

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 25, 2023

KELLY: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the sixty-seventh day of the One Hundred Eighth Legislature, First Session. Our chaplain today is Bishop Scott Barker, Trinity Episcopal Cathedral in Senator Hunt's district. Please rise.

BISHOP SCOTT BARKER: Good morning, friends. Let us pray. Gracious God, we affirm your presence among us as this legislative day begins and we offer our praise and thanksgiving for all your graces. Give us grateful hearts for the blessings of this day, for seasonable weather and the beauty of the Nebraska landscape in which we dwell. May we be faithful stewards of the earth whose care you've entrusted to us. For the journey of life that's brought us to this moment, including our family, friends and all those who've shaped us most profoundly along the way. We pray you'll continue to expand our notion of neighbor and give us hearts to serve and care, especially for those who are hurting, disenfranchised, powerless, or outcast. We pray for all the senators present this day and for those with whom they share the privilege of public service. For our president, Joe, for our Governor, Jim, for all the mayors of the towns from which we hail, for all those who serve in the judiciary across this state and nation. Grant that the women and men assembled here might meet the work of this day with grace. Help them to be their best selves. Help them to honor your image in their colleagues. Help them to be thoughtful and honest and kind. By the power of your spirit, give them clarity of mind and conviction of heart to seek after what is right. Help them to know when to compromise and when to fight on and remembering the account which they must one day give to you. May you so guide them on this and every day, that they may know your blessing and your peace at the end. We pray all these things in the name of our loving, liberating, and life-giving God. In the name of Jesus. Amen.

KELLY: I recognize Senator Lippincott for the Pledge of Allegiance.

LIPPINCOTT: Please join me in the pledge to our flag and our nation. I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

KELLY: Thank you. I call to order the sixty-seventh day of the One Hundred Eighth Legislature, First Session. Senators, please record your presence. Roll call. Record, Mr. Clerk.

CLERK: There's a quorum present, Mr. President.

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KELLY: Thank you. Are there any corrections for the Journal?

CLERK: I have no corrections this morning.

KELLY: Are there any messages, reports, or announcements?

CLERK: There are, Mr. President. A communication from the Governor. Dear Clerk Metzler: Engrossed LB296 was received in my office April 19, 2023. This bill was signed and delivered to the Secretary of State on April 21, 2023. Signed, Jim Pillen, Governor. Additional communication: Dear Clerk Metzler: Engrossed LB376e was received in my office on April 18, 2023. This bill was signed and delivered to the Secretary of State on April 21, 2023. Signed, Jim Pillen, Governor. Finally, an additional communication from the Governor. Dear Clerk Metzler, Engrossed LB775 was received in my office April 19, 2023. This bill was signed and delivered to the Secretary of State on April 21, 2023. Signed, Jim Pillen, Governor, Mr. President, your Committee on Enrollment and Review reports LB227 and LB254 to Select File, both having E&R amendments. Additionally, a notice that the Health and Human Services Committee will hold an Executive Session at 10:00 a.m. under the south balcony. Health and Human Services, 10:00 a.m. under the south balcony. And the Appropriations Committee will have an Exec Session at 10:00 a.m. in room 1307. That's all I have at this time, Mr. President.

KELLY: Thank you, Mr. Clerk. Senator Albrecht would like to announce the physician of the day: Dr. Dave Hoelting from Pender, Nebraska. Please stand and be recognized by your Nebraska Legislature. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LR96 and LR98. Members need to be in their seat for Final Reading. Mr. Clerk.

CLERK: Mr. President, LB103. First of all, Senator Hunt would move to recommit the bill to committee.

KELLY: Senator Hunt, you're recognized to open on your motion.

HUNT: Thank you, Mr. President. I'll withdraw this motion and any other motions I have on this bill. Thank you.

KELLY: It is withdrawn. Mr. Clerk. The first vote will be to dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 32 ayes, 6 nays to dispense with the at-large reading.

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KELLY: The at-large reading is dispensed with. Mr. Clerk, please read the title.

CLERK: [Read title of LB103.]

KELLY: Thank you, Mr. Clerk. All provisions of law relative to procedure having been complied with, the question is, shall LB103e pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: Voting aye: Senators Aguilar, Albrecht, Arch, Ballard, Blood, Bosn, Bostar, Bostelman, Brandt, Brewer, Cavanaugh, Cavanaugh, Clements, Conrad, DeBoer, DeKay, Dorn, Dungan, Erdman, Fredrickson, Halloran, Hansen, Hardin, Holdcroft, Hughes, Ibach, Jacobson, Kauth, Linehan, Lippincott, Lowe, McDonnell, Moser, Murman, Raybould, Riepe, Sanders, Slama, von Gillern, Wayne, Wishart. Voting no: none. Not voting: Senators Armendariz, Briese, Day, Dover, Hunt, McKinney, Vargas, and Walz. Vote is 41 ayes, 0 nays, 8 excused [SIC-- 7 excused, 1 present, not voting].

KELLY: LB103e passes. Mr. Clerk for items-- with the emergency clause attached. Mr. Clerk. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LB5-- LB103 with the emergency clause. Mr. Clerk for items.

CLERK: Mr. President-- Mr. President, General File: LB562 introduced by Senator Dorn. It's a bill for an act relating to ethanol; amends Section 66-2205; adopts the E15 Access Standard Act; changes provisions relating to grant programs; and repeals the original section. The bill was read for the first time on January 17 of this year and referred to the Agriculture Committee. That committee placed the bill on General File with committee amendments. There are motions pending as well as other motions and amendments to the bill, Mr. President.

KELLY: Senator Dorn, you're recognized for a refresh.

DORN: Well, thank you. And good morning, colleagues. Just wanted to update-- a refresh a little bit on LB582 [SIC-- LB562]. It was the bill that we originally introduced, E15 Access Standard Act for ethanol. It did get a lot of discussion in the Ag Committee. We have had a lot of negotiations, and basically we have an amendment up, LB1248 [SIC, AM1248], on this, what basically becomes the bill. And what it does is it, it allows the-- or, currently our state blend rate is 9.6. It will incentivize with tax credits of \$0.08, \$0.09, \$0.08,

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\$0.07, and \$0.05 the next five years to encourage retailers to access-- be able to access more E15 at the pumps and that-- we came about that through negotiations with a lot of people and a lot of hard work on this bill. And it now incentivizes them and gives us the option to hopefully get to a blender rate of 14 percent by the year of January 1, 2028. So I know we had about three hours-plus on discussion on Thursday or whatever, so welcome more discussion today.

KELLY: Thank you, Senator Dorn. Senator Wayne, you're recognized to speak.

WAYNE: Thank you, Mr. President. Colleagues-- thank you, Mr. President. Colleagues, I, I'm opposed to LB562. I find it interesting that we call ourselves a conservative state when we're passing a mandate to prop up an industry. Now, I'm supportive of the industry, but I'm just not understanding why we are propping up another industry but only for corn. Why do we not have hydrogen or chargers being mandated to gas stations? Why are we mandating this? And I would just like an answer where-- to-- and I'm asking truly my conservative colleagues who believe in the free market to explain that to me. And I'm willing to sit here and listen and, and we can have a conversation. But, we say we don't like big government. We say we don't like mandates, but somehow we do when it fits us. And at what point are we just going to be consistent? At what point are we going to say we should not mandate something? Here's what's interesting-- because I see these scorecards about, you know, conservatives in, in the Legislature and, and all of this stuff. But I think on, on this one, I'm probably going to score higher than most of the conservatives here when that scorecard comes out. Because this is a fundamental thing that you all tout that you're against: a mandate. So I'm not going to-- probably won't be a lot of people in the queue because conservatives don't want to talk about when they go against their traditional values here. But somebody explain why we are literally propping up another industry with the mandate. So I'll wait for a conservative to get up and explain this to me because I truly, I truly want to know so I can write a bill about a mandate that maybe helps something else that you guys will get behind because, for whatever reasons you're going to give here, you're in favor. And we're going to spend \$30 million in the process to prop up an industry. I just want to know why. Why is this mandate OK but other mandates aren't? Thank you, Mr. President.

KELLY: Thank you, Senator Wayne. Senator Dorn, you're recognized to speak.

DORN: Thank you very much, Mr. President. We'll address some of Senator Wayne's concerns there, or whatever. Number one is right there at the end-- and LB562 did have in it originally where we're going to give \$10 million in credits each of the next three years, so it was \$30 million. But through negotiations and through other things and working this bill, we came-- we replaced certain things in AM1248. And one of those was instead of the \$30 million cost to us, we're down to, approximately this first year, in the \$1 million to \$2 million range because of a bill that Senator Murman had last year, LB1261, which already had given some credits out for the use of E15 or higher. And then it was at a nickel the first couple years. So we replaced that now with \$0.08 the first year, \$0.09 the second year, and then another \$0.08 and \$0.07 and \$0.05. And it's capped now at \$5 million a year, so the credits can't be more than that to the state of Nebraska. This first year, actually, Senator Murman's bill from last year incorporated a good share of that cost in there. It started out at \$2 million, and it goes up for the next two or three years. And it's-- that-- his bill is capped at \$4 million, so we increased that cap amount in there and we increased the amount of credits that retailers can earn. Back to your mandates. That was a comment that we heard quite often in LB562. That's probably the main reason we could not get this out of the Agriculture Committee. We have really changed this a lot from where we originally came about with the LB562 bill. It did have certain things where you had to advertise quicker and you had to do other things. So today, though, it, it puts in there that-- the blender rate is the thing that the retailers will be working on unless they build a brand new plant, a brand new retail facility, and then half of the pumps have to have E15 accessible or they're replacing more than 80 percent of their tanks and stuff and all their interstructure-- infrastructure. Then they will also have to make it so that it's at least 50 percent available E15. Other than that, until January 1 of '28-- and the incentives are in there so that they can increase, hopefully increase the use of that blender rate. Right now, we're at 9.6 percent in the state of Nebraska. We're about number 47th in the nation as far as blender rates. Minnesota's the highest at 12.6. So we're way down the list. But they will be-- the retailers will be incentivized. They will have the option and the-- and work towards increasing the blender rate up to, hopefully by January 1 of 2028, 14 percent. At that time, then there is a few things that-- if you wanted to call them mandates, you could. We called them waivers. If it's going to cost you more than \$15,000 to upgrade your facility, you don't need to do it. You're waived out. If you sell less than 300,000 gallons of fuel a year, you don't need to do it. You're waived out. So there are many things in there that since the start of this

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bill, since we started with LB562 that have changed in that basically are mandates, working with the retailers, working with the Agriculture Committee, and working with the ethanol people that we have come to an agreement that this is something that's going to now be something that we're going to work forward on the bill and that the retailers aren't for-- some retailers are definitely for this. Other retailers are opposed to it. But the general consensus is that this is a bill now that they can work with and we can proceed and, and see if we can increase that blender--

KELLY: One minute.

DORN: --rate up to where Nebraska should be. You have to remember, right now, Nebraska is second in the nation in producing ethanol, yet we are number 47 or 48 in the amount of blender rates that we use here. Most of our ethanol is exported out of our state of Nebraska. Much of it goes to California and other states that use it a lot. In Nebraska, though, we should be leading or showing the nation that we can-- excuse me-- that we can support our farmers. One of the most important industries we have in the state of Nebraska is our agriculture industry, and this will definitely help keep them around, make it so that we support our agriculture industry. Senator Wayne there, we have a bill coming up to help with north Omaha. You had a great bill last year with north Omaha. And we have a bill now--

KELLY: That's your time, Senator.

DORN: Time?

KELLY: Yes. Yes, sir.

DORN: Thank you.

KELLY: That's your time. Thank you, Senator Dorn. Senator Moser, you're recognized to speak.

MOSER: Thank you, Mr. President. Sorry for the delay. I thought somebody else was in the queue ahead of me. Well, in partial answer to Senator Wayne's question about how conservatives would support an increase in the alcohol content in gas, the increased alcohol content reduces the cost of gas. So for some, it would be less expensive. You do get a little bit less mileage as you increase the amount of ethanol. The price of ethanol is around \$1.00 a gallon right now, maybe a little less. Price of a gallon of gasoline is \$2.50, maybe a little more. So you can see that there's a large difference, and so that does change the cost of the gasoline. You know, I've been at the

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gas station where I saw people put in \$5 worth of gas. You know, \$5 worth of gas doesn't get you too far. But for some people, that is a, is an issue. Also, when we burn oil, a lot of that oil comes from overseas. And if we can use a fuel that's sourced in the U.S., I think that's a better idea than trying to depend as much on oil. You know, for the foreseeable future, gas and oil are necessary to operate our economy. But increasing the amount of ethanol gives us a little bit of, of an improvement in dependance on oil, which could be, could be domestic. It could be sourced overseas. Plus, Senator Dorn has put quite a few carve-outs in this bill for the really smaller retail outlets. They don't have to participate if they don't want. And if I was a gas retailer and some people sold E15 and I'm selling E10, my E10 is going to be more expensive than the E15. So when you drive by and you look at the lowest price up on the marquee, where are you going to go? You're going to go where the price is lower. So I would think if anybody sells E15, all of the retailers would want to sell E15 so they could have that same lower cost and still make some profit to stay in business. So I think it's good for farmers, yes. I think it's good for the country in that it burns a local resource more so than what they, you know, pump out of the ground in the Middle East. So, those are the reasons that I support it and I, I think those are reasonable explanations for my support. Thank you.

KELLY: Thank you, Senator Moser. Senator Blood, you're recognized to speak.

BLOOD: Thank you, Mr. President. Fellow senators, friends all, I actually stand in support of this bill, and I gave my reasons during debate last week. But I want to address what Senator Wayne is talking about because I think it's time that we really start reflecting on what's happened this year because I dread what's going to happen next year if we don't start really looking at it with, with open hearts and open eyes. You know, Senator Wayne, we've really had two bills pass, or that are in the process of being passed, that both pertain to only one company in Nebraska, right? Which we never would have done in the past. We have one bill that's in the process of being passed that's against one company in Nebraska. We like mandates when they benefit us. We don't like mandates when it doesn't allow us to spend money the way we want to spend money. You know, I have my constitutional amendment. Again, we all know that if the voters get to actually vote on whether we should be allowed to, to make laws without showing how we're going to pay for it, that they're going to say, no. You shouldn't make laws unless you can show how to pay for it. We want to be able to have those funds to do whatever the heck we want, be it on our canal, be it on our lake, be it on whatever else is on the list

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this year. And I'm not standing here saying I'm against those things. I'm saying let's tell the truth to Nebraskans about what's going on. When is a mandate good and when is a mandate bad? Let's talk about negotiation. Closed-door negotiations are like nothing I've ever seen this year, where we stop action on the floor because we don't know what the heck we're doing and what direction we're going in. This is where we're at, Senator Wayne. Things don't have to make sense anymore. We don't have to have single-subject, germane things on our omnibus bills anymore. We're just going to cross our fingers and hope no one takes us to court. We get to punish everyone with a broad brush when we're unhappy with the acts of a few. We know that when you have a bill that pertains to a lot of Nebraskans who don't agree with you, that if we ask you a question on the mike, that it's a gotcha question. Because you don't know the answer and so you might very well have somebody who speaks on behalf of your bill instead of you who also gets notes from our Attorney General's Office to help them speak on your bill because you can't do it. But, you know, it's a gotcha question when we have a sincere question about how the bill works. The narrative has gotten warped and twisted. We can't do our jobs properly. We can't work together properly. And people, quite frankly, aren't listening. I've never seen during debate so many backs turned to people who are speaking, ever. And I'm not talking about me. I'm talking about everybody. I don't care if you keep your backs turned to me. I don't care if you're listening or not because that's your choice to listen or not listen. What I care about is your behavior. We also don't care about people's rights in this body. We care so deeply about Second Amendment rights, but we don't care about First Amendment rights. We literally banned somebody from this building for having an emotional response to something that they didn't like. How come we get to pick and choose which parts of the Constitution are important when we're offended? You guys do things that offend me all the time. But guess what? You have the right to do that.

KELLY: One minute.

BLOOD: When did we start deciding that we're more important than Nebraskans? I know when: when we end up getting this Legislature, which was the best Legislature that money could buy. When people were told to keep their heads down and don't worry, we'll do the rest. Because the people that had to work their butts off to get here, had to work hard to get here, we're the ones that are willing to work with you. We're the ones who are willing to create effective change. Negotiation is about getting-- isn't about getting your way, it's about coming to the middle, about talking about the issue, where everybody gets a little something and everybody doesn't get a little

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something. I don't recognize this body anymore. And Senator Wayne, you know, the truth is it doesn't really matter whether it's a mandate or not. It matters whether the majority likes it or not, whether we agree or not. Thank you, Mr. President.

KELLY: Thank you, Senator Blood. Senator Ibach, you're recognized to speak.

IBACH: Thank you, Mr. President. I just was reading through some, some literature on my desk and I noticed that we're coming up on May, and May happens to be Renewable Fuels Month. And we celebrate that in Nebraska because we believe that it's a good and viable product. To Senator Wayne's question, you know, why do we need this? Number one is jobs and that's-- the ethanol industry is so supportive of jobs, which lead to economic security in our state. That all is relative and, and leads back to agriculture, which is our number-one industry. It also provides clean energy, which, any time that we can agree with the EPA, I think it's a, a good day. And ethanol provides us a very clean product. It-- as I said, it, it supports our agriculture business and our agriculture industry. And, you know, personally, it supports my cattle operation from the byproducts that it provides. We feed our cattle distillers grains every day. And from the, from the economic impact to our constituents and our citizens of our state, it does provide a cheaper product at the pump. And for those-- we've been touting this whole session about how can we, how can we be better for the people of our state? What this does is, is it provides a support to our citizens with savings at the fuel pump. And we all know that we need gas to lead our everyday lives. So with that, I would just say, again, I'm excited for Renewable Fuels Month next month and I hope that you will support this bill. Thank you.

KELLY: Thank you, Senator Ibach. Senator Wayne, you're recognized to speak.

WAYNE: Will Senator Moser yield to a question?

KELLY: Senator Moser, will you yield to a question?

WAYNE: I don't see him. Senator Ibach, will, will you yield to a question?

KELLY: Senator Ibach, will you yield to a question?

IBACH: Yes, for sure.

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WAYNE: So since, since you brought up clean energy, should we also mandate hydrogen or fuel stations-- a part of this bill? Would you be acceptable to an amendment on that?

IBACH: Well, I think once we develop those resources-- did you say electrical too?

WAYNE: Yes.

IBACH: Electricity?

WAYNE: EV.

IBACH: I think there are far-reaching implications to the EV situation just from the standpoint of how are we going to provide electricity and how are we going to support that industry financially.

WAYNE: Would you--

IBACH: But down the road, I actually think we probably will have to listen to legislation.

WAYNE: Thank you. Would you support require-- only exempting fuel for farmers if they buy this product, that any other fuel charge is no longer sales tax exempt? So if they buy straight diesel, they would have to pay sales tax. Since farmers are supporting this bill, they should do the same thing that we're asking everybody else to do and support a mandate, right? So would you support getting rid of the exemption for farmers sales tax on fuel only if they use ethanol?

IBACH: Well, as a farmer, I probably have a biased answer to that.

WAYNE: But we're, we're mandating owners and, and businesses to do it for the industry. I'm asking, as a farmer, should you do it yourself and should we mandate all farmers?

IBACH: I understand. Thank you. I think if you look at the bill in its totality, it has the waivers for the less than 300,000 per year and it also has a waiver that will allow you to not have to make this adjustment to your business if, if your-- those standards aren't met. And so I think it provides enough of a safe-- safety net for the smaller retailers to opt out of the program if they can't afford it or if they don't have the-- or, the, the level of, of sales that are required to mandate it.

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WAYNE: Thank you. So since this is General File and we've got two more rounds, we can craft a, a tax bill that, that says that, that we can put all the same waivers and exemptions for smaller farmers and those kind of things. But if you are a farmer who buys a-- we'll just go new piece of equipment-- that you can only use the same 14 percent that we're trying to mandate. We can draft that bill. Would you be supportive of that amendment, of that mandate?

IBACH: I'd have to, I'd have to see the amendment.

WAYNE: Conceptually, are you supportive of a--

IBACH: Conceptually? I wouldn't want to commit to it, but I understand what you're saying.

WAYNE: Thank you. Thank you, Senator Ibach. See this is the honest dialogue I want to have. And the honest dialogue is we're OK with mandates in Nebraska, to Senator Blood's point, when it doesn't really affect us and when we want the benefit. But we're not OK of that if it does affect us. We talk a lot about small government in Nebraska. The reality is we are not a small government state. And if you look at the definition of socialism and fascism, we are up there. We elect boards for everything and we share resources for everything. Water is so precious in western Nebraska, we have irrigation districts, we have NRDs. We are going to make sure that we are sharing waters to take care of the farming industry, which I am not opposed to. But let's just call it what we are. We're a big government state and we like mandates and we get up here and tout that we're conservative and we don't like mandates, but the reality is we do. And I just want us to be honest about it. It's, it's amazing to me that when I bring-- when Senator Joni Craighead brought--

KELLY: One minute.

WAYNE: --the same bill regarding breast tissue before I got here and the first two years I was-- that couldn't even get out of committee and it was a priority bill and it was killed because it was an insurance mandate. Three years ago, I brought an insulin cap bill. It was an insurance mandate. Now all of a sudden this year, those are great bills. Because we like mandates and we're just not being honest about it. And sometimes we get the courage just to do it to say that we're doing it. But here we go. This is where it gets fun for me because now I'm going to get on the board, we're going to see this vote, and when every bill comes up about a mandate, we're going to start calling people out and explaining the difference. And some

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people are just going to be blunt about it and say, I like that one because it helps farming. Some people are not going to be able to answer the question. They're going to dance around it. But the reality is this is a mandate. Don't claim you're a conservative anymore if you're voting for this. It's a mandate.

KELLY: That's your time, Senator.

WAYNE: Thank you, Mr. President.

KELLY: Thank you, Senator Wayne. Senator Dorn, you're recognized to speak.

DORN: Thank you. Good morning again. Thank you, Senator Wayne, for some of these, I call it-- usually when you get on the mike and talk, you bring about points that as you sit here and listen, it makes you think. I wanted to go over some of the differences between the original LB562 bill and what we heard quite often with that, that that was a mandate, that it was too much, too much restrictions on us as a state imposing things on them. The retailers, and particularly with some other people, really challenged us on that, challenged where we're going to go or how we're going to do or how we're going to make this bill kind of so that that mandate isn't such a, I don't know, strong mandate. And I'm-- probably Senator Wayne is going to talk on that more, whether we have a-- I, I call it a, a soft mandate, a hard mandate or what we have. But much of this discussion is we as a state, we have passed bills where I call them-- many of them have been mandates. And it's OK if you're-- as Senator Blood said, it's OK if you're-- if, if it's something that you're supportive of, then it's not always looked at as a mandate. But in the discussion of this bill-- and I, I talked about it on Thursday-- I think this is one of the bills this year, at least from my perspective, that has been really vented and really had numerous people working on it and a lot of discussion on how do we make a bill that doesn't, what you call, impose mandates, that is able to work with both sides, retailers, with the ethanol people, so that as a state, as a state, we can now increase our use of ethanol-- or, have it available? I shouldn't say increase it, but it-- the bill is called the access to E15, and how we help out there in the retailers, how we help the ethanol people, how we help them so that we can, in the state of Nebraska, increase the use of ethanol in the state and hopefully towards an E15 rate. Did talk a little bit about, last week, Senator Deb Fischer, our U.S. Senator, has the bill in front of Congress to allow E15 year round and how that has been a positive effect not only on us but on the state-- not only on the state-- us, the state-- but also on-- nationally, how

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it has made more people aware of it. E15 ethanol is a very, very good product. It's one that is clean for the environment, cleaner to burn. The gas mileage, as long as you don't go too high, is every bit as good as it is with a lesser rate. So I wanted to talk, though, what Senator Wayne talked about mandates. And some of the exemption waivers now, what we have in this bill-- or, in AM1248, the amendment-- is that we did originally have \$100,000. If it cost you more than \$100,000 as a retailer, you had to make-- or, less than \$100,000, you had to make those improvements after so many years. And that has now gone down to \$15,000. So if it costs you \$15,000 or more as a retailer to make those improvements, you now will be granted a waiver. Another one was outda-- dated-- the, the outdated infrastructure exemption. So if you're, if you're outdated too much, if you-- where, where tanks are outdated, constructed of certain material for-- of by a specific date, then that retailer exe-- attests to an exemption and he now is exempt. The other one that-- we had this originally in there and we still have this--

KELLY: One minute.

DORN: --in there-- thank you-- is a small volume exemption, and that is any retailer that sells less than 300,000 gallons of fuel a year now will be exempted out of this. So there are many more things in here, many more things that make this workable not only for the retailers, but also for the industry that they can now-- they aren't just mandated to do it. We have exemptions in here. Many of the mandates that we include in some of these other bills, they don't have exemptions. They don't have things of how they can work. I think the most important part of this bill was when we went to-- I call it-- a blender rate increase, the 9.6 percent blended rate, hopefully up to 14 percent in five years out there. Now, it gives the retailers, it gives the ethanol people-- they need to help work towards that too so that we can get to that rate. Thank you much for-- Mr. President.

KELLY: Thank you, Senator Dorn. Senator Halloran, you're recognized to speak.

HALLORAN: Thank you, Mr. President. Good morning, colleagues. Well, I look forward to, at some point in time here, being able to express what the committee amendment is to this bill, which will answer a lot of the questions that we're trying to address at this point in time. Unfortunately, a lot of procedural motions have been put in front of it intentionally. And so at some point in time, I'll be able to explain the committee amendment to everyone. So, Senator Wayne, is this a mandate? Yes, it is. OK. And I'm in favor of it. I'm a

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conservative, typically not in favor of mandates. I mean, if this were Texas or Oklahoma or North Dakota, big oil states, and a bill was in front of those legislatures encouraging those industries and helping those industries, guess how they would vote? Guess how much debate there would be on it? Not much debate, and they would universally support an industry that's predominant in their states. That's just the reality we're dealing with here. Agriculture's the largest industry. Does this help agriculture? Yes, it does. Does it give consumers more choice at the pump? Yes, it does. Does it give consumers more choice for a lower priced fuel? Yes, it does. Why doesn't the petroleum industry want to do this on their own, people ask. Can they do it on their own? Sure they could. They've got no incentive to do this, add another 5 percent above 10 percent, E10 to E15. They have no incentive to do this because it takes away 5 percent of their petroleum product. Simple as that. So congratulations, Texas, Oklahoma, and North Dakota. Keep fighting this and, and we'll be supporting your states. Bottom line here is is that we have renewable fuel standards brought to us by the EPA. And like it or not, these renewable fuel standards do propose using renewable fuels. And they have proposed, they have proposed a timeline of a percentage of standards for renewable fuels-- primarily for us, it's corn-- in 2023 of 1.92 percent; 2024, 12.55 percent; and 2025 of 13 percent. All this bill does is give, again, the consumers an opportunity for a higher grade of fuel, 15 percent versus 10. And when the dust all settles-- and I said this in, in, in the earlier debate last week-- when the dust settles and all the gnashing of teeth is done, the industry will not have to replace equipment at the level that some people suggest they'll have to. They'll be able to take the E10 tanks that they're using now and replace it with E15 at little or no extra cost. It's just replacing a higher grade of ethanol use. But again, the resistance is they don't want to do that. I've had one senator on the floor that suggests that, well, the, the demand isn't there. The demand isn't there because it's not being offered. People don't know about a product if it's not available at the pump. They're not going to demand it. That same senator says, well, all they have to do is go into the station where they stop for fuel and say, can't you provide E15? Now think about that for a while. A convenience store. Go into your convenience store that's offering fuel and tell the clerk, you know, I wish you'd provide E15. Now, where is that going to go? Nowhere. That doesn't go to the headquarters. You can't go into a gas station and, and-- it, it just doesn't happen. It's a silly--

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HALLORAN: --silly idea that you just simply need to ask for it and next week, they're going to offer E15. They're not going to do that. So this encourages the industry, if they're not going to-- the only time they'll have to provide E15 at the pump initially is if they build a new facility or renovate 80 percent of the facility. 50 percent of the pumps will have to have E15 as a, as an option to choose. So I encourage a green vote on LB562 and eventually, hopefully, I'll be able to explain the committee amendment to the body so we can really talk about where we are in the committee. Thank you so much.

KELLY: Thank you, Senator Halloran. Senator DeKay, you are recognized to speak.

DeKAY: Thank you, Mr. President. I rise in support of LB562 and thank Senator Dorn for his work on this. This bill would move fuel consumer choice forward to allow for more retail marketing opportunities of a higher blend of ethanol, primarily 15 percent. More higher blend of ethanol utilization will be good for our rural economy. When I look at my area, we have ethanol plants in Plainview, Atkinson, Jackson, Norfolk, and Albion. Per the Nebraska Ethanol Board, these ethanol plants represent a \$4.5 billion economic impact in the state and provides direct full-time employment for more than 1,400 Nebraskans. Nebraska is the second-leading producer of ethanol but has always lagged behind our neighboring states for-- relative to, to utilization. One thing to recognize is that the fuel market is not necessarily a true free market. Hundreds of laws and regulations strictly govern fuels, and incumbent providers can effectively lock out lower-cost alternatives like E15. Given our state's geographic position, abundant ethanol supply, and reliable competitive rail transportation, Nebraska has a strategic advantage in serving ethanol markets in the western United States. We need to be competitive when it comes to ethanol. We just need to look at Iowa across the river, which is number one in ethanol production. In 2020, every dollar in agricultural exports generated \$1.3 in economic activity, such as transportation, financing, warehousing, and production. Nebraska's \$7.1 billion in agricultural exports in 2020 translates into \$7.4 billion in additional economic activity. I think this bill has immense potential to help lower fuel costs and grow our economy. I would yield the remainder of my time to Senator Dorn. Thank you.

KELLY: Thank you, Senator. Senator Dorn, that 2:45.

DORN: Thank, thank you very much, Senator DeKay. Part of what Senator Wayne and others have talked about this morning is a mandate. And do

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have some comments here from what this bill, when we looked at it and why, why wasn't a mandate in especially AM1248, the amendment. And it says it does not require every pump at every station to sell E15. It does not regulate volume or percentage sales of E15 other than now the industry can work towards accessing or the availability of more of it to get a higher blender rate. It does not dictate the use of E15 in any vehicles. In other words, we're not going out there-- this bill is not going out there and telling you you have to use E15. That's still an option for the consumer. It does not prohibit a retailer from selling any other fuels. They can still make that decision, a business decision or whatever they need to do. So this bill does not dictate that. And it does not restrict E10 for other equipment or recreational vehicles. So, much of the gas today sold in Nebraska, to get the 9.6 or 7 percent blender rate, is E10. I think somewhere north of 90 percent of the gas is E10 in Nebraska. I've seen some statistics on that. This bill here is attempting to or trying to get it so that we as a Nebraskans can also have a savings at the pump by using E15 and having, having it more available--

KELLY: One minute.

DORN: --to the consumer. That if, if we went basically from an E10-- a 10 percent blender rate to a 14 percent blender rate, there is data out there, statistics out there. With the credits we have in here, with the cost savings you have now from more ethanol in there, making that gas cheaper, that somewhere in the neighborhood of \$50 million for the consumers of the state of Nebraska is a realization that they would have. So this has way more benefits to it than just "let's do it." This is something that we want to encourage people to use. This bill has made the use of that very much aware-- we're getting tremendous-- a lot of emails and a lot of information, as I'm sure other senators are too. Thank you.

KELLY: Thank you, Senator Dorn. Senator Raybould, you're recognized to speak.

RAYBOULD: Thank you, Mr. President. Good morning, colleagues. Good morning, fellow Nebraskans watching this on TV. I just wanted to have a few corrections for the record. And, you know, I'm on the fence about supporting this because Senator Wayne is correct. You know, we typically don't approve mandates on a lot of issues because we typically don't like mandates. And as a business owner, I'm no different than most other business people. We don't like to be mandated. We don't like to be told what to do. And certainly some of Senator Halloran's comments are just missing the mark. I think he

feels like he has more years in the grocery industry or the fuel industry than, than I do, but he's sadly mistaken. You know, when customers come into the grocery store and ask us to get in certain products that their family wants, we listen. And in-- if enough customers come in and tell you exactly what they want, even if you're a convenience store operator, you can bet you listen to your customers. Because any normal retailer who wants to be successful and to be in business should be listening to their customers, what matters to their customers. And what they want matters. And so most smart retailers do what their customers want and try their hardest to get in that product for them. So this, this bill in-- on the surface is, is not as bad as I think Senator Dorn has said. As far as a mandate go, it's not that, that onerous, but yet it still is a mandate. And I do want to thank Senator Dorn for his hard work. I want to thank my colleagues on the Ag Committee for, for really working hard and trying to find comp-- compromises that make this less cumbersome and paperwork-filing by the, the retailer. The other thing I wanted to address-- and as you know, as we get up and speak, I get constituents reaching out to me all the time. Two constituents reached out to me and said, you know-- and they shared with me the, the warning on their, their gas cap. It says-- you know, it has a, a big E15 to E85 and it has an arrow with a cross through it like this is prohibited. It said it would, would violate his warranty. And he has a 2012 Toyota Prius, for the record. And so I know that there have been efforts on, on the manufacturers' side to, to make improvements so that any type of ethanol-blended fuel is not corrosive to the mechanical parts in your vehicle. I had another constituent email me about Subaru brand as well. And they're saying that their dealer doesn't recommend that you put in a certain type of ethanol blend in, in your Subaru. So this is common. It's common for a lot of the manufacturers out there. Some manufacturers require only premium fuel-- premium unleaded fuel in their vehicle to get the optimum performance of it. But it's important that our customers and our consumers have choices and then we don't mandate a certain type of, of product on them. We know-- and Senator Dorn is absolutely correct that the biggest seller by far is E10. And I think they've made great strides, strides in the production of E10, the, the ethanol blend content to make it more acceptable for a great majority of the vehicles that are out there on the road today. But I think we have to, to always be mindful of making sure that we're doing the right thing. We know that in Iowa, E15 and other E30 blends are not taking off. Like, the consumers are not wildly embracing--

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RAYBOULD: --thank you, Mr. President-- wildly embracing this fuel even though it's freely offered. But customers make choices. They make a choice about what blend their automobile manufacturer recommend, recommends for their vehicle. They make their own choices. Like, well, hey, I think I'd get better mileage. The one thing I want to say that we all need to be mindful of is that we need to do everything that we can to reduce emissions in our country and in our globe. That is, that is a moral imperative that we all understand very well, that we have to be better stewards of our environment. Is this a mandate that's going to accomplish that? I think the jury is out on that, mostly because of the resources that are used to produce ethanol. But I'm certainly willing to continue this dialogue. Thank you, Mr. President.

KELLY: Thank you, Senator Raybould. Senator Blood, you're recognized to speak.

BLOOD: Thank you, Mr. President. Fellow senators, friends all, I still stand in support of the underlying bill and I'm going to encourage you to work-- look into your email because, while we've been debating-- we all got copies. I assume you guys subscribe to the Ethanol Producers magazine. And in it, there's a really great article about how Minnesota is transitioning to E15 from E10 and it's going to contribute over \$1 billion to their GDP. So we know that this is going to benefit Nebraska all the way around. But I agree with Senator Wayne when he's talking about the hypocrisy and mandates and when we like them and when we don't like them and when we decide which bills are more important than other bills when they aren't necessarily more important. With that, I would yield any time I have left to Senator Wayne because I want to hear what else he has to say. And he was just here. Did he sneak out? Nope, he's there.

KELLY: Senator Wayne, you have 4:00.

WAYNE: Thank you. So first, I want to respond to Senator Halloran about Texas and Oklahoma. You know, Texas and Oklahoma were also two of the states that led in criminal justice reform. So hopefully when we get to criminal justice reform, there won't be a significant debate since we want to follow those two, those two states. So will Senator Dorn yield to a question?

KELLY: Senator Dorn, would you yield to a question?

DORN: Yes.

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WAYNE: Senator Dorn, are you familiar with the issues of ethanol in the Clean Air Act and the 10 percent limit that's put on it? Are you familiar with any of those issues?

DORN: I will try and answer some questions on it. I think I'm somewhat familiar, but I'm no expert on it.

WAYNE: So right now, the federal government requires a waiver-- are we kicking out kids today? I just want to know if we're gonna ban them too-- so the federal government requires a waiver that has to be-- so that basically the industry doesn't get fined or-- yeah, fined. Are you familiar with the waiver process?

DORN: I have to admit, no, I'm not.

WAYNE: So right now, the current administration is a little slow on the waiver. But if anything-- because ethanol and the way it burns, it burns differently than gas. So during the summer, we're actually supposed to not sell ethanol or reduce our ethanol sales federally, and we have to get a waiver. Most states get that waiver. So my question is, would you be interested in an amendment to peel off some of this sales tax from ethanol to set up a fund to make sure our industry isn't sued or has a claim against it because of the increase in ethanol and if they-- if they're not granted a waiver?

DORN: I would certainly be interested in that type of discussion. I can't tell you whether I would be in-- I'm just like Senator Hughes [SIC-- Ibach] here said, until you see the amendment, until we get to that process and see what's all in there, I don't know if I'd be in favor of it or not.

WAYNE: Well, we're talking conceptually. I don't have a-- if it-- if we're not, if we're not in agreement conceptually, there's no point of drawing up an amendment. But what I am saying is-- and you can check with the lobby-- right now, there's a 10 percent cap. And during the summertimes--

DORN: Yes. Um-hum.

WAYNE: --the state of Nebraska actually has to reduce or not sell ethanol gas. But we get a, we get a waiver typically every year. But if we increase this to 14 percent, we'll have to, one, get a better or bigger waiver.

DORN: Yes.

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WAYNE: But if we don't, I want to make sure the industry, those who are selling our gas, are not going to be hit with a fine that we are mandating them to do. So, conceptually, are you in favor of either talking general funds and setting that aside or taking sales tax and taking a little bit of that sales tax off and putting it in a fund to make sure our industry has money if they get fined because the federal government doesn't give us a waiver?

DORN: I, I, I would not be in favor of taking those out of general funds. I hope we don't ever get to that point. This is-- and I've talked several times about--

KELLY: One minute.

DORN: --Senator Fischer, our U.S. Senator Deb Fischer, and her and some other senators are leading the charge so that we can have or be allowed the access for E15 year round, and that's one of the bills that they have right now--

WAYNE: Right.

DORN: --in front of Congress. And I would be very-- I'm very much in favor of that bill.

WAYNE: So, colleagues, what you're hearing here is that there's a bill in Congress that may resolve this issue. But if not, we could actually put this industry out of business. Rural Nebraska could actually lose some of their gasoline stations. Because of this mandate, there could be a violation of selling too much ethanol in the state of Nebraska and the industry would be fined. Let's think about that for a minute. This mandate has bigger consequences. Thank you, Mr. President. I'll wait till the next time.

KELLY: Thank you, Senator Wayne. Senator Vargas has guests in the north balcony: episcopalians from churches across Nebraska. Please stand and be recognized by your Nebraska Legislature. Senator Day announces some guests in the north balcony as well: fourth graders from Prairie Queen Elementary in Papillion. Please stand and be recognized by your Nebraska Legislature. Senator Dorn, you're recognized to speak. And this is your final time on the motion.

DORN: Thank you, Mr. President. Thank you very much. Part of what-- I guess there's some issues that we're discussing today-- and I thank Senator Wayne for bringing some of those up so we can have some good discussions not only on this bill, but on other bills about what and how we view mandates here in this legislative process. As we've gone

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through the four years I've been here and other times before that-- generally speaking, a mandate is something that-- I think Senator Blood has said this quite often-- it's something that the state of Nebraska imposes that they don't give any funding with it or they don't give anything to help with the fact that we're now obligating somebody to do something or some gover-- lower government entity or some industry and that we're obligating to do something. And then how do we help them or don't we help them? Or, I call it, where that discussion of how we support that industry. Sometimes a mandate also is out there and we as a state of Nebraska support that very, very much. One of the things that came about in this bill was originally, in LB562, we had just a plain grant process in place where we were going to have a ten-- \$10 million grant process for this year or the next three years. And what that was intended to do was then help those industries, those retailers, many of those, help upgrade their systems and help make it so that they could offer more E15. Well, several senators, several other people visited with us about that grant process. Maybe now the state of Nebraska was then just allocating or giving funds out for this, although it was for the betterment of this ethanol industry. So what-- through the conversation we came about with-- and when it came part of the blender rate and how we increased that, then, with that, we piggybacked on a bill that Senator Murman had bought-- brought last year, LB1261, that we passed, that had tax credits. So in other words, the retailers and the amount of fuel that they now sell-- so it's an encouragement to them to sell more fuel-- that they now get a so-called tax credit on the amount of fuel taxes that they pay to our Department of Revenue. They get a tax credit. To show you how that's being used, last year, the Department of Revenue reported that, last year, in 2022, in the state of Nebraska, they allowed \$1.52 million in tax credits. So it is being used. The retailers out there that are, are promoting this product, that are using this product are definitely applying for and getting those tax credits and now are using it to-- one of two ways they can do it. They can keep those tax credits and they can use them for, I call it, future work, future upgrades to their facility so that they're able to offer more of it, more E15 out there. Or the other thing they can do is they can pass it on to the consumer. One of the things that numerous studies have showed that in the state of Nebraska, on average, E15 compared to E10, with that credit included, is now \$0.17 a gallon savings to the consumer of the state of Nebraska. One thing we also find out-- we find out about mandates, but one thing we also find out about is people-- the consumer, the people that use this, one thing they look at, they look at very much, is the cost of things. So when we're-- this product--

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KELLY: One minute.

DORN: --is able-- thank you, Mr. President-- when this product's able to offer out there a \$0.17 a gallon savings, many of those people are using it. We are having retailers, fuel stations right now that are switching over a good share or quite a bit of their facility to E15 so that they can pass that savings on to consumers. When the consumers find this out, and as they are finding this out, the increased usage of ethanol has shown that it is definitely a very, very viable, good, strong product. And quite often, we and the-- the people of the state of Nebraska are a lot like the Legislature here. The pocketbook does talk to us quite a bit, and we definitely know when we have a savings. Thank you, Mr. President.

KELLY: Thank you, Senator Dorn. Senator Dungan, you're recognized to speak.

DUNGAN: Thank you, Mr. President. Good morning, colleagues. I rise today not really knowing how I'm going to vote on LB562. I think it's helpful to have these discussions and hear these back and forths. And I've been legitimately paying attention. I was curious about what Senator Wayne was saying with regard to some more of the unintended consequences with regards to the mandate, so I would yield the remainder of my time to Senator Wayne.

KELLY: Senator Wayne, that's 4:35.

WAYNE: Thank you. And Senator Dorn, I was-- I got corrected on the amendment. It does allow for the Governor to issue a-- basically a stay of selling if you don't get to the, the waiver. So that may-- that, that solves that issue of if we don't get the federal waiver, the Governor would have to do that. So, corrected that. See? I, I speak in facts and when I kind of mess up a little bit, I come back and correct it. I think it's important that you do that. So back to mandates. So some of the other-- I think any time there's mandates, there's unintended consequences. And it's weird for me right now to be-- this whole year has been weird and everybody's talked about how weird it's been. But for me, it's been that I've been on the other side of almost all the what I thought were conservative issues. I'm the one arguing conservative talking points. And my problem with this bill, truly, is just that it's a mandate. And I think one of the issues-- and again, support Nebraska farmers. I think one of the issues that has hurt Nebraska property taxes is the ethanol industry in this regard. When ethanol industry became a boom and we started having all these subsidies, we started planting corn in areas that we

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never planted corn before. That drove up the costs and it drove up the irrigation, which drove up the cost because you have to have irrigated in some areas, which drove up the cost of that land and, and the value of that land. And we saw a huge increase in cost the same time that we saw ethanol production going up. Not saying it's bad. Not saying it's indifferent. But my question is, how long do we prop up an industry? How long do we put profits over people? And that's where I'm coming from this year. This year, what I see us doing is tax breaks for the wealthiest 1 percent. I see more and more investment, lifelong investments in programs that are taking away, I think, more and more dollars and even quite-- subsidizing corporations. I'm not a huge incentive person, never been a huge incentive person, but if we're going to use incentives, we should use it in a targeted approach. But it can't be an industry that we continue to prop up, and that's what we're doing here again today. And this is not-- what's weird is it's not just me saying that. It's most of the national conservative talking points about propping up industry like we're doing here-- not just propping it up with incentives, but we're also mandating the consumer. And what-- who the consumer is in this point is the retail or the gas station. They are the consumer of this product, and we are mandating that they increase their overall. That is just crazy to me. And at some point, we got to have a real conversation about, about that and about this. So maybe we won't. I think-- and this is why I respect Senator Halloran, is that he'll just get up and say it's a mandate and I like it. I know I don't generally like mandates. This is an exception. And I'm just saying own it. But tell me how you got there, which Senator Halloran did. So that's how I'm going to-- I'm going to use those same strategies to get him to where I think he needs to go on some other bills because now I know how he got there. I just want people to be consistent. So when I get on the mike for the last time, I'm going to talk to Senator Moser about his time down here and consistency upon consistency or being inconsistency is the best-- inconsistent is the best way to be, best way to be consistent down here. Thank you, Mr. President.

KELLY: Thank you, Senator Wayne. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. And good morning, colleagues. I rise in support of LB562 and want to thank Senator Dorn for his leadership on this important issue. I'm really grateful that we have had an opportunity to dig a little bit more deeply into a key issue for agriculture, consumers, and our economy. I will be crystal clear. I am an enthusiastic student. I do not pretend to be an expert when it comes to ethanol policy, but this was an issue that I remember having

an opportunity to learn more about, to dig into more deeply during my first term of service in the Nebraska Legislature. And even though I have deep roots in rural Nebraska, I have always represented a very progressive urban district in north Lincoln. This was really important for me to take to heart the approach that we have in this unique, nonpartisan, unicameral Legislature, to open my heart, to open my mind, to listen to my colleagues from greater Nebraska about the issues that were important to them and to their district, to find common ground with stakeholders that typically are right of the center further right on the political spectrum to try and figure out how I can not only be a principled advocate for my district, but be an effective state senator for the entirety of Nebraska. And so I was lucky to have mentorship and guidance from a lot of very thoughtful senators who I served with and admire, who helped me understand the evolution of the ethanol industry in Nebraska and what that means for a host of different key policy issues. And I am grateful that they took time to share information, to talk about impacts to their district and to the state, and to help me as an urban senator have a clearer and better understanding of how these issues intersect with our shared prosperity in a shared economy. So I understand that as a state, we have been very focused on ensuring that we have an ethanol industry that really rivals that of many of our sister states. So today, I think if the statistics bear out, we're about the second-largest producing ethanol state in the country, perhaps just beyond-- behind our sister state in Iowa. But we're still one of the lowest in terms of consumption of ethanol compared to our sister state. So I do think that the introducers have worked very hard to be responsive in making adjustments to this measure, but are taking the baton from former generations of policy makers and thought leaders in Nebraska to continue our evolution to ensure a strong ethanol industry in Nebraska. I think that's good for the environment. I think that's good for agriculture. I think that's good for the economy. And I think that's good for the consumer. When we're able to have more affordable fuel options, that really helps working families to stretch those dollars farther. And think back no further than just a few months ago when working families, our small businesses, were really struggling with the pinch at the pump and the increased pressure of inflation. And it really hurt their bottom line and it really made decisions at their kitchen table more challenging on a daily basis. So we saw adjustments in federal policy to make ethanol more available during that time and that was because--

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CONRAD: --of addressing-- thank you, Mr. President-- some of those consumer issues to ensure that we had thoughtful strategy, strategies and tools in place to address the pinch at the pump. And I do see these efforts as a way to advance environmental interests, agriculture interests, economic interests, and consumer interests. And I thank Senator Dorn for bringing forward the measure. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. Good morning, colleagues. I am not sure, honestly, how I feel about this bill. I've been listening today to some of the conversation about it and I, I haven't-- I honestly haven't been persuaded in either direction. I take Senator Wayne's point about mandates and, and I think it's important to be consistent about mandates and whether or not we support this type of mandate. I mean, it's not a regulation, really. We're just requiring something. And it's a, a business decision. And so I do have a lot of concern and pause over that. But I wanted to answer Senator Wayne's question that he posed right out of the gate this morning, which is, what else do we mandate? Well, we mandate women's healthcare. We mandate that local municipalities and counties pay for education, something that we should and could be doing at the state level if we actually cared about changing and improving property taxes, something we would do. But we have to have the political will to not get that win on the, on the property tax statement and get that win and that we're doing the right thing in imploring strong public policy. We, we're attempting to mandate healthcare decisions for, for children over their parents' rights. We're attempting to mandate how individuals and families in this state interact with a specific art form. We are attempting, Senator Wayne, to become a nanny state, the morality police issuing morality mandates everywhere we go. So I guess this would be consistent to move forward a mandate. Yeah. So where-- when we started this morning, we had four and a half hours left, which means we have about three and a half hours left on this bill. And-- it's interesting. This is, like, the first time that people have actually been talking on the bill. I found out last week that part of the reason that people haven't been talking-- doing their jobs, one might say-- debating the substance of the bills in front of them-- is because they didn't want to be perceived as helping me. You're not helping me. I don't need your help. I can do this on my own. What you should be doing, however, is taking responsibility for yourselves and your jobs and stand up and debate the issues in front of you instead of just being a mechanical arm that punches a button. That's what you

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should be doing. You should be doing your jobs. You shouldn't be worried about how you-- if you're perceived to be helping me or not. And I also found out that people were receiving some retribution for being perceived as helping me, which just shows how juvenile this place can be. Mr. President, how much time do I have left?

KELLY: 1:05.

M. CAVANAUGH: Thank you, Mr. President. So, I might vote for the bracket motion because I genuinely am not sure how I feel about LB562. And listening to the debate, listening to the concerns that have been aired, I know-- I've listened to what Senator Raybould has said from the business side of things, and I think that that's valid. This is her industry. She understands it. I think she has some very valid concerns. And I am concerned about what we're doing and what we're pushing down to businesses. And I'm not entirely clear on why we're doing it. But there are still three and a half hours left and maybe I will be persuaded that this is actually what's best for Nebraska. Right now, I'm probably-- if anybody's got a vote card going, I'm probably a lean no on LB562. But I would say that I remain undecided and I look forward to continuing to listen. I did get pulled away for a little bit--

KELLY: That's your time, Senator.

M. CAVANAUGH: Thank you.

KELLY: Thank you, Senator Cavanaugh. Senator Hughes, you're recognized to speak.

HUGHES: Thank you, Mr. President. I rise to discuss LB562. I am on the Ag Committee and was in attendance for the hearing on this bill. I very much disliked LB562 as originally presented. Why? Because it was a total mandate. This bill, as written, would have required gas stations to put E15 at half of all their pumps by January 1, 2024. And if it costs you over \$100,000, then you got a waiver. But if it costs you \$99,000, then you still have to do it. Last year, a bill was passed that gave a \$0.05 tax credit per gallon for E15 sold for retailers for the next two years. My question was, why hasn't that been allowed to work before the so-called stick was brought in? I have said multiple times I am for a carrot and not a stick. And for the record, I can personally benefit from this bill. Luebbe Farms, which is my, my family's business, sells our grain directly to Green Plains Ethanol, and so this would be a benefit to us. That doesn't mean that I will support it. So there were several of us on the Ag Committee

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that worked very hard to make this bill better. We held meetings with all parties involved to come to the table and discuss the issues. We had retailers and ethanol producers in a discussion. Ethanol kept repeating that we are the second-highest-- the state of Nebraska was the second-highest producer of ethanol, yet we were in the bottom 10 states that sell it. Our state average of ethanol sold in a blend is 9.7 percent, and we need more ethanol purchased here. And so through all these discussions, we were, like, well, what is that goal? AM1248 was created, which, in my opinion, makes a bad bill better. It sets a goal. That goal is 14 percent ethanol blend to be sold in the state of Nebraska. If that goal is met by January 1, 2028, then no mandate has to happen. No switching is necessary. We also do more with the carrot, or the incentives. In 2023, we have a \$0.05 tax credit per gallon sold for retailers. In 2024, it goes to \$0.08; '25, \$0.09; 20-- in 2026, \$0.08; and then back down to \$0.07 in '27. So hopefully we-- through that incentive, we can encourage retailers to make that switch. We also lowered the limit of what it costs to make the change to achieve a waiver, and we lowered it from \$100,000 to \$15,000. So if it would cost more than \$15,000, you do not have to make that change. And if you sell less than 300,000 gallons a year of gas, you are also issue, issued a waiver. So colleagues, we spent a lot of time on this bill and went round and round with the main players to make this bill better. I will only vote to advance LB562 if it is amended with AM1248. Thank you, Mr. President.

KELLY: Thank you, Senator Hughes. Senator Jacobson, you're recognized to speak.

JACOBSON: Thank you, Mr. President. And thank you, Senator Hughes, for really outlining the path that the Ag Committee went on pulling this together. I concur with you. I think the amendment's necessary on this bill to really take it where we need it to go to. We've talked a lot about mandates. So let's talk a little bit about mandates, OK? When you build a new building-- and by the way, what we're talking about here in this bill is if you go in and build a brand new station, you're going to be required to upgrade your pumps and put in pumps that would have E15 capability. And the reason for that is you're going to be buying new dispensers and new tanks and everything's new to begin with. That's very consistent with what zoning regs are. Go to any town out there and look at the zoning requirement for a new building. You build a new C store, I will guarantee you that your lights will have to be a certain type of light, your light switches have to be automatic that will turn off and on automatically, that you're going to be required to have a certain level of insulation. You're going to have to have handicapped accessibility. You're going

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to have to cert-- have a certain amount of green space. You're going to have to have a certain setback from the streets. And also your tank specifications. Why are tank specifications so important? Oh, that's right, because several years ago, the state of Nebraska put a ton of money into a fund called the LUST bill, which was "leaky underground storage tanks." And if you go across the state of Nebraska-- particularly in rural areas, but in the cities as well-- you've got areas with significant contamination because the tanks rusted and the gasoline leaked into the aquifer in some cases and, in many cases, into the soil around it. And so there's now mandates in terms of the tank specification. I will tell you that the tank specifications today, the tank and the piping to the pumps will handle E85-- not just E15, but E85. All of the tanks will and the pumping-- and the piping will. So what you're changing is the dispenser. And there's a certain upgrade on the dispenser to be able to handle E15. The carve-outs have all been laid out there: new construction, significant remodel with new tanks going in and upgrades. Carve-outs, with the amendment, if it's going to cost you more than \$15,000. Carve-out if you're under a certain amount of gallonage. The issue here and why I generally oppose mandates but support this one is because this is a distribution outlet. Where else are you going to go and fill up with E15 if it's not a convenience store or a gas station? Where do you go buy E15? You can't. They're an important part of the distribution process. Any other product out there-- I've heard people talk about, well, gee, what about Doritos? What about Diet Coke? Why, why are we mandated? Well, you're not mandated to do that because you can buy that in all of these other locations. The reason it's a mandate and coming is because it's a carrot and the stick, as Senator Hughes outlined. There are tax credits, there's incentives to sell more E15, but we need to have the pumps set up to handle this. It's an-- it's a required part of what we're doing for distribution. This is the only distribution network for E15. So to me, this is a distribution issue. That's why we're not getting the gallonage, because we don't have enough distribution available. If people can consistently go to stations across the state and buy E15, I will guarantee you the usage will go up. This has happened elsewhere.

KELLY: One minute.

JACOBSON: Thank you, Mr. President. I'd also want to talk to you a little bit about on the ag side. Let's keep in mind that, that farmland values and corn prices-- let's be clear that, that if we didn't have ethanol, a big part of the ethanol plant byproduct is, is dis-- distillers grains; is a protein source for animal feed. If we didn't have that protein source, we'd see acres and acres and acres of

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alfalfa being grown instead of corn and we'd still have a "high-dollar-sky" cost out there. So I think it's a, it's a red herring when you start talking about this is an agricultural, we're propping up ag. We're not propping up ag, but we are continuing to have diversity among our production across the state and I think this is an important distribution element. And so I'd encourage you to vote green on the bill and hopefully on the amendment if it gets attached. Thank you, Mr. President.

KELLY: Thank you, Senator Jacobson. Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. Senator Jacobson made a red herring reference and I thought, how apropos to the articles I have sitting on my podium. So if you missed it, colleagues, last week, the Nebraska Examiner had an article titled "Eyebrows raised over Nebraska Board of Health's advocacy for bill banning gender-affirming care: Critics say it's about politics and not public health. While a board member says it's within the board's duties." And then there's another article from this weekend from the Omaha World-Herald called "'A balancing act': Nebraska lawmakers discuss possible changes to trans healthcare bill." These two articles very clearly lay out the red herring that some of us are here trying to act in good faith, be good stewards of the state, while others are treating this as a game and trying to distract us from the things that are of the utmost importance in this state. So let's start with the Nebraska Examiner article. Debate over a bill banning gender-affirming care has roiled the state legislature this year, prompting a parade of filibusters. Here, a protester holds a transgender flag-- pride flag in front of the Nebraska State Capitol during a demonstration in March. Lincoln-- as the dead-- as a deadline approached for March 21 debate on a controversial bill to dan-- to ban gender-affirming procedures for minors, a trio of members of the Nebraska Board of Health scrambled to draft a board statement to support passage of the bill. According to emails and text messages reviewed by the Nebraska Examiner, the process had started after one of the board's members, Dr. Jaime Dodge, a Lincoln physician, testified in favor of LB574, labeled as the Let Them Grow Act, on February 8. In an interview, State Senator Kathleen Kauth of Omaha, the main sponsor of the bill, said she had suggested to Dodge after the bill hearing that a statement of support for her proposal would be helpful. After all, she said, a similar ban in Florida began with a vote by the board of medicine in that state. State Senator Kathleen Kauth of Omaha speaks on the floor of the Nebraska Legislature-- it's a picture. If you get-- if you could get it for a Mon-- quote: If you could get it from Monday's meeting so I

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can present it Tuesday, that would be pretty amazing, Kauth wrote in a March 16 text message to Dodge. But I know that's going to be tough-- a tough lift. I will do my best, Dodge responded. There was some urgency. The 17-member Board of Health, composed of a wide array of health professionals appointed by the Governor, was meeting on March 20, one day before the debate on LB574 began. The text messages and emails obtained via a public records request revealed the behind-the-scenes work to draft a statement supporting the bill and to make sure, quote, allies in the state Legislature received it before debate began. Kauth said the statement was helpful to her because it was a panel of medical professionals backing up her opinion that it is irresponsible and dangerous to allow surgeries or drug treatments for minors to change genders. Critics of LB574 reviewed it-- viewed it differently, as something motivated by far-right politics, a departure from the Board of Health's main responsibilities and another example of how politicians are overriding sound medical recommendations. Principled conservative wins on these big social issues are a few-- are few and far between. This was a heavy lift and I think a significant victory, former State Senator John Kuehn, a veterinarian and member of the Board of Health. The Boards of-- the Health Board's main role is to weigh in on scope-of-practice--

KELLY: One minute.

M. CAVANAUGH: --colleagues, remember that-- scope-of-practice issues, the various health professions, and to advise the State Department of Health and Human Services on public health issues. State Senator Danielle Conrad of Lincoln: It was definitely a politically driven, well-orchestrated effort, in collusion with the bill's sponsor, to push a political position, said Senator-- State Senator Danielle Conrad of Lincoln, an opponent of the bill who made the public records request for the communications among Health Board members. Conrad, as well as the ACLU of Nebraska and former state health director also-- and a former state health director also raised concerns that the board statements run counter to evidence from leading physician groups, including the American Medical Association and the American Academy of Pediatrics. I'm probably about out of time so I will leave it. Almost-- gonna see. There--

KELLY: That's your time.

M. CAVANAUGH: Thank you, thank you, Mr. President.

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KELLY: Thank you, Senator Cavanaugh. Senator Day, you recognized to speak. Senator Day, you're recognized to-- waives. Senator McKinney, you're recognized to speak.

McKINNEY: Thank you, Mr. Speaker. I rise and yield the balance of my time to Senator Machaela Cavanaugh.

KELLY: Senator Machaela Cavanaugh, you have 4:48.

M. CAVANAUGH: Thank you, Mr. President. Thank you, Senator McKinney. I, at the wrong time-- nope, wrong one. That's OK. That's all right. There's so many buttons. OK. Thank you, Senator McKinney, for the time. Let's see here. Conrad, as well as the ACLU of Nebraska and a former state health director also raised concerns that the board's statements-- statement runs counter to advice from leading physician groups, including the American Medical Association and American Academy of Pediatrics. Those organizations oppose bans on gender-affirming care for trans youth and advocate for leaving the difficult decisions to families and physicians out of their scope. Dr. Gregg Wright, who served as state health director under three Nebraska governors, said it would be different if pediatricians and other physicians were saying such procedures were terrible and should never have been done, but that is not the case. The State Board of Health is a 17-member board appointed by the Governor with the consent of the majority of the members of the Legislature. Members include: two individuals licensed to practice medicine and surgery; two nurses; one each dentist, optometrist, veterinarian, pharmacist, osteopath/osteopathic surgeon, podiatrist, chiropractor, physical therapist, professional engineer, hospital administrator and credentialed mental health person-- professionals; two laypersons interested in the, in the health of the people of the state of Nebraska. The Governor is an ex-officio member of the board. Instead, the statement provided a political statement, according to Wright, who is a retired pediatrician and not one based-- and not one based on the best recommendation care-- recommended care involving a very complicated issue and a very high-risk group of kids. Quote: What they're saying is we don't want you following professional care, he said. That seems way out of their scope should be. In a series of text messages, John Kuehn, a board member and political ally of former Governor Pete Ricketts, who appointed him to the Board of Health in 2020, defended the board's policy statement. Kuehn, a veterinarian, said the diverse body tracks pending legislation and regular-- regularly provides perspective on public health issues and takes positions on policy matters. A major responsibility of the Board of Health, Kuehn and others said, is to provide recommendations and

proposed, quote, scope-of-practice changes between professional-- health professionals, such as what a nurse anesthetist can do compared to a nurse-- to an anesthesiologist. Just going to pause there. I'll circle back on this later. Scope of practice. Scope of practice. OK. Dodge, who was an-- has an office in Lincoln, did not return phone calls or an email message seeking comment, but texts and emails reviewed by the Examiner, which began on March 9 and extend to March 21, the first day of debate on LB574, provide a clear picture of how a trio of health board members and eventually Senator Kueh-- Kauth were working to get a better-- to get a letter of support from the board. Dodge first provided a, quote, very rough draft, end of quote, of a policy statement on March 9 email. Kuehn, in a March 14 response to Dodge and another board member-- Dr. Doug Bauer, a Lincoln osteopath-- offered a revised proposal. Kuehn, who co-chaired the Ricketts-backed Smart Approaches to Marijuana Committee that has opposed--

KELLY: One minute.

M. CAVANAUGH: --thank you-- legalization of medical cannabis sent the draft to, to three fellow board members to get their, quote, temperature on the proposed-- proposal opposing, quote, irreversible surgical and hormonal manipulation of minors, end quote. We will get a lot of pushback from DHHS staff. So if we're going to do it, we need to be unified, Kuehn wrote in a March 16 text. Let me read that statement again: We will get a lot of pushback from DHHS staff. So if we're going to do it, we need to be unified. The message also revealed efforts to make sure supporters of such statement would be presented at-- present at the March 20 board meeting to vote. Other messages expressed a desire to make sure the statement got to Kauth prior to the debate and was seen by other legislatures. Quote: We need to just proactively make sure our allies in the Legislature receive a copy directly, Kauth--

KELLY: That's your time, Senator.

M. CAVANAUGH: --wrote. Thank you.

KELLY: Thank you, Senator Cavanaugh. Senator Hunt, you're recognized to speak.

HUNT: Thank you, Mr. President. As I said last week on this bill, we started discussing this bill-- you know, like, like all of the ones that have been coming up this session where the bill comes up on General File for introduction for the first time we discuss it and then there are a bunch of motions on it. And I think that people tune

out a little bit because they go, OK, we got to get through the song and dance and the routine of the motions. We got to figure out if we're going to get to the amendment or not, and they kind of tune out and use that time to work on other things. And that's-- makes a lot of sense to me. But I was surprised when this bill came up that there weren't really a lot of people in the queue with thoughts on it, you know, supporting or opposing it. There was some discussion on LB562, but not as much as I expected. And as I said last week, I came by my opposition to LB562 honestly. I mean, I'm-- I support Senator Machaela Cavanaugh's convictions and her commitment to hold down the fort here in the Legislature while people negotiate and work on solutions to move this session forward. We call it negotiation. As Senator Kauth called it in the newspaper this weekend, it's more of a listening session to her so we'll see how serious she is about the promise she made to improve her bill before Final Reading. But I, I really do have earnest opposition to LB562. Senator Hughes was speaking earlier and talked about how she believes the amendment on LB562, quote, makes a bad bill better. And I think that that's something that's so abnormal about this session that perhaps because of the structure of the session, because of the way one freshman member's bill has taken over the entire agenda of what we're discussing from bill to bill, some of the, the, the "statescraft" and the norms and, and traditions certainly about how we draft and vote and work on amendments and improve bills has been a little bit lost on a lot of freshmen members of this body. And senior members of this body are happy to let it go, are, are happy to set no example to correct, no misconceptions, to lead in no way at all. But the objective in the Legislature isn't to make necessarily bad bills better. The, the objective isn't to pass every bill. The objective isn't to take every bill to a place where it's acceptable to everyone and we can get it passed. Some bills just shouldn't pass. This is something that Senator Ben Hansen ran on when he was running for election the first time and for his reelection, which is, government should pass fewer bills. I know a lot of you really believe that. I do too. I know a lot of you-- you know, there's kind of a weird far-right, far-left handshake where there's a belief that the less the Legislature does, the better. The less we can tax residents, the less we can harm residents, the less we can pass bills that interfere into their own personal decision-making. And I think that LB562 is one of those bills that interferes in the choices of personal decision-making for businesses. And I earnestly believe that. I have concerns over any proposed government mandate that would tell a retailer what they have to carry in their store. And that's what we're doing with LB562, mandating that gas stations dispense ethanol, E15 fuel, at 50 percent of their pumps.

KELLY: One minute.

HUNT: Thank you, Mr. President. I think that the intentions behind this are well-meaning, but I also think that this will have negative consequences for our economy and our personal freedoms. And I also think that we can trust the market to provide E15 fuel or E20 or E30 or E-5 billion or whatever the fuel is in coming years without government intervention. If people want this for their cars, it's going to turn up at the gas station. You guys can trust that. I'm also curious about if senators who can stand to financially benefit from this bill, such as Senator Hughes, have filed a conflict of interest statement. And before anything gets investigated further, that might be something you consider. Thank you, Mr. President.

KELLY: Thank you, Senator Hunt. Senator Machaela Cavanaugh, you're recognized to speak. And this is your last time on the motion.

M. CAVANAUGH: Thank you, Mr. President. Colleagues, if anybody wants to yield me time, I'd be happy to take your time. OK. So I was on this article and-- let's see where am I at. OK. The messages also revealed efforts to make sure supporters of such a statement would be present at the March 20 board meeting to vote. Other messages expressed a desire to make sure the statement got Kauth prior to the debate-- got to Kauth prior to the debate and was seen by other legislators. We need to proactively make sure our allies in the Legislature see the copy directly, Kuehn wrote on the evening of March 20, a few hours after the statement was approved by the Board of Health. He had expressed concerns that senators would not see the statement if it was submitted a typical route, sending an email to a legislative portal that assembles comments on legislation. Again, I'm going to pause and just remind everyone that the statement was distributed. It was a Word document with no one's name on it, no letterhead, no identifying information to show that it was legitimate in any way, shape, or form. And there was nothing publicly stated on the Board of Health's website or their agenda to indicate that this was a real statement. Continuing. Later, Kuehn celebrated the adoption of the statement, which was approved in a 11-0 vote with one abstinent-- abstention as a, quote, big win, in a text to Dodge. Quote: Principled conservative wins on these big social issues are few and far between, Keuhn texted. This was really a heavy lift and I think a significant victory. Five years ago or even just a couple of years ago, for that matter, the Board of Health taking a position of this nature would have been unthinkable because it should be unthinkable. That's why it would have been unthinkable because it should be unthinkable, because it's inappropriate is why it's unthinkable. Because it should be

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unthinkable. But here we are in collusion. Back to the article. The minutes of the March 20 Health Board meeting stated that the statement would be submitted, quote, as an online comment of LB574, end quote, but, but printed copies were also delivered to state senators on the floor of the Legislature as they opened first-round debate on the bill. Statement approved by the Board of Health-- oh, by the way, it wasn't submitted in the online portal because you can't submit it in the online portal after the hearing. So doing this a month and a half after the public hearing, again, questionable. Why wasn't it a priority to do it back in January when the bill was introduced to get a statement of support from the Board of Health? OK. Here's the statement from the Board of Health. The board affirms the mental health of children is critical-- you know what? I'm not going to read this because it's a farce. You all can read that article if you want. It has the statement from the Board of Health. Or maybe you still have that weird piece of paper that was laying on your desk that claimed to be maybe from the Board of Health. Maybe you all still have that and you can read that statement yourselves. Back to the substance of the article. Let's see here. The bill advanced from first-round debate on a 30-17 vote after collecting the minimum votes needed, 33, to overcome bill-blocking filibuster. Yeah, I remember that when only 30 of you voted for it. That was great. I remember that. Conrad called it an, quote, example of how to weaponize even neutral and objective entities--

KELLY: One minute.

M. CAVANAUGH: --thank you, Mr. President. Again, if anybody wants to yield me time, I'd be happy to take it-- neutral and objective entities to engage in partisan political lobbying. Wright and former Senator Don Wesely, who served 14 years as the Chair of the Legislature's Health and Human Services Committee, both said that the main role of the Board of Health is to deal with disputes over scope of practice between health professionals. The main role of the Board of Health is to deal with disputes over scope of practice between health professionals. While the Department of Health and Human Services regularly takes positions on legislative bills, Wesely said he could not recall the Board of Health doing that. While the Department of Health does, he could not recall, recall the Board of Health doing that. Wright said, the health board does advise DHHS on policy decisions. During the board's-- Board of Health's March 20 meeting, Kuehn, a chair-- as chair of the public health, education, and legislative subcommittee, did--

KELLY: That's your time--

M. CAVANAUGH: Thank you.

KELLY: --Senator Cavanaugh. Senator Hunt, you're recognized to speak.

HUNT: Thank you, Mr. President. Returning to LB562, I think, first and foremost, we need to consider the economic impact of mandates like this. Ethanol, E15 fuel, is more expensive to produce than traditional gasoline, and mandating the use of it could drive up the cost of the fuel for consumers even if they would have chosen it themselves without the mandate. If we let gas stations-- you know, the people who run them, the people who know who their consumers are, they know what kinds of cars they drive. You know, a lot of your districts and some of the smaller towns, these gas stations, they know what kinds of cars their customers drive. They know what the needs are of those people coming to those tanks, to those fuel pumps. And I frankly trust them, just like I trust parents to make decisions about healthcare with their children, just like I trust women to make decisions about healthcare with their own bodies. I trust gas station owners to make decisions about what they're going to put in their pumps without the government telling them what that's going to be. If the price goes up because these government mandates have distorted the market, have artificially increased demand for the supply, this is-- who's this going to hit most, right? This is going to hit hardworking Nebraskans who are already struggling, who are already trying to overcome the hardships and limitations of inflation, who rely on their cars to get to work and provide for their families. And that's particularly people in rural areas where access to public transportation is already limited. So the way these mandates actually end up affecting consumers is it drives up the cost for everyone because it doesn't let the market work. And yes, I also think it's insane that I have to make this argument to you guys. Furthermore, I mean, it's likely as well that mandates like this can have a bad impact on the environment. We know that ethanol is less pollutant in terms of carbon, but we know that it's more pollutant in terms of ozone. So the net, you know, savings that you have in terms of cost to the environment isn't actually really there. Ethanol, E15 fuel, is more expensive to produce than traditional gasoline. One of my constituents emailed me and said-- I'm going to get this wrong, so I'll just put it this way. He sent me the information about how many gallons of water it takes to make one gallon of ethanol fuel. And it's a high cost. The ratio is crazy. I don't remember if it's seven gallons or nine gallons or something like that. The reality is that the production of ethanol consumes vast amounts of water and energy and produces large amounts of greenhouse gases. And this is in addition to the environmental impact of growing the corn that's used to produce ethanol, which is

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not the same as corn that you eat, as you obviously know. And as we've learned today, that many of you are personally profiting off the ethanol industry in Nebraska, and I would like to know if you filed a conflict of interest statement regarding this bill on that. But growing corn for ethanol requires tons of fertilizer, tons of water, and that can contribute to soil erosion and other environmental problems. It can also taint that land if anyone ever wants to use it to grow something else. So we also have to consider the impact of these mandates on our personal freedoms. The whole thing of it for me is the government has no business dictating what type of fuel we can or cannot use in our cars. That's it. And mandating the use of E15 fuel--

KELLY: One minute.

HUNT: --thank you, Mr. President-- for gas stations, telling these business owners and suppliers what it is that they have to sell in their business, it restricts freedom of choice. It limits people's ability to make their own decisions about the profitability of their business. And as Nebraskans, we believe in limited government and individual freedom and mandating the use-- of ethanol, E15, for gas stations is a clear example of government overreach that we can expect to have negative consequences for the economy, for the environment, and for the personal freedom that we all hold dear as Nebraskans. As Senator Hughes said, this is a bad bill. She believes the amendment will make it better. And we also know that she will personally profit from the passage of this bill. So I think, all in all, it is just a bad bill and it needs a little bit more work and it's not ready for General File. Thank you, Mr. President.

KELLY: Thank you, Senator Hunt. Senator Riepe announces some guests in the north balcony: fourth graders from Rockwell Elementary in Omaha. Please stand and be recognized by your Nebraska Legislature. Mr. Clerk for items.

CLERK: Mr. President, presented to the Governor April 25, 2023 [SIC-- 2023] at 9:30 a.m. was LB103e. Your Committee on, Committee on Health and Human Services, chaired by Senator Hansen, reports LB586 to General File as well as LB593, LB593 with committee amendments. Your Committee on Education, chaired by Senator Murman, reports LB774 to General File. And your Committee on Enrollment and Review reports LB92 to Select File with E&R amendments. Amendments to be printed from Senator Linehan to LB302. And notice that the Transportation Community [SIC-- Committee] is rescheduling their hear-- hearing room. It was originally scheduled for room 1113. It will now be in room 1524 for

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Thursday at 4:00 concerning AM1390. That's all I have at this time, Mr. President.

KELLY: Thank you, Mr. Clerk. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. I'd yield my time to Senator Cavanaugh if she so desires.

KELLY: Senator Cavanaugh, you have 4:40.

M. CAVANAUGH: Thank you, Senator Conrad. Thank you, Mr. President. Going to quote Senator Conrad now. OK. So attempts by the Examiner Wednesday to confirm-- oh, sorry. During the Board of Health's March 20 meeting, Kuehn, as Chair of Public Health, Education and Legislation Subcommittee did report that a letter would be submitted in support of motorcycle helmets on a proposal to drop the state's requirement. Attempts by the Examiner Wednesday to confirm such a letter were unsuccessful. That was on Wednesday. And I believe that the Examiner is still trying to confirm on Tuesday that a letter was submitted in support of motorcycle helmets. The ACLU, of which Conrad is a former executive director, said its main concern was that lawmakers disregarded dozens of physicians who signed a letter opposing LB574, as well as parents and trans youth themselves. Associations representing state physicians, psychologists, nurses, pediatricians, social workers, and ob-gyns testified against the bill. Quote: Fishing for a specific viewpoint and ignoring the vast majority of other perspectives is never a good approach to lawmaking, end quote, from Jane Seu at the ACLU's legal and policy counsel. Interesting. Really? Ignoring expertise in a specific area when you're trying to regulate that specific area isn't good policymaking? Huh. Kauth earlier this week said that those talks have resulted in some good discussions with the senators involved in the negotiations. The senator she hopes-- said she hopes that a proposal can be reached by next week. LB574 would have to be returned from Final Reading to second round debate to attach any amendment. Yes. Well, a proposal-- good discussions with senators and negotiations and that a proposal will be reached next week, being this week. Well, why don't we just jump on over to the World-Herald article, shall we? I think we shall. "Balancing Act: Nebraska lawmakers discuss possible changes to trans healthcare bill." It's in-- oh. Part of this got cut off by a picture. Apologies. The bill's introducer, Senator Kathleen Kauth, referred to the group as the, quote, A-Team tasked with discussing an amendment in hopes of repairing some of the fractures the bill has created within the Legislature. The team is made up of Kauth, Speaker Arch of the

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Legislature, and Senators John Cavanaugh, John Fredrickson, Lynne Walz, Ben Hansen, Tom Briese, and Teresa Ibach. So far they have met three times last week and planned to meet at least once more this month. Both supporters and opponents said the meetings have produced, have produced the healthiest conversation surrounding LB574 since the legislation was introduced in January. That is a very low bar, but congratulations. The discussions also played a role in lowering the temperature of last week's floor debate even as a session-long filibuster in protest of the bill carries on.

KELLY: One minute.

M. CAVANAUGH: Though not-- thank you-- though not part of the official team, Omaha Senators Machaela Cavanaugh and Megan Hunt have adjusted their filibuster strategies over the last week to allow the meetings to progress. That is factual. They're still slowing down the floor debate, but they allowed friendly amendments to bills go through. Well, that's, that's timed out. That's history. That's not happening anymore. OK. And they shifted their talking points from LB574 to other policy issues. Again, bye-bye. It's walking on eggshells for real, Hunt said. While several lawmakers on the floor have referred to the meetings as, quote, negotiations-- this is my favorite part, everybody. This is legitimately my favorite part, which I'm probably out of time, so I'm going to save my favorite part for the next time I have time and just leave you all hanging there.

KELLY: Thank you, Senator Cavanaugh. Senator Raybould announces a guest under the north balcony: Henry Malkey, a fourth grader, Rockwell Elementary in Omaha. Please be recognized by your Nebraska Legislature. Senator McKinney, you are recognized to speak.

McKINNEY: Thank you, Mr. President. I rise in support of the bracket motion. And I rise also because the last couple weeks have been super rough for me personally, but also rough as, as a senator that represents a district whose community probably represents most of our prison population. Appropriations Committee voted to support the prison. And also we have individuals that are fighting to prevent criminal justice reform for another year. And the comments are, we don't feel comfortable. I don't feel comfortable coming here every day having to have this discussion about the need for criminal justice reform because the state of criminal justice in this state and in this world hasn't worked, especially for my people. That's what I don't feel comfortable about. So once we go further through this session and we have these discussions about criminal justice reform, let's get away from the talking points. Let's get away from the fearmongering

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and let's have a real discussion and also have some courage to step up and do the right thing. It shouldn't be about where I land as far as my party line and where somebody else lands as far as their party line. Let's use logic and common sense, not fearmongering and political talking points when we talk about criminal justice reform. And just be careful what you say on the mike because I'm going to hold you accountable to it. Do you call yourself a fiscal, fiscal conservative? Prove to me how is it fiscally conservative to build a prison. Prove it to me. Also, if you talk about public safety, prove to me how is it in the best interest of public safety to be against policies that would not allow for our most serious individuals that are incarcerated to just jam out. Prove to me how's that in the best interest of public safety. Because I think a lot of people and-- probably a, a bunch of people-- they just get talking points and then just run with them and then don't really dive deep into what that talking point means and the real gist of it. And that's the problem. We need to sit down to have real discussions. And, and I don't think we have. And then some people say, oh, we don't, we don't have time, or time's running out. We've had the same policies on the table since last session. How much time do you need to read through legislation, figure out what you like and don't like, and come back with a real discussion? That's what we need to do. And if you're uncomfortable, if you're not comfortable being uncomfortable, I'm not sure why you're a senator, because everything in this place makes me uncomfortable, especially as a black man. So when we have this discussion about criminal justice reform, be careful what you say because I'm going to hold you to it. And I'm going to point out the errors in your discussion and prove how you're being a hypocrite. Really, step up and be courageous and do the right thing and don't just fall in a line. Because following in line don't work for me. And if everybody's just going to fall in line and support a prison, not support real changes, then we're going to have a hard-- we're going to have some good nights for the rest of this session. And I promise you we will have some good nights. So I want you guys to think about that as we move forward. So if you're not comfortable being uncomfortable, you need to find it in yourself--

KELLY: One minute.

McKINNEY: --because there's no logical excuse to vote to build a prison without criminal justice reform in the state of Nebraska. And nobody can present a strong enough argument to me about it. And you can't just go with "I support the cops and the county attorneys," because they need to step up too. They recognize that as problems in the criminal justice system, but they want to keep this perception of

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being tough on crime. And if tough on crime worked, our prisons wouldn't be filled and we wouldn't even be proposing a prison. So make it make sense to me, please. Thank you.

KELLY: Thank you, Senator McKinney. Senator Raybould, you're recognized to speak.

RAYBOULD: Thank you, Mr. President. I would like to yield the rest of my time to Senator Machaela Cavanaugh.

KELLY: Senator Machaela Cavanaugh, you have 4:50.

M. CAVANAUGH: Thank you, Mr. President. So I was reading-- I had read the Nebraska Examiner article about the negotiations, and now I'm reading the Omaha World-Herald's article about-- I don't think I can call them negotiations, but about LB574. And I was about to read my last time on the mike the part that really stood out to me as stellar in this entire article about LB574, why we are all here still on LB562 today. This is the quote that really-- well, let me just read it. While several lawmakers on the floor have referred to the meetings as, quote, negotiations, Kauth said on Friday that she-- another-- she-- another-- other team member considered it more as a listening exercise. We went into it with the expectation that it was a listening exercise, not a negotiation, Kauth said. They have been good discussions, and next week I'll make a decision about how to proceed. It's beautiful. It's beautiful. It's just beautiful how blatantly disrespectful it is to everyone, everyone who is participating in good-faith negotiations, not listening exercises, but good-faith negotiations on LB574. It's beautiful how I have stood up here filibustering but still willing to work with my colleagues, willing to work with my colleagues for the negotiations to take place for us to try and attempt to salvage some bit of business in this legislative session. It is beautiful, beautiful. But fortunately for me, I don't have to do any of that. I am not beholden to anyone or anything or any negotiations beyond doing what is best and right for the people of Nebraska, specifically the most vulnerable populations. The populations that Senator McKinney and Senator Wayne have been talking about, the populations that Senator Hunt and Senator Day have been talking about. Those are the people that I owe something to. I owe something to the people who can't afford to eat. I owe something to the people who are incarcerated and not rehabilitated and not given opportunities. I owe something to the people that are about to be incarcerated because we have outdated sentencing. I owe something to their families. I owe something to the trans kids of this state. I owe something to LGBTQ+ kids of the state. And I owe something to all

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vulnerable populations, including those with intellectual and developmental disabilities. That's who I owe something to. Not any of you. Not a single one of you do I owe a thing to. And as such, I will conduct myself as such. So if you want something from me, if you want something from me, you're going to have to do something. You're going to have to actively participate in making this place better. That includes and begins with feeding children and all the way down the line.

KELLY: One minute.

M. CAVANAUGH: So if we can't do the bare minimum of our job, then I am going to go back to being a full obstructionist in every possible sense of the word. I am not going to take the temperature down, be nice, mind my P's and Q's for people who then go spout off to the press that this is a listening exercise as though 48 other people have no skin in this game. And if you all are OK with that, that is on you. But I am not and I'm not going to sit quietly by and with my hands in my lap and be polite, because this is not polite. You want the temperature taken down, maybe do some of that work yourselves. Let's see where we can get when we all work together for the betterment of the state and we don't allow partisan politics.

KELLY: That's your time, Senator.

M. CAVANAUGH: Thank you.

KELLY: Thank you, Senator Cavanaugh. Senator Ibach, you're recognized to speak.

IBACH: Question.

KELLY: The question has been called. Do I see five hands? I do. The question is, shall debate cease? All those-- there's been a request-- request for call of the house, roll call vote. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 17 ayes, 2 nays to place the house under call, Mr. President.

KELLY: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call. All unexcused senators are present. The question is the bracket motion. And there's been a request for a roll call vote. Mr. Clerk. Excuse me. This, this is the

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motion to cease debate. Senators, all those in favor vote aye; all those opposed vote nay. Request for a roll call vote.

CLERK: Senator Aguilar voting yes. Senator Albrecht voting yes. Senator Arch voting yes. Senator Armendariz. Senator Ballard voting yes. Senator Blood voting no. Senator Bosn voting yes. Senator Bostar. Senator Bostelman voting yes. Senator Brandt voting yes. Senator Brewer voting yes. Senator Briese voting yes. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh voting no. Senator Clements voting yes. Senator Conrad voting no. Senator Day not voting. Senator DeBoer not voting. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover. Senator Dungan voting no. Senator Erdman. Senator Fredrickson voting no. Senator Halloran voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt voting no. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Kauth voting yes. Senator Linehan voting yes. Senator Lippincott voting yes. Senator Lowe voting yes. Senator McDonnell voting yes. Senator McKinney voting no. Senator Moser voting yes. Senator Murman voting yes. Senator Raybould voting no. Senator Riepe voting yes. Senator Sanders voting yes. Senator Slama voting yes. Senator Vargas. Senator von Gillern voting yes. Senator Walz not voting. Senator Wayne not voting. Senator Wishart voting yes. Vote is 31 ayes, 9 nays, Mr. President, to cease debate.

KELLY: Debate does cease. Senator Hunt, you're recognized to close.

HUNT: Thank you, Mr. President. Since my last time on the mike, several-- so people have been calling my office about this bill since last week when I started talking about it. To paraphrase Senator Conrad, I'm an eager student. I'm not an expert in ethanol. I'm not an expert in farming or fuel or anything like that. I don't stand to gain financially from the passage of LB562, unlike many of you who have not filed conflict-of-interest statements. But people who do know in Nebraska have been calling my office over the last week and saying things like, I disagree with you on everything. I-- you know, some of my biggest haters calling who call almost every day saying, but on this one, you're right. This one, I agree with you. And that's because my opposition to LB562 is based in serious conservative principles. It is not the job of government to tell businesses what kind of products they should carry. And there is no evidence that if we were to just leave this to the free market, if we were to just let gas stations, you know, carry whatever fuel it is that they think their consumers want, that ethanol fuel wouldn't be included in that. It probably would be. It already is. So what is this bill other than a clear-cut,

obvious handout to the ethanol industry and to producers that benefit from it? The business model that farmers use is broken and archaic, and you all know it. And that does not mean that we don't support our agriculture industry. It doesn't mean that we don't try to solve it. But papering over it with more and more subsidies and more and more incentives and more and more credits is not going to keep agriculture sustainable in Nebraska. Any other industry would have been forced to diversify at this point. But here we are being propped up by the government, propping up producers who make soybeans and corn that isn't for consumption, two crops that aren't, frankly, really needed, that are only grown to make money. And you're being propped up by the government that you claim to hate so that you can get these subsidies and incentives, like from LB562, that just drives that industry because now you know there's a government monopoly telling you there's always going to be a demand for your product. When we tell businesses and gas stations, you have to sell this product, that's government propping up an industry, a product, a business that I think can stand on its own. The fact that the highest state blend is in Minnesota with about 12 percent shows that a 14 percent blend rate by 2027 is probably untenable. And again-- look, I'm going to get people calling. I'm going to get people whispering on the floor, whatever. Like, Megan doesn't know what she's talking about. Not really. But don't you all agree that every time we have a bill before us in the Legislature, it feels like cramming for a test for a class you didn't take? That's the nature of this work. You figure out what the issue is before you, how you basically feel about it. You get educated, you get more information, and you make up your mind about things. And, bar none, the basic level for me is I can't support a government subsidy for an industry that should be able to stand on its own. I'm not convinced that LB562 is important or needed. And, you know, the article that Senator Cavanaugh was reading earlier, I was quoted in that article saying we're walking on eggshells here in this body trying to find a path--

KELLY: One minute.

HUNT: --forward-- thank you, Mr. President-- trying to find a path forward to get us out of this mess that we're in. Everybody wants out of the mess. Five, six, seven, eight of you don't want to vote for that bill that you know I'm talking about, but you don't want to look like a loser. You don't want to look like you're taking a loss, that you've lost. So keep talking. Figure it out. I'll keep walking on eggshells and, you know, walking on the wire here trying not to hurt anyone's feelings because that's the worst thing a person can do to

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somebody to you people. And you guys keep working on it because you got plenty of time. Thank you, Mr. President.

KELLY: Thank you, Senator Hunt. Request for a roll call vote. Mr. Clerk.

CLERK: Senator Aguilar voting no. Senator Albrecht voting no. Senator Arch voting no. Senator Armendariz. Senator Ballard voting no. Senator Blood voting no. Senator Bosn voting no. Senator Bostar. Senator Bostelman voting no. Senator Brandt voting no. Senator Brewer voting no. Senator Briese voting no. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh not voting. Senator Clements voting no. Senator Conrad voting no. Senator Day voting no. Senator DeBoer voting no. Senator DeKay voting no. Senator Dorn voting no. Senator Dover. Senator Dungan voting no. Senator Erdman. Senator Fredrickson voting no. Senator Halloran voting no. Senator Hansen voting no. Senator Hardin voting no. Senator Holdcroft voting no. Senator Hughes voting no. Senator Hunt voting yes. Senator Ibach voting no. Senator Jacobson voting no. Senator Kauth voting no. Senator Linehan voting no. Senator Lippincott voting no. Senator Lowe voting no. Senator McDonnell voting no. Senator McKinney voting no. Senator Moser voting no. Senator Murman voting no. Senator Raybould voting no. Senator Riepe voting no. Senator Sanders voting no. Senator Slama voting no. Senator Vargas. Senator von Gillern voting no. Senator Walz voting no. Senator Wayne voting no. Senator Wishart voting no. Vote is 1 aye, 42 nays, Mr. President, on the motion to bracket.

KELLY: The bracket motion fails. Mr. Clerk for items. Raise the call.

CLERK: Some items, Mr. President. Attorney General's Opinion (LB626) addressed to Senator Albrecht. Additionally, new LR: LR108, introduced by Senator Ben Hansen. That'll be laid over. Mr. President, Senator Machaela Cavanaugh would move to reconsider the vote on MO643.

KELLY: Senator Halloran-- Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. Just one moment. Thank you, Mr. President. So I think I have decided that I am not going to vote for this bill. I think that Senator Hunt has made some very valid points, as have Senator Raybould and Senator Wayne. And I don't feel persuaded that this is the right path forward for Nebraska right now. I do have an amendment pending, and it's a cheeky amendment. It's an amendment to ban for-profit farming agriculture in Nebraska. And the reason I introduced such an amendment is because it's arbitrary and

ridiculous. Just like targeting a specific population of people and their healthcare is arbitrary and ridiculous. So why not do it, right? Why not do arbitrary and ridiculous things? We have the power, and apparently that's all the reason we need to do things that are arbitrary and ridiculous. So let's ban for-profit agriculture in Nebraska. Let's be as ridiculous with agriculture as we are with healthcare. Maybe I should have prioritized that. Maybe I will next year. Maybe next year, I will introduce a bill that bans for-profit agriculture, bans for-profit businesses getting government subsidies when it comes to agriculture. Just really get vicious and go after agriculture in Nebraska. And why would I do that? Because it's arbitrary and ridiculous. That's why. That's the whole reason why I would do it. Because it is arbitrary and because it is ridiculous is why I would introduce a bill, maybe do a whole interim study on it, come back with a 200-page bill, maybe a 2-page bill. Who knows? But I will do that because it is arbitrary and it is ridiculous. And that sums up this legislative session. We have been nothing but arbitrary and ridiculous. We have not been purposeful. We have not been diligent. We have not communicated effectively with one another. We have taken this session for granted. Many of you have sat on your hands and allowed the arbitrary and ridiculous to dominate. And if that is how we want to be, I can be arbitrary and ridiculous. I can be very arbitrary and I can certainly be ridiculous. And if I have the interim to come up with arbitrary and ridiculous ideas, you will see a plethora of bills that are arbitrary and ridiculous from me next year. Because why not? Just why not? No ice cream on Tuesdays. Or you must have ice cream on Tuesdays. Why not? We should be propping up the dairy industry in Nebraska. Ice cream every day. Why not? Arbitrary and ridiculous. That is what we are. We are a punch line in a very terrible joke. It's not funny, but we are ridiculous. And we continue to be ridiculous. And we continue to prioritize the ridiculous over the betterment of the state, over what we should be focused on, over the business of the state. And we're negotiating away people's rights. And I'm not just talking about LB574. I'm talking about the prison that Senator McKinney was talking about. I'm talking about the fact that we are willing to negotiate against people's rights to get something else, to get something else-- something that probably is not appropriate. But we're going to see a budget, and that budget is going to fund a new prison. But what we're not going to see is in tandem with that new prison is funding and regulations and changes to our judicial system. We're not going to see the investment in mental health because we're going to vote against mental health with LB574. We're going to take away mental health. We're going to take away behavioral health from a vulnerable population. Meanwhile, we're going

to build a prison that will probably incarcerate members of that population, probably a disproportionate amount of members of that population. And we're going to take away their mental health because we are arbitrary and we are ridiculous. See, the fun thing about being up here is I can say whatever because nobody is listening to me. Nobody in this Chamber cares at all. Nobody cares about me talking. Nobody cares about me stopping talking. No one cares. Period. The only thing that this arbitrary and ridiculous body cares about is doing things quickly and sloppily. We don't care about negotiating in good faith. We don't care about working with one another in good faith. We don't care about building relationships and camaraderie. We care about doing things quickly and sloppily. Mr. President, how much time do I have left?

KELLY: 3:50.

M. CAVANAUGH: Thank you, Mr. President. So we probably won't get to my amendment to ban agriculture for profit on this round of debate, so I'll probably have to refile it on Select File and maybe even make a motion to reconsider or bring it back from Final to Select for a specific amendment so that we can have that conversation over my ridiculous amendment that is completely arbitrary and targeting a specific group of people just because I feel like it. Not based on anything real, nothing factual, no real data, no evidence that banning agriculture for profit in Nebraska is good for the state of Nebraska. Probably, actually, the research would show that it is detrimental to the state of Nebraska. But I'm going to disregard that because facts and, and, and reality are not what we deal in. So if you want to present me with a litany of evidence from experts in the field of agriculture and business about how banning agriculture for profit in the state of Nebraska is bad for Nebraska, I am going to tell you to take a walk because I don't deal in facts. I only deal in fiction unless you want to bring me something from Sweden. Then we can talk. But it's got to be from the '70s. If you don't bring-- if you bring me something from Sweden and it's from the '80s or '90s, that is way too recent. I only want studies and data from the '70s or further back-- again, because I'm arbitrary and ridiculous. These are my negotiating terms on agriculture for-profit ban. So I talked about bringing this as an amendment I think a week or two ago. And at the time, I didn't know what bill would be appropriate. But then LB562 came across my radar and I thought, well, well, well. Look what we have here. It might actually be germane. Now, that isn't as arbitrary and ridiculous as I would like it to be, because, obviously, the theme of banning agriculture for profit in the state of Nebraska should maintain some consistency in arbitrary and ridiculous. But I am still an

institutionalist and I like process, so if I can find something that's germane, I'm going to do it. So that's why LB562 currently has an amendment to ban for-profit agriculture. Now why for-profit agriculture? Well, because, of course, nonprofit agriculture or just in-home agriculture for yourself, we should not be banning--

KELLY: One minute.

M. CAVANAUGH: --thank you, Mr. President-- we should not be banning like victory gardens. And if you don't know what a victory garden is, I'm sure I can look it up and fill you all in on a victory garden. It'll be a great World War II history lesson. But I didn't want to ban, like, carte blanche. I didn't want to ban food in Nebraska; just for-profit food. And not-- as Senator Hunt said, it's not even food. For-profit agriculture in Nebraska isn't food. It's ethanol. It's ethanol and it's soy and I think maybe pea protein is probably something that's up and coming in Nebraska because that's what we're all going to be surviving on in the future as food, a food filler, is pea protein. If you haven't looked into pea protein, it's kind of a fascinating thing. But currently, as it stands, my arbitrariness is banning--

KELLY: That's your time, Senator.

M. CAVANAUGH: Thank you.

KELLY: Thank you, Senator Cavanaugh. Senator Cavanaugh, you're next in the queue.

M. CAVANAUGH: Thank you, Mr. President. So pea protein is really becoming an up-and-coming thing in food-- food sustainability. I'm not sure if that's the appropriate way to say it. Basically, like, in order to feed, feed the world, we have to have-- we can't really produce food because we haven't been good stewards of the planet for so long. So we have to find quickly renewable agricultural products, and pea protein is it. It is the cat's pajamas, let me tell you. I actually don't know if pea protein grows well in Nebraska, but if it does, I would say that we should definitely promote the growth of pea protein, but only by nonprofits. We should make it illegal to grow pea protein for profit because the intention behind growing a pea protein to begin with would be to feed humans. And who should be making a profit off of feeding humans, right? Right. We shouldn't be making a profit off of that. So I might consider looking into that as a separate bill, as a standalone bill, that if we don't ban agriculture writ large in Nebraska that perhaps one of my bills next year around

agriculture that is arbitrary and ridiculous would be to just specifically ban the for-profit development of pea protein in Nebraska. And maybe I'll figure out a few others that we can't do for profit. I know that Piedmontese steak-- we probably should get into steak. I mean, I think there's a lot to unpack with steak and what we can do, whether it's for profit or nonprofit, because we are-- in addition to an agricultural state, we are a beef state, a beef-producing state. But maybe we shouldn't be, you know? Like, maybe we just shouldn't be producing beef. I don't know. Is that silly? That's probably silly. Well, we'll dig into it. We'll do an interim study. We'll see what the benefits are, if we should be a beef-producing state or if we should stop doing that. Now, I do realize that the repercussions of no longer being a beef-producing state would affect a great deal of our industry. I mean, we have meatpacking in Omaha and Grand Island. So it would be a real hard hit to our business industries in some of those population-dense areas. But if we're taking all those people and incarcerating them in a new prison anyways, do we really care? And the people that we aren't incarcerating, if they're leaving the state because we're unwelcoming and unfriendly and targeting them or their families, do we really care? So maybe. And I mean, from a sustainability of our planet, beef is not really an ecologically friendly thing to be doing. So, I don't know. I think I'm talking myself into this. This might have legs, no pun intended. Oh geez. It might have legs. Cows. That wasn't on purpose. OK. Mr. President, how much time do I have left?

KELLY: 1:20.

M. CAVANAUGH: Thank you, Mr. President. OK. So 1:20. Well, let's look up pea protein and-- oh, pea protein versus whey. Now, whey is interesting because it is a vegetarian protein, which, like, if you're ever--

KELLY: One minute.

M. CAVANAUGH: --thank you-- if you're, I don't know, trying to, like, increase protein in your, in your diet and you want to do, like, some of those powdered proteins, it-- as a vegetarian, I can tell you it is-- there's-- it's hard. You have to find one that's a whey protein. You can't just, like, get a po-- protein powder because it most likely is not vegetarian. Whey protein is vegetarian. Pea protein would also be vegetarian. But whey protein comes from whey, which comes from dairy. So, again, if you're lactose intolerant and a vegetarian, then whey protein wouldn't work. But pea protein is vegan, so maybe pea protein is the way to go. What is the downside of pea protein? Well, I

don't know. Let's find out. The only real drawback is that it's a plant-based protein. It's not, it's not as, quote, bioavailable as other proteins. In other words, our bodies can't readily use them--

KELLY: That's your time, Senator.

M. CAVANAUGH: Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator Hunt, you're recognized to speak.

HUNT: Thank you, Mr. President. Senator Cavanaugh, when I was pregnant in 2009, 2010, I was vegetarian at the time. And if anybody knows anything about my diet, that might shock you. And I also don't know how I survived, but I did consume a lot of pea protein at that time and a lot of smoothies. It was, like, a very smoothie-based diet because that's the only way I will eat a vegetable. But I want to expand on a core principle of conservatism that has been the bedrock of our ideology for generations, and that's the belief in free markets and the belief in individual choice. And I support the motion to reconsider. I actually filed my own motion to reconsider, and the Clerk brought it back to me because Senator Machaela Cavanaugh beat me to it. But I support the, the motion to reconsider the bracket because I don't think LB562 is the right thing for Nebraska, for the future of our economy, for our producers, for our agricultural sustainability. And I think that we need to be a little bit more creative about how we're going to support our agricultural community and support our local different industries and that LB562 isn't the answer. As Nebraskans, I know that we believe that individuals and businesses should be free to make their own decisions about how to use their resources, how to use their money, what kind of products they want to buy, and as businesses, what kind of products they want to sell, what kinds of things they want to offer to consumers. And as Nebraskans, we believe the role of government is to create a level playing field to use, you know, regulations to the point that they enhance public safety and public health. But just to create a level playing field to protect our basic rights, not to dictate our choices or to interfere in markets or to prop up one type of industry over another. And if you examine the fundamental concept of free markets, they're based on the idea that individuals are best suited to make decisions about themselves, about their bodies, about their health, about their families, about their spending, about where they live, what they drive, and what kind of fuel they put in their cars. We also believe that competition drives business innovation, that it drives efficiency, and that, ultimately, more competition benefits consumers.

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And whenever you have government putting their thumb on the scale, saying, if you grow ethanol, if you grow corn for ethanol, if you produce ethanol, don't worry. We've got your back. We're going to make sure all of the gas stations are selling your product. That's taking away competition in a place where I believe the competition would exist naturally without government interference. There is demand for this type of fuel. It's in basically every single state, I believe. Consumers know what kind of fuel they want. And when this fuel is made available to them, they'll decide if they want to put it in their car or not. And gas station owners can see how it sells. They can promote it if they want to. They can run promotions. They can do different things to get people to choose it. But it's not the role of government to run a promotion. By passing LB562, Senator Dorn and other members of the body are basically saying, hey, Nebraskans, sale on ethanol fuel, because you're artificially altering the price of that fuel in a way that goes against all of our free-market principles that we normally stand up here and advocate for. Free markets definitely aren't perfect, but they have been the driving force behind the incredible wealth and prosperity and innovation that our country--

KELLY: One minute.

HUNT: --has enjoyed over the past century. Thank you, Mr. President. But free markets can only work if they're truly free. That means the government can't interfere in the marketplace unless there's a clear and compelling reason to do so. And I've said before, I support some of the reasons that makes sense to do that. In the interest of public safety, in the interest of public health, we put restrictions on some things people can buy and sell and consume and whatever. That's a good thing. But unfortunately, over the past few decades, we've seen an increasing trend toward government intervention in the economy, which distorts the free market, it reduces individual freedom, and it's turning all of you into hypocrites. Thank you, Mr. President.

KELLY: Thank you, Senator Hunt. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. I'd yield my time to Senator Hunt if she so desires.

KELLY: Senator Hunt, that's 4:50.

HUNT: Thank you, Senator Conrad. And thank you, Mr. President. As I was saying, free markets can only work if they're truly free. And that means for it to be really free, the government can't interfere in the

marketplace unless there's a compelling reason to do so. Otherwise, it's just distortion of the market. It's a reduction in individual freedom. And it actually goes against most of the principles that most of you stand up and say that you support. And that's fine. I mean, there can be exceptions to things. There can be, you know, times when you say, I support government intervention when it comes to ethanol because it's something I can personally profit from as a state senator. My family owns cornfields that produce ethanol so I support LB562 because it's going to help make me rich. And all we earn here is \$12,000 a year, so I really like bills that help me make more money. Just say that then. Just put it that way. Say what you mean. Don't say-- these people saying, oh, well, subsidizing ethanol is really going to help competition. It's really going to make sure that people have a choice. Listen to yourself. What are you talking about? It's not true. Forcing people to only sell and buy certain products will really give them a choice. That's what you sound like. That's what you're saying. Well, it's really good for the environment. It's really going to reduce emissions. OK. Well, I can also point to 420, 69 other bills that you have all rejected wholesale that would help the environment in ways that are measurable, in ways that have been proven in other states. Remember the ban on bans, the preemption bill that we had last year or a couple years ago saying that a city can't even have a plastic bag ban? And we didn't even have a city in Nebraska that was considering it. The great liberal stronghold of Omaha, helmed by Mayor Jean Stothert, is not even trying to mandate plastic bags. But the Legislature saw fit to preemptively pass a law saying you can't even try it. It'll hurt the grocery industry. Once again, government artificially propping up a field, an industry, a business. For what? Because their lobbyist is good? I guess so. It's wild how many laws that Nebraskans and Americans have to obey and follow and know magically. Artificial restrictions put on their choices because a lobbyist was good. There are so many laws like that. And I just want you to step back and think about your own integrity and your own principles and ask yourself, is mandating the gas stations put 50 percent of their pumps, make it E15, mandate what they can put in their pumps, is that really supportive of your own principles? It would really surprise me if that was the case. We have to believe that regulation and incentives and these mandates should be limited just to what's necessary to protect public health and public safety. And regulation should be transparent and predictable and based on evidence, based on measurable economic analysis. And they shouldn't be used as a tool to advance political agendas or protect special interests at the expense of consumers and small businesses. And that's what this bill is. I got nothing against ethanol. I think I put it in

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my car. I just put whatever's cheapest, probably destroying my car or something. I have no idea. Because I know in the manual that you read, sometimes they say don't put that type of fuel in your car. I just get what's cheapest. And I think most Nebraskans do that. And you know why it's the cheapest? Because ethanol fuel is already so heavily--

KELLY: One minute.

HUNT: --subsidized-- thank you, Mr. President-- it's already so heavily subsidized by the state, by the federal government. It is distorting the market and it is creating a false choice for consumers who, like me, are inevitably just going to pick the cheapest thing. And all of this goes to line the pockets of people like all of you, of people like our colleagues who stand to personally, financially benefit from LB562. It's no good. Thank you, Mr. President.

KELLY: Thank you, Senator Hunt. Mr. Clerk for items.

CLERK: Mr. President, notice that the Judiciary Committee will be holding a meeting at noon today in room 1525 for an Executive Session. Judiciary Committee, Exec Session, at noon today in 1525. Additionally, the Appropriations Committee will have an Executive Session at 1:30 in room 1307. Appropriations, 1:30, 1307. Finally, Mr. President, a priority motion: Senator Linehan would move to recess the body until 1:00 p.m.

KELLY: Members, you've heard the motion to recess. All those in favor say aye. All those opposed nay. We are in recess.

[RECESS]

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

KELLY: Mr. Clerk, please record.

CLERK: There's a quorum present, Mr. President.

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

CLERK: I have no items at this time.

KELLY: Please proceed to the first item on the afternoon's agenda.

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CLERK: Mr. President, LB562. When the Legislature left for a recess, there was a pending motion from Senator Hunt to bracket as well as a pending motion from Senator Machaela Cavanaugh to reconsider that bracket motion.

KELLY: Senator Machaela Cavanaugh, you're recognized to speak. This will be your last time before your close.

M. CAVANAUGH: Thank you, Mr. President. Good afternoon, colleagues. I hope you had a nice lunch. So on Thursday-- I keep wanting to say Friday-- I started reading an article about E15 fuel. And I actually didn't mark where I left off in that article. So instead of starting from scratch, I'm going to move on to the next article that I have. So this is about-- this is-- Iowa State. It's not an article, I guess. Iowa State CARD Policy Briefs, "E15 and E85 Demand Under RIN Price Caps and RVP Waiver." Published by the Center for Agricultural and Rural Development, 578 Heady Hall, Iowa State University, Ames, Iowa. The views expressed in this publication do not necessarily reflect the views of the Center for Agricultural and Rural Development or Iowa State University. Interesting that they had that disclaimer. I wonder what kind of salacious views are expressed in this report. Iowa State does not discriminate on the basis of race, color, age, ethnicity, religion, national origin, pregnancy, sexual orientation, gender identity, genetic information, sex, marital status, disability, or status as a U.S. veteran. That's a very comprehensive statement. I'm going to read that again. Iowa State University does not discriminate on the basis of race, color, age, ethnicity, religion, national origin, pregnancy, sexual orientation, gender identity, genetic information, sex, marital status, disability, or status as a U.S. veteran. Well, if you're looking for a welcoming, comprehensive, inclusive community, it sounds like Iowa State University maybe is where you should go. Summary of findings: A leading renewable fuel standard reform proposal considered by policymakers would allow E15 fuel containing 15 percent ethanol sales throughout the year and end-- and implement a cap on D6 RIN prices between \$0.10 to \$0.20 per RIN. While year-round sales of E15 would encourage retailers to sell the fuel, capping D6 RIN prices would reduce consumption of E15 and E85. A cap on D6 RIN prices between \$0.10-- sorry-- \$0.10 a gallon to \$0.20 a gallon would likely reduce the effective ethanol mandate from 15 billion gallons to 14.3 billion gallons in 2018. Unless increased ethanol exports compensate for the reduced mandate, corn prices would decrease under the proposal's D6 RIN price cap. Introduction: The United States Congress enacted the Renewable Fuel Standard, RFS, through the Energy Independence and Security Act in 2007. The U.S. Environmental Protection Agency, or EPA, administers the program. The

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RFS laid a path to significantly expand production and use of both conventional (corn ethanol) and advanced (low greenhouse gas) biofuel production and consumption in the United States. The policy objective included (i) lowering greenhouse gas emissions for-- of transportation fuels; (ii) supporting rural economies; and (iii) enhancing energy security by expanding domestic transportation fuel production. Until 2013, the fuel industry was able to comply with the RFS mandate by blending 10 percent ethanol into most gasoline sold in the United States. E10, fuel containing 90 percent gasoline--

KELLY: One minute.

M. CAVANAUGH: --thank you-- and 10 percent ethanol, now constitutes more than 95 percent of fuel used in gasoline-powered vehicles, and expanding ethanol consumption by increasing E15 market penetration is no longer a viable compliance option. The E10 blending limit is commonly referred to as the E10 blend wall. The fuel industry has complied, complied [SIC-- complied] with RFS mandates beyond the E10 blend wall by increasing sales of E85-- which contains between 51 and 83 percent ethanol-- other advanced biofuels, and biodiesel. If EPA is to continue expanding biofuel mandates, which is the current congressional intent, the remaining compliance options are limited because of both economic and technical barriers. I think I'm about out of time, so I will pause there until my next time on the mike. And then I will come back to this policy brief from-- it's March 2018.

KELLY: That's your time, Senator.

M. CAVANAUGH: Thank you.

KELLY: Thank you, Senator Cavanaugh. Senator Dorn, you're recognized to speak.

DORN: Thank you-- thank you, Mr. President. Haven't been up in a little while, but I wanted to talk a little bit about-- we've had some discussion this morning on, I call it, the cost of, of this bill and how this might affect not only the state's funds going forward and all those things. I think sometimes when we have a discussion-- and that's-- happens a lot up here-- we start focusing in on one thing and we kind of forget or we kind of don't remember, I call it, the whole part of the picture or the whole prospective stuff that's coming before us. I want to, I want to remind people that right now, Nebraska's at about a 9.6 percent blender rate. And if we go to a 14 percent blender rate, that is going to be from E10 to E15. Studies have shown a 17 percent savings for the people of Nebraska, the

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consumers in Nebraska. That's \$0.17 times-- the amount of fuel that they would use amounts to \$52 million. So we've talked a little bit about the cost of this bill. And the credits are capped at \$5 million. The first year, it's probably going to be an extra \$1 million, \$1.5 million in the budget. And then after that, it'll ramp up, but it would be capped at \$5 million. I also look at the aspect of it. That's a 10 to 1 return for the people of the state of Nebraska, that they will be saving \$50 million, a little over that, in the cost of their fuel in the years ahead. That's not going to a big oil company. That's not going out of state. That is going to an industry in our state that is critical to, I call it, the agriculture industry in the state of Nebraska. I know I've talked a little bit before, but I want to talk again about an ethanol plant I have close to me there at Adams and the co-op station in town. They have the blender pump that you can get E15, E30, E85. This winter, I was filling up there with my pickup-- and I use E30 all the time-- and I've been saving an average of \$0.30 a gallon over the E10 price. But I ran into a neighbor who had bought a fairly new pickup and they used it to pull around their wagons or trailers or stock trailers and all of that. It was a heavy-duty pickup. And I said, you're putting in ethanol in this? He said, when we went to look for a pickup-- to buy a pickup to use on the farm, we looked at diesel pickups and we looked at this pickup here that could use E85. That day when she was filling up, the price of diesel was over \$4 and she was putting E85 in that pickup for \$208. In other words, she was getting \$2 a gallon saving. She says we normally fill up an average of 30 to 35 gallons, so she was saving an average of approximately \$60 to \$70 on every tankful. She said, we looked at the numbers and she said we could not afford to own that diesel pickup versus buying this pickup. She said the numbers showed that we were definitely going to be money ahead. Her gas mileage, she said, for what they can tell is probably pretty close to what a diesel could get. And she said the power is definitely there. We definitely get good power pulling all of our trailers, and that's why we bought the pickup. And she said, as often as we fill up-- this is another one of those savings that I talk about for the people, the consumers of the state of Nebraska, is that they are getting savings from using the ethanol. I don't know where people get off and start calling this stuff a mandate and then this cost of this match or whatever. You also need to--

KELLY: One minute.

DORN: --look at the whole picture. Thank you. You also need to look at the whole bigger picture. And the people in the state of Nebraska, if we go from E10 to E15, those gallons times \$0.17 a gallon would amount

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to over a \$50 million savings for the people of the state of Nebraska. And that is, to me, a critical, critical part of this bill, how we can help the people of the state of Nebraska. Thank you, Mr. President.

KELLY: Thank you, Senator Dorn. Senator Brandt, you're recognized to speak.

BRANDT: Thank you, Mr. President. And thank you, Nebraska, for supporting ethanol. So there's been some discussion this morning about subsidies in agriculture. And I guess I want to give a little background on, on why we have subsidies in agriculture. In the early '70s, when Earl Butz was the Secretary of Agriculture for President Nixon, there was a grand bargain struck. And in this country, the bargain was simply this: we will help subsidize the American farmer so that the entire American population can have access to cheap food. Today, Americans spend about 10 percent of their income for food, the lowest in the world, probably the lowest in the history of the world. And in exchange for that, farmers have overproduced and the government has done that with subsidies. A lot of the developing countries in the world, it would take over 50 percent of your income on a daily basis to buy food for your family. America is all about cheap food. What this bill does is it helps use up some of the excess, the excess corn. And Senator Hunt was right. You don't eat yellow corn and you don't eat soybeans. That goes into the production of meats in this country, which are part of that 10 percent that you spend on food. I would be 100 percent in favor of removing all the ag subsidies. I would have no problem with that. What would happen to your food bills? The country probably most like the United States is Australia. They have no ag subsidies. Their citizens there spend 16 percent of their income for food. That would be an-- over a 50 percent increase here in the United States. SNAP benefits are the biggest part of the farm program out there, and it is a partnership between urban America and rural America. As a farmer, you do not want to see people go hungry. I think the SNAP program is a great program to help people out there. Senator Raybould last week had mentioned that ethanol takes a lot of water. Ethanol takes three gallons of water for every gallon of ethanol produced at the plant. Gasoline takes three to six gallons of water for every gallon produced at the plant. So those are just a couple of facts and figures. I look, look forward to the, the back and forth. I support this bill and I urge you to vote for LB562. Thank you.

KELLY: Thank you, Senator Brandt. Senator Blood, you're recognized to speak.

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BLOOD: Thank you, Mr. President. I would yield any time I have to Senator Machaela Cavanaugh.

KELLY: Senator Cavanaugh, that's 4:50.

M. CAVANAUGH: Thank you, Senator Blood. Thank you, Mr. President. So I was reading a policy brief from Iowa State University from March 2018. And it is "E15 and E85 Demand Under RIN Price Caps and an RVP Waiver." I appreciate Senator Brandt's comments on SNAP and the part it plays in our agricultural state. It'd be great if everyone else in this body would come to understand good, strong public policy. Continuing with the report: The saturation of E10 in the marketplace limited demand for higher, higher blend ethanol fuels, and high production costs for biodiesel mean that compliance with the program is costly. This is best evidenced by the high and volatile prices for RFS tradable compliance credits, known as RINs, since 2013. High RIN prices increase compliance costs for refiners, the obligated party under the policy, who must purchase or generate RINs to demonstrate compliance to the EPA. The economics literature finds that refiners are likely fully compensated for high RIN costs through high-- higher wholesale gasoline prices. Despite this, RIN costs have dominated recent headlines due to the bankruptcy proceedings of Philadelphia Energy Solutions, or PES. PES partly blames the cost of RINs as a cause of its financial troubles in its bankruptcy proceedings. The PES bankruptcy has led to a standoff between U.S. senators representing Midwestern states and senators from states with significant petroleum refining capacity. Recent White House meetings between these parties have led to one compromise proposal that is receiving a significant amount of attention. Under this proposal, RIN prices-- i.e. D6 RINs, on which we focus in this document-- would be capped between \$0.10 and \$0.20 in exchange for allowing a year-round sale of E15. E15 is a gasoline blend containing 15 percent ethanol. The lack of an E15 waiver from the Clean Air Act rules restricts E15 sales to nonsummer months. This restriction is one of the-- one reason why major gasoline retailers are reluctant to invest in fuel pumps and tanks that are needed before they can offer E15 in their stations. In this policy brief, we discuss the econ-- economics of this proposal. We first provide relevant background on technical issues currently limiting E15 sales, the economics of RIN price caps, and the role of RINs in expanding ethanol use in the United States. We then discuss the demand for higher blend ethanol fuels, E15 and E85, and the implications for RIN price caps for E15 and E85 sales. Background: An understanding of several technical and economic factors is needed to understand the current discussions about the RFS and E15. Here we briefly discuss how the EPA could implement a RIN price cap. We then summarize how fuel

content restrictions currently limit year-round sales of mid-ethanol blend fuels. Last, we summarize the role of RINs in incentivizing consumption of high ethanol-blend fuels. Implementing a RIN Price Cap.

KELLY: One minute.

M. CAVANAUGH: Thank you, Mr. President. I'm noticing that the Chamber is particularly barren this afternoon. Maybe everyone's celebrating the signing of LB77 with the Governor. The EP-- Implementing an RIN Price Cap. The EPA could implement a cap on RIN prices in two ways. First, EPA could offer waiver credits, much like they currently do for the cellulosic-- I think I'm butchering that-- cellulosic portion of the RFS mandates. The EPA would allow parties to purchase RINs at a fixed price from the agency instead of on the market. Biofuel production would not generate these waiver credits. Second, the EPA would allow parties to accrue compliance deficits and pay a fixed noncompliance fee, so. I got the one-minute warning, so I think that I'm probably getting close to being out of time. So I'm going to mark the page there and I will come back to it.

KELLY: That's your time, Senator.

M. CAVANAUGH: Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator Conrad, you are recognized to speak.

CONRAD: Thank you, Mr. President. I yield my time to Senator Cavanaugh if she so desires.

KELLY: Senator Cavanaugh, that's 4:50.

M. CAVANAUGH: Thank you, Senator Conrad. Picking up where I was-- left off, I was on Implementing the RIN Price Caps. I read the first paragraph, so-- if you look up this report. These two mechanisms would cap RIN prices and reduce the economic incentive for increasing biofuel use. Refiners will comply with RFS mandates by purchasing RINs generated on the open market only when RIN prices are less than the waiver credit price. Suppose that fuel retailers require a RIN price that is higher than the capped price to sell E15 or E85. Rather than compensate the retailer by purchasing a higher priced RIN, refiners will go to the EPA to purchase RINs at the capped price. RIN price caps have merit in certain circumstances. High RIN prices since 2013 have led to extensive RFS lobbying by both biofuel, biofuels and oil industry. Kind of like we have happening right now out in the Rotunda, where apparently every lobbyist has a client or is hired for this

bill. The EPA has responded to this pressure by adjusting the statutory mandates. This process has led to high RIN price volatility. If the EPA or Congress want to meet RFS mandates only if compliance costs are below a certain level, a RIN price cap is the most effective way to do so. Under a RIN price cap, investors, producers, and other market participants know that they must produce and sell biofuels at or below the cap, reducing uncertainty caused by policy gyrations. That's quite the word. Policy gyrations. The level of a RIN price cap is crucial. A low cap signals to markets that only low-cost compliance options can be used to meet the mandates and that remaining compliance will be met through waiver credits purchases or noncompliance fees. A low RIN price cap also reduces the incentive to blend biofuels into motor fuel and increase biofuel-- fuel-- fueling infrastructure, e.g., blender pumps. RVP waivers and biofuel use. Restrictions on Reid vapor pressure, or RVP, for retail gasoline-ethanol blends limit sales of E15 and certain higher blend in summer months. RVP is a measure of gasoline volatility. The U.S. Clean Air Act limits RVP during ozone seasons to reduce evaporated emissions from gasoline. Blending ethanol into gasoline impacts the fuel's RVP nonlinearly. At blending levels below about 50 percent, RVP levels generally exceed Clean Air Act standards. Blends greater than 50 percent ethanol meet the RVP restrictions. Figure 1 graphs the relationship between ethanol blending and RVP along with the 9 pounds per square inch, psi, summertime limit. As can be seen, any ethanol blend with below-- below 50 percent vol-- violates current summertime standards.

KELLY: One minute.

M. CAVANAUGH: Thank you, Mr. President. Again, if anybody wants to give me their time, I'm happy to take it. The Clean Air Act includes a waiver for E10, allowing the fuel to be 1 psi greater than the limit for other fuels. While the act includes some exceptions, the waiver has generally allowed E10 to be sold year-round in all states. Higher blend ethanol fuels, however, do not have a waiver. For very high ethanol blend fuels like E85, this is not an issue since RVP levels are below the 9 psi limit. However, the lack of 1 psi waiver for E15 and other mid-level ethanol blends necessarily limits retailers' ability to sell the fuels in the summer. The Economic Role of RINs in the Consumption of Ethanol. The EPA created the RIN system to implement and enforce the RFS--

KELLY: That's your time, Senator.

M. CAVANAUGH: Thank you, Mr. President.

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KELLY: Thank you, Senator Cavanaugh. Senator Hunt, you're recognized to speak.

HUNT: Thank you, Mr. President. I rise in support of the motion to reconsider with genuine and real concerns about LB562. I think one of the most damaging forms of government, one of the most damaging things government can do to innovation, to business, to growth and development, especially for a state like Nebraska that's losing population-- we have-- I saw some statistic that we have, like, a net loss of students from Nebraska of nearly 3,000 per year that we're bleeding out to other states. And as you all know and have admitted privately, a lot of the policies that we advance here in the Legislature are a big reason for that. You know, we know that young people look at the policies of a state that they're thinking about moving to when they're considering where to go to college, when they're considering where to work. If you look up the transcript for the hearing on my bill to ban workplace discrimination against LGBTQ Nebraskans-- where many people don't realize in Nebraska it's still legal to be fired because you're in a same-sex relationship-- we heard testimony from Union Pacific, from other members of the Chamber, from the Chamber of Commerce-- citing specific cases when they extended job offers to people and the job offers were rejected-- not because it's not a good job, but because it's in Nebraska. Literally only because there are people who don't see Nebraska as a place where they can be successful and have a family and have a good job only because of the policies that we have in this state. And it used to be in previous years we would bring up this LGBTQ antidiscrimination bill, it would be common for people who are still in this body to make arguments like, well, we don't even know if this is happening. If anyone ever lost their job for being gay, I haven't seen that. I don't really think it's real. And now in 2023, we're finally to a place where the Chamber of Commerce, the State Chamber, the Omaha Chamber, the Lincoln Chamber, Union Pacific, major Fortune 100 companies are coming up and not only agreeing with the policy, but citing specific, literal examples of people who have turned down our state, turned down a job, and turned down a future in Nebraska because of what we are doing, the 49 of us in this body. And one of the most damaging things that I think government can do to small businesses like gas stations, when our state is faced with such a crippling level of brain drain, is overregulation, mandates. These rules that are put in place by government to control or restrict certain aspects of commerce, to control or restrict what it is that they can stock on their shelves, what it is they can put in their gas pumps. It stifles innovation. It creates unnecessary barriers for small businesses. And ultimately,

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those limitations harm consumers. I believe-- and I think that my record is clear on this-- that regulation should only be limited to what is needed to protect public health and safety. And that regulations and mandates and anything like that that government brings down upon small business needs to be transparent, needs to be predictable based on science and research and economic modeling.

KELLY: One minute.

HUNT: Thank you, Mr. President. But what's happening with LB562 is it's using mandates and regulations and big government as a tool to advance a political agenda. It's being used as a tool to protect entrenched interests in this state, to prop up one type of industry that should be able to stand on its own. And all of that is coming at the expense of our small business community in Nebraska and at the expense of consumers. Thank you, Mr. President.

KELLY: Thank you, Senator Hunt. Senator Slama, you are recognized to speak.

SLAMA: Question.

KELLY: The question has been called. Do I see five hands? I do. The question is, shall debate, shall debate cease? All those in favor-- call of the house? OK. There's been a request for a call of the house. There's been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 19 ayes, 0 nays to place the house under call.

KELLY: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senators Fredrickson, Dover, Clements, and Erdman, please return to the Chamber and record your presence. The house is under call. All unexcused members are present. The question is, shall debate cease? There's been a request for a roll call vote. Mr. Clerk.

CLERK: Senator Aguilar voting yes. Senator Albrecht voting yes. Senator Arch voting yes. Senator Armendariz. Senator Ballard voting yes. Senator Blood voting no. Senator Bosn voting yes. Senator Bostar voting yes. Senator Bostelman voting yes. Senator Brandt voting yes. Senator Brewer voting yes. Senator Briese. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh not voting. Senator Clements

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voting yes. Senator Conrad voting no. Senator Day. Senator DeBoer not voting. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan voting no. Senator Erdman voting yes. Senator Fredrickson not voting. Senator Halloran voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt voting no. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Kauth voting yes. Senator Linehan voting yes. Senator Lippincott voting yes. Senator Lowe. Senator McDonnell voting yes. Senator McKinney voting no. Senator Moser voting yes. Senator Murman voting yes. Senator Raybould voting no. Senator Riepe voting yes. Senator Sanders voting yes. Senator Slama voting yes. Senator Vargas. Senator von Gillern voting yes. Senator Walz not voting. Senator Wayne not voting. Senator Wishart voting yes. Vote is 32 ayes, 7 nays, Mr. President, on the motion to cease debate.

KELLY: Debate does cease. Senator Machaela Cavanaugh, you're recognized to close on the motion to reconsider.

M. CAVANAUGH: Thank you, Mr. President. I don't trust you. I don't trust you. I don't trust any of you to be people of integrity and people of your word and continually calling the question is just distill-- instilling in me a greater deep-seated distrust. I don't trust you. I don't trust that any of you are operating in good faith. I don't trust that any of you are honest brokers. I trust that the lobby has disproportionate power over you, that if they tell you to jump, you do it. But I don't trust any of you. So-- and it's unfortunate because, you know, I've served now-- this is my fifth year serving with-- you're under a call of the house. You need to sit down, Senator Dover. Thank you. When it says "house under call," everyone has to remain seated. I've served for now-- this is my fifth term with Senator Dorn and I've always enjoyed a good relationship with Senator Dorn. But I no longer trust Senator Dorn and I no longer trust any of you. I don't trust you to do what's right for Nebraska. I don't trust you to approach a conversation with me in good faith. I don't trust you to be honest brokers. I don't trust you to be people of integrity. The only thing I trust is that I can't trust you. And every time I start to gain a minuscule amount of trust, you undermine it with this kind of thing. And it's not just about a person calling the question. It's about the people who vote for it as well. You undermine the trust. And then you want something. You want me to do something. You want me to be considerate of your needs and your interests, and you want all of that without any effort on your part of building trust. That's not how it works. I'm angry with myself. I'm really, truly angry with myself because I allowed myself to believe that things in

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this body were happening in good faith. After that ridiculous episode of being at ease and then adjourned during Select File on LB574, but we were all going to come to the table and negotiate. And then I'm reading these articles that are clearly-- clearly, that's a facade. And because there was this agreement that we were going to negotiate, we were going to take the temperature down and we were going to-- Senator Cavanaugh and Senator Hunt, they're probably still going to keep filibustering, but we're going to take the temperature down. And there were bills, there were bills that had huge packages of bills in them. And I was not an obstructionist because I was acting in good faith. Because I was acting in good faith. And what did it get me? Absolutely nothing. Not a thing. It didn't get me any of you treating me any better or treating any of the Democrats any better. It didn't get any respect for any of us. It didn't get me a thing.

KELLY: One minute.

M. CAVANAUGH: It got conversations about how so-and-so is going to be punished because they yielded Machaela Cavanaugh time. It didn't get me a thing. And honest to goodness, friends, the handful of you that there are, I'm sorry. I don't trust this body. I don't trust them to do what's right. I don't trust them to stand up and make good on their word. I will make good on my word. If you want to behave like this, it'll be more than just this bill. It will be more than just this bill. And you should take caution and you should take care and how you conduct yourselves in this body. I don't need to mind my P's and Q's.

KELLY: That's your time, Senator.

M. CAVANAUGH: Thank you. Roll call vote.

KELLY: Thank you, Senator. There's been a request for a roll call vote on the motion to reconsider. Mr. Clerk.

CLERK: Senator Aguilar voting no. Senator Albrecht voting no. Senator Arch voting no. Senator Armendariz. Senator Ballard voting no. Senator Blood voting no. Senator Bosn voting no. Senator Bostar voting no. Senator Bostelman voting no. Senator Brandt voting no. Senator Brewer voting no. Senator Briese. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh not voting. Senator Clements voting no. Senator Conrad voting no. Senator Day. Senator DeBoer voting no. Senator DeKay voting no. Senator Dorn voting no. Senator Dover voting no. Senator Dungan voting no. Senator Erdman voting no. Senator Fredrickson voting no. Senator Halloran voting no. Senator Hansen voting no. Senator Hardin voting no. Senator Holdcroft voting no. Senator Hughes voting

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no. Senator Hunt voting yes. Senator Ibach voting no. Senator Jacobson voting no. Senator Kauth voting no. Senator Linehan voting no. Senator Lippincott voting no. Senator Lowe. Senator McDonnell voting no. Senator McKinney voting no. Senator Moser voting no. Senator Murman voting no. Senator Raybould voting no. Senator Riepe voting no. Senator Sanders voting no. Senator Slama voting no. Senator Vargas. Senator von Gillern voting no. Senator Walz voting no. Senator Wayne voting no. Senator Wishart voting no. The vote is 1 aye, 42 nays, Mr. President, on the motion to reconsider.

KELLY: The motion to reconsider fails. I raise the call. Mr. Clerk for items.

CLERK: Mr. President, a communication from the Governor: Dear Clerk Metzler, Engrossed LB77 received by my office April 19. This bill was signed and delivered to the Secretary of State 25-- April 25, 2023. Signed sincerely, Jim Pillen, Governor. Mr. President, concerning LB562: Senator Hunt would move to recommit LB562.

KELLY: Senator Hunt, you're-- Senator Hunt, you're recognized to open.

HUNT: Thank you, Mr. President. I rise with this motion to recommit LB562 to committee because I think that regulation and government regulation and these limitations and mandates we put on small businesses should only be limited to what's necessary to protect people's health and safety, that there should be a public health and safety interest for things like that and that they shouldn't be used as tools for advancing a political agenda or protecting a special interest or propping up one type of industry that should be able to stand on its own. And when we do that, that all comes at the expense of small businesses that we're trying to support, especially in rural Nebraska, and consumers ultimately. There is an amendment on this bill that I think we will get to. And there are some differences between LB562 and the amendment, AM1248, that's been proposed. In LB562, as introduced, beginning January 1, 2024, the bill would require retail dealers to make E15 fuel-- it says gas stations-- would require gas stations to make E15 fuel blends available from at least 50 percent of qualifying fuel dispensers at a retail location unless the retailer has not installed, replaced, or converted a motor fuel storage tank at that location after January 1, 2024, or unless the retailer makes E15 blends available at at least one qualifying dispenser at that location beginning January 1, 2027. LB562 as introduced also provides that this section does not require or limit E15 blends sold at nonqualifying fuel dispensers. That's great. It says you don't have to sell fuel from a dispenser that can't dispense the fuel. Very good. This section

further provides that a retailer is not in violation during periods when fuel storage and dispensing infrastructure is under construction and it authorizes the Department of Agriculture to require retailers to give advance notice of such work. There are also a couple of waivers under LB562 as introduced. Waivers, it says, Governor executive order waiving the E15 standard during times of ethanol shortage or excessive costs, creating hardship for consumers. So that's one kind of escape valve for this. Another one is individual site waiver due to supply shortage. Waiver must be applied for. So in order to get that, they have to apply. Another waiver under the bill as introduced is excessive cost exceeding \$100,000 to install infrastructure to comply. That waiver must be applied for, and the excessive cost has to be certified by a professional retail fuel site installer. Again, more steps, more friction, more regulation, more mandates on small business to prop up the ethanol industry. There's also a small-volume retail location waiver for gas stations that sell an average of 300,000 gallons annually. And that waiver has to be applied for as well. That's the bill as introduced, LB562. This is the bill that Senator Hughes said was bad. Even though she does stand to gain financially from it personally, this is the bill that she said she does not like. So we do have AM1248, which she said would make a bad bill better. And what that amendment would do, according to this sheet passed out by-- I'm not sure who passed this out. When we pass things out, we put our initials on them, and I always write my name on it. I don't-- a lot of you have the same initials too. So I don't know who sent-- passed this out. MD, so, whoever that is. Oh, Myron Dorn. It's probably Myron Dorn. OK. Senator Dorn. So this sheet says, beginning January 1, 2024, a retail motor fuel site shall advertise and sell E15 from at least 50 percent of dispensers when any new retail motor fuel site is built after that date or any existing retail motor fuel site if, after that date, the retailer replaces more than 80 percent of facilities and infrastructure at the retail site. And then beginning January 1, 2028, existing retail motor fuel sites shall offer E15 at least-- at at least one dispenser if the statewide average ethanol blend rate for 2027 is less than 14 percent. Blend rate is determined according to new Section 9. So even attempting to improve LB562, we're still putting mandates on businesses. We're still putting friction and steps and paperwork and loopholes and things to file on small businesses. And most of them, I hope, have an attorney. They probably do have an attorney who's well-versed in these things, but I know a lot of them don't. And a lot of them have to invest a significant amount of time learning these new regulations, learning these new mandates, how to be in compliance with these directives from the government. And I'm not convinced that they need these mandates in

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order to serve their customers. We're putting in statute that we're going to prefer one type of fuel over all others. We're going to mandate that gas stations put that fuel in 50 percent of their pumps. And nobody's asking for this. The market would ask for this and it would sort itself out and small businesses would sell what their consumers want, normally, without government needing to prop that industry up. Under AM1248, there are also waivers and exemptions, according to this sheet passed out by Senator Dorn. It says, a Governor executive order may waive the E15 standard during times of ethanol shortage or excessive costs creating hardship for consumers. A retailer may apply for a waiver if it costs more than \$15,000 to install infrastructure to comply. So originally in the bill as introduced, the gas station owner/company could apply for a waiver if the cost to update the infrastructure to be in compliance with LB562 was over \$100,000. AM1248 reduces that to \$15,000. So it does make it more easy for several-- you know, for lots and lots of gas stations, but it's still a mandate and it's still a new regulation. Another waiver and exemption is, retailer is exempt if all fuel tanks at site are constructed of certain materials before specified dates. Retailer attests to exemption. So they don't need to have a professional retail fuel site. That's something that the retailer just assents to, that they just, you know, attest to. And-- so we wonder what kind of consequences that has for health and safety. It's a question. And another waiver and exemption is retailer is exempt if a small-volume retail location, retailer attests to exemption. So in the original bill, these waivers had to be applied for. And in the amendment, it's a little bit more lenient for small businesses, but I still think an inappropriate mandate. A lot of paperwork, a lot of friction and a lot of barriers to just doing good business that we need to trust Nebraska business owners to be able to do. Some other comparisons between LB562 and the amendment, as outlined by this handout from Senator Dorn, in the bill as introduced, some of the incentives under LB562 reads that the bill increases the annual authorized obligation of awards under the Renewable Fuel Infrastructure Program from \$1 million to \$10 million and terminates approvals of new grant awards after calendar year 2026. The bill further eliminates the distinction between three- and five-year agreements and limits cost share assistance to the lesser of 50 percent or \$150,000 per project. Comparing that to the amendment, the incentives are a little bit different. In the amendment version, AM1248-- which we haven't gotten to, but we will-- it says the amendment does not include changes to the Renewable Fuel Infrastructure Program. It increases tax credits offered to retailers--

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KELLY: One minute.

HUNT: Thank you, Mr. President. It increases tax credits offered to retailers selling E15 and higher blends. Currently, the credit is an equal-- is an amount equal to \$0.05 per gallon of E15 and \$0.08 per gallon of E25 or higher blends sold. The cumulative amount of credits allowed is capped at \$2 million the initial year, and the cap is adjusted annually according to the amount of credits claimed the previous year, but may not exceed \$4 million. No new credit applications accepted after December 31, 2026. AM1248 changes the credit provisions to apply the same credit amount per gallon to all E15 or higher blends. And it changes by year: 2024, \$0.08; 2025, \$0.09; 2026, \$0.08; 2027, \$0.07; and 2028, \$0.05. The cumulative amount of credits allowed is capped at--

KELLY: That's your time, Senator.

HUNT: --\$5 million per year for all years. Thank you.

KELLY: Thank you, Senator Hunt. Senator Blood, you're recognized to speak.

BLOOD: Thank you, Mr. President. I would yield any time I have to Senator Machaela Cavanaugh.

KELLY: Senator Cavanaugh, that's 4:51.

M. CAVANAUGH: Thank you, Mr. President. Thank you, Senator Blood. There is, I think, an hour and two minutes left on this bill. I'm sure the question's going to be called again and I'm sure you all are going to vote for it. I'm taking note, mental note of all the lobbyists that are out there using their influence on procedure in the Legislature, taking note of lobbyists that are trying to not only have their influence on policy, but have their influence on procedure. I'm taking notes. I'm taking note of the lobbyists that are acting inappropriately and wielding influence on procedure. It is noted. It is definitely noted, and it is definitely not going to be forgotten. And it's not going to be forgotten on this bill. It's not going to be forgotten on this bill when it's on Select File. It is not going to be forgotten on this bill when it's on Final Reading. I am taking note. So, back to the report I was reading. CARD Policy Briefs: "E15 and E85 Demand Under RIN Price Caps and an RF-- an RVP Waiver." The Economic Role of RINs in the Consumption of Ethanol. The EPA created the RIN system to implement and enforce the RFS blending mandates. RINs are a tradable commodity used to track U.S. ethanol and biodiesel use. Every

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gallon of biofuel produced in or imported into the United States generates a RIN. The RIN is detached from a gallon of biofuel when it is blended into the U.S. fuel supply at wholesale terminals. Refiners comply with the RFS either by blending biofuels and selling them to domestic wholesale markets, thereby generating RINs in-house, or by purchasing separate RINs from other parties. RIN prices impact retail fuel prices in two ways. Because refiners must purchase, purchase RINs for every gallon of gasoline and diesel they sell, RINs act as an implicit tax on gasoline and diesel. On the other side of the market, every gallon of biofuel generates a RIN that can be sold to refiners, constituting an implicit subsidy for ethanol and biodiesel. Retail fuel prices reflect both the tax on gasoline and diesel and the subsidy for biofuel. Therefore, increasing the blend rate of ethanol in gasoline increases the subsidized portion of the fuel and decreases the tax portion of the fuel. RIN prices reflect the cost of compliance with the RFS. They are determined by the cost of covering biofuel production costs when they exceed gasoline and diesel prices and the need to lower the volume-- value, value of biofuels in fuel blends to increase consumption--

KELLY: One minute.

M. CAVANAUGH: --thank you-- to meet mandates. High RIN prices create an incentive for the fuel industry to reduce compliance costs by finding the lowest-cost alternatives to meeting mandates. Costs can be lowered either by depressing-- decreasing biofuel production costs or by increasing the value of biofuels in the marketplace by expanding the sales of higher ethanol blends-- blend fuels, mainly E15 and E85. Expanding E15 and E85 sales requires fuel stations to invest in E15 and E85 fueling infrastructure and consumers to buy the fuel. RIN prices play a crucial role in incentivizing E15 and E85 demand. All else equal, an increase in RIN price-- prices increase in-- increase the ethanol subsidy and gasoline tax in retail fuel blends. The subsidy for the ethanol will outweigh the gas tax for the fuels with higher--

KELLY: That's your time, Senator.

M. CAVANAUGH: Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator Wayne, you're recognized to speak. Senator Machaela Cavanaugh, you're next in the queue.

M. CAVANAUGH: Thank you, Mr. President. I'll pick up where I left off. The subsidy for the ethanol will outweigh the gas tax for fuels with

higher ethanol blends. Therefore, as RIN prices rise, the retail price spread between low- and high-ethanol blend fuels increases. Figure 2 illustrates how RIN prices impact E0, E10, E15, and E85 retail prices. To create the figure, we hold wholesale ethanol and gasoline prices constant at \$1.45 a gallon and \$1.80 a gallon, respectively, and assume retail fuel is marked up over wholesale fuel costs by \$0.75 a gallon. We then calculate retail fuel prices as a function of RIN prices, which we vary between zero and \$1.00 per gallon. When RIN prices are zero, the only factor driving retail prices is the difference-- the different wholesale costs of ethanol and gasoline. As RIN prices increase, the price of E0 increases, E10 prices remain roughly constant, and E15 and E85 prices decrease. The focus of this report is the impact of RIN prices on E15 and E85 demand. Consumers will have a greater incentive to switch from E10 to E15 or E85 as the price difference between the fuels increases. At a zero RIN price, the E15 to E10 and, and E85 to E10 price cap-- gap is negative \$0.018 and negative 0.23-- negative \$0.23 per gallon, respectively. At a \$0.10 RIN price, the price-- oh, I-- that's the part I just read. At a \$0.50 per gallon RIN price, roughly the D6 RIN price in early March 2018, the two gaps increase to negative \$0.45 and negative \$0.59 per gallon, clearly increasing the incentive for consumers to switch from E10 to E15, but more increasing the incentives to switch from E10 to E85. Demand for Higher Ethanol Blend-- Blend fuels. We now turn to E85 and E15 demand factors. We build on research by Babcock and Pouliot and Liao and Pouliot and Babcock. E85 Consumption. We highlight it-- highlight here several factors that influence E85 demand in the United States. Flex Fuel Vehicle, or FFV: To fuel using E85, a consumer must own a flex fuel vehicle. Many car companies offer vehicle models with FFV options; and for many years, FFVs were a standard feature for many cars. Owning an FFV allows a motorist to fuel with any fuel from E0 to E85, affording them maximum flexibility in choosing between low- and high-ethanol blend fuels. Around 20 million out of the over 260 million vehicles in the United States today are FFVs. However, most located in major metropolitan areas without easy access to E85. Also, the number of new vehicle models offered as FFVs has--

KELLY: One minute.

M. CAVANAUGH: --declined-- thank you, Mr. President-- of FFVs has declined in the last three years, as incentives for their production under the corporate average fuel economy standards were phased out. Fuel Station Availability. E85 Requires fuel station owners to invest in specialized fueling infrastructure. This may include installing in new underground tanks or modifying existing tanks and purchasing above-ground dispensing equipment. Many stations looking to offer E15

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or E85 instant [SIC-- install] blender dis-- pump dispensers that draw fuel from tanks containing E85 or E100-- pure ethanol-- and E10. I think I'm about out of time again, so I will mark where I am until my next time in the queue. And I will get back in the queue. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. I'd yield my time to Senator Hunt if she so desires.

KELLY: Senator Hunt, that's 4:50.

HUNT: Thank you very much, Senator Conrad. I was going over some of the differences between LB562 and AM1248, which will be coming up on this bill. Talking about the difference in the credit provisions to AM1248, AM1248 changes the credit provisions to apply the same credit amount per gallon to all E15 or higher blends, and that credit amount changes by each year-- per year. In 2024, the credit per gallon is \$0.08; 2025, \$0.09-- it goes up-- 2026, \$0.08-- back down again to the same as 2024. And then from there, it starts to decrease again. From 2027, it's \$0.07; and from 2028, it's \$0.05. The cumulative amount of credits allowed is capped at \$5 million per year for all years. So once those cents per gallon reach \$5 million, there's no more credits each year. And it also extends the period for acceptance of credit applications until December 31, 2028. I'm unclear from this sheet-- I'll have to look at the text of the bill-- what the, what the type of credit acceptance there was in the original bill, but I, I don't think that there was one. Talking about enforcement and how this bill ends up being enforced, under LB562 as introduced, it said that noncompliance with the E15 standard is cause to suspend or revoke a fuel dealer's weighing and measuring establishment permit. Can't do business without that. Under AM1248, it says the Department of Agriculture may suspend or revoke a retailer's weighing and measuring establishment permit under two conditions: (1) beginning January 1, 2024, for retailers not in compliance with the 50 percent offering standard or beginning April 1, 2028, for realers-- man, phew-- beginning April 1, 2028, for retailers who are not in compliance with the offering of E15, add at least one dispenser of subsection (2) of Section 4 if the statewide blend rate goal of 14 percent is not met. So if we don't meet the 14 percent goal, by 2028, you got to have this E15 at one pump. If we do, beginning January 1, 2024, you've got to have it at 50 percent of your pumps. All of this ends up being basically government in the business of picking winners and losers in

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the marketplace. This is government picking ethanol as a winner, picking an entire industry to be propped up artificially when this is not what the market is doing on its own. And I don't know if I'm convinced that that's a really good thing for Nebraska or for our economy or for our producers and certainly not for our small businesses in our state. It's about the importance of individual choice and it's about making sure that we're not picking winners and losers. We have to make sure that all businesses in Nebraska can compete on a level playing field based on their own merit, based on their own value and worth and hard work, and based on the needs and the wants of the customers that businesses serve. This is the only way to ensure that our economy remains strong and vibrant and innovative and that businesses are actually responding to the needs and wants that customers have.

KELLY: One minute.

HUNT: Thank you, Mr. President. It's not up for government to tell consumers what they want. It's not, quote unquote, creating competition when government hands down an edict like this and says this is what consumers want; consumers want 50 percent of your pumps to be dispensing E15. Maybe they do. Maybe without this bill, you'd be having gas stations with 80 percent of the pumps having E15. I don't know. But the thing is, we'll never know if we mandate this stuff and don't let businesses with consumers work out what the market's actually demanding. Thank you, Mr. President.

KELLY: Thank you, Senator. Senator Walz, you're recognized to speak.

WALZ: Thank you, Mr. President. I'm going to yield my time to Senator Hughes.

KELLY: Senator Hughes, that's 4:50.

HUGHES: Thank you, Senator Walz. And thank you, President. So I just wanted to stand up for a little bit and talk about the committee amendment to this bill. And just want to say again, I kind of discussed it the first time I was at the microphone, that our committee worked extremely hard at this amendment that gave it a goal. Like I'd said before, the ethanol industry just kept saying, we're the lowest-- we're one of the lowest states with ethanol blends sold and Minnesota is beating us, I think somebody mentioned at around 12 percent. Right now, we're sitting at a, I believe, 9.7 percent. And so we need to-- you know, we need to make everybody switch over right now. And there are already tax credits that were in place, which I

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called as before, the carrot. And I felt like hadn't gone-- let that go to work yet. And so we worked with the ethanol industry and the retailers and came up with a better plan that would give us a goal and tax credits in place for retailers to use to get to that goal. We also changed that requirement of instead of \$100,000 or more if it cost you, you wouldn't have to do it. We moved that down to \$15,000, which is much more palatable. And so that made this bill better and less of a mandate. We have up until January 1, 2028 to achieve that. And every month, I believe, there will be a report done by the state of Nebraska saying where we are at on that ethanol blend for the state so that we will have kind of a picture of where we're going month to month and if we're achieving, what-- if we're getting close to that goal or not. So I propo-- am really hoping that we can get to this amendment and that we can advance the ethanol bill. And I will give my remaining time to Senator Dorn if he would like it. Maybe he--

KELLY: Senator Dorn, that's 2:40.

DORN: Thank you. Thank you, Mr. President. Thank you, Senator Hughes. One thing I do appreciate this afternoon and-- several of the speakers that have got up have talked about, I call it the bill-- and the discussion of what's in the bill, what's in the amendment. And just as Senator Hughes pointed out, how some of that changed, how it changed over time with the committee, with many people involved and a lot of discussion. I wanted to go back to what I talked about earlier, though, that if or when we get to 14 percent blender rate in the state of Nebraska, what that does to the consumers in the state of Nebraska. That would project to, as surveys have happened, a \$0.17 savings per gallon of gasoline that they are using. That will put \$52 million back into the pockets of the consumers of the people of the state of Nebraska. I don't know too many bills up here or too many things up here that we do that covers, I call, the whole segment of the population of the state of Nebraska. So anybody that drives a car or anybody that drives a vehicle that uses gas, E15, E10, any of those fuels, any of those gas fuels, they would be participating in this savings. Quite often when we pass some bills up here or we pass some laws or whatever, they are more focused. They are more focused on one part or one segment of our economy. This, again, benefits everybody in Nebraska that drives--

KELLY: One minute.

DORN: --those types of cars that use this ethanol fuel, that use this fuel. In return, it also benefits other people, the farmers, it benefits the people that grow the corn. It benefits the ethanol

people. It also benefits, what I call, our exports out of this state because as we produce all this ethanol, we can never begin to use all this in the state of Nebraska. Much of it goes out of state. Some of it goes over, over-- across the ocean, across the seas or whatever. I saw a study-- reading this-- as I prepared for this, that by the year 2030, China is going to have more gas cars than we are, more gas cars than the United States. They're going to some electric just like we are, but they will surpass us in the total number of cars. So as we export any ethanol to them-- we talk about this climate and the effects of that-- this is one avenue that definitely improves that aspect of it. Thank you, Mr. President.

KELLY: Thanks, Senator Dorn. Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. Is this my second time?

KELLY: Yes.

M. CAVANAUGH: Thank you, Mr. President. OK, I marked off where I left off. The CARD report from CARD policy briefs, March 2018, "E15 and E85 Demand Under RIN Price Caps and an RVP Waiver." OK-- from March 2018. So this allows the station owner to offer multiple mid- to high-ethanol blend fuels. According to the Alternative Fuels Data Center, 3,224 stations currently offer E85 in the United States as of early March 2018. Energy Content Price Discounts: A gallon of pure ethanol contains around 33 percent less energy than a gallon of pure gasoline. As the ethanol content of a fuel increases, vehicle mileage per gallon decreases, and consumers will need to fill up their tanks more often. Ah. As we get higher ethanol, we get lower fuel mileage. Interesting. And consumers will need to fill up their tanks more often. Therefore, if an ethanol blend (e.g., E10) and gasoline, (E0) are sold at the same price, the ethanol blend will be more expensive on a cost per mile driven basis because it contains less energy. Using the example from Figure 2: if we inflate ethanol costs by 50 percent to account for its lower energy content, the E15 to E10 and the E85 to E10 price gap decreases. This raises the question for me is if, if there's an ener-- environmental impact on producing ethanol and we also are getting worse mileage, is ethanol actually a better option than gasoline? If you get better mileage with gasoline and you're still-- I--would be interesting to do. I'm sure somebody has done a study on it. Octane Content. While ethanol contains less energy than gasoline, the fuel has a much higher octane rating. Octane is a measure of fuel's combustion resistance, and higher performance vehicles typically require higher-octane fuels to operate effectively.

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Regular gasoline usually has an 87 octane rating, while premium gasoline typically has an octane rating of at least 91. A gallon of ethanol has an octane rating of 113. This higher octane has allowed refiners to decrease the production of octane at the refinery, reducing refining costs. Instead of producing 87 octane gasoline, most refiners today produce 84 octane gasoline and blend 10 percent ethanol to reach the required 87 octane rating. E85 has an even higher octane rating, typically over 100, while the octane value of E15 is 88. This one-point advantage in octane rating over 10-- E10 offsets some of the fuel efficiency disadvantages of E15 relative to E10. The value of octane is likely to increase in future years as demand for high-octane fuel--

KELLY: One minute.

M. CAVANAUGH: --continues to grow. Most light-duty vehicle manufacturers are increasingly producing engines that require 91 and higher octane levels to operate. Recent work by Liao, Pouliot, and Babcock, 2016, estimate the demand for E85 using observational and survey data gathered in 2015. The authors estimate willingness to pay for E85 fuel. The authors find that the average U.S. flex fuel vehicle owner requires that E85 be discounted well below energy cost parity relative to E10 to switch fuels. Figure 3 graphs the estimated demand for E85 relative to its price ratio to E10 Price E85/Price E10. Few motorists choose E85 when it is priced greater than or equal to E10. Demand for E85 increases as it becomes less expensive than E10.

KELLY: That's your time, Senator.

M. CAVANAUGH: Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator Slama, you're recognized to talk.

SLAMA: Question.

KELLY: The question has been called. Do I see five hands? I do. The question is, shall de-- there's been a request, request for a call of the house. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 9 ayes, 3 nays to place the house under call.

KELLY: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel, please

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leave the floor. The house is under call. Senators Blood, DeKay, Conrad, McKinney, Linehan, DeBoer, Dover, Holdcroft, Ibach, Riepe, Wayne, and Bosn, please return to the Chamber and record your presence. The house is under call. Senator Hansen announces guests in the north balcony: fourth graders from Lyons-Decatur Northeast in Lyons. Please stand and be recognized by the Nebraska Legislature. Senator Conrad, please return to the Chamber. The house is under call. All unexcused senators are present. The question is, shall debate cease? There is a request for a roll call vote. Mr. Clerk.

CLERK: Senator Aguilar voting no. Senator Albrecht voting yes. Senator Arch. Senator Armendariz. Senator Ballard voting yes. Senator Blood voting no. Senator Bosn voting yes. Senator Bostar not voting. Senator Bostelman voting yes. Senator Brandt voting no. Senator Brewer voting yes. Senator Briese. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh not voting. Senator Clements voting yes. Senator Conrad voting no. Senator Day not voting. Senator DeBoer not voting. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan voting no. Senator Erdman voting yes. Senator Fredrickson not voting. Senator Halloran voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt voting no. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Kauth voting yes. Senator Linehan voting yes. Senator Lippincott voting yes. Senator Lowe voting yes. Senator McDonnell voting yes. Senator McKinney voting no. Senator Moser voting yes. Senator Murman voting yes. Senator Raybould not voting. Senator Riepe voting yes. Senator Sanders voting yes. Senator Slama voting yes. Senator Vargas. Senator von Gillern voting yes. Senator Walz not voting. Senator Wayne not voting. Senator Wishart not voting. Senator Aguilar voting yes. Vote is 29 ayes, 7 nays, Mr. President, to cease debate.

KELLY: Debate does cease. Senator Hunt, you're recognized to close.

HUNT: Thank you, Mr. President. Great to be closing on another motion so we can continue to talk about LB562 as introduced and the way government is putting its thumb on the scale for one industry through this bill. On so many levels, ethanol is poor public policy, except for as long as people believe it's good public policy. It won't make Nebraska farmers money and it will allow them to burn grain instead of feeding people with it. You know, our neighbor, Wyoming, has coal as a natural resource and they tax it for the benefit of every person in Wyoming, and that's why they don't have to have an income tax. But in Nebraska, we give our resources away to a select small group of people who actually don't believe they should have to pay taxes at all in the

first place. And maybe that's one of the reasons why some people say that Nebraska taxes are high. Most of the beneficiaries of ethanol, of bills like LB562 and the beneficiaries of the state's gift of water to them are very large and very wealthy agricultural estates. And that is what it is. And that's why I'm not excited about government using resources to keep putting our thumb on the scale, disrupting competition, disrupting the free market, and propping up ethanol as an industry when it really doesn't need it. If E15 is such a great fuel, government shouldn't have to mandate that 50 percent of pumps in a gas station dispense it. If it's such a great fuel, they should choose to do that themselves because it's what customers demand. And on a normal day, that's what all of you would be standing up and saying. Some of you have said that you have personal financial interests in this bill. Well, that's understandable then why you would want it. But what about the rest of you? Why are you so willing to give up your integrity and your conservative principles for one industry? One of my constituents emailed me. Dear Senator Hunt, I respectfully request your opposition to legislation LB562 that would increase the standard biofuel blend at Nebraska gas stations to 15 percent ethanol blend, E15. The current standard is 10 percent. No other state uses E15 as a standard blend. If passed, LB562 would ignore marketplace economics in favor of arbitrary government mandates. Additionally, LB562 would disregard the fact that ethanol, especially in higher concentrations such as E15, can cause metal corrosion and dissolves certain plastics and rubbers in automobiles that were not constructed with ethanol-resistant materials. High-performance specialty parts, along with older cars and parts, may be most susceptible to such corrosion. LB562 would also fail to provide adequate safeguards for vehicles whose lifespans can be reduced by misfueling and subsequent corrosion of integral vehicle and equipment parts. Anti-corrosion additives are available for each purchase of gasoline but can become expensive, burdensome, and require consumer education. Lastly, LB562 would not acknowledge that ethanol has been shown to decrease fuel mileage. We also-- I also got another piece of opposition saying, I urge you to oppose LB562: Adopt the E15 Access Standard Act.

KELLY: One minute.

HUNT: Thank you, Mr. President. And this sums up in general my opposition and what should be your opposition. We strive to create an economy that works for all, empowering people to earn success and realize their potential. This becomes difficult when government comes in to tell people what they must do. LB562 requires that fuel retailers in Nebraska offer E15 from at least 50 percent of their dispensers. This is not the role of government. The decision to offer

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E15 should be made by the fuel retailer after evaluating the market demand, supply, and, of course, the cost they will incur for required infrastructure upgrades. Nothing with the amendment changes the fact that this is a government mandate. This is an overstep of our role in the government. It's special legislation. It's a handout to wealthy estates in Nebraska who don't need it. And I would encourage you to support the motion to recommit to committee. Thank you, Mr. President.

KELLY: Thank you, Senator Hunt. Senators, the question is the motion to recommit. Request for a call of the house [SIC-- roll call vote]. Mr. Clerk.

CLERK: Senator Aguilar voting no. Senator Albrecht voting no. Senator Arch. Senator Armendariz. Senator Ballard voting no. Senator Blood voting no. Senator Bosn voting no. Senator Bostar voting no. Senator Bostelman voting no. Senator Brandt voting no. Senator Brewer voting no. Senator Briese. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh not voting. Senator Clements voting no. Senator Conrad voting no. Senator Day voting no. Senator DeBoer voting no. Senator DeKay voting no. Senator Dorn voting no. Senator Dover voting no. Senator Dungan voting no. Senator Erdman voting no. Senator Fredrickson voting no. Senator Halloran voting no. Senator Hansen voting no. Senator Hardin voting no. Senator Holdcroft voting no. Senator Hughes voting no. Senator Hunt voting yes. Senator Ibach voting no. Senator Jacobson voting no. Senator Kauth voting no. Senator Linehan voting no. Senator Lippincott voting no. Senator Lowe voting no. Senator McDonnell voting no. Senator McKinney voting no. Senator Moser voting no. Senator Murman voting no. Senator Raybould voting no. Senator Riepe voting no. Senator Sanders voting no. Senator Slama voting no. Senator Vargas. Senator von Gillern voting no. Senator Walz voting no. Senator Wayne voting no. Senator Wishart voting no. The vote is 1 aye, 43 nays, Mr. President, on the motion to recommit.

KELLY: The motion to recommit fails. Raise the call. Mr. Clerk for items.

CLERK: Mr. President, Senator Machaela Cavanaugh would move to reconsider the vote just taken.

KELLY: Senator Cavanaugh, you're open-- you're recognized to open.

M. CAVANAUGH: Thank you, Mr. President. I have 10 minutes to open then I have two times to talk and a close, so-- and I think cloture on this is at 3:14 or 3:15. Not much left to say on the disappointment that is

today, so I'll just go back to reading about E15. Thanks to the lobbyists who got involved in how we run procedurally today. It will be remembered. E15 Consumption: Many of the same factors that influence E85 demand will also likely influence E15 demand. Like E85, the fuel requires stations to invest in fueling infrastructure. It has around 1.75 percent lower energy content than E10, and it has an octane advantage over E10. Unlike E85, E15 does not require special vehicles. However, E15 has its own compatibility challenges in light-duty vehicles. Also, sales of E15 are restricted in the summer driving season because the fuel does not currently have an RVP waiver. E15 Use in Vehicles. In 2011, EPA granted a waiver that allowed for E15 use in light-duty motor vehicles produced after 2001. This constitutes the vast majority of light-duty vehicles on the road today. Thus, it seems that one could assume that almost all vehicles-- vehicle owners in the United States are potential E15 con-- customers. However, several auto manufacturers still include E15 warnings on newer vehicles. This conflicting message between EPA guidelines on retail pumps, Figure 4(a), and vehicle manufacturer guidelines Figure 4(b) depress the potential demand for the fuel. To the authors' knowledge, there are no academic studies that estimate demand for E15. However, given the similarities between issues affecting E85 and E15 demand, it seems likely that similar features would arise with E15 that arise with E85. At least in the short run, selling substantial volumes of E15 will likely require price discounts below E10 on an energy parity basis. At current prices, E15 must be priced \$0.43 per gallon lower than E10 to make it equal to the GGE basis. In Figure 2, this would require a \$0.47 RIN price distribution of E15 fueling stations. Although motorists may be willing to fuel with E15, its distribution is limited to the number of retail stations which sell the fuel. Many fuel stations do not have equipment, pumps, distribution lines, tanks rated for E15. In the short run, constraints on the distribution of E15 would limit its long run distribution of E15 will increase-- oh, sorry, that didn't make sense. Distribution of E15 would limit its distribution and hence its consumption of E15. If E15 were granted an RFP waiver in the long run, distribution of E15 will increase only if fuel distributors have the incentive to upgrade their equipment to sell E15-- i.e., only if fuel station owners foresee a large potential market for the fuel. If RIN prices are capped at \$0.10 a gallon, there will be little incentive to increasing-- to increase offering of E15 because its price will be nearly the same as E10. See Figure 2. OK. Waivers, RIN Price Caps-- how much time do I have left?

KELLY: 4:40.

M. CAVANAUGH: 4:40. Fantastic. Thank you, Mr. President. OK. Let me think. OK. The trade-offs between allowing an RVP waiver for E15 and setting a price cap for RINs are by now hopefully clear. As [SIC-- an E15 RVP waiver will increase-- in-- increase the fuel's availability throughout the year, however, demand for the fuel and the incentive to invest in retail distribution capacity will depend on its price relative to E10, which is directly related to RIN prices. If Congress or the EPA cap RIN prices, they also cap the discount for E15. In this section we discuss the required RIN prices to achieve various E15 to E10 discounts. We then discuss how markets adjust to offering E15 under different assumptions about the implementation of the RFS waivers and the feasibility of expanding E15 sales, E15 to E10 discounts, and RIN prices. A motorist who cares about the cost per mile will require 1.75 percent E15 discount relative to E10. The Table 1(a) presents the RIN price needed to meet this discount as a function of gasoline and ethanol prices. The calculations assume a \$0.75 per gallon wholesale-to-retail markup. For example, with today's prices, a \$0.47 RIN price is necessary for E15 prices to be equivalent to E10 on a cost-per-mile basis. When wholesale ethanol prices are low relative to gasoline, E15 prices will already be below energy parity with E10 because of its higher ethanol content. However, higher relative ethanol costs require higher RIN prices to make E15 competition with E10-- compet-- competitive, more competition, competitive. The gray cells highlight scenarios that require a RIN price greater than \$0.10 per RIN to achieve energy parity. The orange cells highlight scenarios that require a RIN price greater than \$0.20 per RIN. It seems likely that increased market preparation of E15 will require E15 to be priced even lower than energy parity. For example, motorists may need larger E15 to E10 discounts before they switch fuels because E15 is unfamiliar or because car manufacturers do not recommend using E15. Table 1(b) explores the required RIN prices--

KELLY: One minute.

M. CAVANAUGH: Thank you, Mr. President. OK. One minute. And there are seven to eight minutes left. And then I think I'm next in the queue. And then I have other times, my close but we won't get to all of that, so. So my next time in the queue will be my last time, and it will be almost cloture at that point. So basically, my last chance to withdraw my motion is in the next five minutes. OK. Well, something for me to ponder, but I probably won't ponder it too diffi-- hard. I've been pondering for a while. Yeah. OK. It seems likely that increased market penetration--

KELLY: That's your time, Senator.

M. CAVANAUGH: Thank you, Mr. President.

KELLY: You're next in the queue, Senator Cavanaugh.

M. CAVANAUGH: Thank you, Mr. President. OK. So I have this five minutes and-- oh-- get back in the queue, though the queue looks pretty long. I have this five minutes, which will take us to eight-- 3:13 and cloture is at 3:14, 3:15-ish, one or the other. I'm not sure. So we will still be on this amendment then at that time. OK. Well, we are where we are, and there's nothing to be done about it, apparently. We could do something about it. We choose not to do something about it. So we are where we are. It seems likely that increased market penetration E15 will require E15 to be priced even lower than energy parity. For example, motorists may need larger E15 to E10 discounts before they switch fuels because E15 is unfamiliar or because car manufacturers do not recommend using. E15. Table 1(b) explores the required RIN prices to make E15 5 percent cheaper than E10 at the same wholesale gasoline and ethanol prices as in Table 1(a). The required RIN prices are much larger than those in Table 1(a) because the difference in ethanol content between E10 and E15 is small. Thus, consumers' reluctance to purchase E15 would require much higher-- higher RIN prices. OK. Well, Market Impacts of an RVP Waiver. All E10 fuel is converted to E15. We begin with a relatively extreme case by considering the scenario where E15 becomes the default fuel offered by all stations. The scenario naturally ignores all distribution and vehicle technical constraints to using E15 and therefore is most relevant in the long run. Nonetheless, the scenario is useful in establishing the maximum impact of an E15 RVP waiver. Consumption of retail gasoline in 2017 was around 143 billion gallons, of which, 14.4 billion gallons, or 10.08 percent, was ethanol. On a per gallon basis, ethanol is currently less expensive than gasoline. Suppose that this would remain true under an RVP waiver for E15 and that the industry faces no production constraints. In this case, total ethanol consumption would increase to 21.4 billion gallons, substantially more than the 15.84 billion gallons of ethanol produced in 2017. Thus, this is unrealistic scenario in RVP waiver and E15 adoption nationwide could substantially increase ethanol use in the United States. The convent-- conversion of E10 to E11 would be more realistic proposal as it would likely not be effective [SIC-- affected] by the same technical constraints as E15. Based on gasoline sales of 143 billion gallons in 2017, ethanol volumes with nationwide adoption of E11 would be about 15.7 billion gallons. This policy would drive the price of RINs down near zero--

KELLY: One minute.

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M. CAVANAUGH: Thank you, Mr. President-- reduce sales of E85 near zero, and eliminate almost all U.S. exports of ethanol. We only have a couple of minutes left on this bill. My motion is up there. I'm not going to withdraw it because no one has given me a good reason to withdraw it. So we won't get to the amendment on this round, and it could probably be refiled on Select. I guess we'll see what happens then. If nobody is going to play nice, I'm not going to play nice. So that's where we're at, apparently. No one here has the backbone to stand up and be people of their word. Really lacking a great deal of integrity in this place today. It's unfortunate.

KELLY: That's your time, Senator.

M. CAVANAUGH: Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator McKinney, you're recognized to speak. Senator Conrad, you are recognized to speak.

CONRAD: I'd be happy to yield my time to Senator Cavanaugh if she so desires.

KELLY: Senator Cavanaugh, that's 4:48.

M. CAVANAUGH: Thank you, Mr. President. Thank you, Senator Conrad. Yeah. It's hard. It's hard. It's hard when you're trying to, like, teach your kids about, you know, being truthful, good citizens, good friend, good sibling. It's hard to be, as a parent, to be trying to instill these values into my children while also being in here, a place that seems to not value values, a place that prioritizes absolute pettiness above anything else, above achieving anything productive. That is what is valued in this Chamber and it is sad to see. It is sad to see. I don't relish doing damage to anyone's bill, anyone's bill. I don't relish it. But this body needs to conduct itself better. People need to be-- have integrity and stand up for something, but they just don't or won't. They can. I've had so many people ask me things and then say, well, yeah, I could have done that. Yeah, you could have. You could have voted the way that you believed. You could have stood up and been a voice for reason. Yeah, you could have. Yeah, you could have, but you chose not to. So we are where we are. And it is unfortunate. It's 3:16, so I think that we probably are at the cloture time and just waiting for me to talk-- or, to stop talking, so I will yield the remainder of my time to the Chair.

KELLY: Thank you, Senator Cavanaugh. Mr. Clerk, you have a motion on the desk.

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CLERK: I do, Mr. President. Senator Dorn would move to invoke cloture on LB562 pursuant to Rule 7, Section 10.

KELLY: Senator Dorn, for what purpose do you rise?

DORN: I would like a call of the house and roll call vote.

KELLY: There has been a request to place the house under call. The request was for a reverse order roll call. And the question is, shall the house go under call? Mr. Clerk. Machine vote for the call of the house. All those in favor say aye. All those opposed say nay. Record, Mr. Clerk.

CLERK: 24 ayes, 3 nays to place the house under call.

KELLY: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel please leave the floor. The house is under call. All unexcused members are present. Members, the first vote is the motion to invoke cloture. All those-- roll call vote requested, reverse order. Mr. Clerk.

CLERK: Senator Wishart voting yes. Senator Wayne not voting. Senator Walz voting yes. Senator von Gillern voting yes. Senator Vargas. Senator Slama voting yes. Senator Sanders voting yes. Senator Riepe not voting. Senator Raybould. Senator Murman voting yes. Senator Moser voting yes. Senator McKinney not voting. Senator McDonnell voting yes. Senator Lowe voting yes. Senator Lippincott voting yes. Senator Linehan voting yes. Senator Kauth voting yes. Senator Jacobson voting yes. Senator Ibach voting yes. Senator Hunt not voting. Senator Hughes voting yes. Senator Holdcroft voting yes. Senator Hardin voting yes. Senator Hansen not voting. Senator Halloran voting yes. Senator Fredrickson voting yes. Senator Erdman voting yes. Senator Dungan voting yes. Senator Dover voting yes. Senator Dorn voting yes. Senator DeKay voting yes. Senator DeBoer not voting. Senator Day voting yes. Senator Conrad voting yes. Senator Clements voting yes. Senator Machaela Cavanaugh not voting. Senator John Cavanaugh not voting. Senator Briese voting yes. Senator Brewer voting yes. Senator Brandt voting yes. Senator Bostelman voting yes. Senator Bostar voting yes. Senator Bosn voting yes. Senator Blood voting yes. Senator Ballard voting yes. Senator Armendariz. Senator Arch not voting. Senator Albrecht voting yes. Senator Aguilar voting yes. Vote is 37 ayes, 0 nays, Mr. President, on the motion to invoke cloture.

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KELLY: Cloture is invoked. The next vote is on the motion to reconsider. There's a request for a roll call vote.

CLERK: Senator Aguilar voting no. Senator Albrecht voting no. Senator Arch voting no. Senator Armendariz. Senator Ballard voting no. Senator Blood voting no. Senator Bosn voting no. Senator Bostar voting no. Senator Bostelman voting no. Senator Brandt voting no. Senator Brewer voting no. Senator Briese voting no. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh not voting. Senator Clements voting no. Senator Conrad voting no. Senator Day not voting. Senator DeBoer voting no. Senator DeKay voting no. Senator Dorn voting no. Senator Dover voting no. Senator Dungan voting no. Senator Erdman voting no. Senator Fredrickson voting no. Senator Halloran voting no. Senator Hansen voting no. Senator Hardin voting no. Senator Holdcroft voting no. Senator Hughes voting no. Senator Hunt voting yes. Senator Ibach voting no. Senator Jacobson voting no. Senator Kauth voting no. Senator Linehan voting no. Senator Lippincott voting no. Senator Lowe voting no. Senator McDonnell voting no. Senator McKinney voting no. Senator Moser voting no. Senator Murman voting no. Senator Raybould. Senator Riepe voting no. Senator Sanders voting no. Senator Slama voting no. Senator Vargas. Senator von Gillern voting no. Senator Walz voting no. Senator Wayne voting no. Senator Wishart voting no. Vote is 1 aye, 42 [SIC-- 43] nays, Mr. President, on the reconsideration.

KELLY: The motion to reconsider fails. The next vote is on the advancement to E&R Initial for LB562. There is a request for a roll call vote. Mr. Clerk.

CLERK: Senator Aguilar voting yes. Senator Albrecht voting yes. Senator Arch-- excuse me-- not voting. Senator Armendariz. Senator Ballard voting yes. Senator Blood voting yes. Senator Bosn not voting. Senator Bostar voting yes. Senator Bostelman voting yes. Senator Brandt voting yes. Senator Brewer voting yes. Senator Briese voting yes. Senator John Cavanaugh not voting. Senator Machaela Cavanaugh not voting. Senator Clements voting yes. Senator Conrad voting yes. Senator Day voting yes. Senator DeBoer not voting. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan not voting. Senator Erdman voting yes. Senator Fredrickson not voting. Senator Halloran voting yes. Senator Hansen not voting. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes not voting. Senator Hunt voting no. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Kauth voting yes. Senator Linehan voting yes. Senator Lippincott voting yes. Senator Lowe voting yes. Senator McDonnell voting yes. Senator McKinney not voting. Senator Moser voting yes. Senator Murman voting yes. Senator Raybould. Senator

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Riepe not voting. Senator Sanders voting yes. Senator Slama voting yes. Senator Vargas. Senator von Gillern not voting. Senator Walz voting yes. Senator Wayne not voting. Senator Wishart voting yes. Vote is 32 ayes, 1 nay, Mr. President, on the advancement of the bill.

KELLY: LB562 advances to E&R Initial. Raise the call. Mr. Clerk for items.

CLERK: Mr. President, your Committee on Enrollment and Review reports LB565 as correctly engrossed and placed on Final Reading. Additionally, your Committee on Enrollment and Review reports LB191 to Select File with E&R amendments. New A bill: LB92A, introduced by Senator Slama. It's a bill for an act relating to appropriations; appropriates funds to aid in the carrying out of the provisions of LB92. New LR: LR109 from Senator Brandt. That'llll be laid over. Mr. President, next item: LB227. Senator Hunt would move to bracket the bill until June 2, 2023.

KELLY: Senator Hunt, you're recognized to speak.

HUNT: Thank you, Mr. President. Good afternoon, colleagues. I rise supportive of the concepts behind LB227. On Select File, a lot is riding on this bill, as we know, because we'd like to get Senator Jane-- Senator Day's bill to prohibit the cliff effect on SNAP to be attached to this bill. This is a bill that we know has the support. It has more than 30 supporters. And many, many wonderful points have been made around SNAP about the importance of responsibility and accountability. And I wanted to talk a little bit about what it's like to experience the cliff effect and struggle to get out of the cycle that leads people to get on SNAP in the first place. One thing that's really nice about SNAP is that, in some ways, it's more valuable than money because it's earmarked just for food. All kinds of people who face poverty, they have different expenses that come up as a surprise all the time. It's that feeling of just when you're getting ahead, just when you feel like you're on top of your bills and you're starting to be able to save money or to pay off some debt, another unexpected expense comes forward. Maybe you have one family car and there's an unexpected expense with the car or you have a home but then there's an unexpected problem with the furnace or the air conditioner and it's not the kind of repair that you can put off. Maybe there's a medical emergency, a medical expense, which Nebraskans are very familiar with after the last three years and going through this pandemic, going through the caregiving responsibilities that come with that. And when people in poverty are facing these unexpected costs at any time-- like, you never know what's going to come up-- and all of

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you have experienced this to yourself in your life-- it's so reassuring to know that you've got a SNAP card that only has money on it for food. So you can use that, you know, \$200 that you've saved or the \$75 that you've saved or the \$1,000 you've saved for that unexpected expense, for the car repair, for the medical bill, what have you, and you know that that's not going to cut into your food budget. And that's one thing that is so wonderful about when you're struggling, just knowing that you have the security of food assistance. I think that, for a lot of people who I've spoken to, that ends up being kind of the main source of security that they really have because they know no matter what expen-- unexpected expenses come up, they're not going to have to pull out of their food budget to cover that kind of thing. This is about dignity, colleagues, you know. I've often said before that I believe lawmakers should have to go through the process of applying for benefits before they vote for them or against them so they actually know what the process is that Nebraskans have to go through, so they know practically what it's really like to have to be in compliance for SNAP and be able to fill out those forms and-- it's about dignity. I would encourage you to support that. And I'd like to pull my motion, Mr. President.

KELLY: The motion is withdrawn. Mr. Clerk, next item.

CLERK: Mr. President, Senator Hunt would move to recommit LB227.

KELLY: Senator Hunt, you're recognized to open on the motion.

HUNT: Thank you, Mr. President. I'll pull this motion and I'll pull my remaining motion as well. Thank you.

KELLY: Those are withdrawn. Mr. Clerk.

CLERK: Mr. President, I have M0395 from Senator Hunt with a note she wishes to withdraw. In that case, Mr. President, Senator Ben Hansen: AM1455 with a note that he would withdraw and substitute AM1497.

KELLY: No objection. So ordered. Senator Hansen to open on the amendment.

HANSEN: Thank you, Mr. President. So this is-- this amendment, AM1497, includes four other bills that we'll be attaching to the committee priority bill. First one is LB261. It's Senator Riepe's bill, and it changes provisions relating to the Funeral Directing and Embalming Act. The requirements of completing a split apprenticeship are changed to allow the apprentice license to be completed while attending a school of mortuary science. Current requirements involving course of

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study, examination, and completion of apprenticeship remain unchanged. LB261 was advanced to General File with 6 ayes and 1 present, not voting, and there's no fiscal impact. Basically, the underlying purpose of this bill is to make it easier for those who are trying to get into funeral directing and embalming to be able to go to school and work at the same time so they can get an apprenticeship and experience as they're going to school. The second one is LB245, which is Senator Walz's bill. It increases the compensation of the Board of Barber Examiners members from \$75 to \$150 for per diem expenses. LB245 was advanced to General File with a 7-0 vote, and there's no fiscal impact. So basically, even though we are increasing the per diem cost from \$75 to \$150, they are going to decrease the amount of meetings that they have, so then they will have to travel less and pretty much the expense stays the same. Third one is LB345. This is Senator Armendariz's bill. It defines palliative care as specialized care for treatment of a person living with a serious illness that carries a high risk of mortality or negatively impacts quality of life. This type of care or treatment addresses the symptoms and stress of a serious illness. Palliative care is a team-based approach to care or treatment, providing essential support at any age and stage of a serious illness and can be provided across care settings and along with curative treatment. The goal of palliative care is to improve quality of life for both the patient and the patient's family or care partner. LB345 was advanced to General File with a 7-0 vote. Again, no fiscal impact. This one basically just defines palliative care in statute. LB-- and the last one is LB357. This is Senator Walz's bill. It increases the maximum support allowable under the Disabled Persons and Family Support Act from \$300 per month to \$400 per month for disabled persons, plus \$200 per month for each additional disabled family member. LB357 was advanced to General File with a 7-0 vote with \$111,000 fiscal impact. So basically, this is a per diem that those people who are disabled in their home are able to use for purposes to better retrofit their home to stay in their home longer, such as helping build a ramp or other handicap-accessible utilities in their house to make it-- just to help them out, to be able to stay in their home longer in a better way. So those are the four bills that we'll have included in this, in this amendment. And then we also had some minor tweaks to some bills that we had previously in the original bill. This was brought to us by, by certain departments. The first one is on LB450-- LB458, which is Senator Ballard's, Senator Ballard's bill. And this just clarifies the dispensing pharmacy ultimately responsible for the prescriptions filled and delivered by a central fill pharmacy. LB517 clarifies the pilot program is to be a contracted grant to an eligible entity. And from my understanding, that will then

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help clear a fiscal note on that one. And then LB35, Senator DeBoer's bill, clarifies that general funds may be only used for administrative costs. This was her bill that had to do with childcare funding that came out of the Planning Committee. And I believe that was her priority bill from the Planning Committee. This actually just clarifies where the administrative costs are going to be coming from. So that way, we're making sure that general funds are not being used for the entire program as opposed to federal funds in case something happens with that. So in essence, I would encourage anybody, any senators who have bills attached in this amendment, they can get up and speak if they wish. Or if anybody would like to ask somebody questions, they can as well. So with that, I will yield the rest of my time back to the President. Thank you.

ARCH: Mr. Clerk for a correction.

CLERK: Mr. President, inadvertently left off E&R amendments. Mr. President, LB227. First of all, there are E&R amendments, Mr. President.

ARCH: Senator Slama for a motion. I'm sorry, Senator Ballard for a motion.

BALLARD: Mr. President, I move the E&R amendments to LB227 be adopted.

ARCH: Seeing no one in the queue, Senator Hansen, you are recognized to close on your amendment. Senator Hansen waives close. The motion before the body is the adoption of AM1497. All those in favor vote aye; opposed, nay. Has everyone voted who wishes to vote? Mr. Clerk, please record.

CLERK: 32 ayes, 0 nays on adoption of the amendment.

ARCH: AM1497 is adopted. Next item, Mr. Clerk.

CLERK: Mr. President, Senator Day has AM-- or, excuse me-- FA67. She would withdraw and substitute and AM1488.

ARCH: Without objection, so ordered. Senator Day to open on your floor amendment.

DAY: Thank you, Mr. President. FA67 would amend an adjusted version of LB84 to LB227. This would extend the sunset by two years on the 2021 SNAP eligibility change which increased SNAP's gross income eligibility limit by moving it from 130 percent to 165 percent of the federal poverty level. For reference, 165 percent of the federal

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poverty level would be about \$38,000 per year for a family of three. This increase has meant, annually, an additional 4,500 families comprising 10,000 Nebraskans have had access to SNAP benefits. Originally, LB84 would have permanently changed eligi-- eligibility to this higher level. But after working with the committee and Chairman Hansen, there was broad agreement around changing the bill to instead push the sunset back date-- date back two years to 2025. This date was chosen because HHS has indicated that they can absorb the cost of the bill within this time frame, and it's expected that the revised fiscal note on the amendment will show no fiscal impact. In its amended form, LB84 has the unanimous support of the members of the HHS Committee, and I have to thank the committee, and especially Chairman Hansen, for finding common ground and consensus on this issue. It's only natural to ask the rationale behind this extension given the wind down of other COVID-era programs. However, food insecurity has shown to be a worsening challenge for many Nebraskans. Following a major spike in hunger related to the COVID-19 pandemic, many Nebraskans still struggle to put food on the table for themselves and their families. Simply put, all of us here have felt the pain of rising grocery prices. Even if you don't follow the trend data, each time we go to the store, we all feel that inflation has hit 40-year highs while wages have not kept pace. So if you're someone living on the brink, what once was enough to barely get by is no longer sufficient. Temporarily extending the higher eligibility limit meets this need at no cost to the state. Census data from November 2022 shows that a little over 10 percent of Nebraskans had struggled with having enough food within the past week. Additionally, since 2021, food prices have risen roughly 12.2 percent in Nebraska. Unfortunately, we're seeing the effects of this data on the ground. In LB84's hearing, Nebraska's food banks testify that they're seeing significantly higher participation than during the pandemic. Given that SNAP provides nine meals for every one meal provided by the food bank, scaling back this eligibility increase at this particular moment would swamp our state's food banks. Now is not the time to scale back eligibility for those specifically that fall into this category of those who are working but still barely getting by. Pushing the sunset back two years also makes economic sense. And purely as a fiscal proposition, SNAP is a uniquely good deal for all Nebraskans. The program benefits are 100 percent federally funded and its admin costs are funded through a 90 percent federal, 10 percent state split. So for a cost that HHS has indicated that they can absorb over the next two years, we will be returning roughly \$1.5 million per month directly back into Nebraska's economy. For this small investment, SNAP benefits totaling more than \$12 million per year will flow through grocery stores, supporting local

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economies, farmers, and producers and others. A USDA study estimates that for every \$1 in SNAP, \$1.54 is returned in economic impact. This is not negligible, and creates a huge impact on our local economies over time. The Nebraska grocers project-- project-- excuse me-- that the economic effect of SNAP as a whole creates 900 jobs, provides \$25 million in wages, and more than \$60 million in total economic output. At a time where we're seeing many of our urban and rural communities lose their grocery stores, now is not the time to set them back further. Furthermore, with strict liquid asset limits and an average duration of only nine months on the program per participant, SNAP is a program that we know is going toward people who are down on their luck and just need temporary help while they get back on their feet. This amendment is about getting people through a very difficult moment in time, not about creating a new permanent baseline. FA67 extends the previous eligibility increase in a way that creates no fiscal impact and allows us to continue to take advantage of a window where HHS has indicated that they will be able to absorb the increased administrative costs. It's a chance for us to meet the immediate needs of vulnerable Nebraskans and make sure that working Nebraskans aren't going hung-- hungry, but in a prudent way that does not create an open-- open-ended funding commitment. I'm happy to answer any questions you may have, but I would appreciate a green vote on AM1488. Thank you, Mr. President.

ARCH: Senator Erdman, you're recognized.

ERDMAN: Thank you, Mr. President. I appreciate that. I was wondering if Senator Day would yield to a couple questions?

ARCH: Senator Day, will you yield?

DAY: Yes.

ERDMAN: Senator Day, I think a couple of years ago, Senator McCollister had this bill that increased it from 130 to 165 percent. Do you understand or remember that?

DAY: Yes. I was here.

ERDMAN: OK. So he raised it from 130 to 165 percent. In your comments, you said a family of three, 165 percent would be \$38,000. Is that what you said?

DAY: Roughly, yes.

ERDMAN: Do you know what it would be for a family of four?

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DAY: I'm not sure of the exact number, but I'd be happy to get it for you.

ERDMAN: OK. Or just a couple. You know what that number might be?

DAY: I don't have the exact number, but I'd be happy to get it for you.

ERDMAN: OK. So in the original, original fiscal note, I think this LB was LB84.

DAY: Yes.

ERDMAN: Is that correct?

DAY: Yep.

ERDMAN: When I, when I looked at that originally it was, like, \$500,000 from the General Fund and then \$500,000 from federal funds. Has, has that changed? Because you said there was going to be no cost to the state?

DAY: Yes, that's correct. So in working with the Department of Health and Human Services, our Fiscal Office came to understand that some-- there were some remaining ARPA-- unspent ARPA funds that we could use to cover the administrative costs for the next two years. So the fiscal note impact would be zero on the state general funds.

ERDMAN: OK. So, so what you're saying then, if I get this straight, instead of the \$500,000 out of general funds, it's all going to be federal funds and it'll be ARPA money?

DAY: It will be ARPA-- it'll be the ARPA funds that we were given a couple of years ago.

ERDMAN: OK.

DAY: And then the other, and the other portion will come from federal funds.

ERDMAN: OK. And I also read, I think, it sunsets, like, October 1 of '25. Is that right?

DAY: Yes, that's correct.

ERDMAN: OK. So what's going to happen in '25 when that sunsets?

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DAY: Senator, I'm not sure. My hope is that, in 2025, we will be in a better position economically as a state and that we won't be having such a drastic food insecurity crisis at that time.

ERDMAN: OK. All right, because-- thank you. That's all the questions I have.

DAY: Um-hum. OK.

ERDMAN: So generally what happens here in this body is we put a sunset on things but it never actually sunsets. And so I just want you to be aware when you're voting for this you're not just voting for it until '25. You're voting for it going on forever. That's how it works. And Senator Day had made a comment about every \$1.00 spent on SNAP is \$1.54 in economic advantage. That's a kind of an unusual way to look at redistribution of wealth, because those tax dollars were already in somebody's pocket at one time and we take them from that pocket and put it in somebody else's and we call it economic advantage. I don't, I don't agree with that. It doesn't make sense to me. You're not generating anything new. You're taking funds that were once in someone's pocket and giving it to someone else. I don't know if we'd call it economic advantage. This may very well be a good bill that needs to pass, but saying it's an economic advantage is a stretch. Thank you.

ARCH: Senator Jacobson, you are recognized.

JACOBSON: Thank you, Mr. President. First, I'd like to thank Senator Hunt for clearing the way for this discussion to take place and for us to move forward and get these amendments added. Secondly, I just want to appreciate the comments made by Senator Day. Her comments are correct that we are dealing with significant food inflation. I look in my District 42, I look at the high degree of free and reduced lunch students. I understand that this is a real issue in my district and really across rural Nebraska, and this is a real need. And I was elected to represent all my constituents. And I believe that given the dollars are here from ARPA funds, this is federal money that came here, there's dollars available for the next two years, so I'm going to be supportive of this bill and this amendment to move this another two years down the road. We'll take a look in two years and see where the world's at at that time and, and go from there. But at this point, I think it does make sense. And I'm willing to support the amendment and support the underlying bill. Thank you, Mr. President.

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ARCH: Seeing no one left in the queue, Senator Day, you're welcome to close on your amendment. Senator Day waives close. The motion before us is the adoption of AM1488. All those in favor vote aye; all those opposed vote nay. Has everyone voted who wishes to vote? Mr. Clerk, please record.

CLERK: 27 ayes, 3 nays on adoption of the amendment.

ARCH: AM1488 is adopted. Mr. Clerk, next item.

CLERK: Mr. President, Senator Riepe would move to amend the E&R amendments with AM1486.

ARCH: Senator Riepe, you're welcome to open on your amendment.

RIEPE: Thank you, Mr. President. As I start here, I would like to note that a fact sheet on AM1486 has been distributed to all the members of the body. AM1486 would add a pared-down version of my priority bill, LB586, to this important HHS Committee priority package. LB586, which was originally introduced by Senator Jana, Jana Hughes, is one more piece of the solution to getting more nurses into healthcare settings all across Nebraska. The bill was voted out of the committee with a 6-0 and 1 present, not voting vote. As we heard many times in the HHS Committee this session, Nebraska is in a healthcare workforce crisis. According to a study from the Nebraska Center for Nursing, Nebraska will be short 5,435 nurses by 2025. The Nebraska Center for Nursing would utilize the funding included in this amendment to incentivize clinical nurses to become clinical nurse faculty, incentivize nurse faculty to partner with staff nurses in the development of clinical nurse facilities, expand simulated training for nurse clinical education, and incentivize facilities to support the center in providing for clinical education. The bill also directs the Nebraska Center for Nursing to establish a committee of experts to help find the most effective methods of using the resources this bill would give them to get more nurses trained and working in the field. I want to remind senators that in mid-April, we approved LB385 to address Nebraska's growing shortage of educators. We fake a light-- face a like shortage with nurses that staff our nursing homes, our hospitals, and, in some cases, our schools. So I thank you and I ask for your support for AM1486. I will add that it does have a fiscal note on it of \$3 million in year one and \$3 million in year two. But with that, I thank you, Mr. President.

ARCH: Senator Blood, you're recognized.

BLOOD: Thank you, Mr. President. Fellow senators, friends all, I stand in support of the amendment and the underlying bill, but I want to put a caveat on record. Many of you remember that when Governor Heineman was Governor, we knew then we were having a nursing shortage that, that was ahead of us. And the Legislature and the executive branch decided it would be a good idea to put together a board to address these issues. The concern that I have as we continue to pass bills like this isn't that the bills aren't necessary, is that the reason they are necessary is because we can never seem to follow through on anything that we push forward. We knew 20 years ago that baby boomers were going to be aging out, not just in the healthcare profession but other professions, and we really did little to nothing in that beginning window of time. Instead, we waited until it became a crisis. And now this is where we're at, where we're throwing money at things to try and fix it, but it's too little, too late. Do we need to do this? Unfortunately, we do need to do this. But I want you to be really aware when we pass bills like this of the history of where this comes from and how we created this problem. And I want you to keep that in mind as we move forward, because this year and next year, if we ever actually get to any more bills, if we're allowed to get any more bills, we're going to be asked to be spending a lot of money. And if we keep trying to fix things by throwing money at it, we'll never do anything that has any longevity. We've got to be more forward-thinking. We've got to start looking at science, facts, and data when we make these plans for the future of Nebraska because, yes, this is needed, but this is not the solution. This is one of many solutions. With that, I would yield any time I have back to the Speaker. Thank you, Mr. President.

ARCH: Senator Hughes, you are recognized.

HUGHES: Thank you, Mr. President. I rise in support of AM1486. AM1486 contains the language of the bill, LB586, that I introduced. I would like to thank Senator Riepe for prioritizing this and for taking the lead to get it added to LB227. According to a study from the Nebraska Center for Nursing, Nebraska will experience a workforce shortage of 5,435 nurses by 2025. The Legislature has worked hand in hand with the healthcare community over the last several years to invest in initiatives to recruit and retain nursing professionals in Nebraska. However, the bottleneck in Nebraska continues to be the severe lack of clinical sites and clinical faculty to train our nurses. AM1486 tackles this issue head on. It provides \$3 million from the General Fund for each of the next two fiscal years to the Nebraska Center for Nursing to increase both clinical sites and clinical faculty to train our nursing workforce. The funding provided to the Nebraska Center for

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Nursing by AM1486 would be targeted toward areas in our state with the most need. AM1486 also ensures that we are not turning away nursing students that would otherwise complete nursing school here in Nebraska and then likely seek employment within our state. During testimony on LB586, the dean of one nursing school here in Nebraska testified that they had to turn away hundreds of potential students, simply-- not because they were not qualified, but because they simply did not have the capacity to train them for the lack of clinical nursing staff. Hundreds of nursing students turned away from one school. We need to fix this. Colleagues, please support AM1486. And I appreciate your green vote on Senator Riepe's priority bill. Thank you. I yield my time.

ARCH: Senator Day, you're recognized.

DAY: Thank you, Mr. President. I rise in support of AM1486. I just wanted to correct something. I misspoke when I was on the mike a few minutes ago talking about my amendment on SNAP. It isn't exactly ARPA funds that are paying for the administrative costs directly. ARPA funds have freed up general funds, and DHHS will be able to absorb the cost over the next two years. So I talked to Mikayla from-- who has been wonderful from our Fiscal Office, who's been extremely helpful and getting this all squared away, and I just wanted to make sure that I got on the mike and corrected that for the record. Thank you, Mr. President.

ARCH: Seeing no one left in the queue, Senator Riepe, you're welcome to close on AM1486. Senator Riepe waives close. Colleagues, the motion before the body is the adoption of AM1486 to LB227. All those in favor vote aye; opposed, nay. Has everyone voted who wishes to vote? Mr. Clerk.

CLERK: 27 ayes, 0 nays on adoption of the amendment.

ARCH: AM1486 is adopted. Next item, Mr. Clerk.

CLERK: Mr. President, Senator Walz would move to amend the E&R amendments with AM1477.

ARCH: Senator Walz, you're welcome to open on AM1477.

WALZ: Thank you, Mr. President. Good afternoon, colleagues. Today, I am introducing AM1477, which adds LB286 to LB227. LB286 was brought to me by the Nebraska Medical Association and provides confidentiality to physicians when they participate in a physician wellness program. In 2021, the Nebraska Medical Association established the organization

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LifeBridge Nebraska. LifeBridge is a physician wellness program which aims to provide access to confidential and voluntary support for physicians seeking help with stress or other issues in a physician's personal or professional life. Those situations might include workplace conflicts, grief, marriage, or financial stress. When a physician calls LifeBridge Nebraska, they are matched with a physician peer coach who is trained and ready to offer support. Any physician in Nebraska can use LifeBridge at no cost. Despite the immense pressures physicians are under, they are often reluctant to seek help. The major reason for the reluctance is the fear that showing signs of fatigue or stress could have negative repercussions on a physician's career. These concerns are real. Physicians, along with other credential holders under the Uniform Credentialing Act, have mandatory reporting obligations. If a physician's peers become aware that a physician has acted unprofessionally, negligently, incompetently, or violated other regulatory provisions of the profession, they have a duty to report licensure at DHHS, which could result in investigation or disciplinary action by the Board of Medicine. While symptoms of workplace fatigue are not likely to rise to the criteria of reportable conduct, this fear is a very real barrier to physicians seeking support when dealing with stress and burnout. LB286 provides confidentiality protections around Nebraska's physician wellness program with the following provisions: first, it provides that an individual's participation in a physician wellness program is confidential and not subject to discovery, subpoena, or reporting requirement to DHHS unless there is a danger to the public health and safety by the individual's continued practice of medicine. Secondly, individuals would not be required to disclose their participation in the program to any third party as a condition of employment, credentialing, payment, licensure, compliance, or other requirements. These changes will create a safe space through which physicians can seek and obtain confidential care in ways that will not have a detrimental impact on their careers. A number of other states have passed safe haven legislation to protect the confidentiality of their physician wellness programs, including South Dakota, Indiana, Virginia, and Delaware. LB286 is modeled after legislation passed in those states. Nebraska needs its physicians, especially as we look at rural areas where access to care is increasingly difficult. LB286 is a small change that will keep physicians healthy, productive, and practicing here in Nebraska where we need them. With that, I would ask for your yes vote on AM1477. Thank you, Mr. President. That was all.

ARCH: Seeing no one in the queue, Senator Walz, you're welcome to close on your amendment. Senator Walz waives close. Colleagues, the

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question before the body is the adoption of AM1477 to LB227. All those in favor vote aye; opposed, nay. Has everyone voted who wishes to vote? Mr. Clerk.

CLERK: 29 ayes, 0 nays on adoption of AM1477.

ARCH: AM1477 is adopted. Senators, you've heard the motion for the adoption of the E&R amendment. All those in favor say aye. All those opposed say nay. The E&R amendment is adopted. Mr. Clerk.

CLERK: Thank you, Mr. President. Senator Riepe, I have AM1372 with a note you wish to withdraw.

ARCH: So ordered. Senator Ballard for a motion.

BALLARD: Mr. President, I move LB227 to be advanced for E&R for engrossing.

ARCH: Senators, you've heard the motion. All those in favor say aye. All those opposed say nay. LB227 is advanced. Mr. Clerk.

CLERK: Mr. President, LB753A. I have no E&R amendments.

KELLY: Senator, Senator Ballard for a motion.

BALLARD: Mr. President, I move that LB753A be advanced to E&R for engrossing.

KELLY: Senators, you've heard the motion. All those in favor say aye. Opposed, nay. It is adopted. Mr. Clerk.

CLERK: Mr. President, LB565A. I have no E&R amendments. Senator Bostelman would move to amend with AM1447.

KELLY: Senator Bostelman, you're recognized to open on AM1447.

BOSTELMAN: Thank you, Mr. President. Good afternoon, colleagues. On Select File, we amended LB395 into LB565, which provides for a slight pay increase for members of the Oil and Gas Commission, which would come out of the Oil and Gas Conservation Commission Fund. This fund generates its own revenue through oil and gas mill levies, as well as drilling fees. AM1447 simply provides that cash fund transfer of \$6,000 for the Oil and Gas Commission. I ask-- I urge your green vote on AM1447 and LB565A. Thank you.

KELLY: Thank you, Senator Bostelman. Seeing no one in the queue, you're recognized to close. You waive closing. Senators, the question

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is the adoption of AM1447. All those in favor vote aye; all those opposed, nay. Record, Mr. Clerk.

CLERK: 31 ayes, 0 nays on adoption of the amendment.

KELLY: AM1447 is adopted. Mr. Clerk, next item.

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

KELLY: Senator Ballard for a motion.

BALLARD: Mr. President, I move that LB565A be advanced to E&R for engrossing.

KELLY: You've heard the motion. All those in favor say aye. Those opposed, nay. It is advanced. Mr. Clerk, next item.

CLERK: Mr. President, LB138A, introduced by Senator Bosn. It's a bill for an act relating to appropriations; appropriates funds to aid in the carrying out of the provisions of LB138. The bill was read for the first time on, on April 18 of this year and placed directly on General File.

KELLY: Is anyone authorized to open on LB138A for Senator Bosn? Senator Moser, as Chair of the committee, you're recognized open.

MOSER: Thank you, Mr. President. Appreciate that. So this is the A bill for LB138. LB138 moves the Department of Aeronautics. It also appropriates money for the Ukrainian driver's license program and-- so-- that's basically what all it does. Evidently, things were going more quickly and Senator Bosn wasn't here, so I offer that much for this, for this moment.

KELLY: Thank you, Senator Moser. No one else is in the queue, do you wish to-- and you waive your closing. Mr. Clerk. The question before the body is the advancement of LB138A to E&R Initial. All those in favor say aye-- vote aye, excuse me; all those opposed vote nay. Record, Mr. Clerk.

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

KELLY: LB138A advances to E&R Initial. Mr. Clerk.

CLERK: Mr. President, some items quickly if I can. Amendment to be printed: FA68 to LB562 from Senator Dorn. Legislative Bill-- next item on the agenda, Mr. President, LB243A, introduced by Senator Briese.

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It's a bill for an act relating to appropriations; appropriates funds to aid in the carrying out of the provisions of LB243; and declares an emergency. The bill was read for the first time on April 20 of this year and placed directly on General File.

KELLY: Senator Briese, you're recognized to open.

BRIESE: Thank you, Mr. President. And good afternoon, colleagues. I rise to present LB243A. LB243A is introduced to implement the provisions of LB243, which is the property tax component to the comprehensive package of income tax, property tax, and education funding reform that we advanced from General File to Select File. We advanced LB243 to Select File on April 13 with 37 positive votes. I would ask for your support of LB243A. Thank you, Mr. President.

KELLY: Thank you, Senator Briese. Seeing no one else in the queue, you're recognized to close. And waive closing. Senators, the question is the advancement of LB243A to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 33 ayes, 0 nays on advancement of the bill, Mr. President.

KELLY: LB243A advances to E&R Initial. Mr. Clerk, next item.

CLERK: Mr. President, LB254A, introduced Senator Brewer. It's a bill for an act relating to appropriations; appropriates funds to aid in the carrying out of the provisions of LB254; and declares an emergency. The bill was read for the first time on April 19 of this year and placed directly on General File.

KELLY: Senator Brewer, you're recognized to open.

BREWER: Thank you, Mr. President. All right, everyone should be able to remember that on LB254, it simply established the digital library, so these funds will be the necessary resources to establish a library, maintain the library. Again, this will be-- this belongs to the Executive Board of the Legislative Council and will be administered by the Clerk of the Legislature. With that, I'd ask for your support on LB254A. Thank you, Mr. President.

KELLY: Thank you, Senator Brewer. Seeing no one else in the queue, you are recognized to close. And waive closing. Senators, the question is the advancement of LB254A to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 34 ayes, 0 nays, Mr. President, on advancement of the bill.

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KELLY: LB254A advances to E&R Initial. Mr. Clerk for items.

CLERK: Mr. President, LB583A, introduced by Senator Sanders. It's a bill for an act relating to appropriations; appropriates funds to aid in the carrying out of the provisions of LB583; and declares an emergency. The bill was read for the right first time on January [SIC-- April] 19 of this year and placed directly on General File.

KELLY: Senator Sanders, you're recognized to open.

SANDERS: Thank you. And good afternoon, Mr. President. And colleagues, today I am introducing LB583A on behalf of Governor Pillen. This is the appropriations bill that partners with LB583. As a reminder, LB583, introduced on behalf of Governor Pillen, is the implementation of his school finance reform and property tax relief package. You may note the numbers of LB583A do not match the numbers discussed on LB583 during the first round of debate. This is due to a drafting error in AM970, which was adopted on General File. I won't go too far into the weeds, but to put it simply: there was a wording in the amendment that did not do what we intended it to do, rendering the special education funding increase inoperable. We are currently in the process of drafting amendments to both LB583 and the accompanying A bill to address the technical issues. When complete, this amendment will reflect the intent of the proposal discussed on General File. If you do wish to see the current fiscal status of LB583 as intended, our Fiscal analysis [SIC-- Analyst] was kind enough to include the calculations with the intended effect at the bottom of page two of the most recent fiscal note for LB583. Pages have delivered copies of this most recent fiscal note to each of you at your desk. Meanwhile, I ask you to vote green on LB583A to advance it forward. Thank you, Mr. President.

KELLY: Thank you, Senator Sanders. Mr. Clerk for an amendment.

CLERK: Mr. President, Senator Sanders would move to amend LB583A with AM1487.

KELLY: Senator Sanders, you're recognized to open on the amendment.

SANDERS: We withdraw the amendment. Thank you.

KELLY: It is withdrawn. Seeing no one else in the queue, Senator Sanders, you're recognized to close. And waives closing. Senators, the question is the advancement of LB583A to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

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CLERK: 40 ayes, 0 nays on advancement of the bill, Mr. President.

KELLY: LB583A advances to E&R Initial. Mr. Clerk.

CLERK: Mr. President, LB683A, introduced by Senator Moser. It's a bill for an act relating to appropriations; appropriates funds to aid in the carrying out of the provisions of LB683; and declares an emergency. The bill was read for the first time on April 18 of this year and placed directly on General File.

KELLY: Senator Moser, you're recognized to open.

MOSER: Thank you, Mr. President. LB683A is the companion A bill to LB683 that creates the state broadband office, amends the One-Call Act, prohibits certain foreign-made equipment in telecommunications networks, and adopts the Rural Communications Sustainability Act. I would ask for the advancement of the bill in order to catch up to LB683. Thank you, Mr. President.

KELLY: Thank you, Senator. Seeing no one else in the queue, you're recognized to close. And waive closing. Senators, the question is the advancement of LB683A to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 39 ayes, 0 nays, Mr. President, on advancement of the bill.

KELLY: LB683A advances to E&R Initial. Mr. Clerk, next item.

CLERK: Mr. President, LB754A, introduced by Senator Linehan. It's a bill for an act relating to appropriations; appropriates funds to aid in the carrying out of the provisions of LB754; and declares an emergency. The bill was read for the first time on April 12 of this year and placed directly on General File.

KELLY: Senator Linehan, you're recognized to open on the bill.

LINEHAN: Thank you, Mr. President. LB754A is just the companion bill to LB754, which was the income tax package, and we will in the next few days know where we are. Well, Revenue Forecasting Board meets tomorrow and we get the appropriation bill next week, and then, obviously, there will have to be adjustments made to the tax packages. But I would ask for your green vote on LB754A. Thank you.

KELLY: Thank you, Senator Linehan. Seeing no one else in the queue, you're recognized to close. And waive closing. Senators, the question

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is the advancement of LB754A to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 29 ayes, 1 nay, Mr. President, to-- on advancement of the bill.

KELLY: LB754A advances to E&R Initial. Mr. Clerk, next item.

CLERK: Mr. President, some items. Amendments to be printed: Senator Machaela Cavanaugh to LB727. Additionally, new A bill: LB227A from Senator Hansen. It's a bill for an act relating to appropriations; appropriates funds to aid in the carrying out of the provisions of, provisions of LB227; and declares an emergency. Mr. President, in regards to the agenda, LB92, Senator Machaela Cavanaugh, I have notes to withdraw MO293, MO298, MO297, and MO296.

KELLY: The motions are withdrawn.

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

KELLY: Senator Ballard, you're recognized to speak.

BALLARD: Mr. President, I move the E&R amendments to LB92 be adopted.

KELLY: You've heard the motion. All those in favor say aye. All those opposed, nay. The E&R amendments are adopted. Mr. Clerk.

CLERK: Mr. President, Senator Slama, FA31. I have a note she wishes to withdraw.

KELLY: It is withdrawn.

CLERK: In that case, Mr. President, I have nothing further on the bill.

KELLY: Senator Ballard for a motion.

BALLARD: Mr. President, I move that LB92 be advanced to E&R for engrossing.

KELLY: Senators, you've heard the motion. All those in favor say. All those opposed, nay. It is advanced. Mr. Clerk, next item.

CLERK: Mr. President, next bill: LB254. I have MO410, MO411, and MO409 from Senator Machaela Cavanaugh, all with notes that she wishes to withdraw.

KELLY: They are withdrawn.

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CLERK: Mr. President, LB254. I have E&R amendments, first of all, Senator.

KELLY: Senator Ballard, you're recognized to speak.

BALLARD: Mr. President, I move the E&R amendments to LB254 be adopted.

KELLY: Senators, you've heard the motion. All those in favor say aye. All those opposed, nay. They are adopted.

CLERK: Mr. President, Senator Hunt would move to amend with AM1460.

KELLY: Senator Hunt, you're recognized to open on the amendment.

HUNT: Thank you, Mr. President. Briefly, colleagues, this is an amendment that we talked about on General File. I would like your support for it. It just requires that closed captioning be required for these videos and that it be in English and Spanish. Thank you, Mr. President.

KELLY: Thank you, Senator Hunt. Seeing no one else in the queue, you're recognized to close on AM1460. And waive. Senators, the question is the adoption of AM14-- AM1460. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 35 ayes, 0 nays on adoption of the amendment, Mr. President.

KELLY: The amendment is adopted.

CLERK: Mr. President, Senator John Cavanaugh would move to amend with AM1461.

KELLY: Senator John Cavanaugh, you're recognized to open on the amendment.

J. CAVANAUGH: Thank you, Mr. President. AM1461 contains my bill, LB552, which is the other Executive Board priority bill. LB552 is a cleanup which extends the dates on the Legislative Mental Health Capacity-- Care Capacity Committee by one year in order to allow for the hiring of a consultant. The committee was created by LB921 last year, but in the course of passing that bill, the A bill inadvertently contained no appropriation for the hiring of a consultant. LB552 would correct that oversight and allow the committee, with the approval of the Exec Board, to hire a consultant to determine inpatient mental healthcare needs in Nebraska. I'd ask for your green light on AM1461. Thank you, Mr. President.

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KELLY: Senator Erdman, you're recognized to speak.

ERDMAN: Thank you, Mr. President. I was wondering if Senator John Cavanaugh would yield to a question.

KELLY: Will Senator Cavanaugh yield to a question?

J. CAVANAUGH: Yes.

ERDMAN: Senator Cavanaugh, share with me what problem we're trying to solve here with this bill.

J. CAVANAUGH: Oh, that's a great question, Senator Erdman. So you hear a lot of conversation on the floor here about mental health needs in this state, and one of those needs is actual in-patient bed capacity. And so this is partly to figure out what that number is-- so this would be a study performed by an expert-- to determine what we have available currently and what are our actual needs. Because you see a lot of, you can hear from our hospitals when you have somebody that's in a mental health crisis and they have nowhere to put them, they end up taking up a hospital bed, an acute care bed, and that prevents them from getting the real type of care they need, but it also prevents the hospital from providing care for other folks. So it's trying to get a grasp on what our real needs are and what our actual resources are so that we can--

ERDMAN: OK. All right. Thank you. So I see you're going to put this out for a competitive bid. Is there a A bill attached to this? Is there a--

J. CAVANAUGH: There is a A bill in both this bill, LB552, and the, the A bill, I think, have already moved. But in the interest of getting things moving, we're attempting to attach it to this bill here. And I would point out the Legislature actually approved this bill last year, it just-- we failed to actually appropriate that funds in an oversight last year.

ERDMAN: So what would be the appropriation set aside for this study?

J. CAVANAUGH: I believe it's \$50,000.

ERDMAN: So would you agree that the study will probably cost \$50,000?

J. CAVANAUGH: I'm sorry?

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ERDMAN: Would you agree that if you have appropriated \$50,000, whoever is making a bid, will put a bid in for \$50,000?

J. CAVANAUGH: I think that's possible.

ERDMAN: OK. Thank you. I think that's probable. All right. Thanks for the explanation.

KELLY: Thank you, Senator Erdman. Seeing no one else in the queue, Senator John Cavanaugh, you're recognized to close on the amendment. And waive. Senators, the question is the advance-- the question is the advancement of AM1461-- or, the adoption, I should say. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 35 ayes, 0 nays on adoption of the amendment, Mr. President.

KELLY: AM1461 is adopted. Senator Brewer, you're recognized to close on LB254.

BREWER: Real quick, just remember this is the digital library that we've talked about to record both the floor debate and our committee hearings. With that, I'll ask for your support on LB254. Thank you, Mr. President.

KELLY: Thank you, Senator Brewer. Senator Ballard, you're recognized for a motion.

BALLARD: Mr. President, I move that LB254 be advanced to E&R for engrossing.

KELLY: Senators, you've heard the motion. All those in favor say aye. All those opposed, nay. LB254 is advanced to E&R Initial. Mr. Clerk.

CLERK: Name adds, Mr. President: Senator Conrad to LB82; Senator Conrad to LB153; Senator Fredrickson, LB227; Senator Ben Hansen to LB574 and LB626; Senator Conrad to LB763. Finally, Mr. President, a priority motion: Senator Albrecht would move to adjourn the body until April 26, 2023, at 9:00 a.m.

KELLY: Senator Arch for an announcement.

ARCH: Thank you, Mr. President. Colleagues, thank you very much for the progress we made today. Very much. However, a new wrinkle. We have food being delivered anticipating that we were going to be here this evening, so I hope you brought your appetite. And you can stick around. They will try to accelerate the delivery of the food as, as

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quickly as they can. But please, please stick around for, for dinner, and, and thank you again for the progress today.

KELLY: Thank you, Mr. Speaker. The question is, shall the Legislature adjourn for the day? All those in favor say aye. Those opposed, nay. We are adjourned.