a risk related to the federal interest in the-- in the properties using the funds within this program. And specifically, federal interest would have to be disposed of in those properties when the originally authorized use changes. So for instance, upon purchase of that ground, etcetera, the federal government's interest would have to be disposed of, which means the federal government may well want their money back. And the communities obviously were not nearly as interested in that as, as when it was, you know, purely a grant. So in response to the concerns that, as you can imagine, were expressed by those communities back to us, our teams in housing and compliance, our legal team really spent a lot of time in partnership, I should say, with the Governor's Office, really trying to find every possible way we could to make those two things match up. And there, there simply was not a good way to make them match up as it was written. So without a workable solution, those-- we had a really good conversation with those communities and all but one have chosen to decline the awards as it was currently written. We have met with those communities, talked about options going forward. I should-- I should mention Senator Jacobson has been part of those conversations and has been clear that he intends to provide a solution in the next session of the Unicameral that will allow those communities to use these funds as they were intended in this program, but in a way that's going to make that work. And he is certainly committed to doing that. So we have perhaps we'll call it pressed the pause button to mitigate the risk that those communities would have otherwise taken on. Certainly, we continue to be a willing partner with Senator Jacobson and all of you in making that program work for those communities, because it is certainly important. Talking about behavioral healthcare capacity then, we awarded four grants of \$10 million each through the Building Mental Health Care and Education Capacity Program that supported three capital construction projects in

Transcript Prepared by Clerk of the Legislature Transcribers Office

Appropriations Committee October 20, 2023

Rough Draft

metro Omaha: Community Alliance's Center for Mental Health, the Behavioral Health and Wellness Center at Children's, and the new Boys Town Education Center. These projects will improve access to mental health and education services throughout, and in turn, that will reduce utilization of hospital emergency rooms, crisis care, decrease police involvement, incarceration. It'll foster a higher quality of life through better education, workforce, and skills for those folks who are impacted and increase job retention as well. All of those program funds have been obligated and have already been disbursed. Within wastewater infrastructure capacity, DED awarded \$20 million to the city of North Platte to support the rancher-owned Sustainable Beef processing plant. The wastewater project there will allow for installation of sewer mains, lift stations, and other sewer force mains to convey wastewater from the Sustainable Beef facility. The new sewer piping will transport the wastewater to the city-owned property for wastewater pretreatment, and that project is moving along as anticipated. And finally, QCT economic recovery. DED awarded \$19.25 million through this program. Ten organizations in Lincoln received awards through the program for a combined \$10 million. These funds are investing in Nebraska's youth, growing local workforce, enhancing the quality of life in our capital city by supporting construction of the Lincoln South Haymarket Park and then the other \$9.25 million awarded to 13 economic recovery projects within QCTs in greater Nebraska. For instance, the city of Norfolk received an award to make upgrades at its water pollution control plant. The city of Fairbury was awarded a grant to improve its municipal water system and to support small businesses. So a couple examples of the impact that these QCT recovery grants are having in our rural communities as well. DED has already disbursed over \$3 million of those funds and continues to process incoming payment requests as we receive them from these communities. So from the overall standpoint, DED expects to obligate and expend program dollars through this fund as according to the schedule. We certainly do appreciate the-- this committee and the Unicameral generally trusting DED to administer these funds to make a difference in the lives of fellow Nebraskans' bottom line. And, and we're proud of the work that-- that's happening as a result of those. Just last week, the fed from Kansas City reported that real incomes in Nebraska have increased faster than in any other state since the pandemic. That's a testament, certainly to the resilience of all Nebraskans. It's also a reflection of the collaborative spirit that has existed in state agencies, local governments, economic development organizations, nonprofits, state government writ large have engaged in this economic recovery. And we're certainly grateful to have been a part of that

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

team. Thank you again for the opportunity to update you on, on the, the work that DED has done in this space. And our team is happy to answer questions as we can.

CLEMENTS: Senator Dorn.

DORN: Thank you, Senator Clements. And thank you for being here. I guess a question centers around the Rural Workforce Land Development Program, which is basically going to be kind of a housing project, probably if I understood it right.

K.C. BELITZ: Yeah.

DORN: When you say that there-- Senator Jacobson's working on things and coming forward and with the Governor's people, are you going to come forward with some kind of housing program or is it going to be-- or is it too early to tell?

K.C. BELITZ: No, it's a great question. Certainly Senator Jacobson's intent, and I don't want to speak for him, but he and I have had this conversation, his intent is to work with, with us to reconfigure that program as close to what it is now so that those communities can do the housing projects that they envisioned across Nebraska. So, yeah, that's the intention [INAUDIBLE] housing program.

DORN: I call it rework the, I don't know, the language or the statutes--

K.C. BELITZ: Exactly.

DORN: --so that it will work for the ARPA funds.

K.C. BELITZ: Exactly.

DORN: OK.

K.C. BELITZ: Yeah.

DORN: Thank you.

CLEMENTS: Other questions? But it still remains that federal funds would have to be repaid.

K.C. BELITZ: So I'll give you one example, for instance, of a potential solution to that. And one of the language issues that arose is the difference between affordable and workforce, afford-- because

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

they are defined. Right? Affordable is a-- is a certain thing. This was within the context of rural workforce housing program and so it had a different definition. So being able to align those two things would be one potential solution. If it were an affordable housing program, then it would work fine.

CLEMENTS: Oh.

K.C. BELITZ: But it was within the confines of the rural workforce housing program so they were different. So it's going to be aligning that kind of language and those intents. And that's the work that the senator will be undertaking.

CLEMENTS: So the intent is to still use it for housing.

K.C. BELITZ: Yeah.

CLEMENTS: But--

K.C. BELITZ: That is-- that is certainly his intent, yes.

CLEMENTS: Very good. Any other questions?

DORN: Will that be bill number one?

CLEMENTS: Seeing none, thank you for--

K.C. BELITZ: Thank you very much, Senators.

CLEMENTS: That concludes Economic Development. Next is Agency 25, Department of Health and Human Services. Welcome. Go ahead.

STEVE CORSI: Thank you. Good afternoon, Chairman Clements and members of the Appropriations Committee. A couple of people ago said this chair was very low. It is very low. My name is Steve Corsi, S-t-e-v-e C-o-r-s-i, and I am the CEO for the Department of Health and Human Services. I'm here to testify on LR200 regarding the Federal Coronavirus State Fiscal Recovery Funds. In total, the department was appropriated approximately \$227 million to administer 18 programs. Attached to the testimony today is a status report that details each of these programs as of September 30, 2023. The report shows the program description and original appropriation, the amount spent, the amount obligated on a contract or subaward, and the amount earmarked for future use, that is amounts to be paid in fiscal years 2024 and 2025 that are not associated with an agreement. As of September 30,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

2023, of the total \$227 million, \$96 million has been spent, another \$63 million has been obligated through agreements, contracts for subawards, and \$65 million is earmarked for future use in fiscal years '24 and '25. This leaves the balance of \$2.5 million, which is associated with behavioral health capital expansion in rural areas. The original language in LB1014 stated these funds were, quote, for purposes of providing grants of up to \$250,000 for capital costs, of expanding access to behavioral health acute care beds in rural areas where beds are not currently available or a short-- shortage exists, excuse me, end quote. DHHS created an application process and worked with applicants in rural areas. However, the result was that no applicant believed they could accomplish the purpose of the legislative bill while being limited to a grant of \$250,000. DHHS worked with the three applicants who responded, and they all stated a need for considerably more funds, \$500,000-plus was the lowest, to meet the requirements of the program. Finally, it is important to update the committee on the Rural Ambulance Replacement Program. DHHS created a cost-sharing program that will issue grants of \$75,000 for \$150,000, with the applicant covering the remaining ambulance costs. The risk for this program is potential supply chain issues that could delay payment and delivery for ambulances beyond the 2026 federal timeline. The department would recommend expanding language related to this earmark to include emergency medical services equipment and services. DHHS received requests in excess of the earmark related to the EMS program, and any-- and any unspent funds in the ambulance program could be utilized to meet the demand. Thank you for the opportunity to testify today. I'd be happy to answer any questions. I will warn you that today concludes week six for me, and I may not know much, but our CFO has very detailed information in each of these. But we will attempt to answer any questions that you may have.

CLEMENTS: All right. Questions? Senator.

WISHART: Well, thanks, Director Corsi.

STEVE CORSI: Yes, ma'am.

WISHART: And I believe this is the first time you've been in front of Appropriations Committee so welcome.

STEVE CORSI: In front of any committee in Nebraska.

WISHART: OK.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

STEVE CORSI: Yes, ma'am.

WISHART: Well, so you mentioned the feedback you're receiving on the behavioral health beds and the, the allocation amount being too low.

STEVE CORSI: Yes, ma'am.

WISHART: If we were to come back next session and expand the allocation amount to \$500,000 under, under your guidance, do you think that there would be an appetite to utilize these funds?

STEVE CORSI: To my knowledge, the answer to that would be yes, that there would be some interest in potential expansion of applicants.

WISHART: OK. Thank you.

STEVE CORSI: Yes, ma'am.

CLEMENTS: Senator Dorn.

DORN: Thank you, Senator Clements. Back to her, a little bit related to her question. I guess what, what is-- why \$250,000 isn't enough, but they need at least \$500,000. Is there some just cost or what is the concept?

STEVE CORSI: Senator Dorn, it is cost.

DORN: It's cost.

STEVE CORSI: My understanding is that it's at least about \$500,000 to build-- to build a hospital bed or to build a room. Correct.

DORN: Thank you.

CLEMENTS: I had a question on this-- these grants, was there a matching funds requirement?

STEVE CORSI: I don't know the answer to that, Chairman Clements.

CLEMENTS: Could we switch chairs?

STEVE CORSI: Yes, sir.

DORN: I saw him shaking his head.

CLEMENTS: Would you introduce yourself, please?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

JOHN MEALS: Yes. My name is John Meals, J-o-h-n M-e-a-l-s. I'm the CFO for HHS. I assume you mean regarding the ambulance program, the matching funds?

CLEMENTS: Yes.

JOHN MEALS: OK. Yes. The-- there's not necessarily a matching requirement, but the average cost of an ambulance starts at 300 grand so inherently, unless they find a really cheap one, it's-- there will be a matching requirement.

CLEMENTS: Well, excuse me. I was on the behavioral health beds.

JOHN MEALS: Oh, I'm sorry.

CLEMENTS: But the other one I was interested too.

JOHN MEALS: OK. So for the behavioral health beds, there's not a matching requirement for that one, no.

CLEMENTS: So then let's do go to the rural ambulance--

JOHN MEALS: OK.

CLEMENTS: --program. Could you repeat that?

JOHN MEALS: Yes. So for an ambulance, the average cost is \$300,000. And so the 75 or 150 would cover roughly a half or a fourth of the cost of an ambulance. So there is a cost share for those.

CLEMENTS: All right. So the limit, we have a limit of \$150,000 for a unit.

JOHN MEALS: Yes, sir.

CLEMENTS: I see. Are there other questions from the committee? And did you prepare this, this table here? With remaining available amounts, I see no amounts under remaining available, although the behavioral health still is. Could be, probably could be amended to-- would be used if it was amended, is that right?

JOHN MEALS: Yes, sir. Yes. The \$2.5 million would be remaining available. We cannot spend it as it's currently written. So unless it is expanded, that would be an unspent amount.

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Appropriations Committee October 20, 2023
Rough Draft

CLEMENTS: Thank you. Other questions? Seeing none, thank you for coming. That concludes Agency 25. We'll now ask for Agency 29, Department of Natural Resources.

TOM RILEY: I'm assuming we're saving the best for last.

CLEMENTS: Yes. Thank you for waiting. Welcome, Director.

TOM RILEY: Thank you. Good afternoon. Just distributing a copy of my testimony. But there is a summary table that we'll refer to you in that as well. So thank you, Chairman Clements and committee members. Good to see you all on a Friday afternoon. I'm Tom Riley, T-o-m R-i-l-e-y, currently the director of the Department of Natural Resources. Thanks for asking me to come here and give you an update on our ARPA dollars and where they're at and what we've expended and appropriated or obligated so far. Just a quick background on the department, though. A reminder of our broad responsibilities, which include surface water administration, groundwater, well registration, integrated water management, natural resources planning, floodplain management, and dam safety. In addition to that, we also have a duty to collect, develop, consolidate, maintain, and disseminate natural resources data as a basis for coordinating within the state and local and federal governments as well for the general public. [RECORDER MALFUNCTION] a handout. There's just a little summary table that you can refer to as I walk through some of these projects. There's four that the department is in charge of, and then we'll talk about those here as I go through. So prior to the distribution of the ARPA funds, our agency developed and then published a guidance document for administration of the funds to make sure it was consistent with state and federal requirements. That's been published on our website and folks have access to that if there's any changes. So DNR was established as a lead to distribute funds to four of the legislatively identified categories through three of the funds that we currently use. Those four categories include the first, which is Gering-Fort Laramie Irrigation District. That's \$23.1 million in funding for permanent repairs to water delivery tunnels associated with the Gering-Fort Laramie Irrigation District. And that comes under our Program 314 Critical Infrastructure Fund. You'll recall 2018 is when they had their collapse and that's where those funds were previously so that was a good place to put them. The second is \$197.2 million in funding for the city of Lincoln to work towards securing a second source of water in conjunction with expansion of current water infrastructure. That's in Program 319, and that's under our Water Projects Fund. The third is \$2 million in funding for the city of

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

Norfolk to implement a riverfront development project. That's under Program 319 Water Project Fund as well. And finally, the last is \$2.4 million in funding that came to our agency to enhance natural resources data collection activities. That's under Program 334, soil and water conservation. So currently all the contracts between our agency and the receiving parties, they've been executed and all the funds at least obligated. So let me just go through a little bit more detail for each one of those for you. So the contract for Gering-Fort Laramie, we executed that on January 9, 2023. That, again, is a reimbursement base contract not to exceed \$23.1 million. The project was deemed eligible in the final Treasury rule under E.C. 517 Water and Sewer: Infrastructure Investment and Jobs Act, the IIJA, Bureau of Reclamation Match classification. The IIJA amended Section 602(c) and 603(c) of the Social Security Act to add additional eligible use of State and Local Fiscal Recovery Funds, the SLFRF provided that the SLFRF funds may be used for purposes of satisfying any nonfederal matching requirement required for an authorized Bureau of Reclamation project. So that was a lot of fine print that you had to go through to get to some of this for this to make sure it's eligible. The amendment permitted the use of the funds to meet nonfederal matching requirements as authorized by any Bureau of Reclamation project, regardless of whether the underlying project would be eligible for use of the SLFRF funds under the water and sewer infrastructure eligibility use category. So Gering-Fort Laramie is an authorized Bureau of Reclamation Irrigation District project and has an agreement with cost share for the Bureau of Reclamation for repair of extensive damage from the tunnel collapse in 2019 that I mentioned. The department determined that Gering-Fort Laramie was eligible and-- an eligible applicant for the identified use of the ARPA funds. Total expenditures to date, as you can see in the table, are \$429,575.08. That leaves a little over \$22,670,000 remaining for that and that contract goes through the 2026 period. So the second project of ARPA that we can cover today is the Lincoln Second Source Project. The contract with the city was first executed in November 16, 2022. If you recall, it was \$20 million initially, and then an amendment was done after this past session on August 8, 2023, as a result, that additional dollars that were put into the fund. The contract is a reimbursement based with a not to exceed value of \$197.2 million. This project was deemed eligible in the final Treasury rule under expenditure category that provides for opportunities to make necessary investments in water, sewer, or broadband infrastructure. The rule creates limitations on certain investments in water infrastructure, but does not provide for eligibility for drinking water projects

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

needed to support increased population. And actually, it does. I think it says does not, but it does. Projects of this type meet the eligibility requirements if the following conditions are met. The first, (A) the project is intended to support an increase in population with the need assessed as-- at the time the project is undertaken; (B) the project is designed to support no more than a reasonable level of projected increase need, whether due to a population growth or otherwise; (C) the project is a cost-effective means for achieving the desired level of service; and (D) the project is projected to continue to provide an adequate level of drinking water over its estimated useful life. To date, Lincoln has expended \$239,752.14, and that leaves a remaining available balance of \$196,960,000. We requested that the and the city just recently provided a project schedule and contract obligation and expenditures update. This schedule shows major milestone spends by date for the project with complete expenditure of the funds said to be October 31, 2026. The third ARPA-funded project is for the city of Norfolk's riverfront development project. The contract is with the city of Norfolk and just recently executed at the end of August for that project. It took them a little time to get things lined up for that particular one. The contract is also a reimbursement-based contract with the not to exceed value of \$2 million. The final Treasury rule provided for opportunities for responding to the negative economic impacts of the COVID-19 public health emergency for purposes of including a program service for capital expenditure or other assistance that is provided to a disproportionately impacted household population or community. This project hasn't had an expenditure to date. As I noted, we just got this contract under date or underway, but the Norfolk anticipates most of these would be spent by June 30, 2026, and that's reflected in our contract. The fourth and final ARPA project was for our agency during the 2023 session. The department was funded \$1.2 million for each of the fiscal years '24 and '25 to-- and this goes to Program 334 as I mentioned earlier. This investment is in data design to assist enhancing decision making regarding drought, floodplain management, dam safety and other important water resources issues that impact all Nebraskans. Additionally, the department will seek to leverage the ARPA dollars with other funding sources to increase the program impact. We've not yet spent these funds but are developing a plan and prioritizing those expenditures now. And we anticipate to have those spent at the end of the fiscal year, June 30, 2026. And I might just add to that that we need data to make good decisions, and this is really going to enhance that particular element of making good decisions with our water, just not today, but, but down

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

the road in the future. So with that, that's all I have. I thank you for the time this afternoon and be happy to answer any questions.

CLEMENTS: Senator Dover.

DOVER: I think on the Norfolk project, it seems that the June 30, 2026, date seems to be quite a bit out there for what the growth of the project is currently. I'm just wondering where, I guess where did that data exactly come from that provided that?

TOM RILEY: I think that's when we were talking with the city and just to make sure we didn't need an amendment. But you're right in that their schedule has a little bit more detail would imply that it'll probably be spent a long time before that.

DOVER: OK. Thank you.

CLEMENTS: Other questions? Let's see on the, the data gathering, when I saw data, I thought that was going to be nitrates. But nitrate levels are not included in that project?

TOM RILEY: No, that's not currently what we've envisioned. It would be more water quality or water quantity. So think about the flooding in 2019. A lot of communities, we didn't have some early warning systems. So those kind of systems provide that kind of data, more information that might be groundwater levels. It doesn't mean that we couldn't have some synergy with other programs to have that kind of data collection as well.

CLEMENTS: OK. More water supply, is that what you're talking about?

TOM RILEY: Water supply and, you know, drought management, making those kind of decisions in that realm.

CLEMENTS: And the Gerung Canal, the canal is owned by the federal government, Bureau of Land Management?

TOM RILEY: So it's actually the Bureau of Reclamation--

CLEMENTS: Bureau of Reclamation.

TOM RILEY: --that designed and built that project. And the way that those, those work is an irrigation district partners with the federal government and over time they're responsible for paying back some of those cost. So some of the land and facilities are owned by the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

federal government, some of it's owned by the district itself. And these canals that failed really are on the shoulders of the district. However, I think the district still is trying to push on the federal government to have a little bit more participation in the fix for the project for which they designed.

CLEMENTS: And was my understanding that Wyoming was agreeing to pay for half of the cost of these repairs. Is that happening?

TOM RILEY: So that, that agreement is still in place. I think it's 51/49. I think Gering-Fort Laramie is 51, Wyoming pays 49. So there's two districts, Goshen Irrigation District in Wyoming and then Gering-Fort Laramie in Nebraska. They're, they're kind of joined at the hip. They use the same reservoir facilities, same diversion. And the lands are served in Wyoming, and then the rest comes down into Nebraska. So they've agreed to working together on that for contracting and construction, I think Goshen actually taking the lead to pay the money out, but they have a contract between the two to do that.

CLEMENTS: The, the actual canal tunnel is in the state of Wyoming. Is that where it's located?

TOM RILEY: One is and one isn't. There's three canals. And I might get this wrong, Senator, but I think one is in Wyoming and two are in Nebraska.

CLEMENTS: All right.

TOM RILEY: Yeah. If you ever get a chance to go out and see them, they're, they're pretty-- they're pretty cool.

CLEMENTS: The irrigation water was flowing in 2023, but it's going to be expanded and made more permanent. Is that what this project is?

TOM RILEY: Yes. So after that collapse, the district worked with the federal government and others to put in a temporary solution. Part of that solution reduced the capacity of the tunnels that the water goes through. So this project will restore that amount of water to be able to pass through that they traditionally would have been able to serve and bring that capacity back online.

CLEMENTS: OK. Very good. Other questions? Seeing none, that concludes Agency 29. And because Lincoln project is large, we would welcome

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

someone if there's a representative that wanted to speak to the Lincoln Water Project. Welcome.

ELIZABETH ELLIOTT: Good afternoon. Thank you for inviting us here today. I'm Elizabeth Elliott. I'm director of Lincoln Transportation and Utilities, E-l-i-z-a-b-e-t-h E-l-l-i-o-t-t. And I'm here to talk just a little bit about the significant work already underway thanks to your support and the funding provided by LB1014 in 2022 and LB814 in 2023. As a Nebraska native, I know the value of sustainable water resources has always been deeply ingrained in Nebraska's identity, but recent events underscored this significance more than ever. In 2019, we witnessed the historic flooding along the Platte River following that bomb cyclone, and this summer brought extreme drought, both of which have had profound impacts on our communities and our agriculture. Our commitment to invest nearly \$250 million, which is 30 percent of the entire Water 2.0 initiative project costs, by the end of 2026 is a testament to our commitment to addressing these challenges. Since the signing of LB1014 by the Governor on April 13, 2022, we have worked diligently in close collaboration with Director Riley and his team from the Department of Natural Resources. This effective collaboration led to an executed contract, as Director Riley just mentioned, by mid-November 2022 and an amendment to that agreement was executed within 60 days after LB814 was enacted earlier this year. Immediately after executing that contract in 2022, the city of Lincoln initiated the required public procurement process for several projects related to our Water 2.0 initiative. Currently, we have three engineering firms: Olsson's, HDR, and Black and Veatch, under contract. These three contracts alone obligate over 60 percent of that initial \$20 million allocation from LB1014. These firms, their subconsultants, and our city team are dedicating extensive hours and resources to ensure that we meet those ARPA deadlines, that everything be obligated no later than December 2024 and expended by December of 2026. Our collective commitment is unwavering and I am confident that we will meet these crucial deadlines and expend every penny of that \$197.2 million. Our progress and that project detail that Director Riley mentioned just moments ago is outlined on the spreadsheet that I provided with my testimony. That outlines the vital projects that we have underway and the timeline that those are provided on. Those projects include completing environmental and geotechnical testing for two potential wellfield sites along the Missouri River; designing a transmission main, connecting the new water supply to Lincoln along 98th Street; and designing two additional collector wells in the Platte River wellfield. These measures ensure a consistent water

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

supply until the Missouri River wellfield is completed. We are also expanding the Ashland plant to treat that additional water supply while the new plant is being constructed. Though these contracts constitute only a portion of the obligated funds. They form the foundation for securing the contracts for construction of each of these components. To expedite the process, we are utilizing the Construction Manager at Risk projects delivery method for several of our projects. This will allow the design and construction teams to work in tandem, which will provide a more efficient and faster process. The nearly \$200 million state ARPA investment you supported the last two sessions is not just for Lincoln. It is a lifeline for our entire state. It offers Lincoln the additional water supply for its growing community, and it presents an opportunity for southeastern Nebraska communities to connect to a regional water supply. This, in turn, fuels economic development, creates jobs, attracts businesses, and increases revenue for the state. Many communities across the region are grappling with water issues, from quality concerns to water shortages. This summer, we witnessed mandatory water restrictions in several communities in our region. We have also been contacted by several regional communities as close as Waverly and as far away as Nebraska City expressing a desire to connect to Lincoln's water supply. But the benefits of Lincoln's Water 2.0 initiative reached far beyond the southeast region of the state. This initiative strength--safeguards Nebraska farmers from a risk of a call on the river that could disrupt irrigation as far west as the Panhandle. Thousands of acres across the state depend on water from the Platte River to irrigate their crops. A second source of water significantly reduces the likelihood that Lincoln would have to exercise its rights during a water scarcity emergency. This investment provides assurance to our agricultural producers that they will have the water to sustain their crops, ensuring the stability of a vital industry. Thank you on behalf of the entire city of Lincoln for your unwavering support for Lincoln's second source of water efforts and for recognizing the far-reaching positive impact that this endeavor will have on our entire state. We look forward to your continued support, and I'm happy to answer any questions that you have.

CLEMENTS: Are there questions? How are you going to spend \$197 million [INAUDIBLE]

ELIZABETH ELLIOTT: We are actually, if you look at this, it's actually we're estimating about \$268 million by the end of 2026.

CLEMENTS: So that's in the spreadsheet.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

ELIZABETH ELLIOTT: It is, yes. It's at the far bottom right. I know, get out your magnifying glasses. We can send you an electronic version that could be much easier to read if that would be helpful, but--

CLEMENTS: Oh, this is adequate.

ELIZABETH ELLIOTT: OK. But we are expecting, with all of the projects that will be completed by the end of 2026, a total of \$268 million.

DOVER: Pardon?

ELIZABETH ELLIOTT: \$268 million so well above the 2-- well above the \$197.2 million.

CLEMENTS: So the city of Lincoln is trying to fund the difference itself.

ELIZABETH ELLIOTT: It is. This-- we-- this is a project that's been in process for a long time. It's something that we have built into our rate models for the last number of years. We have been setting aside funds for this as well. We've also been looking into federal loan borrowing through the [INAUDIBLE] program. That is something that we're also looking at. We first want to concentrate spending this money and then that will be the next step as we proceed further with this project.

CLEMENTS: Do you have a timeline-- this kind of jumps from 2023 to 2026 in the last two columns. Do you have more of a timeline that you could provide?

ELIZABETH ELLIOTT: We definitely, yes, we will provide a bigger timeline. As with any project, especially one of this complexity, it definitely follows more of that S-curve, where in the beginning it's that slower ramp up, getting all of the agreements in place during the procurement process. And then about the midpoint of the project, you see those expenditures skyrocket. So looking towards the end of '24 through the majority of '25, you'll really see the expenditures significantly increased, which is-- which is typical of any large complex project like this. So we can provide that timeline for you. We'll get that to you next week.

CLEMENTS: Is there federal permitting requirements involved?

ELIZABETH ELLIOTT: There are some minor ones involved. The significant permitting will be once we actually start building the Missouri River

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

wellfield. But even with the expansion of the Platte River, there is some permitting required. But that's nothing different than what we've, we've done in the past. So it's a familiar process.

CLEMENTS: So drawing [INAUDIBLE] water out of the Missouri River is not-- there isn't much obstacle to doing that federally?

ELIZABETH ELLIOTT: There's not. It's a pretty standardized process. And in fact, the-- all of the engineers agree it's actually easier to permit the Missouri River than the Platte River. So it should be a fairly, as far as federal processes go, federally-- fairly simple.

CLEMENTS: And what do you see about the supply chain issues with all of that equipment?

ELIZABETH ELLIOTT: The benefit, and again, thank you to those who were here a few years ago and approved the CMAR, the Construction Manager at Risk, method for utility projects that was approved by the state Legislature, I think in 2021 I believe. That will help us expedite those issues because we can actually start the procurement of the materials much sooner because the contractors can get on board during the design phase. So that should help us alleviate any supply chain issues that we can foresee.

CLEMENTS: Very good. Then you're going to have the pipeline I assume and easements to acquire.

ELIZABETH ELLIOTT: That is--

CLEMENTS: Is someone working on that yet?

ELIZABETH ELLIOTT: That is correct. So first we need to get that X marks the spot on the map. We're looking at the two different wellfield sites. We have to make sure one or both of those will work. We then have to work through with the property owners. They're currently, we have easement access agreements with them. Currently, they're fully on board and up to speed on all of the information. Once we know which site is the best location, we can then work with that property owner to reach a mutually beneficial agreement that will then lead us to finalizing the location for the treatment plant and then finalizing the route and the path back to Lincoln with that wa-- that treated water.

CLEMENTS: Did you say you have easements all the way already?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

ELIZABETH ELLIOTT: We don't have easements. Right now we just have the access agreements to do the testing for the wellfield. We'll continue-- once we know where exactly it's going to be, then we can plot the route of the pipeline. Once we know the exact route, that's when we'll start working on those easements.

CLEMENTS: And the sites on the Missouri River are north of Nebraska City, is that roughly it?

ELIZABETH ELLIOTT: The two that we are focused on right now are north of Nebraska City, yes. We do have some contingency locations if these two should not work out for any reason. But based on our testing so far, these are strong options that we think will work out.

CLEMENTS: And you'd be buying land for a site there, but then easements for the pipeline.

ELIZABETH ELLIOTT: Exactly, yeah.

CLEMENTS: Very good. Question?

McDONNELL: Have you decided on the pipeline or are you still looking at a second possibility on how to have that second water source?

ELIZABETH ELLIOTT: We don't have the pipeline yet. It really is going to be dependent on the final location of the Wellfield. So hopefully early next year we'll be able to start working on the pipeline route.

McDONNELL: I'm saying is that-- are you looking at something outside of a pipeline as a-- as another opportunity to solve the problem?

ELIZABETH ELLIOTT: No. Right now our focus is on the second source with a pipeline of treated water to Lincoln.

McDONNELL: Thank you.

CLEMENTS: Senator Dorn.

DORN: Thank you, Senator Clements. Thank you for being here and updating us. We've heard quite a bit about, you know, the committee and all that or whatever. I guess my question is I-- well, I had the understanding that most of these ARPA funds were going to be used for that project. Well, when I look at this and I look at your \$268 million, I can come up with almost \$200 million are going to be used for the Platte River and the current wellfield and those type of

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

things. So the ARPA funding probably will be more used for the current structure instead of--

ELIZABETH ELLIOTT: Right.

DORN: I know what you're doing thinking forward and going forward. But most of these funds will actually be used for the Platte River.

ELIZABETH ELLIOTT: And given the size of the Missouri, the second source project, and that-- the, the amount of time it's going to take to build it by expanding our Ashland, our existing wellfield and treatment plant, that will buy us time to get that Missouri River built and operational. So every alternative that we looked at included the expansion of the current facility. But yes, you are exactly right. You are.

DORN: In the back of my mind, I had this question, well, how will they expend--

ELIZABETH ELLIOTT: Yes.

DORN: --these funds on this other project? Now, the new project in-- at the end of 2026, I think one of the questions was somewhat that way. When you look at the details here, what you provided and thank you very much, but it is also funding the current use at the Platte River.

ELIZABETH ELLIOTT: Correct, to expand it and add that additional capacity.

DORN: And that's what-- that's what actually the ARPA funds are going to be mostly used for.

ELIZABETH ELLIOTT: Yes.

DORN: Thank you.

CLEMENTS: OK. Thank you for pointing that out. I hadn't added those up. I see that is a true. You had some damages from the 2019 flooding on the Platte River.

DORN: Yeah.

ELIZABETH ELLIOTT: We did.

CLEMENTS: Was there some repairs involved in this?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee October 20, 2023
Rough Draft

ELIZABETH ELLIOTT: No, those actually-- that wellfield is completely restored back to its original. Money between FEMA, insurance that restored and, in fact, enhanced with some additional funds our current existing system.

CLEMENTS: So these funds will be for expansion.

ELIZABETH ELLIOTT: Yes, expansion only, a new supply, additional supply of water.

CLEMENTS: All right. Other questions? Seeing none, thank you for the information.

ELIZABETH ELLIOTT: Thank you. I appreciate the opportunity.

CLEMENTS: And was there anyone else from Lincoln that wanted to comment?

WISHART: Chairman, I have a comment.

CLEMENTS: Yes.

WISHART: Well, since you've come to the end of this, I just want to thank everybody for coming. I think this has been an incredibly impressive hearing and really excited to see how like the breadth of how all of these dollars are going and the fact that most of them are going to be spent. The wide majority are going to be spent by 2026. And so I just want to thank all the agency leaders for, for their diligence on this.

CLEMENTS: Thank you. And I agree. We put this book together and a lot of the numbers were estimates. And it looks like we are going to be able to utilize those funds. Our purpose here is so that the money would be used in Nebraska, not sent back to the feds or to some other state. And we'd sure like to know if any other states aren't utilizing their money. It looks like we could use some more. But thank you, committee, for being here. Thank you for your attendance. That concludes this hearing.