

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 10, 2023
Rough Draft

KELLY: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the seventy-sixth day of the One Hundred Eighth Legislature, First Session. Our chaplain for today is Senator Clements. Please rise.

CLEMENTS: Please join me in prayer. We thank you, Lord, for this spring day. And we thank you for the blessings that we've received. I pray a blessing over each of our senators and all of our staff. We thank you for their good work for us. I pray, Lord, that you will give us wisdom and discernment and patience and self-control today. I ask you, Lord, to be with each one of us as we go throughout this day. In Jesus' name. Amen.

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

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

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

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

KELLY: Thank you, Mr. Clerk. 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: amendment to be printed for Senator Holdcroft to LB157. That's all I have at this time.

KELLY: Thank you, Mr. Clerk. We'll now proceed to the first item on the agenda.

CLERK: Mr. President, LB814 on Select File. First of all, Senator--
[MICROPHONE MALFUNCTION]

KELLY: We have an announcement from Speaker Arch and then Senator DeKay. Speaker Arch.

ARCH: Thank you. Colleagues, I'm going to change things up a bit this morning, provide my weekly scheduling announcement a day early. First of all, I've been getting several questions about when LB574 will be rescheduled for debate. I've decided to schedule the bill for next Tuesday at end of the day. Today, after the Select File debate of budget bills LB814 and LB818, we'll take up Senator Briese's property tax bill, LB243, for a couple of hours. Tomorrow, we will complete the debate on LB243 then move on to LB5-- excuse me-- LB754, the income tax bill. Last week, I had announced tomorrow could be a late night. At this point, today's headstart on the debate of LB243 should allow us to work through the lunch hour tomorrow and then adjourn around 3:30 for our four-day weekend. Tuesday, we will take up on General File LB727, the Revenue Committee's priority bill, followed by, as I mentioned, LB574. On Wednesday and Thursday, we will have Final Reading of the budget package bills. Thank you, Mr. President.

KELLY: Thank you, Mr. Speaker. No further announcements. Mr. Clerk for items.

CLERK: Mr. President, first item on the agenda: LB814 on Select File. First of all, Senator, there are E&R amendments.

KELLY: Senator Ballard for a motion.

BALLARD: Mr. President, I move the E&R amendments to LB814 be adopted.

KELLY: You've heard the motion. It is a debatable motion. Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. It is a debatable motion, so. You know me, if I can talk-- I guess I'm going to. So, LB814. Back at it. I-- some observations from yesterday: members of the Appropriations Committee who have not spoken on a single budget bill talked yesterday. Not on a budget bill, though. Not on a budget bill. Just to help take time on Senator Sanders' bill. I thought that was fascinating. I would-- had thought that perhaps members of the Appropriations Committee who hadn't spoken are adverse to speaking on the microphone and maybe that's why. And that's, you know, everybody has their style. Some people don't like to talk on the microphone, but I guess that was wrong. They just don't like to talk on the bills that they're supposed to be helping educate the body about. So, there we are. Yeah. I, I'm hopeful that today's budget debate-- it's shorter. It's not eight hours. It's only four. So I'm hopeful that today's budget debate will yield some interaction, some conversation outside

of just me drolling on, reading the budget again. So I think that would be nice for the people of Nebraska to see an actual debate on the budget. I'm trying to find where I left off on the budget. I know I didn't read the whole thing. I've read most of the Martian, but that's really just the descriptor. I haven't read most of the bill itself to the body, so we'll probably get back to that. I think I've gone through Pro-- or, Agency 25. For the most part, I think I've gone through most of that. On page 41 of-- well, I assume the amendment because we didn't really make-- maybe we made changes. Page 41 of AM915, which was the amendment that we adopted on General File, is where the behavioral health aid is. And I bring that up because that's something that I have expressed concern over numerous times, is that we're taking money out of the behavioral health aid and putting it into the general funds to pay our claims. And-- I, I doubt that anyone is paying that close attention to how I vote on things, but I did vote for the claims bill because I do believe we should pay our debts. And, and as many problems as I may have with a lot of things that we are doing with the budget, I don't think that we should be-- we should be in good stead with paying our debts, so. I did vote for the claims bill. OK. So, page-- I'm just trying to decide if I should start back on page 40 or 41. Page 41 of AM915. And I apologize. I don't-- I'm not going to print more documents unnecessarily, so I don't have a copy of the E&R or, or how it-- the bill stands now. So I'm reading off-- so I'll reference AM915. So if people are looking at what I am reading, they can go to the website and pull that AM. So, Behavioral Health Aid: General Fund, \$84,505,211; Cash Fund, \$17,925,000; Federal Funds, estimated, \$10,504,000; Program Total, \$112,935,182. They're included in the appropriation to this--

KELLY: One minute.

M. CAVANAUGH: Thank you-- for FY 2023-24. \$84,505-- just restates those amounts. There is included in the appropriation of this program-- and then it has the amounts for the next FY. It's the intent of the Legislature that any provider rate increases in FY '22-23 and '23 to-- '21-22 and '22-23 continue in the appropriation to this program and that any provider rate increases appropriated in this biennium are in addition to such increases. So, that is good. It is the intent of the Legislature that any appropriation to the department for behavioral health aid and designated as funding to be allocated to a behavioral health region shall be utilized to provide activities pursuant to the approved annual budget--

KELLY: That's your time, Senator. And you're next in the queue.

M. CAVANAUGH: Thank you, Mr. President-- pursuant to the approved annual budget of the behavioral health region or additional activities identified through need to demonstrate the region throughout the year. Whenever circumstances occur during the budget year that impact the initial projected behavioral health region budget, the director of behavioral health shall allow for reassignment of funds between service categories of no more than 20 percent to accommodate emerging needs identified by the behavioral health region to maximize the ability of the region to implement new behavioral health services and supports or expand existing capacity in existing services. If the reassignment of funds between service categories exceeds 20 percent, the director shall determine whether to approve the reassignment of funding within 30 calendar days after receiving a request by the behavioral health region. This is something that came in front of HHS, a question as to whether or not regions can have latitude on shifting funds around to more appropriate usage without prior approval. They have-- they, they have to request approval. And if it's not approved-- I already know. I read the end-- that if it's not approved within 30 days, it's automatically assumed to be approved and they can do it. Included in aid for this program, \$6.5 million cash funds for state aid for the distribution of national opioid settlement funds, which shall only be used for such purpose. I realize now that I have-- I did read this on General, so I am going to skip forward to page 44-- oh, and get back in the queue. Page 44, line 22, AM915, LB814. The Department of Administrative Services shall monitor the appropriations and expenditures for this program according to the following program classifications: Number 35, Juvenile-- Office of Juvenile Services; Number 371, Youth Rehabilitation Treatment Center-Hastings/Lincoln; Number 374, Youth Rehabilitation Treatment Center-Kearney. It's interesting. Number 30-- 371, it's Hastings/Lincoln. I wonder why they're not their own number. So I'm going to the program book. My desk is piled. I-- my staff member came to my desk a couple days ago and took away some binders that were not of essential need. And there were-- I think she took away, like, 10. They were in all my drawers. I don't have a problem. I don't know-- I don't have a binder problem. I don't need an intervention on binders. OK. So-- I thought maybe these were program numbers, but they're not. It says numbers, but they're not in the program-- they're not in the LFO directory. Are they? Maybe they are. 3-- maybe. No, they are not. Well, I'll figure that out later. OK. There is included in the appro-- in the appropriation to this program for FY '23-24 \$1 million cash funds for, for mental health services to juvenile offenders under Section 43-407 from the

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Nebraska Health Care Cash Fund. There is included in the appropriation to this program for FY '24-25--

KELLY: One minute.

M. CAVANAUGH: Thank you, Mr. President-- \$1 million cash funds for the mental health services for juvenile offenders. Again, Nebraska Health Care Cash Fund. Then we go to the Children's Health Insurance, commonly known as CHIP. So this is included-- there is included in the appropriation to this program \$26.3 million general funds, \$7.8 million cash funds, \$98.6 million federal funds estimated for state aid, which shall only be used for such purpose. There is included in the appropriation to this program-- and it lays it out again. Lays it out again for the next year. And-- oh, there is included in the appropriation for this program, FY '23-24, \$6.8 million cash funds for state aid from the Nebraska Health Care Cash Fund. There is included in this appropriation for this program, \$6.8 million for the next year. And there is included in the amount shown as aid for this program for FY--

KELLY: That's your time, Senator.

M. CAVANAUGH: Thank you, Mr. President.

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

BLOOD: Thank you, Mr. President. I stand in support of LB814, but I do have some questions that I don't think have been asked on the mic during debate that I'd like clarified before we move forward. And I would ask Senator Lippincott to please yield.

KELLY: Senator Lippincott, would you yield to some questions?

LIPPINCOTT: Yes.

BLOOD: Senator Lippincott-- it's a quick question. So LB470, which is Senator McDonnell's part of the bill, one of the many parts that he has in that bill, was in reference to reimbursement rates to match provider rates for an increase for medical services. And you voted no on that. Can you tell me why you voted no? Do you remember? LB470's Senator McDonnell's bill. It shows that you were a no vote on it. Does that ring a bell? If not, there's two other people I can ask. I'm just curious what the discussion was and why there was opposition to it.

LIPPINCOTT: You'll have to give me some more information.

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BLOOD: All right. Thank you, Senator Lippincott. I would ask that Senator Erdman yield to a question.

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

ERDMAN: Yes.

BLOOD: Senator Erdman, do you remember the hearing-- or, do you remember the vote on LB470 to include this into the bill? It was a Senator McDonnell bill, the reimbursement rates to match provider rates that increase medical services. And you voted no. I'm just curious why you voted no.

ERDMAN: Can you, can you restate that? I had trouble hearing it.

BLOOD: LB470.

ERDMAN: Yes.

BLOOD: Can you hear me OK? OK. LB470-- and I said it really fast because we only have a few minutes-- is a Senator McDonnell bill and it's included in this packet. And the vote to include it in the packet-- there were three no votes, and you were one of them. And the bill is for the reimbursement rates to match provider rates for their increase in medical services. And I was just curious if you remembered why you voted no.

ERDMAN: When we, when we had a hearing-- when we had our, our hearings on Appropriations, we heard numerous bills, and we did not know at that time how much funding there would be available to things. And we needed to make sure that it all fit in the package, that we didn't overspend or appropriate what we had to, to appropriate. So you have to hold back some of that to make sure that you have the funds available to do what you're asked to do.

BLOOD: So that was your reasoning for the "no" vote. I appreciate that.

ERDMAN: Thank you.

BLOOD: I'd ask that Senator McDonnell yield to a question.

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

McDONNELL: Yes.

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BLOOD: Senator McDonnell, LB470. Great bill included in this bill. Just a quick question. You had three no votes. I've heard one person give some reasoning. Do you remember what the opposition was?

McDONNELL: I'm sorry. I wasn't listening earlier. I was talking to another senator. I do not.

BLOOD: All right. Well, I managed to get absolutely nothing done on my turn on the mic here today. I'm concerned we have a lot of, lot of big omnibus bills that are coming through. And one yesterday was a really good example. If you look at some of these bills, they have opposition. They have "no" votes. They're not coming out 8-0. And we're not questioning a lot of them. So I just want to really encourage people to make sure that you look at the committee statement and then you start going and seeing what information is available in the transcripts. And you ask people, why did you vote no? Or you ask the organizations, why don't you support this bill? Because of how we're rushing through things-- and I know it seems like we're not rushing through things, but we really are if you look at the omnibus bills-- I don't think all of you have a clear understanding. And I don't mean this in an insulting way. I mean that, you know, you're drinking from a fire hose of some of the things that you're voting through. And once it becomes law, it becomes somebody else's problem. So I just encourage people to make sure that you are reading those committee statements, you are looking at what the votes are, you are looking at the, pros--

KELLY: One minute.

BLOOD: --and the cons, and do your research. You're just hanging out now anyway and chatting with people while things are being filibustered. Now is a great time to get a clear understanding of what's actually in the bills. Thank you, Mr. President.

KELLY: Thank you, Senator Blood. Seeing no one else in the queue, Senator Machaela Cavanaugh, you're recognized to close. The motion has been made to adopt the E&R amendments. All those in favor say aye. Those opposed, nay. They are adopted. Mr. Clerk for items.

CLERK: Thank you, Mr. President. Quickly: an amendment to be printed from Senator John Cavanaugh the LB574. Additionally, concerning LB814, Senator Clements would move to amend with AM1730.

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

CLEMENTS: Thank you, Mr. President. Good morning. LB814 is the mainline budget bill and it's-- we did-- we went through a lot of it the other day. And there have been-- found some technical changes that we need to make. I have 17 of them. I'm going to go through them briefly. And then different senators who have introduced bills regarding that or on those topics, we'll have them give more detail if they like. The first item [INAUDIBLE] the Department of Agriculture. Just correcting the health insurance amounts for their employees. Number two, the Real Property Appraiser Board needed authorization of the salary limit-- increase to the salary limit for their employee, and that was \$37,000. Number three, the Commission on Public Advocacy, Advocacy has a retirement. And when we have a retirement, there's a-- they get carryover sick time or vacation pay. We had to increase the amount of their salary limit to take care of that retirement payout. Number four, the Coordinating Commission for Post-Secondary Education: changing a name of a program from "Community College Gap Program" to "Higher Education Financial Aid." Fifth one, Game and Parks: correcting the salary expenses for tech-- temporary workers. There's a correction in the figure there. Sixth was Department of Corrections had a typographical error. Changed the word "proving" to "providing." Number seven, Department of Education: changing a name of a program there, from "Data Research and Evaluation" to "Data Management and Application Development." Number eight, Department of Health and Human Services: clarifying an earmark regarding the Health Care Cash Fund regarding-- that was originally in LB802. And let's see. That was, that was regarding cancer research. Changing a name from a "cancer network" to a "nonprofit organization that does cancer screening." Number nine-- let's see-- is another Health and Human Services clarifying an earmark, earmark relating to food banks. They're going to be using some TANF funds, so we have to add language that they hold a certificate of exemption under Section 501(c)(3), requiring them to be a nonprofit to receive these moneys. Number 10, the Nebraska Arts Council. Slight change in their appropriation from \$1 million to \$946,473 in the first year. Similar in the second. Number 11, Department of Environment and Energy, Water Well Standards and in Contractors' Practice Act. We'll have a senator that will be discussing that one. Number 12, Department of Natural Resources. There's-- allocating ARPA funds to a city of the first class. This is probably going to be Norfolk for a riverfront improvement of \$2 million. Number 13, Department of Economic Development: reduce, reduce the cash fund. This is on the, again, that riverfront development. It had been allocated to Game and Parks. We're changing from Game and Parks to ARPA funds because Game and Parks did not have the-- we were

overappropriating that program. Number 14, the Nebraska Retirement Board-- Public Employee Retirement Board is getting some new software and changing-- increasing the amount of the appropriation for some technology upgrades. Number 15, Department of Economic Development, regarding the Lancaster County Agriculture Society. It was the intent to allocate money for-- again from Game and Parks' capital fund, which didn't have enough in their budget, so that it was being removed. Item 16, Department of Correction regarding vocational and life skills for inmates. It's got \$4 million per year for state aid and another \$500,000 per year for reentry and restorative justice programming for adult and juvenile offenders. And this was one Senator McKinney and I had worked about. They had been having to expend their programming expenses up-front and get reimbursed later. This now says that they would be paid in advance on a monthly basis, so-- but required to return unused funds and be subject to reporting. And that will help them with reentry programming for inmates. The last one is number 17 regarding child welfare provider rates. And I would ask-- Senator Wishart, would you yield to a question?

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

WISHART: Yes. I'd be happy to.

CLEMENTS: Senator Wishart, we yesterday met and added this last on-- one on child provider rates. Would you describe that, please?

WISHART: Yes. So, yesterday, we met with all of the child-- representatives from all the child welfare entities. They came to a negotiation, an agreement with the Department of Health and Human Services regarding utilizing carryover ARPA funding that was available within DHHS to cover the next two years of provider rates-- of their provider rates. So it would be a 3 percent increase and a 2 percent increase over the next two years. Instead of utilizing general funds, those will be ARPA funds that will be used for that. There is a commitment and, and, and I've talked with the Governor's team as well, that this is a base increase. So, moving forward, they will, like all of the other providers, be receiving a base increase of the 3 percent and 2 percent. It's just for the next two years. There are some ARPA funds that are available for the department to use to-- and not have to use general funds for this. In addition, there is a one, a one-time funding of \$1 million that is going to fund a, a center in a primary-class city that goes and supports teenaged foster mothers who have nowhere else to go and are, are going to be new moms. And so I definitely supported that funding as well. And then in addition,

there'll be some additional funding that ARPA will be used for, for five specific services that you can see outlined in, in this amendment. Mainly going to support rural child welfare providers, especially dealing with their transportation costs. This is one-time bump of funding for these five specific services. But again, I thought it was important for us to support them. This is supported by the child welfare entities across the state, and so I would encourage you to support this amendment. Thank you.

CLEMENTS: Thank you, Senator Wishart. Those services are at the, are at the bottom of that amendment. Include family support, parenting time/supervised visits, travel time and distance, intensive family preservation and intensive family reunification regarding child welfare. So those--

KELLY: One minute.

CLEMENTS: Thank you. Those were the items that the committee unanimously voted to include in the committee cleanup amendment. And I ask for your green vote and your support on AM1730. Thank you, Mr. President.

KELLY: Thank you, Senator Clements. Senator Hughes, you are recognized to speak.

HUGHES: Thank you, Mr. President. I rise in support of AM1730. I want to thank Chairman Clements and the Appropriations Committee for working with us. Senator Wishart mentioned we-- one of the bills I brought was to provide a \$1 million grant to help pregnant and parenting homeless youth. And by the way, there are already-- there is already \$1 million in matching funds for this program outside of the dollars provided by this amendment. Here's the deal: last year, there were 84 miners in Lincoln alone who were homeless and either parenting a child on the streets or pregnant on the streets. There are hundreds more across our state in the same situation. We don't have an exact number, but one person in this situation is too many. That is why I introduced LB772. We will do whatever it takes to get this done to start getting these youth and their kids off the street and into an environment where they can be provided the training and the skills to manage being both a successful parent to their child and becoming a productive citizen. The facility that will be supported by these funds serves not only to provide care and support for the young mother and her child, but also a preventative measure for our state in terms of averting costs down the road. TANF is the force-- is the source of the

funds we were told to use, and that's what we're going to do. These funds will be used to support operations at a facility that will assist getting these homeless youth and their kids off the street. I don't think Temporary-- using Temporary Assistance for Needy Families, which is a federal program that provides states with the flexibility in operating programs to help low-income families with children, achieve economic self-sufficiency should be an issue. Homeless youth who are pregnant or with a child are exactly who the TANF program was designed to help. You cannot have a lower income than being homeless. I urge my colleagues to vote green on AM1730. Thank you, Mr. President.

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

VARGAS: Thank you very much. So I know I'll have a little bit of a conversation on things here. I wanted to start by responding to these-- this amendment, a couple of the items that was just being talked about. We did exec on this. In particular, the new language that Senator Wishart was discussing and Senator Clements-- I have a couple of different-- additional piece of information on this that I wanted to make sure is clear. I brought this up in our Exec Session, which is we-- in the past administration, we had issues and some problems with getting funds out to providers, especially when we had one-time ARPA funds. We had this problem with developmental disabilities. We're having-- we had this problem with child welfare. It was the reason behind many senators bringing bills to try to address and right that wrong, be very more explicit, pass statutory language. Something that Senator Wishart said that I want to emphasize is there is a commitment made by this new administration that they will make sure that the rebasing will happen. And there's a lot of trust being placed into the new administration. I want to make it clear for the record and the, and the public and my colleagues that we have a responsibility to make sure that we are keeping up with cost of living, being competitive for our providers. Our child welfare providers and DD providers are two clear examples. We have to make sure that we're watching this. They have made a commitment that they're going to make sure they're rebasing and not just providing the one-time funds and then letting it sit in and then letting it go back down, but putting that in the one-time funds and then rebackfilling it in with general funds in the next biennium. This is going to be important. For those people that have ever been and heard from providers and any of these different subgroups or Medicaid providers or behavioral health or any of them, we just continue to think that if

we increase the rates this one time, that it's going to be fine. And what we continue to find out is every year that we lag on getting funds out, every year that we lag on, on making sure that certain services' rates are, are actually meeting the needs and are getting out to providers, we're making it harder. And when we also add more administrative tasks on them, that is very costly in terms of the back end. It adds up. It's not something where it's a one and done. So my hope and commitment-- we won't be-- many of us won't be here. I know I won't be here in our next biennium budget-- is to make sure we follow through on this. And the comforting thing of why I supported this is it was to different sides of child welfare, child welfare that said, hey, we support this. We're just up negotiating. We're trying to come to a deal, which compromised many of these things. So the deal was the child welfare, all the providers, the different associations, including Senator Jana Hughes's bill, was also included as part of this. It was all one amendment, which is why we took it up in that, in that way and that's why we added it. So I just wanted to make clear for the record. I hope that we follow through-- and I'm, and I'm, and I'm saying this is the hope for the new administration-- on getting the dollars out so that they get out to providers, they get out to services, they get out to the wages needed so we don't lose our workforce in this much-needed front-line services to Nebraskans.

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

CONRAD: Good morning, Mr. President. Good morning, colleagues. I am pleased that we have an opportunity to dig into so many substantive and important issues in regards to our-- the budget measures that are before us. In listening to Senator Clements' open and talking to my colleagues who serve on the Appropriations Committee-- on the one hand, I was very heartened to hear that there is going to be additional resources provided to child welfare providers across the state. I've introduced two measures this year to do just that: to recognize the increased challenges they have with workforce, with inflation and how critical their work is to ensuring that we have a strong safety net for vulnerable kids, recognizing that they help families in crisis and families in need stay together or find permanent, safe and loving homes. Again, this is an area-- their work in adoption services, their work in family reunification-- this is an area where I think we can find and should find a lot of common ground. So I'm pleased to see that issue rise to a level of greater importance. So perhaps as equally as excited I-- as I am to see some additional resources being provided to the child welfare funds, I'm

equally disappointed in the fund source. So this is another raid on the TANF rainy day funds. This is not an appropriate use of these funds. We've had an-- just a long discussion about this on General File, yet here we go again. So Nebraska has one of the highest balances in our TANF rainy day funds because we haven't modernized our systems to get those dollars to the families who are working their way out of poverty. They're meant to go to families. They are not meant to pad the bottom lines for nonprofits or any other purpose. In fact, it's not just my opinion. The law is clear that you cannot utilize TANF rainy day funds to supplant other state-funded obligations. So whether it's the food banks, whether it's DV services, whether it's child advocacy centers, whether it's now the child welfare providers-- these are all worthy, critical partners in our work in Nebraska. There is no dispersion or judgment about the importance of their incredible, good work. But here we are playing games again with cash funds that we don't need to and that are not meant for this purpose. It's unsustainable. It's suspect from a legal perspective. And it's insulting to low-income working families who are working their way out of poverty. These dollars that come from the federal government are meant to go in their pocket, and it's wrong for us to cast judgment that they can't be trusted to figure out what's best for their family. Senator Machaela Cavanaugh, myself, Senator John Cavanaugh all have measures pending before the Health and Human Services Committee that are sustainable and appropriate ways to update our state policy in recognition of the fact that we have had neglect for almost a decade now in regards to this issue. In 2014, then-Auditor Foley put forward a report that said, your TANF rainy day funds are too high. You need to come up with a plan to direct them to families in need. No action. No action. No action for 10 years. And today, in a day of unprecedented economic prosperity, the Appropriations Committee, in concert with stakeholders in the lobby, has grabbed more money--

KELLY: One minute.

CONRAD: --away from needy families for other core obligations. That is legally suspect. It's wrong from a policy perspective. It's insulting. We had a long, robust debate about this on General File, and nobody had the courtesy to provide a heads-up to myself or Senator Cavanaugh or the other Senator Cavanaugh who've been working diligently on these issues in regards to a comprehensive and thoughtful plan on the TANF rainy day funds? I'm going to keep hitting my light in on here this morning, but. You know, I, I work in good faith every day. And I'm not saying I get it right every day. And I'm not saying we have to agree. But a simple heads-up for an issue that I've been working on in good

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faith all session and over the entirety of my career. We can't even have a, a professional courtesy--

KELLY: That's your time, Senator.

CONRAD: --to provide a heads-up?

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

M. CAVANAUGH: Thank you, Mr. President. Would Senator Hughes yield to a question?

KELLY: Senator Hughes, will you yield to some questions?

HUGHES: Yes, I will.

M. CAVANAUGH: Senator Hughes, is this appropriation tied to your bill, LB772?

HUGHES: Correct.

M. CAVANAUGH: Thank you. Would Senator Clements yield to a question?

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

CLEMENTS: Yes.

M. CAVANAUGH: Senator Clements, are you aware that LB772 is an appropriation for capital construction?

CLEMENTS: Would you refresh me? I'm not--

M. CAVANAUGH: That is Senator Hughes's bill for the CEDARS facility that you're appropriating \$1 million of TANF funds. Are you aware that it's capital construction? OK. Well, whether you are or you aren't, you can't use TANF for capital construction.

CLEMENTS: No, I thought--

M. CAVANAUGH: So. Maybe we should start doing our due diligence. And to the lobbyists that worked on this, unbelievable. Unbelievable that not a single one of you would have talked to me and just let me know that this was happening. Thank you for the slap in the face. And to the members of the Appropriations Committee, I echo everything that Senator Conrad said. Why would you not have told us? Because you knew

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what you were doing was wrong. You must love a visceral reaction on the microphone. Otherwise, you would have given me a heads-up. Would Senator Vargas yield to a question?

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

VARGAS: Yes.

M. CAVANAUGH: Senator Vargas, did you vote to include this in this package?

VARGAS: I did, yes.

M. CAVANAUGH: Thank you. Senator Wishart, would you yield to a question?

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

WISHART: I will, yes.

M. CAVANAUGH: Senator Wishart, did you vote to include this in this package?

WISHART: Yes.

M. CAVANAUGH: Thank you. Colleagues, I have lost all respect for you. All respect. You can't increase eligibility for our most vulnerable populations, but you can pilfer their money? CEDARS can raise the money. But you know who can't raise the money? The people who we're denying access to funds, who this money is supposed to be for. And instead of even the smallest of olive branch where you would actually consider including an eligibility increase, you're just going to keep raiding it. What's next? What's the next amendment? What else are you going to take out of the TANF funds? How much more are you going to steal out of the mouths of poor children for your pet projects? Whether they are worthy or not, it is not appropriate. And Senator Vargas and Senator Wishart, you know that. Or you would have told me. And Senator Hughes brought this bill to HHS, so you can't tell me that you can't increase eligibility because it's an HHS bill, because you're just doing it. You're taking an HHS bill, you're putting it into this amendment. So let's do something about it. Let's do something about it. Appropriations Committee, why don't you do something about it? Why don't you appropriate funds to increase eligibility for children for TANF instead of constantly raiding it,

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instead of constantly stealing money from poor children? Why don't you do something about it? Unconscionable.

KELLY: One minute.

M. CAVANAUGH: Unconscionable. I-- this is one of the most disgusting displays this session. And you knew it was wrong. You knew it was wrong, or you would have told me. But-- I mean, I voted for Senator Vargas's food truck, so I guess we're good. You got what you needed out of me, huh? Unconscionable. You are stealing money from children, the poorest children. You are stealing money from them and you're doing it again and you're doing it again and you're doing it again. And it is sickening. You did it for Senator McDonnell and you shouldn't have. You're doing it for Senator Hughes and you shouldn't. And you know that. And you keep doing it anyways. And you pat yourselves on the back like you're doing something great when you're not. You're stealing from kids. That's what you're doing.

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

CONRAD: OK. Thank you. Thank you, Mr. President. Good morning, colleagues. I was hoping Senator Clements would yield to a question.

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

CLEMENTS: Yes.

CONRAD: Thank you, Senator. As Chair of the Appropriations Committee and utilizing TANF rainy day funds now again, perhaps in unprecedented ways in Nebraska, can you tell me just generally what the, the current balance of the TANF rainy day funds are, as you understand it?

CLEMENTS: I understand it's over \$100 million--

CONRAD: Mm-hmm.

CLEMENTS: --as I recall.

CONRAD: I think that's right. And it's probably well north of there. But could you also tell me in terms of what the committee has put forward in regards to the raid on TANF rainy day funds? What's one-time cost and what's ongoing cost, including with this amendment? So--

CLEMENTS: We have-- an amendment coming up after this would be for food banks: \$10 million, one time. This would be \$1 million. And I certainly expected this \$1 million to be for programming and not for capital construction. In addition, a amendment needs to be filed with the federal government to approve of this \$1 million request. And if it's denied because it's not eligible, then it won't be spent.

CONRAD: That, that's right, Senator. And hopefully we can touch base with the fiscal analysts to get a little bit better handle for the body in terms of what the current balance is, what the proposals do in the short term and the long term. And I, I appreciate your responses, Senator Clements. Definitely will, will have more to say on this. But I think your, your last point really should spark a great deal of interest for members if it wasn't clear on General File. The unprecedented utilization of these funds in this manner in Nebraska requires us to ask permission from the federal government to waive the existing law and eligibility and rules about how we utilize these funds because it's not part of the existing statutory scheme. Now, perhaps other states at other times have raided their funds for other reasons, and that's on them. But that's not a model that we should emulate because we have sustainable, thoughtful solutions before us to address this matter. And it's not a joke and it's not a game. And we shouldn't be raiding these funds that come to us for no other purpose, colleagues. No other purpose than to help the neediest Nebraskans work their way out of poverty. That's the whole reason we get these dollars. We don't get these dollars to then expend however you wish. That, that's not how these dollars work. Some dollars are fungible. Some are not. These are not and should not be. And we should not commit ourselves to this course. It's not just my personal philosophy in regards to how these are utilized. It's inherent in the program design regarding these dollars. Additionally, it's grounded in research. Study after study after study shows the best way to help low-income families work their way out of poverty and lessen their reliance on public assistance is to put cash in their pocket because they know what's best for their family, whether it's fixing a broken tire that helps them get to work or helps get their kids to school, whether it's the--

KELLY: One minute.

CONRAD: --school supplies-- thank you, Mr. President-- that aren't covered in WIC or TAN-- or in food stamps or otherwise, but they got to buy their kid a backpack, whether it's the simple personal care items that their SNAP benefits can't be utilized for, whether it's a

birthday cake. These are, these are-- this is the testimony we had before the Health and Human Services Committee. And you-- when you provide direct cash assistance to families in need so that they can figure out the best way to survive and get out of poverty, it helps us all. It honors their dignity and autonomy and it moves people out of poverty faster. So it's a detriment to the families and to the broader society when we don't honor the program design and the fidelity to these funds. And it doesn't matter if the other reasons are good reasons. They are. Then they should be general-funded. Or they should be cash-funded.

KELLY: That's your time, Senator.

CONRAD: Thank you, Mr. President.

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

WISHART: Thank you, Mr. President. First of all, I-- it's totally on me for not talking to Senator Cavanaugh and Senator Conrad after we voted on this. I got pulled in a different direction. And, and I'm sorry about that. Because I should have, and it didn't happen. Secondly, the reason that-- well, first of all, I just philosophically have a different opinion than Senator Conrad and, and, and Senator Cavanaugh have in terms of use of TANF funds. I would love to see these bills come out of Health and Human Services and progress, but they haven't. And so we're sitting here in Appropriations Committee with a significant pot of money that can be used to go and support the things that are outlined in TANF. And when we looked at the different investments that we're making out of TANF, whether it be the food banks, whether it be domestic violence, whether it be support for kids who are victims of sexual abuse or whether it be the operations to go and support a center that supports new mothers and, and pregnant teens, it is, it is my understanding that those do fall in line of uses for this fund. And the other thing I want to add to this is-- well, first of all, these funds cannot be used for capital construction. I acknowledge that and agree with that. The amendment in-- is clear that these are dollars that are going to go to operations. Secondly, this has to be approved by the federal government. And Senator Hughes is aware of that, and I'm aware of that, that they may say no. They may say this is not an, an adequate use of TANF funds. The department has to put forward a proposal for the use of these funds. And if they say no, then they say no. You know, I've talked with Chairman Clements. I'd be willing to look at

another funding source for this if, if the debate continues and, and that's the direction we want to go. But the reality is that there are a significant amount of needs in this state, and we're going to do everything possible as an Appropriations Committee to put the funding that we have to good use. And in the long run, I think it is up to the Health and Human Services Committee if they want to spend down these dollars to put forward bills and get those through and, and onto the floor of the Legislature and passed, and I will be one of the senators that will support that. Finally, I want to circle back around and again apologize one more time. I, I should have talked to Senator Conrad and, and Senator Cavanaugh. There's, there's no excuse for it. And again, to my, to my colleagues and my friends, I'm sorry.

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

HARDIN: Thank you, Mr. President. We had a little mix-up. I was supposed to make an announcement this morning, and, unfortunately, our wires got crossed. That didn't happen earlier, but I would like to do it now. And this is a thank-you to all of you. And here it comes. Many of you have received emails from students at Kimball High School in District 48. This is part of an assignment in their civics class. The students choose five bills that have been given a priority designation and follow each bill through our legislative process. Part of their assignment is to email the bill's primary introducer, sharing their opinion. The teacher of the class, Mrs. Jeri Ferguson, told me that, this year, the students have received more replies from members of the Legislature than ever before. And I wanted to thank you all for doing that. It's got a huge impact. And Mrs. Ferguson told me that her students have come into class excited to share the replies they received from you. The civics class in Kimball High School is a fantastic class with an amazing teacher. The students learn to be engaged citizens and become involved in their community. Tomorrow's leaders are being formed in that class, and you all engaging with them through email showed them that their voices matter and they're heard. And so I just wanted to thank all of you. I really appreciated-- that, that has a huge impact on them. And they've actually traveled here, several of them have, to be a part of committee testimony for things. So, thank you so much for interacting with them via email. Thank you, Mr. President.

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

CLEMENTS: Thank you, Mr. President. Regarding this item, it's-- in AM1730, page 7, starting at line 6, I'd like to read the provision. On page 51, after line 13, insert the following new paragraphs: there is included in the amount shown as aid for this program for fiscal year '23-24 \$1 million federal Temporary Assistance for Needy Families funds to make a grant available for a licensed residential childcare agency which provides outreach services to homeless youth in a city of the primary class as of July 1, 2023, to facilitate housing for pregnant and parenting homeless youth to be located in a city of the primary class. And its-- it has the word "housing," but it says "to facility housing for pregnant and parenting homeless youth". And it's-- which I understand that to be programming, not capital construction. And I certainly have no intention to have this be capital construction. It's to give the homeless a home, housing. And so that is just-- I wanted to explanate and let people take a look for themself on page 7 of AM1730. Thank you, Mr. President.

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

M. CAVANAUGH: Senator Clements, you're wrong. You're just flat out wrong. LB772 fiscal note clearly states that it's for construction of a facility. Senator Hughes said this is for LB772. Just because you wrote the language vaguely enough that it doesn't state that it's for capital construction doesn't mean that it isn't for capital construction. So it'll be denied. And I'm building the record for it. It will be denied. The federal government will deny this use of, of TANF. So all of this will be for naught. I've submitted a floor amendment to strike this language from this amendment because this is an inappropriate use of TANF. It will be denied. We will be penalized 5 percent of our TANF block grant-- more than the million dollars of this-- if we inappropriately do this. Maybe, just maybe, if the Appropriations Committee did a better job of understanding TANF and stopped trying to just raid money, Senator Wishart, just because it's there, maybe we wouldn't be doing things like this that violate the federal regulations of the program. Just because the money's there doesn't mean you should take it. It's a program for a purpose. You can't use TANF funds for pregnant women until the third trimester, and they have to be income-eligible. Is every woman that's going to be in this million dollar, \$2 million facility going to be in their third trimester and income-eligible? Are we going to make them document that? If this is so important, use general funds. I'd vote for general funds. Great. We want to give \$1 million to CEDARS for capital construction, for a facility, for parenting youth. Great. Use general

funds. It's \$130 million in the rainy day fund and we cannot get this body to increase eligibility. Why? Why, Nebraska? Why can't we? Because everybody wants to steal the money for their projects. That's why. If we give more money to the people that the program is intended for, there won't be enough money for us to steal. We'd have to use our general funds, and then we couldn't give massive tax cuts to rich people. So when Senator Wishart says that we don't have money other places, that's because Senator Wishart is voting for the tax cuts. We got to leave money for those tax cuts. We can't use general funds to help people that are poor. We can only use general funds for tax cuts for the wealthy because we are morally bankrupt. Thank you, Mr. President.

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

HUGHES: Thank you, Mr. President. My-- the original goal with LB772 was to, was to request \$2 million for the-- for this facility from the general funds. We then amended it to be a \$1 million as a matching grant from, again, the general funds. And that didn't happen. We couldn't get it done. The plan is now to use the funds for ongoing operations that currently exist. These-- this programming is happening, and they are helping the homeless, the homeless youth and wards of the state who are pregnant or with child. They are using it with existing facilities. So that is the intent now. And maybe we need to change language in the current bill to reflect that. Thank you, Mr. President.

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

VARGAS: Thank you. Similar to Senator Wishart, I want to apologize. This is something that we should have had a conversation with many different senators. This was an agreement that was come together by people outside the lobby and other senators when this was brought to us-- and I can only speak for myself. I voted for it because of the negotiation that was done with all the other parties on the child welfare provider rates to make sure that we are holding them whole, which I mentioned on the mic previously. And I've had this conversation with Chairman Clements that I think we should fund this through one-time cash reserves or the general funds because the original intent of the legislation-- while I support the original intent of the legislation-- the language that we currently have is not meeting or does not align with the intent of the legislation. The

original legislation was for capital construction on one-to-one grant funds, which, to my understanding, was one of the reasons why it was kicked out of committee, that there would be a one-to-one matching component and it was for capital construction. And what this does is-- does not delineate or make it clear. And from the conversations I had with our fiscal analysts-- or, with, with our fiscal analysts, obviously this would need to be approved and we would have to claw this back and we would have to pay it back if it does not qualify, which is what I'm hearing and what I think is going to happen. I will vote to remove the funding and trying to see if we can get an amendment on to do this because I think it is a worthy bill if it's funded through general funds and don't want to take it away from the TANF funds. But separately, I also have child welfare providers that have negotiated with each other. And as I mentioned, we've underfunded them in so many different places. I want to make sure that we figure out how to honor those child welfare providers to make sure that they're getting the pay that they're supposed to get that they haven't gotten for years-- well, haven't gotten for this last year that we told them we were going to get them. And I want to make sure to follow through on that. So I will support striking the funds from TANF funds for general funds or Cash Reserve-- it is a conversation I had with Senator Clements-- because I don't want to jeopardize the existing funds that we currently have for the child welfare. And again, this is brought to us as a negotiated set of circumstances. And it-- beyond apologies, I, I think we can actually right this wrong. And I'm asking my colleagues on the floor to do that because this is a good bill on its own and we should not have to-- TANF shouldn't suffer in terms of the funds. And we shouldn't sort of put a what-if in terms of compliance with this that it'll qualify. I don't want to put us in that situation. Thank you very much.

KELLY: Thank you, Senator Vargas. Senator Conrad, you're recognized to speak. This is your last time on the amendment.

CONRAD: Thank you, Mr.-- thank you, Mr. President. And good morning again, colleagues. So, let me just ground this a little bit here. Again, you've heard me refer many times to the treasure trove of information that comes with our District At-a-Glance books. And I-- if you take a look at page 39, which lists poverty statistics for each of our legislative districts, you can see the district that I proudly represent-- North Lincoln's Fightin' 46 legislative district-- is the second highest in the state in regards to families in poverty. So, Senator McKinney's district, District 11, is, is just a little bit ahead of mine. Who's number three? Senator Vargas. Who's number four?

Senator McDonnell. Who's number five? Senator Wayne. Then John Cavanaugh. Then Senator Albrecht. Then Jane Raybould. Then Senator Hunt. And then finally my friend, Senator Wishart, to round out the top 10 districts in terms of families living in poverty. OK? So what's at issue here is-- it's not personal. For me, it's not even political. It's a policy issue. And it's our job-- the way I view my job and my role in this Legislature is to try and be in conversation with everybody when I can, to try and work with all stakeholders in a thoughtful and credible way, but to also remember we all have different roles in this institution and those that have business before this institution. And our vo-- our, our role at the core of what we're supposed to do as state senators, in my perspective, is to be a voice for the voiceless. And that includes pushing back on our friends who are in the lobby that have a right to be there and have a right to represent their clients' interests. But it's our job to push back on them because, ultimately, even if they're personally committed from an altruistic perspective, they're getting paid. They're getting paid to deliver for their clients. They're getting paid. It's their job to deliver for their clients. And-- it's their right to do that. It's protected under the First Amendment. But it's our job to push back. It's not-- it's our job to ask questions. It's our job to be the voice for the voiceless, people who can't afford high-powered lobbyists that have no problem playing a shell game to deliver for their clients no matter how worthy their clients are. And this is my pushback, because these dollars shouldn't go to pad the budget of any nonprofit, no matter how worthy, for anything. These dollars are our tax dollars that all Nebraskans pay in to the federal government that come back to each state for a specific purpose: to help the poorest families work their way out of poverty for a very limited amount of time. That's what the dollars are for. The reason we have a high, unexpected balance in this fund is because there's been a lack of action by state policymakers for 10 years, for 10 years to take up any smart, thoughtful adjustment to modernize and update our approach to TANF. The reason these funds are so high is not because anybody did anything wrong except for this body failed to act. And now they're sitting out there with a high balance and they're being raided by people who are paid to deliver for their clients.

KELLY: One minute.

CONRAD: That's what's happening. And who hangs in the balance? The voiceless. When we talk about the kind of money we're talking about for TANF-- go look at the fiscal note on LB310 that I brought forward. We're talking about providing a current standard of need of \$600 for

an individual and \$140 for each additional family member. Imagine trying to maintain your family at that level-- coupled with inflation, coupled with the pinch at the pump, coupled with increasing childcare. These dollars do not belong anywhere but with the families they were intended to benefit. And I encourage all senators to learn more about the program design--

KELLY: Thank you, Senator Conrad.

CONRAD: --and to seek solutions.

KELLY: Senator Walz has guests in the north balcony: 78 fourth graders from DC West Elementary in Valley. Please stand and be recognized by your Nebraska Legislature. Senator Machaela Cavanaugh, you're recognized to speak. And this is your third opportunity on the amendment.

M. CAVANAUGH: Thank you, Mr. President. I have submitted a floor amendment-- two different floor amendments. The first was just to strike it entirely, which I don't think we should do. But if we're hellbent on using TANF funds, then we should. The second is to strike "Temporary Assistance for Needy Families" on line 8, page 7 and insert "general funds." So if the Appropriations Committee means to do the right thing, then they'll ask the Speaker to schedule that amendment and we can vote to switch it from TANF to General. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Seeing no one else in the queue, Senator Clements, you're recognized to close on the amendment.

CLEMENTS: Thank you, Mr. President. I have been consulting with my committee members, and I have asked the Fiscal Office to draft an amendment to switch this million dollars from TANF funds to general funds. And-- it's going to take a little while to have that amendment prepared. But I do know that the committee certainly didn't intend to violate any TANF regulations. And I was under the understanding this is just for programming. And rather than try to continue to work with the TANF funds, I believe that the General Fund will have adequate amounts to switch this. It's a one-time expense, not an ongoing program. And so we'll be, we'll be drafting an amendment to strike this language and come up with language that would switch it over to a, a General Fund appropriation. And with that, I ask for your green vote with this as is. We're going to commit to striking the language that's objectionable. And then if we pass AM1730, we will then, as

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soon as a draft amendment is ready, correct that last item in AM1730. So I ask for your green vote on AM1730 at this time. And we will introduce that amendment-- or, correction as soon as possible. Thank you, Mr. President.

KELLY: Thank you, Senator Clements. Members, the question is the adoption of AM1730. All those in favor vote aye; all those opposed vote nay. Have all those who wish to vote voted? Mr. Clerk, record.

CLERK: 29 ayes, 3 nays on adoption of AM1730.

KELLY: AM1730 is adopted. Mr. Clerk for items.

CLERK: Mr. President, item, quickly: your Committee on Transportation, Chaired by Senator Moser, pushed LB600 to General File with committee amendments. New LR: LR138 from Senator McKinney, as well as LR139 and LR140 and LR141, all of which are referred to the Executive Board, Mr. President. Concerning the bill. Next amendment, Senator DeBoer would offer AM1662.

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

DeBOER: Thank you, Mr. President. Good morning, colleagues. This is a bill that-- or, an amendment that would add intent language only-- so it would not add any additional funding-- to do a audit of our American Rescue Plan Act funds. The Auditor and I have discussed this and Senator Clements, and we've all worked it out that he can do this under the amount of money that has already been appropriated under this budget. I brought this as a bill and-- I'm trying to remember my bill number-- LB578. There it is. I brought it as a bill, LB578, to the Appropriations Committee. And Senator Clements, I think, will say that it is a friendly amendment. Let me, let me clarify that on the mic. Senator Clements, would you yield to a question?

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

CLEMENTS: Yes.

DeBOER: Senator Clements, would you classify this as a friendly amendment?

CLEMENTS: Yes. I spoke with Auditor Foley and asked him if he was able to do this within his department, and he agreed. And I consider this a friendly amendment.

DeBOER: All right. Thank you, Senator Clements. So what we're wanting to do here is just provide a little extra level of, of, of transparency, accountability, whatever you want to call it, to look at how our ARPA funds are getting put out into the various programs that we asked them to go out to under LBl014, makes sure we're paying attention to where the interest is, that we are following all state but also all federal requirements. We don't want to have any clawbacks. Obviously, that is an astronomical amount of money. We want to make sure that it's being done in the best possible way. My understanding is that at the end of this audit, there will be some information which can be passed to the various members of this Legislature so that we can all look at it together. And, of course, the best part is that they will be able to cover it under-- they will be able to do this audit under the funds that they are already appropriated under the, the mainline budget. So I would ask for your support for this intent language to ask for an audit of our ARPA funds. Thank you very much, Mr. President.

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

CONRAD: Thank you, Mr. President. Good morning, colleagues. I want to-- it's very rare-- start-- number one, start off with just a little bit of a mea culpa. It's pretty rare for me to be that emotional about the issues that are before us. Maybe it's a product of too many late nights or maybe it's a product of passion. So, just want to dial that back and, and express my lack of composure in terms of the issue that was presented earlier that I was not anticipating having to have a, a robust debate on this morning, and appreciate any grace extended back towards me as I would extend to other colleagues when perhaps we're not at our best. I also want to thank Senator Clements and members of the Appropriations Committee for being open-minded to changing the funding source in regards to the measure that we had previously just talked about, which, again, is worthy and important. It just had an inappropriate utilization of funds, as we've talked about many times on General File and again this morning. I believe there'll be an interim study on this topic so that we can have a more comprehensive discussion about how we got to where we got with this TANF rainy day fund issue and how we craft together a sustainable plan to draw down these funds in an appropriate way. I am also grateful that we have an opportunity to talk about common-ground issues like the ones Senator Hughes brought forward to assist pregnant and parenting young people. I know my friend, Senator Vargas, had prioritized a measure earlier in his career to ask the State Board of Education to adopt a model policy

for all schools to support pregnant and parenting students. I had the pleasure to work with him on that years ago, and that was a really, really important policy that I know, in talking with impacted members of the community, has made a big difference in ensuring that more young parents can stay in school and be successful and contributed to their ability to complete their education and raise a healthy family. I want to just also connect the dots there. I definitely support all women and all choices. And I think it's critical, even if we have a different point of view that is sincerely held and authentically held from a different perspective when it comes to reproductive justice or abortion access, there should be no lack of enthusiasm for our ability to find common ground and consensus on supporting families in need on ensuring that pregnant people in Nebraska have access to healthcare, whether that's through their pregnancy or postpartum. I would be very excited. I know Senator Sanders has been contemplating a robust interim study on ensuring we have one of the strongest and best adoption systems in the country. I think that would be a, a wonderful thing for us to come together and work on. Same goes with prevention. But let me be clear, colleagues-- and we're going to take it up again next week when we have the LB574, LB626 combination debate. You look at the statistics, abortion statistics from Nebraskans year over year over year, and they tell us why they're seeking abortion care.

KELLY: One minute.

CONRAD: Thank you, Mr. President. Well over 50 percent, typically, of Nebraskans who are seeking abortion care do so for economic reasons. They do it for economic reasons. Abortion is a kitchen-table issue. If you want to lessen the amount of unintended pregnancies and if you want to lessen the amount of abortions, you've got to build the safety net. You've got to build the safety net. And you will find unbridled enthusiasm from myself and others to do that. Thank you, Mr. President.

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

ERDMAN: Thank you, Mr. President. Good morning. This is a, what shall I say, a peculiar amendment. So I believe that we've spoken with, or someone has, with the Auditor, and he's agreed to do this. So wouldn't that be sufficient? We call up Auditor Foley. We say, Auditor, we would like you to do an accounting of the ARPA funds. And he said, sure. I can do that. But then we have to have a bill to ask him to do that. And he's already agreed that he can do that within the funds

that he currently has. And so we have to have an amendment to make sure that he understands what we ask him do? He's an intelligent person. Call him up and say, Auditor Foley, we'd like you to do the ARPA funds audit. Got it, he says. I'll do it. But just a minute. Just so you know we're serious, we're going to put an amendment in the budget that says you should do an audit of the ARPA funds. So the point is-- and generally, this is what the decision is made is-- what happens if we don't do this? He audits the ARPA funds. So I'm really struggling to see how this is significantly important that we vote on it. Thank you.

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

CLEMENTS: Thank you, Mr. President. The-- I still am in support of this-- AM1662. I was actually thinking about having an interim study on the ARPA funds, and this will eliminate the need for that. I appreciate the Auditor's cooperation to do this. I wanted to-- one thing I failed to mention regarding the previous issue with the housing for pregnant and parenting homeless youth, the-- and, and the other part of that was child welfare. The child welfare providers are getting a 3 percent and then 2 percent increase. And we're going-- this amendment funds that with ARPA dollars. Health and Human Services had about \$15 million of ARPA dollars unused, and now needing to be used up in the next two years. So this amendment is switching \$14 million of general funds to \$14 million of ARPA federal funds, and that will increase the money to the floor, that we call it, by \$14 million. However then, the amendment for this million dollars that's going to be general funds will then change that increase from \$14 million to \$13 million. So we'll still have a \$13 million increase to the bottom line on the budget. And that's why I agreed that we could do general funds, because we're freeing up \$14 million. We're, we're just going to allocate \$1 million of that. So we'll have \$13 million increase after this is adopted. Thank you, Mr. President.

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

DeBOER: Thank you, Mr. President. To answer Senator Erdman's question-- and I, I did go over and talk to him as well. My understanding is that the Auditor was, was happy and, and even wanted this language. Part of the reason is because we're starting a sort of a larger conversation here of making sure that we follow up about our ARPA funds, making sure that we continue to look after them. Even

though we passed LB1014 last year, we don't want it to be out of sight, out of mind. We want to make sure that we're continuing to follow up because these will be used over the next several years. We're wanting to keep track of where we're at, where the interest is at, all of those things. So putting it sort of in the budget itself will help us to say, you know, both to the federal government, to everyone else around, we're keeping track of this. We're, we're on it. We're watching this. This is important. And we're going to continue to do that. This is, of course, only the first step. This is a one-time audit, but there will continue to be a need for an audit of this money for a long time to come and needing for us as legislators to keep our eyes on it and what's happening with it into the future. So I think this is a, a very good use of this intent language to make sure that everyone's aware that we're, we're watching this, we haven't forgot about it, and we will continue to do so in the future. And there may be at some point a need for, in a couple of years, some kind of a interim study or something to look at it again. But for now, I think this should be adequate. And I do really want to thank the Auditor for his willingness to participate in this and his willingness to do this audit to keep us on track and to make sure that we are, are not going to have any clawbacks, and to keep just the transparency going. So I think that's the answer to that question, Senator Erdman. And I'm happy to answer any other questions that anyone would like to ask me, on the mic or otherwise. Thank you, Mr. President.

KELLY: Thank you, Senator DeBoer. Senator Conrad announces some guests in the north balcony: ninth graders, teachers and sponsors from North Star High School in Lincoln. Please stand and be recognized by your Nebraska Legislature. Seeing no one else in the queue, Senator DeBoer, you are recognized to close on your amendment. And waive closing. Members, the question is the adoption of AM1662. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 33 ayes, 0 nays on adoption of the amendment.

KELLY: The amendment is adopted. Mr. Clerk for items.

CLERK: Mr. President, concerning LB814. Next amendment from Senator McKinney, AM1668, Senator.

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

McKINNEY: Thank you, Mr. President. AM1668 is a friendly amendment, amendment. Since last week, I had some discussions with Chair, Chair

Clements of the Appropriations Committee about putting this language in to ensure that the "Department of Punitive Services" completes a classification study, a custody staffing analysis and analysis of behavioral health staff for correctional facilities and an evaluation of programs as contracted pursuant to LB896, which was passed last year. I think this is a good compromise between myself and the Appropriations Committee to ensure that the "Department of Punitive Services" does what we told them to do and hold them accountable, especially if this body is going to vote to build a new prison. Not a replacement prison because, remember, NSP is not closing anymore. So, this is a friendly amendment. I don't know where Senator Clements is at, but I-- but we talked. And I encourage everybody's vote on this amendment. Thank you.

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

DUNGAN: Thank you, Mr. President. And good morning, colleagues. I rise today in support of AM1668. I spoke with Senator McKinney about this a little bit earlier. I know we're all kind of getting up to speed with all of these amendments. But it did sound as though he'd worked with other individuals to make sure the language of this was something that I think hopefully is agreeable to all. I see that Senator Wishart and Senator Vargas are both in the queue, so hopefully they can give us a little more information about that. I wanted to speak a little bit more to the substance of this. So I supported both of Senator McKinney's prior amendments onto LB814 when we were on General File for the core purpose that I think that if we're going to be building a new prison, it only makes sense to make sure that we are doing it in a way that is based on data, based on information and that we're holding to account the people that we've asked to do things in the past. So the fact that there's been this classification study ordered-- and I put that in air quotes for the transcribers-- in the past but we haven't seen any results is problematic. What we know from looking at our prisons is that people are not receiving the proper care they need. We know that they're not receiving appropriate mental healthcare. And we know that, due to a number of issues-- all of which are somewhat related to prison overcrowding, but also related to staff shortages-- we see folks who are incarcerated not getting the mental healthcare, the substance use treatment and the things that they need to better facilitate reentry and ultimately make our communities safer. And so whenever we hear people talk about wanting safe streets, safe communities, I think what they miss is that we have to be doing things like what's being asked in AM1668 in order to understand the

best and most effective way to run the DCS facilities in order to better facilitate reentry. So, specifically, there's three components on here it looks like, which, concurrent with the authorization of funding, DCS, or Department of Correctional Services, has to then do that classification study which shall be submitted electronically to the Clerk of the Legislature by December 31, 2023. "Shall" language in there, I think, makes it a little bit more steadfast. It gives it teeth. In addition to that, a custody staffing analysis and an analysis of behavioral health staff for state correctional facilities, which shall be submitted electronically by June 30 of 2025. So that's doing an analysis of staffing and figuring out where we are with regard to behavioral health. And then, obviously, an evaluation of programs with reports submitted electronically to the Clerk of the Legislature. So I wish this included some of the other language. I think that Senator McKinney is spot on in his prior conversation about asking for a commitment to actually not utilize NSP, or the state pen, anymore moving forward if we're going to be investing this money to build a new prison. I'm very, very curious as to what the hesitation is by some others and their unwillingness to get rid of NSP. But I do think that the language here, while not addressing all of the concerns, is a small step forward in ensuring that we're handling our prison overcrowding crisis and our DCS funding moving forward effectively. And so I would urge my colleagues to support AM1668. I think this is one piece of the puzzle in our larger conversation surrounding criminal justice. But I, I do want to, I guess, thank Senator McKinney for his tireless efforts making sure this amendment has proper language in it. And with that, I would yield the remainder of my time. Thank you, Mr. President.

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

WISHART: Thank you, Mr. President. I wanted to rise and echo my support for AM1668, introduced by Senator McKinney. This is a amendment that he worked on with the Chair of the Appropriations Committee, and I was part of some of those discussions and do consider this a friendly amendment and appreciate the work that Senator McKinney has done on this. Thank you.

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

VARGAS: Similarly, we had had this vote, I believe, for one of the-- these votes, I was either "not voting" or "no." Not because of the

intent. I absolutely support the intent. But I wanted to make sure is that we can put this language into the budget in a way that still met the need of what was happening but also made it fundamentally clear that we, we need the studies done by the end of this year, submitted to the Legislature, submitted to the Appropriations Committee. And appreciate Senator McKinney work with us as a committee to make sure that we can get this done. I consider this a friendly amendment-- and even beyond a friendly amendment, a necessary amendment that we are telling the executive branch exactly what we need in terms of-- and the, the new, the new leadership and corrections exactly what we need in terms of following through on these studies and everything that is needed for us to move forward because it is what was committed to us, as what was previously discussed by Senator McKinney. It was the commitment that we made previously, and we should be following through on that commitment. Thank you.

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

CLEMENTS: Thank you, Mr. President. I consider this a friendly amendment. Senator McKinney had two other versions that I did oppose. And I-- we continue to work on language. The concern I had was if studies keep going on and on, the construction would never be beginning. And the language here says that the studies will be concurrent with correctional services building new facilities. And so they'll, they'll be-- they already are ongoing. The department intends to do the studies on the needs for correctional facilities. And this language here means that it's going to be happening-- it would happen at the same time rather than preventing any progress on construction of a new facility until the studies are all done. And so that is why I'm supporting this now. And I had previously opposed the language previously. I interpreted it as prohibiting planning and construction until the studies were completed. This makes them be able to go concurrently as we go along with the progress of that project. Thank you, Mr. President.

KELLY: Thank you, Senator Clements. Sen-- Senator Arch, you're recognized to speak.

ARCH: Thank you, Mr. President. If Senator McKinney would-- could yield to a question.

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

McKINNEY: Yes.

ARCH: Just one quick question as follow-up. You, you got dates in here. Is it, is it, is it physically possible for the Department of Corrections to hit the deadline that you've set here?

McKINNEY: Yes. All three of these are already ongoing and they're on track. So, yeah. They could hit them.

ARCH: OK. Thank you very much.

KELLY: Thank you, Senator Arch. Seeing no one else in the queue, Senator McKinney, you're recognized to close on the amendment. And waive. Senators, the question is the adoption of AM1668. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 42 ayes, 0 nays on adoption of AM1668.

KELLY: The amendment is adopted. Mr. Clerk for items.

CLERK: Mr. President, next item: Senator Jacobson would offer AM1734.

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

JACOBSON: Thank you, Mr. President. I'm bringing this amendment. It's really in the-- put in the budget was intent language, which mirrors the language in my LB433. It has to do with budgeting and budgets for regional behavioral health districts. There are six behavioral health districts that are part of DHHS across the state. North Platte, in my district, is part of a 17-county, Region II mental health district-- regional health and behavioral health district. We ran into an issue a year ago where we were-- we had to forego \$1.2 million that was budgeted in their budget for, for Region II because what was in the budget were guidelines from DHHS that affected every behavioral health district. And there was an inability to move those dollars around to the needs that were specific to our region and tied-- and, and also was consistent with the providers that were available in our district. So, over the years, there had been an ability to move 25 percent of the budget around to fit the needs of that particular behavioral health district. Now, I might add, there's 17 counties, 17 board members that are county-- commissioners from each of those counties that make up the local board. Our regional behavioral health director has been there for almost 40 years. Knows the rules inside and out. This is a critically important component to every part of the state, but particularly our part of the state as well, in dealing with

behavioral health needs. \$1.2 million of programming dollars is real money to us. And it was-- we were denied that money because when they requested that the money be redirected for other behavioral health needs that were inconsistent-- that were consistent with state and federal guidelines, they were denied. Now, that person is no longer with DHHS. I've had conversations with DHHS since, and, of course, that's why I brought LB433, was to create, create a requirement that the regions would have a 20 percent discretionary money, provided it was consistent with state and federal guidelines. There was a fiscal note put on it by DHHS of \$1.6 million, suggesting that they were going to need to hire 10 people to make sure that this money was spent appropriately. I found it interesting because during the hearing before HHS Committee, the question was asked by Senator Machaela Cavanaugh, so did you fire 10 people when you did away with allowing the 25 percent discretion? And the answer, of course, was no. But now they needed to hire 10 more people. So, fortunately, the intent language that was, was added to the budget that basically mirrored what was in my LB433. I have had some conversations with DHHS has since that time. They did make some modifications to the contracts that have gone out to each of the, the behavioral health districts. They feel that they're workable at this point if that stays in place. And so, at this point, what I'm doing is this is a negotiation between DHHS, myself and the behavioral health districts. And we've made some modifying language to not give a blanket 20 percent discretion, but rather putting the intent language to say that if they need to move the dollars around, they could notify DHHS. They would have 30 days to either approve or deny it. But the only way they could deny it would be if it was inconsistent with state or federal regulations. So this is a friendly amendment as it relates to-- DHHS is OK on this. The behavioral health districts are OK on it. And, of course, I'm OK with this. I do plan to leave LB433 where it's at in committee. And I'll leave it there to just-- I, I always liked the term "trust but verify." I think DHHS is going the right direction here, but I want to make sure that happens. So this is a compromise. And so I would urge your green vote on AM1734, which is basically softening some of the language that was in LB--

[RECORDER MALFUNCTION]

JACOBSON: Thank you, Mr. President.

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

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DORN: Thank, thank you, Mr. President. I just want to echo the support and everything for AM1734 that Senator Jacobson has brought in Appropriations through the years. We have, I call it, appropriated-- or, allocated certain types of funding or certain things they could do with it. One of the things that we did several years ago was that they could move some of this funding around when they came to the end of their budget-- or, the budget cycle part, that if they had extra funds in one program, they can move it to another. Many of those have been denied. We heard from a lot of the behavioral health people about some of the issues they had with it. And Senator Jacobson did a very good job of explaining it and explaining-- I very much like the amendment that now they are going to make a decision within the 30 days, and it has to be that it doesn't meet the federal rules or guidelines. So I'm very much in favor of this. Thanks, Senator Jacobson, for bringing this in. Hopefully we can help some of those situations so that the funding now can be used when we appropriate it. Thank you. I yield my time.

KELLY: Thank you, Senator Dorn. Seeing no one else in the queue, Senator Jacobson, you're recognized to close. And waive closing on AM1734. Senators, the question is the adoption of AM1734. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 41 ayes, 0 nays on the adoption of the amendment.

KELLY: The amendment is adopted. Mr. Clerk for items.

CLERK: Mr. President, next item: Senator Clements would move to amend with AM1736.

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

CLEMENTS: Thank you, Mr. President. This is the fix-it amendment, I call it, regarding that \$1 million fund, a one-time expense for pregnant, pregnant mothers for housing them in, in Lincoln. And the amendment will strike the use of TANF funds and insert general funds for the source of the funding. And, and again, there's-- this amendment we previously did for child welfare freed up \$14 million of general funds. This will use \$1 million of that. So we're still positive \$13 million on the amendments we're doing this-- so far. And I thank you for your patience and I ask for your green vote on AM1736.

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

CONRAD: Thank you, Mr. President. Good morning again, colleagues. I wanted to rise to support the amendment that Senator Clements brought forward, and I wanted to thank him for being responsive to the concerns that were raised in regards to what is, of course, a noble endeavor to provide support and services to pregnant and parenting young people, but doing it with a fidelity to the appropriate source of funds. So-- you know, that-- I, I guess perhaps this is an example-- and sometimes it's, it's not always pretty-- of why debate and deliberation is important because it helps to identify issues or concerns that are brought forward with the different measures from individual senators or out of the jurisdictional committees. And it gives us an opportunity to figure out if we can find a way to agree on the intent of the proposal. If we need to make technical adjustments and to address those concerns, we have the ability to do that. And-- it, it's part of the debate. Sometimes it's messy, but it's important. And I appreciate Senator Clements and the Appropriations Committee and the other stakeholders working on this for being responsive to the concerns that were addressed. I, I, I truly, sincerely appreciate that. I also am eager to continue the conversation with the Health and Human Services Committee, the-- Governor Pillen's administration and other stakeholders and other senators who've expressed a great deal of interest in learning more about the TANF program and the TANF rainy day funds so that we can finally, finally put our heads together over this interim and figure out a sustainable plan to utilize funds appropriately, to be good stewards of the taxpayer funds and to ensure fidelity to those funds that have built up over a 10-plus year period with the recognition and understanding that we really don't need to grow government to do that. We just need to make sure that the people who those funds are intended for have the ability to draw down those funds to meet their family's basic needs. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Seeing no one else in the queue, Senator Clements, you're recognized to close on the amendment. And waive closing. Senators, the question is the adoption of AM1736. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 41 ayes, 0 nays on adoption of the amendment.

KELLY: AM1736 is adopted. Mr. Clerk for items.

CLERK: Mr. President, next item: series of withdrawals. Senator Clements' AM1673 with a note to withdraw, and then Senator Ben Hansen AM1578 and AM1604, both with notes to withdraw those.

KELLY: Those are withdrawn.

CLERK: In that case, Mr. President, next item: Senator Wayne would move to amend with AM1653.

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

WAYNE: Thank you, Mr. President. And colleagues, this is not taking any additional money or anything. It's just making sure that we recognize all the significance of Fort Robinson. So I just want to take a brief moment for those who don't know and have not visited this area in the 3rd District, Fort Robinson. The fort was originally built in 1874. It was initially-- it was small and a third-rate outpost that had no-- that no right-minded person would ever want to go and be stationed at. Eventually, there have been permanent structures and infrastructure that was built. And the relationship between the U.S.-- United States Cavalry and this fort cannot be emphasized enough. This is part of another bill that I hope we can find some dollars to make it work. It's called the "Preserve the 3rd" Act because I think, as Nebraskans, we need to really preserve the cultural significance that are in our 3rd District that relates to not just American history, but subsections of American history, such as Native American history and African-American history. This is where U.S. Cavalry were trained. And some of the best horses, if not all the horses in the cavalry, were brought here and bred there to be local stock from the area. In 1885, the 9th Cavalry was stationed at Fort Robinson, and it underwent significant expansion and investment by the federal government. The 9th Cavalry was one of the few nation's segregated all-black regiments. They [INAUDIBLE] became known collectively as the "Buffalo Soldiers," and it was a referencing point that started because the African-Americans' hair and the hair of-- head of the buffalo were similar, so they started calling them "the Buffalo Soldiers" in Cheyenne. The 9th Cavalry is one of the most famous regiments, regiments in American history, fighting bravely on different plains and different wars. And Theodore-- eventually fighting along the side of Theodore Roosevelt at the Battle of San Juan Hill during the Spanish-American War. Afterwards, the distinguished members of this regiment were honored by being among the first crop of park rangers hired for the National Park Service. So from a historical perspective in African-American history, the 9th Cavalry Regiment and the Buffalo Soldiers have significance in our history. And it still remains there today. What this amendment does is just makes sure that we dedicate some dollars, up to \$2 million, for the Buffalo Soldiers, what I would say interpretation, and building of a-- helping an additional

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building. They have some buildings out there that reference them, but it-- overall, we want to make sure that there's some dollars that go to them. So besides just the 9th Cavalry, one of the reasons why this is a hallowed site is because this is the place where Crazy Horse surrendered-- and many will say "murdered--" at Fort Robinson during the Robinson breakout and the massacre. Where 60 Native sla-- Native Americans were trying to escape to freedom or hunt down in what the Supreme Court described as a shocking story. A side note: this was a while-- not why the 9th Cavalry was stationed there, but significant history among the American Natives-- and if you go out there, they have a place and a rock-- and, and many rocks, but one in particular that symbolizes where Crazy Horse actually died. There's some other significance that also plays a huge role. In 1955, we started having most of our horses trained out there, part of the Army. During World War II, we had our POWs stationed out there. And that is actually just a prairie land that, at some time, we have to figure out in the future how to invest to show this history. They've updated and renovate-- they did renovations on RV parks and camping grounds. But for the senators who took a trip out there a couple weeks ago, I think they saw the significance of what we can do if we invest to boost our economy in a way that keeps honoring the Native Americans and the African-Americans and the soldiers and the POWs who are out there, but also dry up tourism. Right now, about 600,000 people go through Fort Robinson, and I believe we can double that in the next two to three years by strategic investments in this area. If you haven't been out there-- when Brewer speaks-- Senator Brewer speaks of God's country, it truly is. And to climb up on the bluff out there and watch the sunset go down-- I was listening to some music and started singing. I don't know if my colleagues liked my singing, but it is a, a magical place, a place that Omaha has often forgot about. And when Senator McKinney and I were out there, we talked about-- we need to take a bus load just to go out there and see the history and be there and know what people had to go to walk what would take us seven hours to drive, but ride there on horse, and the significant impact that this area, this area had on our history. Fort Robinson-- if you want to be blunt about it-- that was a genocide where the Red Cloud Agency was, where if you went there, you were sent there as a Native American to die. And to be among that sacred ground and us not to invest I think is a disgrace. And I'm glad we've already preserved it, but this is an opportunity for us to maximize and honor those who went before us and the actual history of those who were out there in that area that served this country and made this country what it is and provided, what I would say, an opportunity-- an opportunity to change the path

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for many African-Americans by being a part of these segregated armies. And if you haven't been out there, I guess I got to keep saying you should go. So I want to thank Brewer for helping us come out-- go out there. And I would ask for your green vote. It doesn't change-- it doesn't add any money. It just says, while we must update Fort Robinson generally, we need to make sure up to \$3 million is particularly dedicated to the Buffalo Soldiers and the 9th and 10th Cavalry that are out there. Thank you, Mr. President.

KELLY: Thank you, Senator Wayne. Senator Hansen has guests in the north balcony: fourth graders from Oakland-Craig Elementary. Please stand and be recognized by your Nebraska Legislature. Senator Linehan, you're recognized to speak.

LINEHAN: Thank you, Mr. President. Good morning, colleagues. I rise in support of Senator Wayne's amendment. I have been out to Fort Robinson. I really don't think, of all the places I've been in Nebraska-- and lived here most of my life-- I had never been there until I was in the Legislature. And I too owe that probably to Senator Brewer's. I think I've been out there three or four times since I've been in the Legislature. It is literally a walk through history from our earliest days in Nebraska until-- and through World War II and-- it is underutilized because I think it's-- people aren't aware of it. I also think when we were there, we have one of it-- one of the largest tourist attractions we have in Nebraska for out-of-state visitors is Lake McConaughy, which-- Senator Brewer and Senator Wayne can help me on this-- but in, in Nebraska driving terms, I think it's, like, two hours from Lake McConaughy. It also is not that far from Deadwood, South Dakota. It can-- it's very family-friendly. It's inexpensive. We should be attracting people just not from Greater Nebraska, but from Colorado and South Dakota and Wyoming. It is beautiful. It is-- It's unlike any place in eastern Nebraska. And I, I, I think-- unless you've been there, you really can't understand. And I do think the story of Crazy Horse and the fact that, according to Senator Wayne-- I haven't been there-- there's museums in South Dakota, and yet it was in Nebraska where he died and where his story is told. We're just-- we're not putting as much focus on that as we need to. And I really think the ability to pull tourists from other states, which-- they're already coming. We just need to pull them further north or further south-- would be helpful to the state's revenues. Thank you, Mr. President.

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

BREWER: Thank you, Mr. President. I'd like to follow on the comments by Senator Wayne and, and stand in support of, of AM1653. We had the opportunity a couple weeks ago to take a number of senators out to Fort Robinson. I thought the description that Senator Wayne did was, was very appropriate because Fort Robinson is unique in that it's, it's the history of the 9th-- actually-- and the 10th Cavalry. Both of those are regiments of the Buffalo Soldiers. But it's also unique in its history of the Cheyenne and the Cheyenne breakout that happened there. It's got a tremendous amount of history on the Plains Indians, specifically the Sioux and the events that essentially ended the Sioux's time in western Nebraska and consolidated them on a reservation. The death of Crazy Horse. All of that happened there besides the prisoner of war camp. The dog training, the fact that, for a good share of the 1870s, '80s and '90s, all of the mounts-- or remounts, as they were called-- were trained at Fort Robinson. So there's a lot of history with Fort Robinson. It needs to be consolidated and put into a way that people can go there and appreciate it and see it. And I think this is a good way to honor the, the 9th Cavalry and what they did. Thank you, Mr. President.

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

ERDMAN: Thank you, Mr. President. Senator Wayne, I want to, I want to hire you to advertise for western Nebraska. I think your comments were spot on. And sometimes when you live real close to the forest, you don't see the trees. But being in the western part of the state is totally different, and Senator Wayne has realized that. That's not his first time that Senator Wayne has been in the west. He's come-- he has come out to the turkey hunt. So he understands what it looks like 400 miles from Lincoln. Senator Wayne, I appreciate that. I also appreciate that you understand the history and the things that have happened at Fort Robinson. That very well could be the best-kept secret in the state, is Fort Robinson. And so doing something there to improve tourism, to tell our story, to allow others to see what it is we see daily is very important. And that's why we, the, the Appropriations Committee, has designated the money that we've appropriated for Fort Robinson because we want to tell our story. We want people to see what it is they're missing. And so Senator Wayne, our, our wording or our language said "construction." And I hadn't thought through exactly what all the construction may encounter or involve or include. And so we're going to refurbish the bakery. We're going to do some things to the, to the other facilities that are on the premise. And it'll be an advantage for everybody who comes there.

And we hope that 600,000 is the low number that attends. We hope that improves. Very similar to what happened when we moved the state fair. So, Senator Wayne, thank you for your words. Thank you for coming to see us in the west. And we appreciate your comments. Thank you.

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

McKINNEY: Thank you, Mr. President. I rise in support of AM1653 by Senator Wayne. I had that opportunity to go out to Fort Robinson, and it was a great experience. I learned some things that I didn't know. I saw some things I never saw in my life. And especially as it pertained to the Buffalo Soldiers, I, I think it's history that should be out there and we should mark it as a state and ensure that all Nebraskans know that there were Buffalo Soldiers in the state that, you know, did some amazing things during their time here and-- which is why I support this. I think when we start to highlight things like this, it puts our state in a better light. I think a lot of times when people think about Nebraska from other states, they don't think anything has ever happened here. They-- a lot of times, they don't even think there is black people in Nebraska. So I think it's a, a rich history that should be uplifted. And we should pay more attention to it because-- not only just for a black kid in north Omaha, I think a kid, no matter where you're at in the state, we should know the history of our state and we should understand it and its richness-- from Crazy Horse to the Buffalo Soldiers and so on. So that's why I support AM1653. And with that, thank you.

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

CLEMENTS: Thank you, Mr. President. I did vote to authorize \$10 million of construction funds for Fort Robinson, but we did not discuss in committee a specific building like this Buffalo Soldier proposal. I have not seen an estimate of construction costs or design. I know that the design of a building on Fort Robinson has to be period-specific and put on the same foundation area where the original buildings were. I would prefer to allow the Game and Parks Commission to determine the cost of a building and to the priority of which buildings are needing to be constructed or main-- improved. And so I'm not supporting of this amendment. I think it would be fine to make it a suggestion to the Game and Parks Commission and their staff to look into this proposal. But I think they have other items that they're

wanting to do as well. So I would-- I'm unable to support AM1653 at this time. Thank you, Mr. President.

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

WAYNE: Thank you, Mr. President. So this bill was originally in front of Government, and we handed a very detailed budget out for both the Mayhew Cabin, Fort Robinson and Standing Bear Museum creation. We removed this one section because Appropriations thought it was a good idea to, to include just this portion. But the other two are going to be a floor amendment separate from LB531, and we'll see how the body decides on those two other things. But here, here's the reason why this happened after my tour. When we went out there, there wasn't even a book on the Buffalo Soldiers. When we went out there, there was one barrack that said, this is where they lived, along with other people during other times. This is a significant history that we should preserve. Now, it says up to \$2 million-- or, a minimum of \$2 million. And if they can't-- and let me understand-- let me show you how, how you have to build out there. Because this is a national, historic site, they can only build what was there at the time. So they would have to make sure that it looks the same, that it is the same and all of those things. But there is just one statue-- and not even a statue, a, a plaque around Buffalo Soldiers and one room around Buffalo Soldiers. So I'm saying if we're going to put \$10 million in our budget for two years, which equals \$20 million, we should be able to carve off or intentionally say \$2 million of that should go to some significant history that is a part of our American history. I don't see anything wrong with that. If they can't, the Game and Parks, as they start building-- and by the way, Buffalo Soldiers building an exhibit was a part of the budget that was handed out at Government and handed out multiple times to different people on this floor-- they'll come back and they won't spend it. Trust me. Game and Parks has not spent money when they can't spend it. They have a big Cash Reserve Fund that we all looked at this year. My point is, is that this is a way to make sure we preserve and enhance one significant area around one of our most historical pieces. Senator Brewer bought me a book when I was out there. Don't worry. It was under the valuation of a gift. But, literally, the part dealing with the Buffalo Soldiers was called "Transition Period," and it was listed with POWs, horses, K-9 units and a couple pages on Buffalo Soldiers. But if you don't understand the rich history of Buffalo Soldier-- and by the way, that is all in the 3rd District, not just Fort Robinson. But in Valentine, there was a fort where the 9th and 10th Cavalry were split. The 9th

was at Fort Robinson and the 10th was over at Fort Valentine. And they kept going back and forth. But this is a significant area that this played a part in. So I don't think-- again, this is no additional money. And I don't think taking 10 percent out of \$20 million over two years to dedicate to that part of history is a bad thing. I think it's something we should do. So there isn't just a plaque, that there's more than just that. And I'm sure if they feel that they can't spend it for some reason-- although they gave us a budget saying they can-- they will tell you all next year. But after being there and seeing the lack of support for this significant history and my culture, this is my opportunity to make sure that we rise this-- or, raise this to the level that it deserves of being out there, being shown to the world and being relevant so we don't lose it. Thank you, Mr. President.

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

LINEHAN: Thank you, Mr. President. I've asked Senator Slama-- I think she's following me in the queue. We're going to take 10 minutes here to hopefully-- that our good friends, Senator Clements and Senator Wayne, can work this out. Because I don't want to pick. So they've got 10 minutes. And I will try to think what to talk about. I will go to Game and Parks. So we have Fort Robinson up at the northeast corner, and they do a good job. They were very gracious to us when we were out there. For any of you with large families, one of their biggest summer times-- they're booked almost all summer. A lot of it's family reunions. They remade these homes to look familiar 100 years ago on the same foundations. They have, like, five bedrooms and a kitchen. And, like, every time I go out there, I think I should book for my crew. Be easier than at my house. It's a little bit primitive. I mean, it's not the Hilton. But it is-- you're outside and you can run all day long: up the hills, down the hills, all around. We have a lot of those kinds of treasures in Nebraska, in my opinion, that are underutilized. I'm-- live in the eastern part of the state. I have all my life. I grew up pretty close to where-- well, I grew up in Senator Slama's district. And we have Nebraska City, which is unbelievable what they have done in Nebraska City. And I will let Senator Slama talk to that because she's more aware of it than I am. But I know that my grandchildren are very lucky. They've been to Fort Robinson. They've been to Nebraska City. And they frequently-- and I love it-- come to my house. And close to my house, we have-- oh, I don't know. I think it's maybe 15 minutes to-- I can't believe-- Mahoney State Park. It's maybe 12 minutes to Schramm. I think it's eight minutes to Twin Rivers. And it's a little farther to Platte River State Park because

you have to go over the bridge. I have to go over the Platte River. And you have a choice at that intersection. Where do you go to Mahoney. If you don't go to Mahoney, you can go the other way. And you can go to the Platte River. I'm not a golfer, but I think somewhere between where you get off to go to the Platte River State Park, there is this gorgeous golf course. I'm not a golfer, but I've been there a couple times. It's gorgeous. That whole area is underutilized. I-- one of my dreams is someday we connect all those parks: Schramm, Twin Rivers, Mahoney and Platt, and a walking trail, a cycling trail where Nebraskans can go and also ride horses. And maybe Senator Wishart would like to punch in here because I know one of her favorite places is Mahoney Park. And I think she's been known to take her horse and ride there. You can actually rent horses there and ride. I think also in the-- hopefully in Appropriations we're getting this worked out-- there's going to be some money to refresh, I guess would be the best word, the lodge at Mahoney because it needs some updating. We, we have these great treasures that I probably wouldn't know so much about had I-- don't have-- if I didn't have six grandsons-- two granddaughters, but six grandsons-- between the age of-- what are they now? I think 10 months to 12, in that age group, that need a lot of running. Because if they're inside and there's limited space, we all know what happens when boys that age are inside with limited space. They need a lot of space. So I think all we can do here in the Legislature to help Game and Parks really focus on our parks-- I know we'd spend a lot of time talking about the game part of it, but I don't think we've spend enough time appreciating all that we have in parks in Nebraska. And with that, I would yield to Senator Slama so she can tell us about her part of the world.

KELLY: Thank you, Senator Linehan. Senator Slama, you have 0:54.

SLAMA: My goodness. Thank you so much, Senator Linehan. You are just so generous with your time, and I appreciate that. We do have a number of really incredible state parks in District 1. I was just out the other weekend with my family to Indian Cave State Park. I know several people in the Legislature have been down there to visit or camp. It's gorgeous this time of year. I know most people wait to visit until the fall, but it really is stunning year round. I, I am so grateful for the discussion this morning talking about a really, a really key part of our state's history. And Senator Wayne, to his credit, has fought for the preservation of our history on all sides of the state, including in my own district at Nebraska City. And I, I'd just like to take a moment to read from the--

KELLY: That's your time, Senator, but you're next in the queue.

SLAMA: Thank you, Mr. President. I, I would like to take a moment to just read the historical marker that honors the Buffalo Soldiers at Fort Robinson to really just drive home the incredible men who made up the 9th and 10th Cavalry. So, black soldiers of the 9th and 10th Cavalry Regim-- Regiments-- called "Buffalo Soldiers" by the Plains Indians-- garrisoned Fort Robinson for 18 years and played an important role in northwestern Nebraska's history. Organized in 1866, the regiments first served in the southwest. In 1885, the 9th Cavalry arrived in-- at Fort Robinson, which was regimental headquarters from 1887 to 1898. The black troopers held-- helped build the new post during the fort's 1887 expansion and were the first cavalry men sent to the Pine Ridge Reservation during the Ghost Dance Trouble of 1890. Lieutenant John Alexander, the second African-American graduate of West Point, and Henry Plummer, the first black chaplain in the regular Army, served here; so did 10 Buffalo Soldier Medal of Honor men. In 1902, the men of the "Fighting 10th" Cavalry-- veterans of the Battle of San Juan Hill-- made their headquarters here. Four years later, the 10th helped capture Ute Indians who had fled their Utah reservation-- the last military action against Indians on the northern plains. In 1907, the regiment left for duty in the Philippines. OK. And what you're seeing right now on the floor is how our Legislature works at its best. Thankfully, we're able to take some time and talk about an important part of Nebraska history while members of the Appropriations Committee were negotiating a compromise. And I have a note from Senator Linehan, who so generously gave me her time to stall, noting that they have an agreement. So I think if you are watching the Legislature this morning and are confused, this is how the Legislature is supposed to work. Two disagreeing groups got together, made a compromise. And I think we're going to have a really great agreement here that I look forward to Senator Clements and Senator Wayne telling me about. So, thank you, Mr. President.

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

CLEMENTS: Thank you, Mr. President. We have worked out an agreement to strike the word "construction of an additional building" and strike-- and to change the fixed dollar amount of \$2 million to say "up to \$2 million shall be used for the purpose of honoring Buffalo Soldiers," which still directs the agency to do something to honor Buffalo Soldiers, but it doesn't prescribe the dollar amount, and it does not involve construction of a building. And so that will be the amendment

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following this. So I urge your green vote on AM1653 with a commitment from Senator Wayne that he has a floor amendment coming up next that will modify the description that I just gave. Thank you, Mr. President.

KELLY: Thank you, Senator Clements. Senator Wayne, you're recognized to close on, on the amendment.

WAYNE: Thank you, Mr. President. There is going to be-- again, there is going to be a, a floor amendment that inserts "up to" \$2 million, and then it strikes the word "construction" for additional-- and it says simply "up to" \$2 million for the purposes of honoring the Buffalo Soldiers. Actually, sometimes on the floor, when you work with your colleagues, you actually come up with a better amendment than you first drafted because the "up to" and the allowing for the flexibility for renovation and, more importantly, more artwork and historical value by giving those-- the flexibility for Game and Parks is actually a better thing than just necessarily limit it to a construction of a building. So I want to thank Senator Clements, thank Senator Wishart, thank Senator Lou Ann-- I mean-- sorry, Senator-- Senator Linehan and Senator Slama for buying us some time. Thank you, Mr. President. I would ask-- well, is the floor amendment coming up next? So do I have to close, or how are we doing this? So I would ask you to vote green on the AM-- never mind. It's up there on the board. I'm confused. All right. I'm going to ask you to vote green on the AM. And then the floor amendment comes right afterwards, and we'll insert the language that Senator Clements and I agreed on. Thanks.

KELLY: Thank you, Senator Wayne. The question is the adoption of AM1653. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 44 ayes, 0 nays on adoption of the amendment.

KELLY: AM1653 is adopted. Mr. Clerk.

CLERK: Mr. President, Senator Wayne would move to amend with FA112.

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

WAYNE: Thank you, Mr. President. Again, this corrects the amendment we just passed to say "up to" \$2 million for the purposes of honoring Buffalo Soldiers. I'm just going to end with this. And I'll be brief and I'll waive my closing. I, I think this is one of the most

underinvested areas in the state. I think the city of Crawford should be our Deadwood. And if you look at-- historically, from Crawford to Deadwood up to Rapid City, there was an old train line that not only the Buffalo Soldiers and Native Americans ran, but it was part of our train system and actually started out in Elkhorn Valley, and it connected to Omaha. And if you think of that train line and that connection and you think about Mount Rushmore, the ability to build up around Fort Robinson and turn Crawford into our, our kind of tourist town where we can stay and hop on a bus and go up an hour, hour and a half to Rapid City and see Mount Rushmore at almost half the cost of what it would cost to stay at Rapid City, I think this is a prime opportunity for us to start investing in that area. I think it's a prime opportunity for start-- investing in our history and, and preserving our history. So I would ask for a green vote. And I think this is a huge step in preserving our culture across the-- Nebraska and America. Thank you.

KELLY: Thank you, Senator Wayne. No one else in the queue. And Senator Wayne's waived closing on the FA112. Mr.-- all those in favor-- senators, the question is the adoption of FA112. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, record.

CLERK: 43 ayes, 0 nays, Mr. President, on adoption of the floor amendment.

KELLY: FA112 is adopted. Mr. Clerk for items.

CLERK: Mr. President, next amendment on FA-- or, excuse me-- on LB814. Senator Conrad would offer AM1671.

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

CONRAD: Thank you, Mr. President. Good morning, colleagues. The amendment before you has two primary components related to the Department of Corrections. So the first would be, in essence, a direct appropriation to the university, and specifically to the University of Nebraska at Omaha, to continue to engage in data and analysis to assist us in projecting our prison population so that we can make appropriate assessments for facilities into the future. So you might remember that we had pretty specific, specific and comprehensive data analysis done when the state invited CSG in in about 2014, 2015. We had very similar data analysis and projections as part of the CJI effort that was conducted, I believe, in about 2021, 2022. Those are both critical snapshots that we have available in regards to our

prison population and projections, but we don't currently have an in-state, ongoing opportunity to ensure objective information to help us plan for what we need to do in regards to the Department of Corrections that will assist us both from a, a-- building a prison or future facilities kind of perspective and a smart justice perspective. It would be approximately, generally speaking, about \$100,000. The impetus behind that additionally just being that better information equals good government. And when we have data-driven solutions, we can be better stewards of the taxpayer dollar and have a better understanding of the implications of our work in Appropriations and the Judiciary Committee. The other component of the measure also about \$100,000-ish-- there's kind of an "ish," I guess, from an Appropriations perspective-- is an additional staff person for the Office of the Inspector General for Corrections. This office was created many years ago. It used to be for, quite a long time, just a one-person shop. Now, the Legislature has saw fit to expand that in recent years. This would add a, a third person to that critical legislative services and oversight kind of work, particularly as our prison population continues to expand, so that we have an appropriate window into what's happening there and can act upon that information as well. It's my understanding that this additional position was a part of the Legislative Council or the Executive Board's budget request. It didn't really kind of rise to the level for immediate action in the Appropriations Committee budget proposal, but it is aligned with our institutional thinking in regards to staffing for that key issue. I'm happy to answer any questions, and appreciate your time and consideration.

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

DUNGAN: Thank you, Mr. President. And colleagues, I do rise in support of AM1671. I had a chance to talk with Senator Conrad a little bit prior to her, her opening here on this. And my understanding-- and please correct me if I'm wrong, folks on the committee-- is that this was considered or talked about, but ultimately, I don't believe was just outright rejected. And so I think it's an important thing to have a conversation about on the floor to make sure that folks kind of understand why this is important. And so in a world where I'm kind of trying to look at this from a 30,000-foot view, this seems like a two-pronged approach to continued oversight and accountability for correctional systems. I'll let others maybe talk a little bit more about the funding for the study because I do think that's an important component. But the part of this that, that jumped out at me as

important was the, the additional staffing for the, for the Inspector General. So one of the things that I think we should be doing as a state is doing everything we possibly can to ensure accountability for our correctional facilities. I believe the folks who are working at the correctional facilities on a regular basis are doing their best. But as I said earlier in the day, they're currently dealing with a, a lack of staffing. They're dealing with a lack of people who are coming in and being able to fulfill very specific roles, like mental health needs and behavioral health needs. And when you're missing those people, it can lead to issues. When issues happen or when bad things happen in a prison facility, I think it's important that there's at least some entity that can come and do an analysis or a study or a report that can then come back to us or to others in the community and we can learn from mistakes. I don't believe that the, the goal of it is to call people out or call out institutions in a way that's inappropriate. But I think that it makes this a safer community and it makes our facilities safer for everybody involved, whether it's folks who are incarcerated or correctional officers or the other staff there, if we make sure that best practices are being used. A good example of this is, you know, recently there was this story from earlier, May 2, about the Tecumseh prison incident in 2021 that the Inspector General found was mishandled, and the facts of that are relatively compelling. Again, without delving too deep into it, the state's-- a Nebraska state prison watchdog has cited numerous errors by staff at the Tecumseh State Prison in a June 2021 incident in which they fired 200 projectiles at a mentally ill, disruptive inmate in an effort to subdue him. Among the many ways in which the incident was mishandled, they found that it included unnecessary and excessive use of force and cited what they were concerned about was a lack of training, I believe-- specifically not having people acting in accordance with their use of force policy. Now, ultimately, they make recommendations, right? And then the department can either adopt those recommendations or not, is my understanding. From my review of the article, I do believe that the department did accept a recommendation from the Inspector General stating that the use of force policy should include attempts at de-escalation by a licensed mental health professional for incidents involving people with known mental health issues. I do believe the department rejected another suggestion that it contracted an outside entity for additional training on responding to individuals with serious mental illness. So the reason I think this is important is you have a very small group of people who are addressing very large amounts of concerns. And if we're talking about adding extra staff to the prisons in order to help, you know, fully

staff our facilities, I think on the other end, we should also be fully staffing the individuals whose job it is to do the analysis, hold them to account and make sure that there's actual accountability in our systems. You know, burying our heads in the sand and not addressing problems that we see within our carceral system doesn't help anybody and it doesn't fix anything. And so I absolutely support the efforts of Senator Conrad to further appropriate funding--

KELLY: One minute.

DUNGAN: --for-- thank you, Mr. President-- for the study. I also fully support the efforts by Senator Conrad to ensure that the Inspector General has the staff they need to do their job. And so, happy to continue this conversation off the mic with anybody else. But I do think this is a legitimate attempt at trying to fix some of our problems with the carceral system. And I do believe this amendment is, is going to start a good conversation. So with that, I'd yield the remainder of my time and urge a green vote on AM1671. Thank you.

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

McKINNEY: Thank you, Mr. President. I rise in support of AM1671 for many reasons. Number one is that, since our state is in the business of building prisons and not closing prisons, we should be adding more individuals to the Office of Inspector General. And we should also have tools in place to further analyze proposed legislation that people propose within this body, especially legislation to increase criminal penalties because, just like racial impact statements and other even fiscal notes, it gives us a better understanding of what we're attempting to do as senators within this body and how those attempts can negatively, negatively or positively affect our, our prison population and our criminal justice system. This is something that everyone should be in support of, in my opinion. I mean, if we're going to stand up and say we're going to spend \$340-plus million on a prison, there shouldn't be hesitation to provide some more oversight and also utilize tools to ensure that whatever we're going to do as a body going forward is done in the most cost-effective, logical way because, honestly speaking, "support the prison" isn't fiscally responsible at all, especially supporting a prison and saying we're not going to close the Nebraska State Penitentiary anymore. That is the issue. And y'all all know this issue, but nobody wants to stand up and say that, for three years, people were lying about the need to close the Nebraska State Penitentiary. That is the truth and that is a

fact. It was sold as a replacement prison to the Nebraska State Penitentiary because it was in such disarray that it needed to be shut down. But last week, we learned that, no, people don't want to shut down the Nebraska State Penitentiary. They want to keep it open because they still want to house people there. But they also would like to build a new prison. And if we're going to do that and if we're in the business of building prisons, we need better understanding of our criminal justice system, our programming and all those type of things. But we also need more oversight because, like Senator Dungan mentioned, the story about the Inspector General finding that, that, that man in his cell after he was shot-- what was it, 200 times?-- with projectiles by overseers in the "Department of Punitive Services." We need real oversight. And if you watch hearings, especially pertaining to things in the prisons and correctional officers come, you'll realize that we should really monitor who is hired and not hired in these facilities. And I had just went to Tecumseh maybe almost a month ago now or something like that, and I was talking to an individual in there. And he-- I was like, how long you been here? He was like, oh, just, like, two weeks. But they, they got him doing all type of things. Probably not even properly trained. Just throw him to the wolves because Tecumseh, for example, was so understaffed that they're still on a 4-3 schedule. So what that means is if you're-- if you have family in Tecumseh, you, you might or might not be able to visit them, especially on the weekends, because they're basically on 72 hours of lockdown. They can't move and they can't do anything. But we're OK with that because we're in the business of building prisons that we can't properly staff. And I would guarantee that once this new prison that you all are voting for is online, it won't be properly staff and it will be overcrowded.

KELLY: One minute.

McKINNEY: And then we also have people who don't want to do any policy changes in our criminal justice system and are holding it up. And they keep saying, wait another year. Wait another year. Can we talk over the summer? And all these type of things they've been saying since I've been here. So this is why I support AM1671, because it's a smart policy decision to monitor what's going on in the Legislature and our prisons and our criminal justice system. But we also need to make sure that we have adequate oversight to ensure that overseers at-- within the "Department of Punitive Services" are doing what they're supposed to do and are not being inhumane towards the individuals that this state has decided to incarcerate. Thank you.

KELLY: Thank you, Senator McKinney. Senator Brandt recognizes guests: fourth graders from Fillmore Central Elementary, both under the south balcony and just in the north balcony. Welcome, from the Nebraska State Legislature. Senator Linehan, you're recognized to speak.

LINEHAN: Thank you, Mr. President. And I'm glad we're almost at lunch because I'm-- I don't know where I'm at on the amendment. I know where I'm at on data. I believe in data. As a matter of fact, I was laughing to myself for two reasons. When I was first here the first two years and we were working on school finance and-- I would go into meetings with stacks of papers this big and try to explain numbers to people. And finally, Speaker Scheer said, Lou Ann, nobody wants to look at that stuff. Stop bringing it to the meetings. So, I do believe in data. But the other thing I have a question for-- and I'm having a, like, nostalgic moment here-- I think the first two years I was here, I was on the Planning Committee. And I can't for the life of me remember who else was on it. But I-- if there was somebody in my class on it besides me-- it might have been Senator Vargas now that I think about it-- I would like to discuss over the noon hour. I think we already have a contract with UNO. Or maybe it's not a contract, but we have some agreement with UNO. Oh, Senator DeBoer. Would you yield to a question?

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

DeBOER: I would.

LINEHAN: Senator DeBoer, do we have some kind of agreement or contract with UNO when it comes to planning and then providing us data?

DeBOER: Well, that's a complicated question.

LINEHAN: Of course.

DeBOER: We have always, traditionally, until last year-- and hopefully we will sign it again this year-- where they help us with data for the Planning Committee. However, that data could be about whatever. I asked all of the members of this body what issues they would most like to talk about in the Planning Committee or what they'd like the Planning Committee to focus on. And they did not have corrections at the top, so we probably won't spend the most time on that. But there is-- we do contract generally with them to help us get data so that we can make long-term projections of this type. However, corrections may not be on the top of that list this year.

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LINEHAN: But it could be.

DeBOER: It-- I suppose it could.

LINEHAN: So how much-- is it OK to ask how much we-- the contract-- is it an annual appropriation, or how do we pay for that?

DeBOER: My understanding is it's less than what Senator Conrad is asking for here because we do not ask for the level of detail that Senator Conrad is asking for here.

LINEHAN: Well, could I ask that maybe you and Senator Conrad over the noon hour figure out if we can merge some of this-- obviously, data-- any kind of data we can get is important data. And I, I agree and understand Senator McKinney's frustrations with this all the way around. I know it's really important to him. So if we could, if we could solve this without, you know-- again, working together and figure out maybe we don't need quite as much money. Maybe we could add this to what we already do with UNO-- if there's some way to work that together. Because what I don't like-- and you see this a lot in government-- and this is why our committees are important. Committees see the whole picture, just like last night with the tax credit. Committees see the whole picture. And if they're working with UNO on something, they could add something. And when we do one-offs on the floor, which are appropriate-- I'm thrilled we're having a debate on the budget. I think that's very important. But I think we need to go back and make sure that we don't put a little pocket of money over here and a little pocket of money over there and, and it's not-- the whole big picture is not seen. So, Senator DeBoer, does that sound reasonable?

DeBOER: Yeah. One thing I will say is that the money that we use through the Planning Committee is typically for specific hiring of student employees so that they can input data and do that sort of thing. So that is why that amount--

KELLY: One minute.

DeBOER: --is probably less than an amount for maybe some folks who are more advanced in their career.

LINEHAN: But it seems if we're going to-- if I'm going to work with an organization-- Legislature, UNO-- we got to at least all know what we're doing together so we don't have little buckets here and there and our efforts are not joined in the most productive way.

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DeBOER: I will talk to some folks over lunch.

LINEHAN: Thank you. Thank you, Mr. President.

KELLY: Thank you, Senators. Mr. Clerk for items.

CLERK: Mr. President, your Committee on Business and Labor chaired by Senator Riepe reports LB56 to General File with committee amendments. Additionally, amendments to be printed: Senator Raybould to LB754 and Senator Blood to LB298. Finally, Mr. President, a priority motion: Senator Lowe would move to recess until 1:00 p.m.

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

[RECESS]

DORN: Good afternoon, ladies and gentlemen, and welcome to the George W. Norris Legislative Chamber. The afternoon session is about to reconvene. Senators, please record your vote-- your presence. Mr. Clerk, please record.

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

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

CLERK: I have no items at this time.

DORN: Thank you, Mr. Clerk. We will proceed to the first item on this afternoon's agenda, Mr. Clerk.

CLERK: Mr. President, LB814 on Select File. When the Legislature left, a series of amendments had been adopted. Pending was Senator Conrad's amendment, AM1671.

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

ERDMAN: Thank you, Mr. President. Good afternoon. I've always wanted to say this for the record. I'm not sure what that means, but a lot of people say "for the record." I think everything we say is on the record. But there must be some kind of special thing so for the record. For the record, I want to tell you that the lights in the south parking lot may be fixed today or tomorrow. So now all I got to do is work on the lights in here. So we're making progress. I like it. OK. You like that, Carol? Yes. OK. So let's talk about this, this

amendment. So this amendment, this bill that this amendment arrived from was heard by the Executive Board. The Executive Board, as Senator Linehan had alluded to, when you're in a committee, you get all the information. And I would conclude that they probably received a significant amount more information than we have here on the floor. They did not make a decision to advance this bill. They did not see it necessary enough to have an executive meeting to advance it. We're already doing a study. Senator McKinney asked us to do a study on the prisons to make sure we're building it to our needs. And I'm not so sure that we need another study to do other things that are very similar. So because the Executive Board did not advance this bill and they had the information and they sure could have, they did not. So I will not be supporting AM1671, and I would encourage you to do the same. Thank you.

DORN: Thank you, Senator Erdman. Senator John Cavanaugh, you're recognized to speak.

J. CAVANAUGH: Thank you, Mr. President. Well, I rise in support of AM1671, and I guess that's for the record as well. And Senator Erdman, I think people say it sort of like a, I don't know what the word is, but just a statement that people say kind of like um or like or something like that. I'm not exactly sure why they do it, but that's a good point. Everything we say here is for the record, but sometimes I think people just like, I'm going to say this and I want you to know that I'm saying it because I just feel like I have to say it, not because it's something I really want to say. But I would point out for the record that Senator Erdman promised the lights in the parking lot will be changed. It was May 10 at 1:11. So if it doesn't happen, check the record and hold Senator Erdman accountable for that. So, see, people appreciate the record. I would also point out last night when I was speaking about digital court and we lost power and the recording cut out and we literally-- I couldn't keep talking. They told me I had to stop because it was not for the record. So I wasn't allowed to speak because I wasn't speaking for the record. So Senator Erdman's point is correct. So I rise in support of this amendment. One of the bills is basically two bills. One of them, I don't know whose bill it was, but the other one was one of my bills that went to the Exec Board, had a hearing. And Senator Erdman is correct. They didn't Exec on it or move it, but I didn't ask them to. And the way this came about was last week we were having a conversation about the fact that we're building a new prison. We had a lot of conversations about information we'd like to know building a new prison, what type of criminal justice reform we need to engage in, in conjunction with

building a new prison so that we don't have to build another new prison. And so that's why this amendment gpt brought forward is in that context of we were talking about something that we hadn't been talking about that wasn't part of the conversation in the committee hearing, but we were talking about things that may be complementary to the budget, which will help us going forward. And in those off-the-microphone conversations, the idea to bring this bill forward as an amendment to help improve the budget, as we consider building a new prison and to alleviate the concerns about the necessity to build a, another new prison after that. That's where this bill comes from. The other part about, that's not my bill, the other money for another Inspector General obviously is logically tied to the, the conversation around building a new prison. If we're going to have more prisons, we may need more people to-- we're going to need more prison guards, more staff. So logically, we need more people in the Inspector General's Office to keep an eye on that and to look for these bad acts or mistakes or inappropriate conduct. As we had the article that Senator Dungan talked about, I know Senator Hunt talked about it last week, that was only discovered, that incident with the man being shot 200 times with the pellets, I think was only discovered because the Inspector General had gone, was just-- was there and observed it. So it's a good example of why we need more people in that office if we're going to expand the number of prisons we have. So those are the reasons this is a little bit different than the fact that they just weren't reported out. The-- you have to look at everything in context together. Those of us who are not on the Appropriations Committee didn't know that the Appropriations Committee was going to be funding a prison until, you know, we got to see that they had funded it. So now with that broader context, there is this idea that it is necessary, more necessary than it was before, to adopt these two particular ideas. So I wanted to talk a little bit. I'm going to probably run out of time, but I will start talking about the hearing that was had on the bill about the study--

DORN: One minute.

J. CAVANAUGH: Thank you, Mr. President. --through UNO. So, you know, we had CJI came the last two years, met with all these people, did a very robust analysis and gave us some suggestions. And this is a similar idea, but basically on a smaller but ongoing basis where we are continuing to analyze things as we go. And I will just quickly point out in that hearing, Senator Slama pointed out, one of her concerns was that we need to study the potentiality of changes in statute that would increase crime. And of course, the professor who

was there that may administer this program said that was a good point and that is certainly something they would be able to do. But I will push my light and I can talk about it more when I get back on. Thank you, Mr. President.

DORN: Thank you, Senator John Cavanaugh. Senator Briese, you're recognized to speak.

BRIESE: Thank, thank you, Mr. President, and good afternoon, colleagues. Here with this amendment, we have a combination really of a couple of things that came before the Executive Board at one point. The first is a request for an appropriation for additional dollars for the Office of Public Guardian for an added staff member. And I do note that in the preliminary budget request from last fall, the previous Executive Board, of which I wasn't a member, requested funding to the tune of close to \$300,000 for three new positions in the Office of Public Counsel. It's also my understanding the Appropriations Committee chose not to address this request in its budget, and I really question whether now is the time to try to resurrect something the committee wasn't interested in, the Appropriation Committee. But I also note there are available, available reappropriated funds that probably could be used to undertake this staffing if that was deemed prudent. So really, I don't think that this amendment is necessary to provide funds for that endeavor. But it's also my understanding that we're probably talking about a new position, a new slot here that we as the Executive Board likely would have to approve. Then, of course, the other issue is the one of a correctional forecasting tool at a cost of \$150,000 to \$200,000 a year. And as Senator Cavanaugh mentioned and others have mentioned, we heard that bill or something very similar to it in LB713 I believe that was introduced by Senator Cavanaugh. And Senator Cavanaugh made a nice case for, for this proposal. But, but there were some concerns raised at the hearing. Some questioned whether this data perhaps was already available. Others questioned about the potential impact on recidivism and public safety, which the current language in the amendment I don't think addresses. So we didn't act on it, and there wasn't a priority designation for this bill. And I don't recall any request to even Exec on the proposal. So we didn't really discuss it as a committee in an Executive Session. I guess at this point, I don't think this is the time or the place to resurrect that idea either and hash out some of these policy considerations on a hearing-- on debate of a budget bill here. So I guess I'm going to oppose the amendment at this point. Thank you, Mr. President.

DORN: Thank you, Senator Briese. Senator Conrad, you're recognized to speak.

CONRAD: Thank you so much, Mr. President. And colleagues, just wanted to provide a few counterpoints in regards to the record and then also give everybody an update. We had a lot of very productive conversations over the lunch hour to respond to Senator Linehan's, very thoughtful, legitimate questions to ensure that we aren't providing funds or studies or data that is redundant in nature across the Planning Committee or what's happening in Corrections or with the measures that Senator McKinney has brought forward. I do believe that these are separate and distinguishable from those other efforts for a host of reasons. But I do appreciate her thoughtful consideration in that regard and just wanted to circle back on that too. I also briefly had a chance to touch base with other stakeholders. And while, of course, no commitments, I do think that we have the ability through other vehicles in regards to existing budgetary parameters for the Legislative Council to continue the conversation outside of this amendment. So I'm probably going to pull it without taking it to a vote because I think we'll be able to achieve the, the same ends through different means. I do know that Senator Cavanaugh wants a chance to visit a little bit more about the substance in regards to the, the measure that, that he brought forward that is very close but not identical to the measure before you. And to that procedural point, just wanted to point out to my friend, Senator Erdman, that actually that's a very inconsistent approach to governance in terms of even his votes this morning. So if you look at Senator Hughes's proposal or Senator Wayne's proposal that we adopted with widespread support just a few moments ago before we broke for lunch, those measures were referenced to the Health and Human Services Committee and the Government Committee, respectively. They were not part of the budget yet. They were added on the budget just this morning. So the measure that Senator Cavanaugh has pending before the Executive Board would work in essentially the same manner. Also, it's distinguishable from the measure that Senator John Cavanaugh has before the Executive Board because that is a kind of a directive to the Executive Board and the Legislative Council for how to carry out the data and studi-- study piece. My measure, while based and very similar to that idea, is a direct appropriation to the university. So it's distinguishable in that regard as well. I really appreciate the conversation this morning and would return the balance of my time to the Chair. Thank you, Mr. President.

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

J. CAVANAUGH: Thank you, Mr. President. And thank you, Senator Conrad. And I appreciate Senator Briese's comments and he's correct. I didn't ask Exec Board to Exec on my bill and he was right on about it didn't have a priority designation, which was one of the reasons I didn't ask for an Exec is didn't have a vehicle to move forward. And admittedly, I wasn't expecting this bill to be moving either at this point. And part of that reason, you know, as I explained, the reason it's here now is because of this broader conversation about what else we need to do if we're going to build a prison. So it's-- this is part of a broader narrative conversation, what information we would want going forward would be useful for us as we build this prison. We had a very robust conversation last week about capacity, classification studies, what type of prison we'd need to build, and those sorts of things. And this is another piece of that, which is the study would be to look at bills, like a fiscal note, but to look at them to say what the impact on our prison population would be. And I kind of started talking about in that hearing, Senator Slama raised that issue that Senator Briese just alluded to as well, which was the concern that it wouldn't analyze the potential increase in crime of changes or recidivism and things like that. And you know, after you have a hearing, of course, and you're not sure whether you're going to prioritize a bill or what you're going to do about it, you do try to make some, you know, adjustments to see how you could make-- address the concerns raised in the hearing. Did have conversations with some of the folks, the professor, the stakeholders outside of the body about whether that would be possible to address those concerns, Looked at the bill itself and the language is not in conflict with those concerns and trying to determine whether or not we could both look at an impact on population and the effect of, you know, bills that-- changes in our criminal code on our prison population as well as the impact on increases in crime and those things. And it was, I think, determined that the bill would allow the-- if we went, went to UNO for the study, they would be able to, to give us information on both of those things. So that was we didn't make a particular change. And like Senator Conrad said, her amendment is not exactly the same as my bill was, but at least the concept of my bill was not in conflict with identifying that information and getting that information going forward. So we would be able to get, if we did choose to go forward with this path, that it would-- the reasoning would be it would give us-- I'm not talking about the added OIG person. That would be a very nice addition as

well. But the study would give us more information when we're passing any criminal justice type bills about what the effect is going to be. We had a very robust conversation last year about LB920 when it came to just objective metrics for how they would affect our prisons based off of CJI. This would allow us to have those type of conversations about every bill every year going forward. And that's why this is a really interesting and a fruitful idea. You know, this is an investment. You know, we maybe spend money, but we get information that allows us to save money in the long run. But that's, that's the reason for this sort of idea in, in this conversation why it's coming up right now. I did want to just briefly talk about the hearing. So we had a professor from UNO came, spoke to the Exec Board and talked about how they'd be basically, it would be more efficient to have this set up because they would get in-- it'd be in relationship with our Department of Corrections, our courts, our probation--

DORN: One minute.

J. CAVANAUGH: Thank you, Mr. President. --and then they would be able-- and parole and then they'd be able to have an understanding of what information is available. And they wouldn't have to reinvent the wheel every time. So they wouldn't have to go-- they would have this flow of information. They'd be able to provide estimates in terms of new legislation that might be passed and to see how that would-- those legislation would impact inflows and outflows of individuals in our carceral system. So that's-- so it's a-- it's like I said, it's an investment. We would have to put out some money, but it would create efficiencies that would save us money in terms of getting access to this information, but also giving us information that we can use to make informed decisions that ultimately down the road is how we get to a place where we aren't going to have to build yet another new prison. So we're talking about building a new prison right now. We're trying to get to a position where we're not going to have to build another new prison as soon as that one's done. And this is one of the things that we could do that would help us to ensure that we don't have to build another one. So thank you, Mr. President.

DORN: Thank you, Senator John Cavanaugh. Senator Dungan would like to introduce a guest. His mother, Sharon Fenn, is underneath the south balcony and today is Sharon's birthday. So please rise and be recognized by your Nebraska State Legislature. Senator Blood, you're recognized to speak.

BLOOD: Thank you, Mr. President. I believe I stand in support of the amendment and definitely in support of the underlying bill. With that, I just want to remind those of you that were here in 2018 about LB841. I remember that bill because that was our big Corrections bill that year where we all got together and, and tried to address the many, many issues that the Corrections Department has had for decades. My portion of it was LB692. And what it did is instructed the Department of Corrections to begin a department-wide staffing analysis, and they were to report back to us every two years about any staffing issues they had. But that was just a very small part of that bill. And one of the concerns that I have, Senator Conrad, is that some of the things that we're talking about that we want UNO to do, we want the university system to do for us, we have implemented. But the issue is the Department of Corrections doesn't take it seriously. I know that when our first staffing analysis was due, I asked if I could get a copy of it and somebody, and I'm not sure who, gave them permission to go past the deadline of when it was due to the Legislature, because allegedly they didn't have time to get it all together in that two-- in that window of time between us passing the bill and December at the end of that year. So the concern that I have is that we can continue to do research and well we should and we should fund research and have people that know what the heck they're doing complete this research. But we continue to pass bills to eat away at this mess. But until it is taken seriously by the Department of Corrections, it won't matter what we do because we keep letting them off the hook. So my concern is, first of all, are we doing any duplication when it comes to LB841? And I just encourage you to look through some of the things we accomplished. And I know that some of those very bills that were included in the omnibus bill are things that we have had come back to us this year in legislation. The geriatric releases was one of them. I think that that was Senator McKinney that was talking about that this year; making sure the Parole Board does their jobs. H'm, I think they have to show up for that and we're having an issue with that. I don't know how we fix it, but I think it's important that we get it on record, that we work hard in this body to make Corrections safer for our staff, less stressful for our staff. We work hard to generate programming and fund programming. I know that the grant process is open now to the Department of Corrections, I think that \$35 million right now to provide organizations outside the Department of Corrections to provide training and housing for those that are bridging out into the community. But I don't feel that we ever get the report in one package. We get little reports that go here or there. Sometime-- sometimes they come to us, sometimes they come to the

committees like Judiciary, and then we keep generating more and more legislation. But yet our prisons are still overcrowded, and yet we have little programming, and yet we're not rehabilitating. So, yes, we should continue to fund research and, yes, we should continue to do better. But just remember, we've been doing that for a long time and there really hasn't been that much of a change with all things considered.

DORN: One minute.

BLOOD: So I just remind everybody, we sit here on this floor, many of us stay for the debate all day long during the day and listen and remember what's been done in the past as we move forward to make sure that we're not knocking heads and that we are investing wisely. Thank you, Mr. President.

DORN: Thank you, Senator Blood. Senator Vargas, you're recognized to speak.

VARGAS: Thank you very much. I rise in support of this amendment. I know it will or at least my understanding is it will be pulled. But the intent here behind this, specifically because it was a bill or the components of the bill brought to the Executive Board, is around establishing this forecasting tool. You know, my experience with the University of Nebraska-Omaha, I served as a previous Chair of the Planning Committee. Senator DeBoer is the Chair now. And this-- I have a lot of confidence that the university and the data center and specifically this referencing the University of Nebraska Center for Justice Research has the capabilities of doing it. The reason why I think it's important and not necessarily within just an agency, but outside entity, is they're really focusing on the research aspects. They're not trying to be biased. They're trying to look at based off of, and this is the way they described it, based off of all the data inputs that they currently have, are we really looking at what each year and forecasting is going to look like for our prison population? And are we taking into account the levers and things that will change and make the actual impacts to reduce that? I think this is a good idea. I'm hopeful that we will take this up, if not this year or next year, but do something so that the intent is there. It's something we can-- we can clearly do within the Executive Board. And my hope is and I'll have conversations with, with the Chairman of the Executive Board on what more we can do in this, either this session or in the interim, but I think is a really good thing for us to do. More tools are better when it comes to Corrections changes and reform, especially when we're

talking about the, the actual capacity that we need for our current population. Thank you.

DORN: Thank you, Senator Vargas. Senator Conrad, seeing no one else in the queue, you're recognized to close.

CONRAD: Thank you so much, Mr. President. I so appreciate the thoughtful debate in regards to these key issues for data planning and analysis and legislative oversight when it comes to our work together to address matters for the Department of Correctional Services and criminal and prison justice reform at large. With that, I'm eager to continue the conversation with members and other stakeholders over the interim period, and I would like to withdraw the amendment. Thank you.

DORN: Senators, the question is shall-- excuse me. Yes. Amendment withdrawn. Mr. Clerk for the next item. There's been a request to place the house under call. The question is, shall the house go under call? Senators, please record your-- All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 21 ayes, 3 nays to place the house under call.

DORN: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chambers please return to the Chamber and record your presence. All unauthorized personnel please leave the floor. The house is under call. Speaker Arch, we are short two members, Senator Kauth and Senator McDonnell. Would you like to proceed? Yes.

CLERK: Mr. President, next item on LB814, AM1663 from Senator Wayne.

DORN: I raise the call. Senator Wayne, you're recognized to open.

WAYNE: Thank you, Mr. President. Colleagues, during the first time around on budget, there were some questions, concerns about how to tighten up some language, how to make sure that we had other partners and what the actual budget amount was. There was some concerns about dollar amounts and how it would be structured. And so I emailed everybody a couple of days ago a budget that was submitted by one of the providers that would be working with, one of the potential of Charles Drew and the kind of the program outlined and how it would work, the assessment that would be used, the program development and some of the prevention strategies and implementations. I also put some more language around how it will be done in AM1663. So I would ask for a green vote on this. And if you have any questions, I'm here, I can

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Rough Draft

answer them on the mic, off the mic. But I provided all the information to individuals who requested it, and those individuals have said they're OK with it at this point. So I'm just here to answer any questions regarding this bill. If not, I'd like a green vote on AM1663. Thank you, Mr. President.

DORN: Thank you, Senator Wayne. Senator Wishart, you're recognized to speak.

WISHART: Thank you, Mr. President. I rise in support of AM1663. As you may recall, this is the next step from the passage of Senator Wayne's amendment on the budget during the first round of debate. And one of the commitments that he made was to add some additional language into his amendment. And so I appreciate all the work that he's done from General File to Select File and encourage this body to vote in support. Thank you.

DORN: Thank you, Senator Wishart. Seeing no one else in the queue, Senator Wayne, you're recognized to close. Senator Wayne waives closing. The question is the adoption of AM1663. All those in favor vote aye; all those opposed, nay. There has been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed, nay. Record, Mr. Clerk.

CLERK: 26 ayes, 5 nays to place the house under call.

DORN: 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 now present. Senator Wayne, would you accept call-ins?

WAYNE: Yes.

DORN: Yes. We are now accepting call-ins.

CLERK: Senator Linehan voting yes.

DORN: Record, Mr. Clerk.

CLERK: 25 ayes, 10 nays on the adoption of the amendment.

DORN: The amendment is adopted. Mr. Clerk, next item. I raise the call.

CLERK: Mr. President, next to item, AM1714 offered by Senator Hansen.

DORN: Senator Hansen, you're recognized to open on your amendment.

HANSEN: Thank you, Mr. President. It's always encouraging when my great friend and colleague right next to me, Colonel Brewer, right before I speak, says, don't mess up. So he's right. Hopefully, I don't. Colleagues, I don't-- I don't come in front of the Appropriations Committee very often. And when I do, I think Senator Wishart and Senator McDonnell can attest to this, they're probably some of the best bills they've ever heard. Last year, I brought a bill that would distribute half of the ARPA money we get back to the people in the state of Nebraska. I thought that was a pretty great bill in the form of a debit card that they had to use in Nebraska-owned businesses. We called it the J.G. Wentworth bill. So the people have their money and they want it now. I thought that was a great bill. Senator Wishart thought so too. And so what I'm coming here with is my amendment, AM1714 is to help my town of Blair. I know many senators come from the Appropriations Committee trying to fight for their town and their district, and that's what I'm doing here. The reason I brought AM1714 is kind of what I-- what I coined the fallout of success. So us as a state incentivize many businesses in the state of Nebraska to grow, to get employees, to bring tax revenue to the state and the surrounding community. So what I'm talking about here is Cargill. Some people aren't familiar. Right next-- right in Blair is the Cargill facility, which has other, other businesses in it. It's called a campus. And from my understanding, it's the largest Cargill in the entire world. So this Cargill campus, which a big part of it has to do with one of the other bills we talked about not too long ago, the E15 bill, has a lot to do with ethanol production, making, making almost plastics out of corn, yeast byproducts, all kinds of stuff, feed for cattle. And this process requires an ex-- an extreme amount of water to do-- to do these processes. I got to, was fortunate to tour this campus with the Governor not too long ago, got to see it. And so because of the amount of water it requires, it puts a huge burden on the town of Blair. And so because of that, they have to build an entire new facility, a water treatment plant, because Cargill campus is looking to expand another \$200, \$300 million, bringing many more employees to the state of Nebraska. And if they're looking to expand again in the future, which I would not be surprised they do, they would require more water. So then Blair has to have the capability to provide more water. And so to build a new water treatment plant, in case some people don't know, it's not cheap, especially when we're talking about not just providing for a town and

the communities around them as well, but also for one of the largest Cargill campuses in the world. And so myself, members of the Appropriations Committee, my colleagues, the Governor's Office discussed maybe how we can help out the town of Blair, help the taxpayers of Blair deal with the fallout of success. Cargill has been successful, and because of that, the fallout of that is the surrounding communities, such as Blair, is suffering because of it. Water is just one of them. The other one is traffic. That's for another day. Not too long ago, there was a kid, a nine-year-old child that just got ran over by a semi in Blair a couple of years ago and died riding his bicycle because of the extreme amount of traffic that goes through Blair providing all this corn to Cargill. So one thing I would eventually like to see is maybe the state step up and help out the town of Blair build a bypass for all these trucks going to Cargill. It's ruining Blair's downtown. But that's another conversation for another day. Right now, we're talking about water. And so all I'm asking for is in a budget with b's behind it, billions, a measly \$8 million. I know. It's, you know, doesn't sound like a small amount. But in the grand scheme of things, we're handing out money It seems like \$25 million here, \$100 million there. We're talking about helping the town of Blair provide water for its-- for its members, community members and for Cargill so they continue to grow and succeed. Cargill also through its-- through its water rates are helping with the facility, but so is the town of Blair, providing the rest of it. And it's a big tax burden on my committee or my community. So I was hoping maybe the state could step up and help out the town of Blair and the surrounding community to deal with this success. And they do need to build a new water treatment plant. And some of the problem that they're seeing is because of the ups and downs of the Missouri River, they have to now put their lines out further into the Missouri River to set them lower, which cost an extreme amount of money. Construction is not cheap right now too. And so with AM1714, I'm asking the state of Nebraska to help my community, like we have helped other communities, deal with this burden. Cargill is paying a large amount of this construction, along with the town of Blair. And percentagewise, this is a small percentage that the state of Nebraska can help them and help Cargill and everyone else succeed. So with that, I'll do my best to answer any questions that I can. And thank you, Mr. President.

DORN: Thank you, Senator Hansen. Senator Wayne, you're recognized to speak.

WAYNE: Thank you, Mr. President. Colleagues, I'm 100 percent in favor of this amendment, and here's why. Omaha years ago had a sewer separation project that was going to cost \$1,000,000,000. This body decided not to invest in Omaha's water or sewer. And right now, every taxpayer, every MUD ratepayer has an extra \$50 per month that is going to go up to \$200 over the next 20 years to cover that infrastructure. One thing I've been consistent in when I was an Urban Affairs Chair is helping municipalities across the state fund some things that need to get done that are bigger than their necessary city. Rural Nebraska, last year we set aside 20 or 50, maybe 20, for irrigation districts. Let me remind you, those irrigation districts have taxing authority. But rather raising taxes on local people, this state stepped up and said, we're going to do that. Sarpy County, we've had two different bills, one that Senator Clements carried to create a JPA type situation where they can do their sewer. During that time, the cost has went up and in this budget there's \$10 million for that. Prior to those \$10 million being in the budget, we had \$15 million of ARPA funds slated this year in LB531. We are helping out in Senator DeKay's district. Every year we've had \$5 million, I think last year we had \$20 million go to reverse osmosis programs in their areas that have high nitrate. We have one of our largest employers, not the largest, but definitely one of the biggest ones who impact the same thing that we're passing a priority bill on E85 and we're leaving this town to struggle, to be bottlenecked, to not grow because of an, an employer. We haven't done that anywhere else in the state. I don't think it's unworthy to a point where Senator McKinney and I have been trying to figure out where to find the dollars. How do we push out things in LB531 to maybe make this work? But now that I've seen different amendments on the floor that are moving hundreds of millions over from Cash to General Funds and seeing just \$1,000,000 go to a program that I agree with in CEDARS, I don't think we should hamstring a community because they were successful in recruiting a company that continues to grow. That company has also offered to help put up dollars, a significant portion, more so than the state would, to help Blair cover their infrastructure. So at best, this \$8 million, and I'll let Senator Hansen talk about that, but I believe based off of the initial calculations of what everything was, this is a little bit less than half of the project. We are setting aside \$180 million for Lincoln to make sure that they aren't stopped and stifled from growing. I don't think \$8 million is too much to ask. I think it's appropriate. I think it's something we should do because it's the right thing to do for that community. I get on the mic and I argue about and talk about north Omaha. I was talking about Crawford, Nebraska, today; but I'm

going to stand up for Blair because Blair needs this. You have employers who want to go there, who need more housing. That can't happen because the sewer infrastructure can't take it and water infrastructure can't take it. And we have an opportunity this year with surplus funds to help this community out. So if you vote for the Lincoln project--

DORN: One minute.

WAYNE: --if you vote for the lead pipes, that we're going to get removed in Elkhorn and Omaha, if you vote for the irrigation district last year, if you voted for DeKay's area for their water wells, which are all in the budget, then you should do the same thing for Senator Hansen and vote for his district and water. Thank you, Mr. President.

DORN: Thank you, Senator Wayne. Senator Hunt, you're recognized to speak.

HUNT: Thank you, Mr. President. Would Senator Kauth yield to a question?

DORN: Senator Kauth, will you yield to a question?

KAUTH: Sure.

HUNT: Thank you, Senator Kauth. Have you been following the conversation around this amendment yet? Did you listen to Senator Ben Hansen's introduction?

KAUTH: I did.

HUNT: Are you going to support this amendment?

KAUTH: I'm deciding that right now.

HUNT: You might want to know that Cargill did sign that letter opposing your antitrans legislation. And so when you're thinking about where to spend your dollars, as you said, lawmakers should be aware of who is opposing your legislation so that they can choose to spend their money elsewhere. Cargill, that would benefit from AM1714, is one of those businesses. What would you respond to that?

KAUTH: That I'll decide based on probably talking with Ben and Senator Clements.

HUNT: That sounds good. Thank you so much, Senator Kauth.

KAUTH: You're very welcome.

HUNT: So welcome. I'm a Blair Bear. I'm a Blair girl. I come from Blair, Nebraska. I'm a sixth generation Blairite, and I am a little bit hesitant to support special legislation that is sort of introduced to help one company. But I'm also interested in the argument that Senator Wayne was making around, well, look at the budget. It's full of special legislation. Look at the things we do for ethanol industry that's full of special legislation. How do we grow the economy in Nebraska ever over the last 150 years without special legislation to support the businesses that support our communities that we have? If we want Blair to keep growing, if we want families to keep moving to Blair, if we want there to keep being jobs at great companies like Cargill that moved in there when I was a kid, we have to support those businesses. And so I'm still thinking about what I'm going to do about this amendment as well. But we have to-- get real guys. We have to think about the big picture of when we're supporting businesses and when we're not. When Cargill comes up and says we need special legislation so we can bring more water into the city and do our-- make our products and do our industry and run our company, Senator Ben Hansen jumps up and says, yes, sir, Senator Kauth is probably going to vote for it too. She's getting some advice from different people about, you know, what to do about my bullying right now. But be consistent. Think about what it is you're doing. Because then when that same company writes a letter to lawmakers in Nebraska saying: We are deeply concerned by the bills being introduced in statehouses across the country that single out LGBTQ individuals specifically targeting transgender youth for exclusion or different treatment. Laws that would affect access to medical care for transgender people, parental rights, soci-- social and family services, student sports, access to public facilities such as restrooms, unnecessarily and uncharitably single out already marginalized groups for additional disadvantage. They seek to put the authority of state government behind discrimination and promote mistreatment of a targeted population. Senator Kauth and Senator Hansen, this is from Cargill. This is from the company that this amendment seeks to help. I want you to think about that as the introducer of an amendment on LB574 and as the primary introducer of LB574 whether you are making votes that are in the best interest of towns like Blair, whether you are making votes that are in the interest of growing our businesses in Nebraska in a way that I wholeheartedly and enthusiastically and deeply,

passionately support. I want everybody to want to live in Nebraska. I do not agree with people like Senator Kauth who have said--

DORN: One minute.

HUNT: --if you support trans rights, maybe Nebraska isn't right for you. I do not agree with Senator Kathleen Kauth, who has said if we ban healthcare for transgender kids, that will keep the type of people out of Nebraska that we don't want to even have here. That is the wrong attitude. If I support AM1714, it's because I support growing business. It's because I support enriching communities like Blair, Nebraska, who need more population, who need more economic growth, and who need more people fighting for the population that lives there, and that includes LGBTQ people. You can't pick and choose which workers, which employees, what their kids and their families are like. But that is what you are trying to do with LB574. Thank you, Mr. President.

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

BLOOD: Thank you, Mr. President. Fellow senators, friends all, I'm not sure that I do support this amendment. I definitely support the underlying bill. And I'm going to walk you through why, and I really hope that you listen. So I don't hold or harbor any bad feelings about the community we're discussing. If they have a water issue, they most certainly need to address that. I have supported many water issues, but when I support the water issues, it pertains to the municipalities themselves. It's never been because a big company needs us to do that. And that big company is putting a burden on that municipality. That's what this bill is about. Now if it was a smaller, locally owned company or companies creating this, I might feel differently. I doubt it. I just-- I just think we've become a corporate welfare piggy bank in Nebraska. And I do understand that you have to spend money to make money. I've heard it all since I've been here in the Legislature. I get it. But we've gone too far this year. And can I have a gavel? I can't hear. There's people chatting behind me. So I remember reading in, in one of the newspapers that Cargill had a, like an amazing increase in how much they had made in profits. And so I looked it up real quick. And sure enough, they had surged 23 percent last year to \$165 billion, \$165 billion. Their revenue per employee, their ratio, I always look at that because that tells you a lot about how well the company is doing, \$690,933. And they need money from our General Funds to make this happen. They're willing to put up half of it, allegedly. The other half is supposed to come from us. Why don't they just put

all of it up if this is so important and the amount of money we're talking compared to what they make annually and compared to the money that they pay out to, to their employees is a drop in the bucket? The CEO makes around \$1,000,000. It was 900-and-some last I looked. I'm sure it's up to a million by now. That was like a year or two ago. The average executive compensation is around \$233,000. I just-- it is hard for me to put these things into perspective that we need to keep tapping into taxpayer dollars to help these big companies that are being successful. You can't say they are not going to be successful if we don't do this. The burden is on the community where they're located. They're certainly not going to pull out of that community because they are already deeply invested in it. If they weren't invested in it, they wouldn't have offered to put up half the money. Instead, it sounds like Senator Hansen and the Governor took a nice tour there and they got a bug in their ear. And here they are again at the trough of the taxpayers asking for the money. And I'm just-- I'm not OK with that. I think about some of the things, especially when we had no money that I had to try and beg to get done to actually help the average Nebraskan that we couldn't get done. Now we're like an ATM. I get it because we got money. But when is it going to stop? I don't fault Senator Hansen for trying this. I don't fault the company for trying to use us as a piggy bank. But if they can pay for half of it, they can pay for all of it. So I think I just talked myself out of voting for this right now while on the mic. You know--

DORN: One minute.

BLOOD: --you're going to hear that we do corporate welfare all the time. We try and keep businesses here in Nebraska. You know, as business professionals, many of us, we like to look at the financial bottom line. And the thing is, is that they're not going to pull out. They're willing to pay for half of it. Not half of it, how much of it? 75% of it. I think what's another 25 percent? Thank you, Senator Hansen. Thank you, Mr. President.

DORN: Thank you, Senator. Blood. Senator Slama, you're recognized to speak.

SLAMA: Thank you, Mr. President. And good afternoon, colleagues. I rise today with the deepest respect for Senator Hansen, and I love the community of Blair, but I do have to be opposed to this amendment. I, I just think about my district here, and we're a district where over half the communities in our district would kill for \$1,000,000 in state funding to replace their water systems. And it's not because

they're so successful with Cargill coming in and they're just overwhelmed with supply. It's because they haven't been able to afford an upgrade of their water system in decades. So when they turn on the spigot at their home, they're running the risk of nitrates in their water, which causes cancer. It causes neural tube defects, it causes anemia, it causes an increased likelihood of premature labor and miscarriage. And it's not-- it's not because a corporation's come into town and we just can't afford \$8 million. It's we have an aging population and we can't afford these projects, period. So that's why I brought LB534 this year to ask for increased funding to help these small communities replace their water systems. And I respect the appropriations process, and I understand why it wasn't included in the budget. Clean water is something, especially in rural Nebraska, is something I'm going to fight tooth and nail for, but I can't get on board with a special carve-out for one community. And I am very aware of the fact that in these discussions Falls City has been brought up with the electrical appropriation that they were granted last year through DED. First off, with the Falls City bill, for those of you who weren't around during that period, Falls City is a community in the southeast corner of my district. It's a community in the southeast corner of the state. It's on an electrical island. It doesn't have redundancy in its electrical system so it was dealing with rolling blackouts very often and it's at its electrical capacity for growth. You cannot grow on the grid in Falls City. So the State Legislature took the time and a lot appropriated the funds to be last dollars in on an electrical upgrade project. And I think those cases are where I'm on board with special legislation, places where there is a clear need and a clear inability to pay. And I don't think this amendment qualifies as either. I do think if there is a need, it's not nearly as dire as what we're facing in some of our especially rural communities. I think everybody on this floor that represents a rural district has had challenges with their water supply, whether it's nitrates or something else. And I'm not entirely sure that the state needs to be providing the \$8 million because I'm not sure that it's needed. So I am, when it comes to clean water, a very, very strong supporter of the cause. That's why I brought LB534. But I, I do respect the appropriations process and understand why water projects weren't included in the budget. So I'm going to be a no on this and I'm more than happy to work with Senator Hansen on a wider ranging solution that could positively impact more of our communities than just Blair. Thank you, Mr. President.

DORN: Thank you, Senator Slama. Senator Erdman, you're recognized to speak.

ERDMAN: Thank you, Mr. President, and good afternoon again. I want to speak just a moment about Senator Wayne made a comment about water districts have levying authority. That is not the case. In our area, water districts have the authority to charge O&M, operation and men-- and maintenance charge, but they do not charge for the water and they don't have levying authority. So what I'm trying to say is the irrigation districts are charging the people who receive the benefit of the water for the maintenance and operation of the system, and I would assume that would be the same in Blair. Those who are getting the advantage of having the water would be the ones who would pay. So we don't have a levying authority by the irrigation districts, but they do have the authority to charge more for their services. We don't sell water in the state of Nebraska, but we do charge people for operating the system and delivering the water. And Senator Hansen's bill came to Appropriations and we discussed it. We talked about it quite extensively. We talked about numerous bills quite often. And you may have seen us leave the floor and several times for long periods of time. So our Executive Sessions lasted probably nearly two weeks on and off. And so we thoroughly looked at every opportunity that we had to help the communities that we could help with the money we had. And I believe that we have designated the money or appropriated it to the places that we felt were the most in need. And so I believe those entities that are in Blair and the city of Blair and the people who are going to use the water should be the ones that pay for delivery of the water and the maintenance of the system. So therefore, I won't be voting for AM714 [SIC]. Thank you.

DORN: Thank you, Senator Clements [SIC]. Senator Conrad, you're recognized to speak. Senator Hansen, you're recognized to speak.

HANSEN: I'll just clarify a few numbers here. The project is actually-- is actually \$71 million and Cargill is paying a large part of this. I come up here not, not fighting for Cargill. I'm fighting for the taxpayers of Blair. This is a very, very, very expensive project. And then who do you think's going to pay a lot of the upkeep for that too? Eventually, their water rates are going to increase, which is taxing the people of Blair. And if I can do what I can to get up here and help fight for them, I will. We all do. And so for the state to dump tens of millions of dollars to incentivize ethanol companies and private industries and not the taxpayers of Nebraska, my town, I don't think it's too out of the ordinary to fight for them. So

we incentivize ethanol production in the state of Nebraska, which we just passed. Where do you think that comes from? And then Blair's suffering because of it. We all have towns in our district that suffer because we incentivize other companies to grow and expand, and we all get up here and fight for them, sometimes on the microphone, sometimes in appropriations, that's included. Last five years I've been here, if I remember right, I've only asked or only received \$2 million. So like I said, I don't ask for money very often. And when I do, I think it's important and it's for my district or maybe for somebody else in the state of Nebraska. So \$71 million project: lime salt project is \$5 million; the new intake is \$50 million; water expansion, \$20 million. The, the water plant expansion from 20 million gallons per day to 27 million gallons is \$46 million by itself. New industrial water main is \$5 million. Like I said, total cost is \$71 million. So that's why I'm up here. Every company has their own opinion about certain things. I'm not fighting for Cargill right now. I'm fighting for the people of Blair. Thank you, Mr. President.

DORN: Thank you, Senator Hansen. Senator Moser, you're recognized to speak.

MOSER: Thank you, Mr. President. As much as I appreciate my friendship with Senator Hansen, I do question whether state money should go just to Blair to, to help with their water system. I think every city would like to have money for their water system. I know in Columbus we have done numerous expansions, both in wastewater treatment and water production, and we bonded those expenses and then we sold water to our citizens. And then if the user of water lived outside the city, we charged them double rates because the people in town already pay taxes for other things in the city. And I think they could work out some kind of a package thing where they bonded and Cargill would pay it. Cargill is going to use the water. They're going to make money with it. The citizens of Blair shouldn't, in my opinion, shouldn't necessarily be unduly taxed to pay for that. If Cargill is going to use the water, you know, they should-- they should step up and pay for it. You know, we've had industrial customers in my district that used so much electricity, they had to buy their own generation and generate some electricity. They used the byproduct of the electricity generation to generate heat for some of their other processes. And it's just something that I think has to be negotiated with the companies that are using the water. Otherwise you're opening the door here for everybody to come to the state to get money for water and sewer. And we do have some programs through some of the state agencies for water and sewer improvements already. And so you can get some

grants for that. But again, I think we're setting a bad precedent if we fund this water expansion. Thank you.

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

BLOOD: Thank you, Mr. President. Fellow senators, friends all, I had only planned on speaking one time, but I just want to tap into this one last time on AM1714. Again, I do support the underlying bill. I think it's really important that we also realize that there's a difference between incentivizing and handouts. Those are two different things, especially when we talk about ethanol. And, and ethanol is so important to the many, many, many individual farmers that benefit from being able to grow their crops for ethanol. I know we're only talking about \$8 million. I mean, to me that's a lot of money, but to our budget, not a lot of money. But when I look at big companies like Cargill and the magnitude of money they make, billions of dollars every year, I always think about the-- it's called the triple bottom theory, and I'm not going to do it justice. But for those of you that are into businesses, probably some of the bankers, I'm guessing, and a few business professionals in here, maybe a couple smart college folks like Senator DeBoer, the triple bottom theory really focuses more on things with your business when it comes to things that are social or environmental. So when I look at Cargill and I look at the resources that they use, to me, it appear-- appears clear that perhaps they should tap into this ideal because what they are doing is they are draining resources from the community that they are so dependent on. And I do not fault Senator Hansen for fighting for his community. I have been up here many, many times fighting for Bellevue and Sarpy County, and I am shameless about it and I am not embarrassed that I do that. So I don't fault him for doing this. To be really frank, if he had just talked about the water issue, I would have been oblivious to the Car-- the Cargill part of it, and I might have voted for it. But that's not how it started out. How it started out is Cargill needs money. Excuse me, my community needs money because Cargill needs more water, so our community has to pay for it. Cargill is willing to pay for part of it, but not all of it. And by the way, the Governor and I did a tour of Cargill. So with all due respect, if I hadn't heard about the tour, if I hadn't heard about the organization, if I had just heard that you guys are struggling and your water system needs help, I might be more empathetic, but that's not what I heard today. And Cargill is not going to go out of business because of this. And Cargill is not going to pull out because of this. And if they can pay that large of a portion, they can pay the rest of it. I don't

understand why it's got to be on the backs of the taxpayers. Again, triple bottom theory, if they are good stewards, if they care about the communities that they serve and the employees that they have, maybe the CEO that's making \$1,000,000 a year could kick in a little money, maybe cut some of those, those corporate benefits a little bit, and after six months, they could probably pay for the rest of the project. I didn't come to this body to be a trough for big business. And I have voted on bills. I don't know if I voted for some of them, I at least listened to the debate, that I'm not OK with. I think about ConAgra, how many-- how much corporate welfare did we give them? I see Senator Linehan--

DORN: One minute.

BLOOD: --hitting her head on that one. See, you're in my row now, Senator Linehan. I can see you. You know, and they pulled out, not all of it, but most of it. When is it going to stop? I can start listing a long list of companies that we gave corporate welfare to that we were told that if we didn't give them money, they weren't going to stick around. Well, they took the money and they stuck around for a couple more years and then left and we can't get that money back. It's not like a bottle of soda that we're going to get a refund on. They are gone. I think this is an issue that we don't need to fund. I think Cargill, with all due respect, you certainly have the money to fund the rest of this project. And really, what a nice thing to do for that community that serves you so well. Thank you, Mr. President.

DORN: Thank you, Senator Blood. Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. Colleagues, earlier I filed amendments to the E&R regarding changing TANF allocated funds to General Funds. I know that we collectively made that change on the appropriation of the \$1 million for the capital construction for CEDARS, but we still have the money that is appropriated through TANF for the Child Advocacy Centers. And I genuinely believe that this is going to be a problem for the federal government and that it's going to get rejected. And that is why I am putting an amendment. We're not going to get to it today because we go to cloture in about ten minutes. So I wanted to just acknowledge that it's there and that it will be there on Final. And I hope that we can make a motion to return to Select and make that change, because I do think that it is of critical importance if it is the intention of this Legislature to give money to the Child Advocacy Centers that we do it in a way that

doesn't jeopardize our federal funds and doesn't jeopardize the programming that they want to utilize those funds for. So I wanted that stated. I missed some of the conversation around Cargill. I understand that there is some confusion about this letter that Cargill signed on to, and it being old, the letter began being drafted and was sent to Governor Pillen. So Governor Jim Pillen, who was not the Governor in 2020 when the letter was initially drafted, the Human Rights Campaign sent this letter to Governor Jim Pillen, who is the Governor as of 2023. Therefore, this letter is not old. It is up to date. And companies like Cargill and Amazon and Facebook and all the other ones that are in Nebraska that are economic drivers signed on to this current letter to Governor Pillen, knowing that. Just wanted to make that crystal-clear for anyone who is unable to comprehend who was Governor in 2020 versus who is Governor today. Today is the Governor Pillen and the letter was to Governor Pillen, not Governor Ricketts. So it is current. So you can do your mental gymnastics. You can lie to yourselves. You can lie to each other. But the reality is that these com-- these companies have signed on to this letter and the letter is current. Thank you.

DORN: Thank you, Senator Machaela Cavanaugh. Seeing no one else in the queue, Senator Hansen, you're recognized to close.

HANSEN: Thank you, Mr. President. I just want to run through a couple of numbers here quick. Currently, the bio campus located in Blair has a 15.5 million gallon per day allocation from the city's 20 million gallons. So 20 million gallon per day capacity from Blair, they take 15.5. Now I am concentrating on my town of Blair. However, this amendment isn't just about Blair. Cargill buys corn from all over the state of Nebraska. All the farmers in our district, where do you think they take their corn? A lot of them take it to Cargill. They buy their corn for these kinds of processes. So why I talk about Blair being, you know, who I'm trying to help. I would-- I would-- I would venture to say a lot of senators here would benefit from this as well. They buy our products here in the state of Nebraska. So this is helping them as well. And Senator Blood is right. You know, they can choose to go somewhere else. Will they, because of this? I don't know. All I know the two biggest things here, why this-- why they came to Nebraska and chose us over South Dakota, South Dakota and Iowa was because we have people that are willing to work and come to work and we have water. And if we don't maintain those two things, they're already looking at South Dakota and Iowa. And these aren't just local companies. These are international companies. The trucks that file through Blair on a daily basis on the way to Cargill, traffic counts

are nearly 20,000 vehicles per day in the downtown, approximately 20 to 24 percent of it being trucks. On the rest of the state highways, only 6 to 8 percent of the traffic are trucks. The Cargill corn processing facility currently processes approximately 320,000 bushels of corn per day to provide feedstock to other companies collocated on the campus. Blair provides water to the bio campus, serving Cargill's wet corn milling facility and other five national and international companies. Other companies, such as Novozymes are expanding their Blair facilities, bringing businesses to our state rather than continuing to build in other countries such as Taiwan and Brazil. Their current \$300 million project, which is what I talked about earlier, they're trying to expand, but they need more water, will also bring somewhere, from what I understood, almost 300 good quality-paying jobs to the state of Nebraska. So I talk about Blair, but this pertains to all of us. And I'm not going to fault anybody for how they vote. Vote your conscience, vote what you believe. But I just couldn't sit down and not fight for my town. With that, thank you, Mr. President.

DORN: Thank you, Senator Hansen. There has been a request for a call of the house. Colleagues, what-- all those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

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

DORN: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chambers 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. The question before the body is the adoption of AM1714. All those in favor vote aye; all those opposed vote nay. Have all voted who wish to vote? Record, Mr. Clerk.

CLERK: 19 ayes, 16 nays on the adoption of the amendment, Mr. President.

DORN: The amendment is not adopted. Raise the call of the house. Mr. Clerk, for the next item.

CLERK: Mr. President, I've got AM1750 from Senator Hansen with a note he wishes to withdraw.

HANSEN: Yes.

DORN: Withdrawn.

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CLERK: Mr. President, my understanding on the next vote would be the advancement of LB814.

DORN: Senator Ballard for a motion.

BALLARD: Mr. President, I move that LB814 be advanced to E&R for engrossing.

DORN: Mr. Clerk.

CLERK: Mr. President, Speaker Arch would move to invoke cloture on LB814 pursuant to Rule 7, Section 10.

DORN: Speaker Arch, for what purpose do you rise?

ARCH: Call of the house, roll call vote.

DORN: There's been a request for the house to go under call. All those in favor vote aye; all those opposed, nay. Record.

CLERK: 34 ayes, 3 nays to place the house under call.

DORN: 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 now present. There's been a request for a roll call vote. Mr. Court-- Clerk, please record.

CLERK: Senator Aguilar voting yes. Senator Albrecht. Senator Arch voting yes. Senator Armendariz voting yes. Senator Ballard voting yes. Senator Blood voting yes. Senator Bosn voting yes. 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 voting no. Senator Clements voting yes. Senator Conrad. Senator Day voting yes. Senator DeBoer voting yes. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan. Senator Erdman voting yes. Senator Fredrickson voting yes. Senator Halloran voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt not voting. 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

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Raybould voting yes. Senator Riepe voting yes. Senator Sanders voting yes. Senator Slama voting yes. Senator Vargas voting yes. Senator von Gillern voting yes. Senator Walz voting yes. Senator Wayne. Senator Wishart voting yes. Vote is 41 ayes, 2 nays, Mr. President, on the motion to ado-- to invoke cloture.

DORN: Cloture has been invoked. Senator Ballard. The question before the body is the advancement of LB814. All those in favor just say aye. Opposed, nay. There has been a request for a record vote. Mr. Clerk, please-- All those in favor vote aye; all those opposed, nay. Record, Mr. Clerk.

CLERK: 40 ayes, 2 nays on advancement of the bill, Mr. President.

DORN: Raise the call. Mr. Clerk for items.

CLERK: Thank you, Mr. President. Amendments to be printed from Senator Cavanaugh to LB814. New LR from Senator Day, LR142. That will be referred to the Executive Board. Mr. President, Select File, next bill, LB818. First of all, Senator, I have E&R amendments.

DORN: Mr. Ballard for E&R amendments.

BALLARD: Mr. President, I move the E&R amendments to LB818 be adopted.

DORN: It is a debatable motion. Senator Machaela Cavanaugh, you're recognized.

M. CAVANAUGH: Thank you, Mr. President. Colleagues, I will be distributing-- the pages will be distributing when it's ready the letter from the Human Rights Campaign. I assume it was sent to everyone because I received it addressed to Dear Senator, dated May 4, 2023. So six days ago. Current. It also includes the list of all the companies that signed on so you can enjoy. You can enjoy living with the fact of the matter that it is current that these companies currently oppose what is happening here. But in case you need reinforcement, let's just start with the A's, shall we? All right. We have well, first the numbers: 1-800-FLOWERS; 23andMe; U2 [SIC] Inc.; 360 Behavioral Health; 3M Company; like everything that you use to hang anything, 3M. Good luck boycotting them. Abercrombie & Fitch; Accenture; Acxiom LLC; The Adecco Group; Adobe, Inc.-- forget about PDFs from here on out; Advance Auto Parts. Oh, and if you think that's fine, I use Google, wait till we get to the G's, spoiler alert. Adobe Inc.; Advance Auto Parts; AEO, Inc.; Affirm; Airbnb. Guess we're going to have to make new plans for our vacations. Airbus Americas;

Ab--Ablour Murray [PHONETIC]-- Albemarle, I don't know, Corporation, not familiar; AllianceBernstein; Ally; Altria Group. Oh, don't they make cigarettes? I don't know. Get rid of those habits I guess. Amalgamated Bank; Amazon; AMD; American Airlines, can't fly there anymore; American Express, can't have that credit card anymore. Hope you didn't have a good rewards program. American Honda Motor Company, can't drive that anymore; Amgen, Inc.; AMN Healthcare; Anaplan; Anywhere Real Estate; Apple. What? That's my computer from the state. Heavens to Betsy. Applied Materials, Inc.; Arcadis U.S., Inc.; Asana, Inc.; Ascena, Inc.; AstraZeneca, AstraZeneca; AT&T; Atlassian; Autodesk; Avade; Avantor; AvitaCare; Baker Tilly; BASF Corporation; Bayer U.S. LLC; Burson Cohn & Wolfe; Becton, Dickinson and Co.; Beam Suntory; Ben & Jerry's Homemade Inc. Well, that one's not very surprising. Berkshire Bank; Best Buy Co.; Biogen; Block, Inc., formerly Square, Inc.; Bloomberg L.P.; Blue Cross Blue Shield of Rhode Island; Blueprint Medicines; Boehringer Ingelheim USA; Boston Consulting Group; Boston Scientific; Bounteous; Box, Inc.; BP; Bright Health Group; Bright Horizons Family Solutions; Brown-Forman Corporation; Built Technologies; Capital One; Capri Holdings Limited; Cardinal Health; Cargill, C-a-r-g-i-l-l, Cargill, right Between Cardinal Health and Cargo Transporters, Inc., in black and white; CarGurus; Carlson--

DORN: One minute.

M. CAVANAUGH: Celanese; Center for Community Self-Help; Charles River Laboratories; Chobani-- I love their yogurt; Citigroup; Clearway Energy Group; CNA Insurance; The College Board; Comcast NBCUniversal; Com-- Compass; CONVERSE, Inc.; Corning Incorporated; Cowen Inc.; CrowdStrike; CSAA Insurance Group; CSG International. I will come back to finish reading these on my next times on the mic. Thank you, Mr. President.

DORN: Thank you, Senator Machaela Cavanaugh. Senator Slama, you're recognized to speak.

SLAMA: Thank you, Mr. President. I am so glad that Senator Cavanaugh is exemplifying her ability to read because we're going to read something together that I think will get the facts on the record. So the letter that Senator Cavanaugh is referencing, that Senator Hunt is referencing, you can read in the Omaha World-Herald. It was signed by corporations originally drafted in 2020. And this is referencing the Omaha World-Herald article, Union Pacific, 300-plus other corporations sign letter opposing anti-LGBTQ legislation, and the article itself

reads, If you would take the time to read the article on the letter: A week after more than 100 Nebraska businesses and nonprofit groups signed a letter opposing restrictions on gender-affirming care, similar message from national corporations was sent in to the state's lawmakers. The Human Rights Campaign sent a letter to state senators and Governor Jim Pillen listing businesses opposed anti-LGBTQ legislation first drafted in 2020. The letter so far has amassed 319 signatures, including major corporations such as Apple, General Motors, IBM, Johnson & Johnson, Microsoft, and United Airlines. The letters in-- the letter includes some companies that have deep roots in Nebraska, such as Union Pacific, which is headquartered in Omaha, or significant operations in the state such as Amazon, Cargill, Kellogg, Google, and US Bank. Union Pacific signed on to the Human Rights Campaign's business statement on anti-LGBTQ state legislation in 2021. This is a letter drafted by an entity that was sent by that entity, not in specific reference to this legislation because it was drafted in 2020. Union Pacific signed on to it in 2021. So before you get up here and start parading around this letter saying, oh my good golly, gosh, look at this, in response to this legislation, an entity, who already had corporations signed on to this letter years ago, sent this to us on May 4. This is not a current letter. Anybody who's trying to say that it is a current letter hasn't read the article. So take a moment. Show us your literacy skills and read the frickin article before you get up and spout and get up in the face-- and I'm so sorry. Like, I have to call this out. And this is why I'm so fired up right now. It's because we've had a member of the Legislature, I'm not going to name who, they know exactly who they are, took this letter, shoved it in the face of Senator Kauth, and then started screaming in the face of Senator Linehan an hour ago because she couldn't take the time to read that the letter was drafted in 2020. So, again, before you spout off saying that this is because of LB574, all these corporations are signing on in opposition to what we're doing right here in Nebraska, this is a general letter created by an entity that, yes, has just delivered this letter to our state senators in 2023, but it's been drafted for years. Get your facts right before you decide to go to war. Thank you, Mr. President.

DORN: Thank you, Senator Slama. Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. Senator Slama is correct. She read the article. The letter, in addition to reading the article, I would encourage you to read the letter which will be distributed, is dated with-- it says updated May 5-- May 4, 2023. Yes, the letter was

initially drafted in 2020. It was updated on May 4, 2023, and sent to the Governor. Either you care or you don't. I don't know. I honestly, I have no idea if anyone in here cares about how this actually impacts the business community. But the business community is telling us how it impacts them and they're telling us how they feel about it. And so there you go. And Senator Hunt or I'm sorry, Senator Slama is 100 percent correct. The article states that this was initially drafted in 2020. It was updated on May 4, 2023, and then it was sent to the Legislature and to the Governor. Those are the facts. Or they're the facts as I-- as I know them, with the information that has been provided to me by the Human Rights Campaign. And they clearly put "updated" on the document so that we would know when this happened. So yes, this has been an ongoing issue. Attacks on the LGBTQ Americans has been an ongoing issue, so much so that the Human Rights Campaign in 2020 started a letter of antidiscrimination statements for major corporations to sign on to. They've signed on to it. They continue to sign on to it. They continue to add their names to it. Perhaps there are companies that over the last three years have taken their names off of it. But on May 4, 2023, these are the companies that had their names on here. And they know that this is public. They know that this information is public. They know that this is happening because this is happening across the country, because these-- this legislation is the thing that is happening across the country. So it's not like it's a small bill that's not really very controversial that people didn't actually know about, wasn't on anybody's radar. All of these people know that this is going on. And if they didn't want to be associated with taking a stand, they would have removed their names from it, but they didn't. It is accurate. It is up to date. So care or don't care. I honestly don't know that anybody in here cares about these corporations and whether or not they're going to want to come here and do business because of toxic legislation. That's up to you. But it is up to date. And that, I think, is an important fact to acknowledge when people are saying that it is out of date. It began in the past and it is current. I guess it's six days out of date. If you want to say it's out of date, it's six days old. That's how out of date it is. So-- and the pages are distributing it. So you can look at the letter that was sent to us--

DORN: One minute.

M. CAVANAUGH: --and also the letter that was sent to the Governor with the list of all the companies that has the dates on it. I printed the PDF from Adobe, company listed on here. So yeah, that's-- not trying to go to war over the date timeline of this, but I'm always happy to,

to have people jump into the conversation. So please do. Let's keep talking about it. Let's elevate this. Let's elevate this Human Rights Campaign letter. Thank you. I appreciate that. Thank you, Mr. President.

DORN: Thank you, Senator Machaela Cavanaugh. Senator Linehan, you're recognized to speak.

LINEHAN: Thank you, Mr. President. And I have like two voices going on in my head. Don't get up. Don't engage. Ignore. But this-- I've been yelled at in my face and I'm pausing for a second. Senator Machaela Cavanaugh, please. I want to ask you a question because I'm confused, but I'll give you a couple seconds. I am-- I am and I'm sure others are, I know others are, I am really getting tired of being told that I'm anti-gay, I'm anti-LGBTQ, that I don't like certain people. It's just not true. And I'm tired of hearing it. We're talking about children, not about grownups, kids. And there have been people working to try and calm the temperature down and make it better. This morning, we started out screaming at each other over something that could have been easily handled on the side, easily. But no, we have to start out by yelling at each other and then we have to yell at each other about other things. I did read the paper. I read the paper when I get up in the morning, whatever time I get up. Sometimes I'm late here because I go to the Lincoln Journal, I go to the Omaha World-Herald and I go to Nebraska Examiner and I read them all about anything that's going on in the Legislature. Senator Cavanaugh, would you yield for a question, please?

DORN: Senator Machaela Cavanaugh, will you yield to a question?

M. CAVANAUGH: Yes.

LINEHAN: Did you say that they changed this letter?

M. CAVANAUGH: No.

LINEHAN: Well, I think--

M. CAVANAUGH: Updated. It's updated.

LINEHAN: Updated. What does that mean?

M. CAVANAUGH: Well, I-- I can't speak for them. I-- the letter has "updated" and the date on it.

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LINEHAN: Well, what would concern me is if I signed a letter-- and I'm not saying that these, these groups are talking--

M. CAVANAUGH: I think your questions are probably better--

LINEHAN: Ma'am.

M. CAVANAUGH: --served for the Human Rights Campaign than me.

LINEHAN: Senator-- well, you're the one that brought it up.

M. CAVANAUGH: OK.

LINEHAN: So what you said, what I heard you say, and I may have heard you wrong, that they updated the letter, which would mean there's a change in the letter. And if I signed a letter six weeks ago and somebody made a change to it, I wouldn't think my signature would not be valid unless I resigned the letter.

M. CAVANAUGH: I would assume they did their due diligence. But I think, again, question for them, if they notified everyone who signed on to the letter that it was being sent out and with the current language. I would assume that that was their due diligence.

LINEHAN: That, that's a very important question.

M. CAVANAUGH: It is.

LINEHAN: Well, can we just set this letter aside then, until we figure out exactly what the facts are?

M. CAVANAUGH: Oh, I mean, that-- you can investigate that if you like. I-- they sent us the letter. I assume they did their due diligence. I have no reason to believe that they otherwise.

LINEHAN: Well, I think assuming--

M. CAVANAUGH: And if somebody-- one of these companies tells me--

LINEHAN: Assuming when you're in Nebraska Legislature is not a good idea. So let's find out if they changed the letter. And if they changed the letter, did all those companies--

M. CAVANAUGH: I'm sure I can get an answer in the next hour.

LINEHAN: OK. I appreciate that very, very much. Thank you very much.

M. CAVANAUGH: Yep.

DORN: Thank you, Senator Machaela Cavanaugh and Senator Linehan. Senator Hunt, you are recognized to speak.

HUNT: Thank you, Mr. President. Colleagues and Nebraskans, Senator Linehan, knowing me, has gone above and beyond, above and beyond anything asked of her or expected of her or the call of duty that we have here as lawmakers to help Senator Kathleen Kauth pass a bill that would harm my child. And I think if you do something like that, that makes you a bad person, and I apologize for yelling at her on the floor. I don't normally react that way. Thank you, Mr. President.

DORN: Thank you, Senator Hunt. Senator Erdman, you're recognized to speak.

ERDMAN: Thank you, Mr. President. I appreciate that. I appreciate Senator Slama and Senator Linehan speaking up. Because quite often when someone stands up and says the things that they do, they don't get a lot of support from anyone else. So I can say I appreciate it. And just because we have a different opinion about what protecting children is doesn't mean we're bad people. We may disagree on how we think we're protecting children. That's what it is, a disagreement. I happen to agree with Senator Linehan, Slama, Kauth, and several others in this room that what we're doing with children today is out of line, inappropriate, and shouldn't happen. So I've been classified in the same group with Senator Linehan and Kauth and Slama and several others, and I am proud of that because what we're trying to do is protect young people from making decisions that they're not capable of making in the long term of their health. That's what we're doing. So we're actually protecting children. That's what Senator Kauth is trying to do, and I appreciate what she has done. And I will vote to protect children every time. And, you know, we're going to have a memorial for the Buffalo Soldiers. Maybe we should put up a memorial for the 200,000 babies that have been killed in Nebraska. That's protecting children. So, Senator Slama, Senator Linehan, thank you for your comments. Thank you.

DORN: Thank you, Senator Erdman. The question before the body is the advancement of the-- passing of the E&R amendments. All those in favor say aye. All those opposed say nay. They are advanced. Mr. Clerk for items.

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CLERK: Mr. President, series of withdraws. Senator Clements, I have AM1674 with a note to withdraw and Senator Ben Hansen, AM1601 with a note he wishes to withdraw as well.

DORN: They are withdrawn.

CLERK: Mr. President, next amendment, AM1729 offered by Senator Clements.

DORN: Senator Clemenon-- Clements, you're recognized to open.

CLEMENTS: Thank you, Mr. President. Bringing AM1729, which is an adjustment between General Funds and Cash Reserve Funds. At the April 26 Forecasting Board meeting, they lowered this fiscal year, 2023, by \$80 million. And then they did raise the next two years \$80 million. When they-- when they did that, that triggered a statutory-- eliminated a statutory automatic transfer. It was going to be \$610 million automatically was going into the Cash Reserve, and that stopped that transfer. So the General Funds was going to have that \$610 million. I then discussed this with the Fiscal Office. We needed to decide manually how much we should transfer to the Cash Reserve. And not really having information as to why we should do a different number, I just made the motion to transfer that same \$610 million to the Cash Reserve. That's what was in the original LB818. This amendment would reduce that to \$440 million and would leave the difference in General Funds. And this is an amendment I'm bringing at the request of the Governor. The, the Cash Reserve balance will be less, but the General Fund balance will be more. Well, giving us more to work with, especially with tax relief, and then give us carry forward dollars for future years as tax relief increases. It's not really intended to be spent in this biennium. It's for building up General Funds for the future years. And so that is just it is changing the manual transfer that the committee did previously, shortly after the Forecasting Board and replacing it instead of the \$610 million, \$440 million and leaving more in the General Funds. And I ask for your green vote on AM1729. Thank you, Mr. President.

DORN: Thank you, Senator Clements. Senator Briese would like to announce 22 fourth grade students from Amherst Public Schools in Amherst, Nebraska. They are in the north balcony. Please rise and be recognized by your Nebraska State Legislature. Senator DeBoer, you're recognized to speak.

DeBOER: Thank you, Mr. President. I was wondering if Senator Clements could help me wrap my head around what he's just explained here and what he's trying to do in this amendment. I'll ask you a question in a second, Senator Clements. If I understand you correctly, you're saying that because the forecasting board decided we'll probably make in this year \$80 million more, we will not trigger the automatic-- our Cash Reserve doesn't have enough in it transfer clause which would have transferred money into the Cash Reserve. Senator Clements, would you yield to a question?

DORN: Senator Clements, would you yield to a question?

CLEMENTS: Yes.

DeBOER: So we will not-- we're not going to automatically kick in the \$610 million, I think you said, because the automatic amount because of this raise is no longer going to be the case. Is that right?

CLEMENTS: It was a decrease in this fiscal year, that's what triggered it. This money, if the balance goes up, then it does transfer. But when they have a decrease in the expected revenue this year, that stops the transfer.

DeBOER: So the decrease, the fact that we're going to have less money, means that we are not going to put as much into the Cash Reserve. Is that right so far?

CLEMENTS: Yes, they're showing-- that would show a decrease in our General Fund balance at the end of this fiscal year.

DeBOER: So, so instead of putting the amount-- when we thought we had more money, we were going to put \$610 million in. Now we think we're going to have less money, so we're putting less in. Correct?

CLEMENTS: We think we're going-- yes.

DeBOER: OK.

CLEMENTS: With the bills that are coming through, we're not-- we haven't passed all the bills yet. But yes, it's also for funding bills that are yet to be heard.

DeBOER: So we're going to use the money that we would have put into the Cash Reserve to fund bills that we, we haven't finished hearing yet.

CLEMENTS: Yes. And can carry funds forward into the future also.

DeBOER: OK. And what would the Cash-- without this amendment, I'm showing that our Cash Reserve at the end of the biennium would have been 15.2 percent of-- sorry, 17.7 percent of expenditures, 14.5 percent of revenues. And now we'll have 14.5 and 11.9 percent. Does that sound right to you?

CLEMENTS: Yes.

DeBOER: So that is less than the 16 percent which we would like to have in our Cash Reserve.

CLEMENTS: Yes.

DeBOER: So why are we putting less in than what we should have in our Cash Reserve at 16 percent?

CLEMENTS: It's about \$780 million, three-quarters of a billion dollars will still be in there, which is still over what historically we've had. The Governor's Office tells me he's comfortable with that as well, and especially that we're going to carry forward excess General Funds that we can manually transfer in the future if we want to.

DeBOER: So, since I came into this body, I know that Senator Stinner and others have said 16 percent is that magic number. We want to have 16 percent. We want to have 16 percent in the Cash Reserve. That'll help us for when we have a rainy day. We call it the rainy day fund. It'll help us with the rainy day. We seem to all know--

DORN: One minute.

DeBOER: --that a rainy day is coming. This would be a good time to have the 16 percent in when a rainy day is coming. Shouldn't we have the 16 percent now?

CLEMENTS: I support this transfer. I think there are, you know, several things working here. And I still think \$780 million is adequate for the current time. And the fore-- forecast for the next two years-- fiscal years is positive.

DeBOER: So with all the bills and everything that we're spending, could we spend less on all of these bills and then put that money in the Cash Reserve?

CLEMENTS: If we-- yes, we end up with a surplus, we can each year manually transfer to the Cash Reserve.

DeBOER: So how much money with this amendment would be on the floor? Do you have a general idea?

DORN: Time. Thank you, Senator DeBoer and Senator Clements. Senator John Cavanaugh, you're recognized to speak.

J. CAVANAUGH: Thank you, Mr. President. I'm not sure where I'm at on this amendment, but I'm a little blindsided by it, and really confused. I appreciate the conversation from Senator DeBoer and Senator Clements to try and get some context. I don't-- if Senator Clements wanted to answer Senator DeBoer's last last question, and I'd be happy to ask him to yield to a question.

DORN: Senator Clements, will you yield to a question?

CLEMENTS: Yes.

J. CAVANAUGH: Did you hear Senator DeBoer's last question? How much is there going to be on-- for the floor?

CLEMENTS: The Fiscal Office is about to run it exactly. But currently the green sheet is showing \$714 million. This is a difference of \$170 million, which would make it \$884 million.

J. CAVANAUGH: Thank you, Senator Clements. So I g-- I'm still trying to digest the information from from Senator Clements' open and, and Senator DeBoer's conversation with Senator Clements. I'm trying to understand the justification for doing this. And, you know, we've had a lot of conversations about big dollar amounts here. It's almost, I feel, like we're all becoming numb to large transactions of dollars. And I remember I heard Senator Blood talking earlier about how when she first got here, she had to fight for tens of thousands of dollars or something along those lines. That sound about right, Senator blood? Where you had to-- if you had a bill and it had any kind of fiscal note, you couldn't move it. And now we're having, you know, conversations about moving millions of dollars, \$8 million or \$5 million, and not really focusing on that. I had an amendment last week to this very bill to save us \$125 million from an-- what I thought might be an unnecessary expenditure, and we didn't get a lot of conversation about it, but we're spending a lot of money this year, and we've been guaran-- promised that we can afford these tax cuts, income, property, some other types of tax cuts, incentives, we can

afford, all those things. We can afford to build a canal, we can afford to build a prison. We can afford these other things. We can't afford certain other thing, other things like provider rates and things like that. But we can afford all these really big things because we have this safety net of the rainy day fund and it is so robust. It was supposed to be almost \$1,000,000,000. You know, it was \$2 billion then, it was a \$1.5 billion, and then it was \$1 billion. And the last I heard was \$950 million. We're going to be OK. We can do all these things. And even if our projections are wrong, we're going to have all this extra money in the bank. If, you know, we cut the taxes too much in the revenue projections in the future continue to decline, and we don't have as much money as we thought we did. And yet here we are, we haven't even gotten past the second round of debate on our appropriation package for this year, and we're taking more money out of the bank. We are raiding the rainy day fund in the middle of spending all this money. That's concerning. I don't know what it means because I just found out about it. Talking about moving almost \$200 million. But I'm concerned. It raises red flags about all of these other expenditures and about the confidence in the projections. I mean-- I admittedly, Senator Clements, I didn't quite follow everything you were saying, so I'm going to take some time to think about it, maybe talk to some people. But some of the things you talked about sounded like accounting tricks to make things, I don't know, we call it pencil out in the near term, in the long term, so that we can still on paper afford these expenditures that we've been talking about. And that--

DORN: One minute.

J. CAVANAUGH: Thank you, Mr. President. That doesn't seem like the right thing to do. If we can't afford things, then we can't afford things, and we need to find something else to do. We can't spend as much money on the canal. I proposed an out. I gave you guys \$125 million. I think I got 11 votes for that. \$125 million if we built a canal that was within the compact as opposed to the Cadillac Canal. And now here we are moving \$194 million. You'd only need to move 100 and or you don't have to move \$70 million, \$69 million if you had adopted my amendment last week. It would be less concerning, but still concerning that we have to tap into the Cash Reserve in the middle of the appropriations debate on the floor to make sure there's enough money for the floor going forward for all of the expenditures coming down the road. So I'm going to listen to the debate here and try and understand what we're doing and why we're doing it. And I'd love to hear from the other appropriators about that as well.

DORN: Time.

J. CAVANAUGH: Thank you, Mr. President.

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

CONRAD: Thank you, Mr. President. Good afternoon, colleagues. I'm glad I made it back in time from a meeting off the floor to be here for Senator Clements' amendment, because I think it's pivotal, and I think it's, it's really important that we have robust debate on this measure. I appreciate Senator Clements explanation in terms of why he brought it forward. But I'll tell you, as a former eight year member of the Appropriations Committee, there's a lot here that raises some pretty significant red flags for me. So, of course, it goes without saying that we have a requirement in Nebraska, and thankfully, that we balance our budget. That's a good thing. I think everybody agrees with that across the state, across the political spectrum. That helps us to keep our fiscal house in order. And thank goodness we do have that, because it has helped us to ensure that we are wise stewards of the taxpayer dollars and it has helped us to keep our fiscal house in order, and to say no when proposals have come forward that would put us out of compliance with ensuring a balanced budget. So when it comes to budgeting, there's some kind of sacrosanct kind of proposals that you need to keep in mind, and that we all should keep in mind is not just members of the Appropriations Committee, because it's all of our obligation and responsibility to pass a budget. We don't supplant federal funds with state funds. We don't pay for ongoing costs with one time funds. And we leverage dollars where we can. Those are some of the key, kind of hallmarks in terms of sound budgeting. Another key hallmark in terms of sound budgeting, and why we consistently have been able to weather economic storms and receive high marks in terms of fiscal sustainability and responsibility is ensuring we're meeting our benchmarks in regards to the Cash Reserve. So typically speaking, you need to see that at about 16 or 17 percent. It's my understanding that without Senator Clements amendment, which I oppose, if everything kind of shook out in terms of where it is today, the budget would leave our Cash Reserve at about 18 percent, just a tick higher than where it would need to be according to sound budgetary principles that have served our state very well. So if we adopt this amendment, it would move us far below that 16, 17 percent benchmark to about 14.5 percent. Now, that sounds pretty academic, but of course, that's millions and millions and millions of dollars. So, number one, it's out of step, out of alignment when it comes to sound budgetary

principles and interests in ensuring a robust Cash Reserve in accordance with sound budgeting principles to meet the challenges on the horizon not yet known or realized. And that Cash Reserve is critical to doing that. Having served as a member of the Budget writing Appropriations Committee during some of the deepest recessionary periods. I can tell you that if we didn't have that Cash Reserve as robust and strong as possible, it would have been increased taxes and deeper and deeper cuts into education, and human services, and infrastructure, and all the other critical core government functions and obligations. The other piece that concerns me perhaps the most, and Senator Cavanaugh and Senator DeBoer started to touch upon this, is that the reason this is being moved is to pay for Kansas style tax cuts that primarily support the rich. We didn't learn the lesson from our neighbors to the south that when you eviscerate the revenue structure, it's going to have dramatic impacts for things like education and human services and the things that make Nebraska great now and into the future. So the reason this money is being moved into the General--

DORN: One minute.

CONRAD: --Fund-- thank you, Mr. President. --is to pay for those Kansas style tax cuts that benefit the wealthiest and big corporations, many of them out of state. And let's be clear, it also violates a sound principle of budgeting. We're moving one time dollars, one time dollars from the Cash Reserve into the General Fund. The General Fund is typically the-- think of that as like what pays for our ongoing obligations of government. Once you move money out of the Cash Reserve, it moves once. That's why we never commit one time funding for ongoing costs. And that's exactly what's happening here. So it's a violation of ensuring a sound Cash Reserve, and it's a violation of committing a one time fund to ongoing costs. We ca-- I was worried we couldn't afford the tax cuts into the future. Friends, this tells me we can't afford them today. That is shocking and deserves robust debate. Thank you, Mr. President.

DORN: Thank you, Senator Conrad. Senator Dungan, you're recognized to speak.

DUNGAN: Thank you, Mr. President. Colleagues, I also rise with, I guess, concerns regarding AM1729, and I wanted to join that conversation. I think the one thing that, that jumped out at me when I first saw this amendment, which did also come as a surprise to me, is that we are tapping into the Cash Reserve already. One of the

principles that I've sort of learned since I've been here is that the Cash Reserve fund is supposed to be something that we only touch or tap into when we need to. I understand that there are certain long term ongoing projects that do utilize Cash Reserve funds based on the robust nature of our current Cash Reserve. And I understand that that can sometimes be helpful. But in speaking with those who came before us, one of the things that I, I guess I absorbed was that the Cash Reserve fund is intended to be there for vast economic downturn. It's intended to be there in case of an emergency, as opposed to something that can kind of be moved around and played with. I do understand that the Cash Reserve is currently larger than we are used to seeing, and as I have, I think, on the floor and in committee, expressed concerns about our current financial state and some of the decisions that we are making and how it's going to affect that financial state, one of the resounding choruses that I've heard each time is don't worry, our Reserve is actually fine. It started at \$1.6 billion. Don't worry, we have \$1.6 billion in there. And then it was reduced each time we talked about it. And so I was concerned when I saw initial estimates of the Cash Reserve moving forward, according to the General Fund financial status that we got back on May 1st, there's a structural reduction in our Cash Reserve between now and '26-27. And what I mean by that, to try to put this simpler, is that it goes from \$1.5 billion to \$1 billion to \$980 million to \$930 million to \$889 million essentially by '26-27. So with nothing changing, with no modifications in our current law and taking into account only the law that currently exists, our Cash Reserve is already on a downward decline. And by '26-27 we still have, according to this, \$880 million in there. But that's around the number that I was told is about as low as you want to go. And so my concern remains that there is going to be this structural reduction in our Cash Reserve, and in the event of an economic downturn or in the event of any kind of actual emergency, we will have tapped into our savings account in such a way that we don't have left what we need moving forward. So then the question is how does that interact with what we're currently talking about? And I think that others have hit the nail on the head where there's been concern about the tax cuts that we're talking about, as well as some of the expenditures. I do think people have been very honest that these tax cuts this entire time, we knew they'd have to be tweaked and we knew there'd be certain things coming in and coming out. And I know that we don't know what the final ones look like yet with regard to what's going to be included or what's not. But that being said, if you look at our green sheet, colleagues, that we get every day, it has on there the \$715 million essentially of the money that we have to play

with above that minimum reserve. And then on the back sheet, it has the estimates of all of the expenditures that are on Final Reading and all of the expenditures that are on Select Reading for both this upcoming fiscal year and the one after. And then it has the revenue reductions that are on Final and the revenue reductions that are on Select for both '23-24 and '24-25. If you add all of those together for the upcoming biennium, and take into account as expenditures as well as a loss and reduction, and so we just call that money we're not going to have by the end of the biennium, my understanding, and I'm not a mathematician here, but just doing that simple addition as it comes out to \$1.1 billion, \$1.1 billion by the end of the fiscal year '24-25. So if you--

DORN: One minute.

DUNGAN: Thank you, Mr. President. By the end of that biennium, so that 1.1 billion is above the \$715 million that we see as sort of that money to play with above the minimum reserve. So I guess my question is, even with this injection of money from the Cash Reserve into the General Fund, which I just generally think I'd philosophically disagree with, given that that should be our savings and we should be tapping into it for a one time expense. But even with that expenditure, it seems like we're still not going to hit where we need to be if every single bill that is on Select and final that currently has a fiscal note on this green sheet passes. And I don't know if they will, I don't know-- and they're going to be modified potentially. And again, I think we can continue to have that conversation. But that's what raises my red flags. And I just want to make sure that people are paying attention to this as we continue to have these revenue and appropriations conversations. Because taken together, I just want to make sure that we're in a sound financial state moving forward. And I hope we continue to have a conversation about that and what our actual financial status is going to be into the future. Thank you, Mr. President.

DORN: Thank you, Senator Dungan. Senator Linehan, you're recognized to speak.

LINEHAN: OK. I'm going to-- I'll probably be up several times on the subject of the Cash Fund and appropriations. So if you brought your green book to the floor today or if you didn't, maybe you can have your staff bring it to you, the Cash Reserve Fund on page 3, it lays out what we have spent out of the Cash Reserve fund in '22-23 and in '23-24. But let me back up and start where I was going to start when I

first punched my light. I want to thank Senator Clements and the Appropriations Committee for being transparent, telling us what's going on, telling us what bills are in the appropriations bill. Because for those of us that were here last year when the appropriations bill came to the floor, there were amendments stacked so no one else could talk except one Chairman and the Chairman of Appropriations. We didn't get to any other amendments. We had no idea what was going on and we could not ask any questions. So I just want to make sure for the new several freshmen that you understand that the way this is going this year is more transparent, more open, and more fluid than any time since I've been here. On page 3, it goes through all the spending we have done out of the Cash Reserve fund. And I don't remember, maybe I was sleeping, I don't remember people screaming about the spending. And if you go to page 8, it shows you what we historically had in the Cash Reserve. And we've gone all the way from-- well, when they started is 1.7 percent back in the nineties and we've dropped down to 2.3, we've dropped down to 9.4. And in the year that we got elected, for the first year my class was here, which everybody always says we were broke, which we weren't. We ended up with 15.7 percent in Cash Reserve. We were-- we thought we were broke because forecasting board met and said we weren't going to have any money, and then it turned out we did have money, and then-- and none of this is against Chairman Stinner. Chairman Stinner decided when we did LB1107, here's, here's what's messing up the books and we're going to get out of it next year, but it's still in it this year. When we did LB1107, Chairman Stinner was concerned about the property tax credit fund and what we call tier 2. And he said that we couldn't put money in that unless anything that was not more than 3.5 percent of the forecast. So you had the forecast, and then he had to take 3.5 percent of it. And then anything over that could go in the Cash Fund. Not could go, will go into the Cash Fund. So we've been living under that for now five years. So automatically now, anything over 3.5 percent, and, and we're only budgeting 3 percent, which is actually 2 percent below the historical average, is going into the Cash Reserve fund. Next year that goes away. Next year we'll go back and I hope, if I'm wrong somebody correct me, next year, we will go back to the way we've done it in the past when we actually put money in the Cash Reserve fund. So this has been an upside down process. We are fine with money. We have-- OK, we're only going to have \$800 million in the Cash Reserve fund. But let's not forget over here we have the Education trust fund, which is going to have \$1,000,000,000. So really, if we want to look for money laying around, we're at almost \$2

billion. So to stand up today, when we're about to go to tax cuts next, when we get the budget done--

DORN: One minute.

LINEHAN: --to say no, we don't have any money. We have money. If we want to look for money, we can go back and start lining through all the spending we're doing in the Cash Fund. I will stay engaged. Thank you very much, Mr. President.

DORN: Thank you, Senator Linehan. Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. Colleagues, I tracked down the person that signed the letter to us. I didn't have a contact beyond what everybody else had. But I have tracked down the individual who-- whose name is on the letter, and they are doing their due diligence to get me an accurate answer to Senator Linehan's questions. And when I have that. I will share it with everyone. So, just wanted to give that update about the letter that I was able to find someone, actually the person who signed the letter. And this individual is talking with their legal office to make sure that they get us an accurate answer to the question of what does updated on May 4th, 2023 mean. So when I have that, I will take another time in the queue and share that information with everyone. And if they give me something in writing, I will forward it on to the full Legislature. So there we go. I will say that the letter itself says-- the letter to us about the Human Rights Campaign's letter signed on by 300 businesses does say the letter was first released in early 2020 and has since quadrupled in size, now featuring over 300 large businesses and counting that oppose efforts to enact discriminatory legislation. Many of these businesses have operations in the state of Nebraska. I would draw your attention to the specific section of the letter. Quote, These bills would harm our team members and their families, stripping them of opportunities and making them feel unwelcome and at risk in their own communities. As such, it can be exceedingly difficult for us to recruit the most qualified candidates for jobs in states that pursue such laws. And these measures can place substantial burdens on the families of our employees who already reside in these states. Legislation promoting discrimination directly affects our businesses, whether or not it occurs in the workplace. So I would encourage everyone to read over the letter, the letter that was sent to us and the attached letter that was sent to the Governor, the business statement on anti-LGBTQ state legislation. It is not specific to any one bill. It is

encompassing all legislation. So no, it does not specifically say LB574, LB575. It is talking about all legislation that targets LGBTQ individuals and I hope to get the answers that will satisfy the attempts to diminish the impact of this letter and to disqualify the substance and reality of this letter. So I will continue to work on that and keep the body and the public abreast as the information becomes available to me. Thank you, Mr. President.

DORN: Thank you, Senator Machaela, Cavanaugh. Senator DeBoer, you're recognized to speak.

DeBOER: Thank you, Mr. President. This is the most awkward thing where you're having a 5 minute conversation and then you wait a half an hour and you have the second half of that 5 minute conversation. But we'll see if we can pick up where we left off, Senator Clements. So several things I've heard since then-- senator Clements, would you yield to a question?

DORN: Senator Clements, will you yield to a question?

CLEMENTS: Yes.

DeBOER: Senator Clements. OK. So we're going to end up with about \$780 million in our Cash Reserve, is that correct?

CLEMENTS: Yes.

DeBOER: And we had originally been-- our goal was \$950 million in the Cash Reserve.

CLEMENTS: Yes.

DeBOER: So is that because we're spending more money than we had originally wanted to spend?

CLEMENTS: No. It's to carry forward more General Funds, it's reducing the amount of transfer from General Funds to the Cash Reserve, but to carry forward Cash Reserve and General Fund excess.

DeBOER: OK. So again, that was something we were talking before. And, you know, I, I don't-- I'm not on approp, so sometimes I don't have all the vernaculars. So this carry forward General Funds. Why would we keep it in the General Fund as opposed to just putting it in the Cash Reserve and keeping it that way. Why-- why are we carrying more money in the General Fund?

CLEMENTS: Well, these were General Fund dollars in the first place. The transfer that we did was the entire amount of excess. And this is just reducing this. The--

DeBOER: I get that. I get that. Is that-- is there a specific reason? Do we have some purpose we're going to put these excess General Funds to?

CLEMENTS: To carry forward to future years. And my understanding is it will make the tax package sustainable.

DeBOER: So it's-- so we're using basically one time funds from now to put it in the General Fund to keep them in the General Fund so that in the future we can pay for the tax cuts that we do this year.

CLEMENTS: I believe so, but I haven't been even myself given all the moving parts.

DeBOER: Ok.

CLEMENTS: But that's not how I would explain it. The-- these-- the extra funds that we're keeping in General Funds are not because we're going to spend them this year.

DeBOER: OK. So can I ask you another question about the education-- this is a different topic now. Switching topics. The Education Future Fund, we, we heard Senator Linehan say that we can use that money, I guess as like a rainy day fund if we're worried about how much money we have in the rainy day fund. What are the statutory purposes around which the Education Future Fund can be used?

CLEMENTS: Currently, it's to fund TEEOSA, and special education and foundation aid for public schools.

DeBOER: And is there enough money in there to do that? I mean, without putting more money in there, how long will that money last as to do those purposes?

CLEMENTS: I've been told that the \$1 billion in five or maybe seven years would still have \$500 million in it. So there's probably about \$500 million extra dollars just for a cushion in there.

DeBOER: So that \$500 million that will be still in the Education Future Fund, is that without any additional funding of the Education Future Fund, or is that after more transfers have been made in.

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CLEMENTS: Yeah, that's with, that's with transferring \$250 million in every year but taking \$300 million out for the school aid.

DeBOER: That, that--

ARCH: One minute.

DeBOER: That's perfect. That gets me to my question. So we're going to take about \$300 million out of the Education Future Fund every year to fund the things that we want to fund with it.

CLEMENTS: And put \$250 million in.

DeBOER: OK. So assuming we have the money to put \$250 million, we'll be just \$50 million short each year.

CLEMENTS: Yes. And the \$1 billion dollars is so that if there is a year we can't put \$250 million in, then we could draw that down. It, it was to give some assurance to the public schools.

DeBOER: So but if we can't put any money into it, it sounds like we'd be out of money in three and a half years.

CLEMENTS: I don't see that happening. I think we'll prioritize this pretty highly. This transfer.

DeBOER: But, but that makes me a little nervous about using it as a second rainy day fund. If we're using money fast-- I mean, if we're using the money that's in there, it does seem to be a little bit of a nerve racking thing.

CLEMENTS: It would have to be very desperate times to do that.

ARCH: Time, Senator?

CLEMENTS: There's no plan for that.

DeBOER: OK. Thank you.

ARCH: Senator Raybould, you are recognized to speak.

RAYBOULD: Thank you, Mr. President. I appreciate this conversation and dialog. And, you know, these are some of the concerns I've had from the very beginning with this very generous corporate and individual income tax credits going forward. I know we'll have a further discussion on it tomorrow, but I've suggested that we need breaks,

because some of the preliminary information that was handed out at the very beginning of our session showed that in 2025 and the year 2026, we're going to be in a deficit with the funds that we will need. And the reality is a good chunk of what we're showing today of that \$714 million is really going to fund that corporate and individual income tax, so-- cuts. So these things are truly, truly not sustainable, particularly when we have to already tap into our Reserve, Cash Reserves to be able to, to fund that. And, you know, there is no doubt we are flush with cash, but we're doing some things that are truly transformative. Putting \$1 billion in for school funding and trying-- and committing to that \$250 million a year in itself is a big, huge deal and should be treated just as that. We have been doing individual tax cuts since 2020. LB873 had individual tax cuts going. The problem is, in LB754, they're all accelerated to keep going down lower. It's as if we're doing-- we're playing limbo and trying to pit-- go as low as we possibly can compared to the rest of our states. There's no return on investment by paying out to corporations and giving these generous, generous, accelerated income tax cuts to the wealthiest individuals. What's the return on investment? At one of my times on the mike, we talked about the income economic multiplier. When you give out tax cuts like this, what's the return? What does it generate for your economy? And doing things like the corporate and individual income tax cuts do not generate the things that we want. You know, we've been doing the corporate income tax cuts, how many companies have actually come and relocated to our state of Nebraska? I've asked that of so many of our state senators here. What are the numbers? What can we bank on. But when we keep lowering these income taxes, that's going to have a dramatic impact. We cannot sustain it. We cannot afford it. And so I'm-- I really appreciate Senator Clements' efforts on this. But Senator Clements, would you be willing to answer a couple of questions?

ARCH: Senator Clements will yield.

CLEMENTS: Yes.

RAYBOULD: Senator Clements, can you tell me, after we've done the forecasting, the recent forecasting, did the numbers change for this fiscal year and next fiscal year when it came to the corporate tax cuts, as well as the individual income tax cuts? Did those numbers get bumped up further?

CLEMENTS: The tax cuts from last session were considered in the forecast. They lowered this current fiscal year \$80 million, but they

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raised the first, the next one \$25 million and the following \$55 million. So they added \$80 million in the future.

RAYBOULD: But that's just in the forecasted amount.

CLEMENTS: That's in the forecast--

ARCH: One minute.

CLEMENTS: --including the statutory tax rates that we have presently.

RAYBOULD: And I know Senator DeBoer had asked you questions about some of the statutory limitations that for us are like guardrails, so we can actually access that \$1 billion that we have in the Schools Future Fund.

CLEMENTS: No, not without a statutory change. We'd have to pass a bill to change, change the use of that fund. It's currently locked in for education.

RAYBOULD: Thank you. That's good to hear. And what about that \$250 million annual commitment.

CLEMENTS: That is in the budget for this two years, but we cannot commit future spending of Legislatures, that's-- but it is in the language, it says we intend to put \$250 million in each year. We can't bind the--

ARCH: Time, Senator

CLEMENTS: --budget.

RAYBOULD: Thank you, Senator Clements.

ARCH: Senator Conrad, you're recognized.

CONRAD: Thank you, Mr. President. Good afternoon, colleagues. I am glad to see that the queue has some people engaged in this conversation because it was quite a contrast that we-- it's almost as full at the queue in a \$200,000 amendment I brought forward just moments ago, and then had to pull back on because there were concerns about price tag and other matters. So here we've got a multi-million dollar budgetary shift and change on, on the agenda on the board here today to prop up Kansas style tax cuts that I'll tell you, I expressed concerns at the outset of the budget debate and the tax cut debate

about equity and about sustainability. And those policy underpinnings and concerns remain in regards to the tax debate and in regards to the budgetary debate. And to be clear, I know Senator Linehan and others have been sincerely and consistently clear in their policy goal to provide additional tax relief for Nebraskans. That is a legitimate political goal, and I think we all appreciate and understand Senator Linehan and others' tenacity in that regard. But I do want to make sure to put in context and connect the dots for how this budget and how this specific amendment should raise so many red flags about whether or not, indeed, the tax package before us is equitable or sustainable, because I think it really calls it into question and puts a very fine point on things. So if you look at a recent article, an op ed from the Nebraska Examiner, two fiscal conservatives, our former colleague, Senator Paul Shoemaker, Senator Curt Friesen, write about how unsustainable and inequitable the tax packages before us are, and they help to distill the fact that what we're trying to do with the tax breaks in this year's Legislature took us over a decade to do in previous years because there was a more fiscally conservative, cautious approach to meeting our state obligations and to providing tax relief to our citizens, including our corporate citizens. So just take that one glimpse, that one piece of feedback from our former colleagues who, again, are no wild eyed liberals when it comes to fiscal or tax policy or budgetary policy. We're trying to do this year, in terms of tax relief, what it took us over a decade to do previously. And that's how big these tax cuts are. And the concerns not only in terms of sustainability, but also have to go back to equity. And I want to talk about how the dots are connected with Senator Briese's bill and the Education Cash Fund, and I want to talk about who the taxes really, really benefit, the tax cuts really, really benefit. So in some ways, I appreciate, and Senator Linehan's right on, once we create a cash fund or a future fund or whatever else it might be, of course, future Le-- we can't bind future Legislatures so people can come back in the future if they hit an economic downturn or otherwise, and sweep that. But it also kind of goes to, to prove the point about why schools are wary about this proposal, and why there's a great deal of unease, I think, amongst education stakeholders across the state, is because in some ways we kind of said the quiet part out loud there. We're taking \$1 billion off the table to put in this Education Future Fund, which actually is great, and people have been talking about for a really long time, to stabilize economic downturns and protect education funding. Those are--

DORN: One minute.

CONRAD: --noble, worthy policy goals that I agree with. But now it's being propped up as kind of a mini-Cash Reserve, or go ahead and raid that when we can't pay for these tax cuts down the road. That is exactly what people are concerned about. And now we have that kind of clearly on the record, which definitely, definitely makes me concerned. The other piece that I want to talk about is just the equity, in addition to the sustainability, for what we're really scrambling around trying to do with this amendment and overall. There is a host of components in the tax package in LB754 with smaller or more modest price tags, including a child care tax credit, that, that can help some families in need. The big driver is a 3.99 percent cut for the richest Nebraskans and corporate, and corporate citizens that has a \$700 million plus fiscal note, and the top 1 percent who will benefit from that, making over \$603,000--

DORN: Time.

CONRAD: --per year.

DORN: Thank you, Senator Conrad. Senator Briese, you're recognized to speak.

BRIESE: Thank you, Mr. President. And good afternoon, colleagues. Well, it looks like we've gotten into a discussion on sustainability of what we're going to put in place here, as we well should. We should talk about sustainability. And sitting on the Revenue Committee and the Education Committee, I, along with my fellow committee members, have had ample chance to talk about those issues. We had plenty of opportunity to quiz Budget Director Lee Will extensively at those hearings on his thoughts on sustainability, on his thoughts to how we're going to pay for this, how we can easily afford this. And he explained in detail-- I shouldn't say easily, but he explained in detail how we can afford this, and it is sustainable, it does cash flow. The cash flows for the near-term, cash flows for the long term. I'm comfortable with his position on this, and I share his belief that is, is sustainable in the long run. We have a resilient ag based economy that is well suited to weather economic cycles. The tax relief represented in this package will also enhance and create even more growth, and add to the economic stability of our state. First thing I do is, I draw your attention to the green sheet that we get here every morning and note that the projected amounts in the Cash Reserve fund hover around the \$900 million area for the foreseeable future. And note above that area, there on line 30 of the General, there's something called the General Fund Financial Status entitled The

Variance from the Minimum Reserve. And note that by fiscal year '26-27, it's almost \$2 billion. And that's on top of the minimum reserve of nearly \$400 million found on line 30. And note how they got here. They did it with a very conservative projection on revenue growth, and you find that on line 35. There, the rate and base adjusted revenue growth is projected at 3.5 percent and 4.7 percent for the following biennium. And I would submit to you that those are very conservative numbers, because you look again at line 35, there are-- we are projecting revenue growth below the average for five years in a row. I don't think we've ever had five years in a row of below average revenue growth. In fact, in the last 40 years, I believe the longest string of below average revenue growth was three years. And here we're projecting five years of below average. That is a very conservative position to take. And then if you find the Appropriations Committee preliminary report from February of 2023, there on page 7 is described the methodology normally used by the Fiscal Office in predicting outyear revenue growth. Under this method, the out years are calculated by determining what rate of growth it would take to achieve a five year average growth rate similar to the 40 year average -0.25 and the 40 year average is 5.4 percent. So here, if we use that traditional methodology for '25-26 and '26-27, we'd look at line 35 and plug in 3.9 percent for '22-23, 4.0 percent for the following year, 3.7 for '24-25. And we would calculate and determine that to get to the historical average of 5.4 percent -25, we'd be predicting roughly 7.1 percent growth for '26-27. And those of you on the Revenue and Appropriations Committee will likely remember the meeting we-- the joint meeting, we had to form a consensus on--

DORN: One minute

BRIESE: Thank you, Mr. President To conform-- to form a consensus on projected revenue and appropriation growth in the out years. And I believe that Keisha indicated at that hearing something similar than what I'm stating, the 7.1 percent if that historical average methodology was used. So instead of 3.7 percent or 3.5 percent, whatever it was, 3.5 or 4.7, if you use the historical or the traditional approach to predicting revenue growth, we'd be at around 7.1 percent. And she submitted that as well, I believe. Or she suggested that would be the case as well if we use that methodology. So I would submit we are being very conservative in our estimates here. And also note we're stepping in mo-- at most aspects of the revenue, excuse me, the tax relief packages. Future bodies can hit the pause button if necessary. But I would submit to you that it is likely not going to be necessary. Thank you, Mr. President.

DORN: Thank you, Senator Briese. Senator Dungan, you're recognized to speak.

DUNGAN: Thank you, Mr. President and colleagues. I think this is actually a really good conversation to be having. And I think Senator Briese's correct. We're probably going to be having this discussion regarding sustainability on this, as well as some of the other future tax packages that we're going to be discussing. And so I think it's good that we're kind of digging into this, because up until now, I think we've talked a lot about appropriations, at least with regards to these bills. But it's two sides of the same coin. You can't have a conversation about expenditures without also having conversations about the revenue that you have in order to afford those expenditures. And so going back to the General Fund financial status. This is obviously from the Fiscal Office, and it's what we've all been looking at with regards to the amount of money that we have on the floor to spend now, as well as at the end of the '26-27 biennium. So that \$715 million is what we have to play with right now. And then assuming all the estimates from this financial status sheet are correct, we would have the \$2 billion in '26-27. What that-- and I've highlighted this before, but I want to make sure I'm very, very clear about this. What that does not take into account are modifications of our current law. So the General Fund Financial Status that's contained in the green sheet, the General Fund Financial Status that we received on May 1, all of the estimates that we've had a chance to review thus far are under what the current law is. And my understanding is that does take into account the reduction of taxes, I believe, for income and corporate tax down to the 5.84 that was approved by this body previously, because that is current law. And so as this stair steps, as that tax stair steps down, it is taken into account with the upcoming biennium and then the out years. But what this doesn't take into account with regards to the General Fund is a potential future reduction in our revenue stream. And so when we look at the numbers that say that we are fine moving forward and I, and I agree with Senator Briese, we talked about this at great length in the Revenue Committee hearings. And I want to commend a lot of the folks who came in, Lee Will and others with data that we asked for to be able to have this conversation. But one of the concerns that I did express in there was that the numbers that we are currently looking at with regards to our General Fund and our Cash Reserve moving forward that say, hey, I think we're OK to do all this, don't take into account the proposed reductions. And my concern has always been that if we continue to reduce the taxes, while also essentially promising that we are going

to fulfill this obligation with regards to the Educational Future Fund, you're seeing a reduction in how much money you're getting and an increase in how much money you're spending. And that's the kind of thing that, at least personally, for my budget. Was always problematic. I understand state budgets are much more complicated than that, and there's a lot of moving pieces. I've been learning a lot in the last year here, but having spoken with many experts and having spoken with people who agree or disagree about what we're doing, I remain concerned. And the reason for that, again, this amendment we're talking about is moving money from the Cash Reserve into the General Fund. It sounds like the reason we're doing that is there's not enough money on the floor for the things that are currently proposed. And I understand. Sometimes you do have to dip into your savings account in order to make a big, a big payment. That's how we all live life, right? A big thing comes up and you dip into your savings account and you buy something, you have to, right? Your furnace explodes or something like that. But it's usually an emergency situation and it's usually something that you don't just opt to do. And so the fact that we are opting to do this in order to effectuate all of the revenue reductions and to accommodate all of the appropriation expenditures seems problematic for me. If this entire time the red flag has always been I don't know if we can afford this, we look at the numbers, we compare what's being--

DORN: One minute.

DUNGAN: Thank you, Mr. President. --reduced to what is being spent. And we are already far exceeding that \$715 million. It would seem to me that the wise thing to do, rather than to transfer money from the savings account into the checking account to make it simple, is actually look at what we're spending. The other thing I wanted to highlight is that reduction in the Cash Reserve moving forward. Again, it goes from \$1.5 billion down to \$880 billion, or million. That is not even taking into account any future expenditures from the Cash Reserve in '25-26 and '26-27. So there's already a massive reduction that we're seeing in that that does not take into account any future spending. So in '24-25, when the budget's coming up next, any future appropriations that people put into that is going to further reduce that Cash Reserve down below that \$880 million. And so we don't know how much that's going to be tapped into. And I just think it would be in our best interest as a state to continue to have a robust Cash Reserve and only tap into it when necessary, as opposed to in order to accommodate a host of reductions that aren't maybe quite as--

DORN: Time.

DUNGAN: --necessary in the immediate future. Thank you, Mr. President.

DORN: Thank you, Senator Dungan. Senator Moser, you're recognized to speak.

MOSER: Thank you, Mr. President. Well, it's certainly an interesting conversation that we're having today. I think the, the concern about spending is ill timed. I don't think this is spending. This is taking some money from one account and putting it in another. It may be a little bit like having a checking account and a savings account. Our Cash Reserve is kind of our savings account. Our checking account is kind of like the General Fund, and we're putting money in the General Fund, reserving it for future years to kind of help fund that in future years instead of leaving it in the Cash Reserve. Beyond the Cash Reserve balance and what we're putting in this General Fund, there's still \$714 million left for tax cuts and or spending from-- on bills that we pass from the floor. So that's where the fight should be. What are we going to spend that \$715 million on? And if we don't spend it all, it'll increase the Cash Reserve. The statutory minimum in our kind of sort of checking account, so to speak, is around 3 percent. But there is precedent for having dipped into that. One year when we were really struggling with the budget we changed the statute to a lower percentage so we could spend more of that money. So that \$300 million or \$400 million in some ways is a cushion. Plus, we're still going to have \$700 million in the Cash, in the Cash Reserve with all is said and done. And when we first got elected five years ago, it was down to \$250 million. So we've had \$500 million added to that. Plus, we set aside \$1 billion for funding of schools. So we've had a dramatic turnaround to this point. And our increase in spending is 2 percent. And our projection at revenue growth is historically 5 or 6 percent, but we're figuring on 4 percent. So we're going to have-- should have some spread there to operate on. And if we don't, then we're going to have to make adjustments. That's what the Cash Reserve is for. You know, that's why we have Legislatures do budgets every two years. You make adjustments to account for the actual empirical evidence that you have from how the economy is doing and how much money you're spending. With inflation, there could be more revenue because things cost more. Sales tax might be up. People might make more money because of the scale of wage increases. You know, it remains to be seen. But I think to take all the money that we've enjoyed as revenue here in the last year or two and not give some of it back to the citizens, I think is wrong, because we set rates to

cover our expenses and just a little bit more. And right now we're covering our spend-- expenses plus a lot more. So I think it makes sense to give some of that back. Thank you, Mr. President.

DORN: Thank you, Senator Moser. Senator Jacobson, you're recognized to speak.

JACOBSON: Thank you, Mr. President. I'd really like to follow up a little bit on the comments that were just made by Senator Moser, and he's spot on. Let's understand what we're dealing with here, folks. We're talking about, as Senator Moser indicated, we had a bill first, it's a spending bill. We're also dealing with the savings account now. That's the bill that, that's the, the fund that we're talking about now. But let's think about how this reserve got built to the level it is. It's because we overcharged. Overcharged the taxpayers. Which taxpayers do we overcharge? Well, I think we'd start with the ones who actually pay taxes. OK? And guess who they are? Guess who those people are that pay the big taxes in this state. Why is it such a foreign concept that we give them their money back? But we're not even doing that. We're not giving them their money back. What we're doing is we're going to provide tax reductions for future years so that we don't take as much from them so that we build this reserve up again. And what we're doing now with this big pile of money, as the Governor would say, bushel baskets and bushel baskets full of money, is we're making some one time investments, and we've got a lot of people looking to do other things with those dollars. To the extent that we make real investments, such as investments into education, investments into the Perkins County Canal, and yeah, we can say we don't need that water today, 20 years from now, we're going to be really glad that we got that water as cheaply as we did, and that we preserved the right to that water. Those are investments, but we owe it to the taxpayers of the state of Nebraska to stop overcharging them. And that's what we're going to be talking about when we get to the tax side of this thing is how we stop overcharging our taxpayers in this state, and how we responsibly use the surpluses we're dealing with today and make the right kinds of investments. Let me also explain that when we're talking about putting money to public education, it isn't that there's \$1 billion going to this, this fund that's going to be a reserve in case we can't continue with the obligations that we're, that we're committing to, to the public schools today. I will also tell you that a large share of that money that's going to the public schools is intended for property tax reduction. So this isn't a huge windfall of new money. It's going to replace some of the money that they're taking from the property tax payers today, which we've talked about before,

who have had about all they can take in terms of taxation. Public schools take about 50-- they're about 50 percent of your property tax bill. We're going to get that down by bringing money from the state, giving it to the public schools, particularly those that are not equalized today, and have-- asking them then to reduce their property tax levies. So guess what happens if down the road there's issues being able to fund public schools. We've got the Future Fund, and they can always go back to property taxes. So they're going to be there. What we have to be careful of is that we don't go out and we start-- starting new programs that are just giving money away because everybody needs that. Or at least that's what we're always told. If we stick to--

DORN: One minute.

JACOBSON: --making one-time investments. Thank you, Mr. President. If we stick to one-time investments, solid sound investments, do the right investments into public education, we're going to be in a position to make our tax code competitive. And guess what? If you want to talk about the real corporations, the ones that are headquartered in Nebraska, the ones that pay real taxes in Nebraska, what they care about is what they're paying in taxes. I will guarantee you that. That's what they care about. Thank you, Mr. President.

DORN: Thank you, Senator Jacobson. Senator Linehan, you're recognized to speak.

LINEHAN: Thank you, Mr. President. I agree with everything Senator Jacobson said. I read the editorial, op-ed, excuse me, that was in the Nebraska Examiner by two of our former colleagues. I thought I addressed this pretty clearly the other day. But since it came up again, I'm going to repeat what I said the other day. Whenever you're reading that op-ed from former members, and in the second paragraph, it says, however, there seem to be very few in the Legislature who care about the state's financial health, especially looking beyond the next election. I would suggest you stop on that phrase and think if that's true. So do we think there are very few people in here who care about the financial health of the state? Really? 49 of us come down here 12 hours a day. We're passionate, work hard, sit in committees, but we don't care? That's where you all should have stopped reading. Then we go on and it says, when we were here, revenues were consistently down. So I'm not going to repeat it. But if you go to your budget book, page 11, you can see that that is simply not true. In the time they were here, maybe revenues down. I don't think they

were ever down below the year before. They may have been not above the year before. And then it says we were cutting programs and services. So again, go to page 19 in your budget book and you will see that we have not been cutting programs or services. Imagine for the last 10 to 12 years, they've increased significantly. So we hear, you know, that we have hard time with critical thinking with young people. We should not have a hard time with critical thinking in the Legislature. We can get up and we can say, oh, the tax cuts are just for the rich. They're just for the corporations. But if we're talking numbers, which the budget is about numbers, and I'm sorry, tax cuts are about numbers. Let's talk about-- oh, we had an earlier conversation today where we all wanted to talk about data. We don't have enough data. We don't have enough numbers. So instead of the emotion and inflammatory language, let's talk about real numbers. The rich? We're only giving income taxes to the rich? Here's where the top bracket starts for a head of households. Currently at \$52,980. I don't know. That doesn't sound rich to me. The next bracket, which we-- also is above 3.99, starts at \$35,480. We're talking about middle class Nebraska. Now whether the rich, whatever you de-- that's a data point we can start with, which I've never gotten anybody to have a consensus in the Legislature on. What is rich? Am I rich if I make \$50,000 a year? \$100,000 a year? \$100,000 might be great if I'm single. Not so good if you have four kids, or any of them going to college. So if people are going to get up and talk adjectives, let's talk about numbers and what you're talking about. If you're going to go up and say it's only for the rich. Define to me what the rich is.

DORN: One minute

LINEHAN: We have-- the Revenue Committee have worked very hard on it. The green sheet is wrong. We will have amendments on the income tax bill tomorrow to lower the cost of the income tax package. I have said that from the beginning. That is bigger than we'll be able to afford, and we will have to cut back from the income tax package. And we have been working on that, and it will be less. But what we will not back away from is getting Nebraska's top rate down to competitive with other states. We have to do that, folks, or we're going to be in trouble. Thank you, Mr. President.

DORN: Thank you, Senator Linehan. Senator Briese would like to recognize 50 4th grade students from Saint Paul Public School in Saint Paul, Nebraska, setta-- seating-- sitting in the north balcony. Please stand and be recognized by your Nebraska State Legislature. Senator John Cavanaugh, you're recognized to speak.

J. CAVANAUGH: Thank you, Mr. President. Welcome, kids from Saint Paul. Nice to see you. Cool shirts. So I appreciate the conversation and, and everybody's perspective. And, you know, wasn't-- I didn't push in to comment on Senator Linehan's comments, but I just there's a few things. First off, Senator Linehan, I apologize, or out myself. I didn't read that editorial. I didn't read-- the only part of it that I know is the parts that you've read on the microphone, the times you've read it. So I did take your statements to heart, didn't didn't read any further than the part that you told me to stop reading at. And as to whether people in this body care about the financial state of the-- health of the state, I really do think people in this body care about the financial health of the state. I mean, I have had a number of, I would consider spirited, constructive, interesting arguments with Senator Linehan about tax policy, with Senator Briese, about tax policy, and others-- others who aren't here anymore. Senator Friesen, who was here, he and I would argue pretty regularly about tax policy, and often we would be on opposite sides, or be on the same side for different reasons. So I don't doubt the intentions of the people in this body. I'm concerned. I have a different perspective about what we should be prioritizing. But the reason that, as I said earlier, that this particular amendment is concerning to me is we've had a lot of conversations about the tax policy in particular. But I mean, we've had-- I know we've all had conversations about the spending parts, because there's a lot of spending out there and it's not exactly focused, you know, through a deliberate process. And once we get done with the budget, we have a lot of spending that we've maybe come out of disparate committees. And that's a little concerning, but we can have that conversation and fight in that context at that point in time. But the tax bills are a big part of this spending, essentially. I mean, the foregone money that the tax bills-- you know, we will forego as a result of these tax cut bills is a concern and we should be deliberate about it. And so I appreciate this conversation. But the reason this is cons-- this particular amendment is concerning is that we've been told all along that the tax policy is sustainable. And as Senator Briese just said, there was testimony presented, or a presentation given, about how this all works out, how it cash flows, I think is what Senator Briese said, how this will cash flow. And-- but what I'd heard all these many months is one, that the projections were good. And of course, the forecasting board came back and put down-- downgraded this year by \$80 million, even though the current receipts, I think are \$150 million below what the original projection was, and then raise next year's projection by \$80 million. So it leveled out in their projections, which is, I mean, great, convenient, right? But we

were also told that this was sustainable because we would have the rainy day fund, it was so robust. And I do agree with Senator Jacobson that, you know, we have too much money. We should return it to the people in Nebraska. Of course. I've brought a bill the last two years that would do just that, direct return to ca-- to taxpayers. Which hasn't gone anywhere, you know, but it was one suggestion of a methodology by which we could return tax dollars to Nebraskans. But we do-- we have an obligation, aside from making sure that we're not charging people too much, but to make sure that the government functions sustainably. And one of those good public policy is to have a strong--

DORN: one minute.

J. CAVANAUGH: Thank you, Mr. President. Strong rainy day fund. And we were, we were told we did, and we would continue to have that. But the concern is midway through, we are going into the rainy day fund in the middle of these bills, in the middle of this conversation. If this were the original plan, if everything was going as we were-- had predicted and this was working out, why wasn't this part of the original plan? Why do we need to make a change in the middle? Why is there an amendment here? I know Senator Clements said after the projections the-- this number needed change, but the budget didn't come out until after the projections. I know the Appropriations Committee met after the forecasting board and could have factored this in at that point. So I don't, I don't-- that's why I'm concerned about this. That's why this raises red flags and makes me suspicious about the sustainability of the potential expenditures we're talking about and the potential tax cuts we're talking about. So I will continue to listen to what people have to say about this.

DORN: Time.

J. CAVANAUGH: Thank you, Mr. President.

DORN: Thank you, Senator John Cavanaugh. Senator Raybould, you're recognized to speak.

RAYBOULD: Thank you, Mr. President. I appreciate the dialog that we're having. And it does go beyond just tax cuts, corporate tax cuts, individual tax cuts. It's, it's really something that I've struggled with, the, the commitment of the state to live up to their financial obligations that we are tying us to in this budget. And also, I just want to say I'm, I'm no Pollyanna, but I do look at numbers every

single day. And to me, the economic forecast is not so rosy as everyone would like to paint it out to be. I mean, we had some good news today. The, the CPI inflation rate is at 4.9 percent, which is great. That's the lowest it's been since last year, but it's still at 4.9 percent. And, you know, I don't think we need to look any further than our, our book that we have on page 21. I mean, even from a distance, if you look at the graph, it's going if you look at the graph, it's going down, in the wrong direction, for the years '24-25. And that's the concern I have when we make these tremendous financial commitments. I can only share with you my governor-- government experience. When I was on the county board, we had to dip into our reserves. And the reason why we had to dip into our reserves is the state of Nebraska chose not to pay the state aid to cities and counties. For the county it was \$1.4 million. That doesn't seem like a big amount, but we had to dip into our reserves for that. And also the fact that the state chose not to pay us our jail reimbursements was \$5.8 million. That's a big number. So we had to dig into our reserves. On the city council, we didn't dig into our reserves at all, with one big exception. We wanted to get rid of the backlog of capital improvements, expenditures that we had neglected and deferred for so many years for our law enforcement vehicles, but most importantly, our Lincoln firefighters. And so we did it. We dipped into the reserve one time. We didn't transfer the reserves to keep our budget going and flowing based on some of the commitments that we're making. So when I talk about it's not so rosy, I just looked at the numbers again, and these are from the US Census business formation statistics by state. The state of Nebraska is, is failing in three of the four indicators of business formation. There's only one indicator that we're on par and leading in when it comes to the Midwestern states around us. But the other three indicators were failing not only in the Midwest surrounding states, but in the United States. So these are some of the concerns that I see when we do our forecasting, you know, and I wanted to go back to one of the comments Senator John Cavanaugh made. You know, maybe we need to look at some of the other capital investments we're making, like a jail. Senator McKinney has made the best case why we should not be doing it. We should be doing some of the criminal justice reforms that we have studied over the years that are much more cost effective. Senator Cavanaugh said we shouldn't be building the, the Perkins Canal as huge for capacity that we might have maybe once or twice a year. That's kind of like that expression, you don't build a church for Easter Sunday. You just don't make those kind of investments. So these are some of the things and the baggage that I bring going forward. And Senator Briese, you made a great comment. You

know, I want to be optimistic. So let's work with our budget. Let's put in our budget economic triggers that put a brake on these corporate--

DORN: One minute.

RAYBOULD: Thank you, Mr. President. These corporate and individual income tax cuts, if we don't have the General Funds, which this chart on page 21 looks like we're going in the downward direction, that should give everyone a pause. Let's put triggers in. I have amendments that would put triggers in based on what the General Fund is, based on the condition of our Cash Reserve. These are the things that we as, as state senators should be focused on, making really sound conservative fiscal policy that doesn't bind our future senators in commitments that we cannot live up to. And the state of Nebraska, unfortunately, has a reputation of not living up to these financial commitments. Thank you, Mr. President.

DORN: Thank you, Senator Raybould. Senator Conrad, you're recognized to speak, and this is your third time.

CONRAD: Very good. Thank you so much, Mr. President. Thank you, colleagues, for the invigorating debate on this important matter before us in AM1729, which I urge you to reject. And I wanted to add just a few more additional points of debate. I appreciate the comments from my friend. Senator Moser, but do just want to push back a bit. He was questioning the, perhaps, timing of having a spending discussion at this point in time. And I just wanted to reaffirm and remind everybody we were debating the budget. So this is absolutely the right time to have a spending discussion. Perhaps it didn't come out as he intended, but I did just want to clarify that piece there. As my friend Senator Moser, and Jacobson, and Linehan, and I think my friend Senator Cavanaugh talked about this very artfully, I don't disagree that when we have the opportunity to provide tax relief to our citizens, including our corporate citizens, that we should work together to provide tax relief. That's, that's a worthy, noble and important goal. The question that I'm bringing forward, that others are bringing forward, is whether or not the tax relief packages before us are fiscally sustainable, or are equitable for all of our Nebraska neighbors. I voted for them in the first round in good faith to let the debate carry forward, to learn more about building up a first of its kind child tax credit. I think the Social Security tax relief components are important. But you-- if you look at the real meat of the tax bills that we're looking at, it's the drop in the, the, the

rate to 3.99 for the wealthiest Nebraskans and on the corporate income tax. That's the \$700 million plus driver that's causing us to already shift money around because we can't afford the tax cuts today. Not into the future, today. So that's what we need to talk about. And the reason the Cash Reserve is so robust is because we're awash in one time federal funds, not because we're overtaxing our citizens writ large and consistently. You have to be able to tease out that structural issue and imbalance. And we can't commit those one time funds to ongoing expenditures like massive tax cuts. I appreciate and understand that Senator Jacobson and others are very passionate about this issue, as are we. But I would just point out for the fact, again, I, I just don't believe in trickle down economics. I don't think they work. I think that's proven. And it's not academic. We have the horrifying cautionary tale out of our sister state, our neighboring state of Kansas, that shows when you cut taxes too deep and too fast, it almost wrecked their state and their education system and they're slowly climbing out of that fiscal nightmare. And to tread down that path is wrongheaded, is misguided from my perspective. The other thing that I, I just want to lift up in particular is, again, how inequitable these tax cuts are. And Senator Jacobson is absolutely inaccurate when he says that low income working people or middle income people don't pay taxes, or don't pay a lot of taxes. Actually, the research is exactly the opposite. When you look at a percentage of their overall income, they pay more in taxes than--

DORN: One minute.

CONRAD: --those in the highest tax bracket. Now, he might be talking about dollars and cents. I'm talking about percentages. So maybe that's why we're at a different point of view or perspective in terms of this issue. But I think what matters most is the percentage. If you have very limited means and you're paying 10, 15, 18 percent of your family income in taxes writ large, and if you have a considerable amount in your family income and you're paying a lot less than that, it hits in a different way. And I just wanted to clarify that for the record. So I think we should have triggers. I think that we should perhaps time out the tax cuts so that when and if we can meet the rosy projections that Senator Briese and others are counting on, then no problem. Then we mete out the tax cuts in a responsible way without having to risk our education, human services, or infrastructure.

DORN: Time.

CONRAD: Thank you, Mr. President.

DORN: Thank you, Senator Conrad. Senator John Cavanaugh, you're recognized to speak, and this is your third time.

J. CAVANAUGH: Thank you, Mr. President. Well, I appreciate the conversation, but I really appreciate Senator Raybould's example. You don't build a church for Easter Sunday. That was incredible. But it was also, I mean, it's, it's a great analogy and it's-- has a great memorable ring to it. But it does really get to the point of what I'm talking about. You know, we're talking about the canal, talking about sustainability, talking about return on investment. And, you know, I talked on this bill last time, and trying to get us to go back down to the the economy model, the, you know, non-Christer version of the church, we'll say, building the church, building the canal for everyday use, not for the, the big events. And it plays into this whole conversation about spending this money. Obviously it plays-- it, it fits in in the sense that my amendment would have saved \$125 million in the Cash Reserve, we're taking out \$194 million out of the Cash Reserve. So, you know, the Cash Reserve would be much closer to full, or where it was, even if we did this, if we adopted my amendment. But to Senator Jacobson's point about our obligation to the taxpayers and giving-- you know, not charging more than we need to, part of that's about sustainability. One of the ways that you don't charge the taxpayers more than you need is to not spend money you don't need to spend, and to spend the money that you do need to spend in the wisest way possible. And so that's the conversation I was attempting to engage in on the canal, about building it at the 500 cfs, as opposed to the thousand cfs, saying building it, what we need to do to get-- to claim our right to ensure that we get that water, building the reservoir to store that water so that we have it for those other uses and getting all that value out of it. But not spending extra money to get the nice feature that we would like to have, but is not an absolute necessity to get to-- perfect our, right. And if we approach everything that way, where we say, let's only spend the money we need-- we absolutely have to, we would have more money, which then we can return to the taxpayers. And one of the-- my thoughts I was, I guess, engaging in as I was thinking about the canal was, you know, it's a lot easier, it's less painful to build the canal right now because we have the money. And I guess a rhetorical question I'll just say to everybody here is if we had to borrow the money to build the canal, would you be in favor of doing it? If we had to raise taxes to build the canal, would you be in favor of doing it? If at the expense of the tax cuts, instead of going to 3.99, they could only go to 4.99. Would you be in favor of building the canal, or building the

bigger canal? That's the question that I think we need to think about. And that's the question that this amendment poses, because we are borrowing money from the Cash Reserve to do this. Borrowing money from the Cash Reserve to make sure that we can still get the tax cuts to the level that we-- we're talking about. Borrowing money from the Cash Reserves so that we can build the canal. We're borrowing money from the Cash Reserve to drive to build the prison. We're borrowing money from the Cash Reserve to give the property tax cuts, to fund the Education Future Fund, things that we may like to do and that-- but things that we have to borrow from our Cash Reserve to do. So that's the thought experiment. Are these things worth it if you-- if it wasn't-- if it was a little bit more painful, if you had to borrow the money to do it. Because we are transferring more money because this is not sustainable.

DORN: One minute.

J. CAVANAUGH: Thank you, Mr. President. So again, Senator Raybould said, let's not build the church for Easter Sunday. Let's build it for every day. Let's be smart. Let's be conservative in our expenditures. Let's be conservative in our tax cuts. Let's be conservative in our planning for the future and making sure that we have money in the rainy day fund, and not use it for the things that would be nice to have now, but we don't absolutely have to have. Thank you, Mr. President.

DORN: Thank you, Senator John Cavanaugh. Senator Dungan, you're recognized to speak, and this is your third time.

DUNGAN: Thank you, Mr. President. Colleagues, I just want to finish up one of the conversations that I was having on the mike earlier with regard to AM1729. So I know, I understand this is all interconnected, and that's how we've gotten on taxes. And we've talked about income tax and property tax. And I know we're kind, we're kind of in that conversation. But I want to refocus just a little bit on Cash Reserve, because that is what we're fundamentally talking about here. And I actually do think that Senator Moser did a good job of articulating, and again, I'm probably oversimplifying here, that what we're talking about is a transfer of funds to a certain extent, right? This is not an additional appropriation, necessarily. We're talking about a transfer of funds from what is effectively our savings account, our rainy day fund, our emergency fund, Cash Reserve, whatever you want to call it, into our checking account, right? Our General Funds, which is what we're supposed to be taking money out of. Now, what we've seen, I

think a lot of this year, are concerns raised on the floor about the fact that we don't have enough money in the General Funds. And so we're trying to move the money from the Cash Reserve into the General Funds to make sure that we can cover all of the things that are being looked at this year with regard to appropriations, and reductions in revenue and in perpetuity. But the question I think should always be, is our Cash Reserve sustainable, and is our Cash Reserve at a rate that it needs to be at in the event of economic downturn? And so if we as a body agree that our Cash Reserve should only be touched in situations that are either something we absolutely need, or in things that-- money that should be set aside for a severe economic downturn, we should make sure that the health of the Cash Reserve is such that it's going to be something that can actually help us in the future. I do agree we have a very large Cash Reserve right now, and that's part of why I think people have remained so optimistic about our financial health moving forward. And the current \$1.6 billionish that you talk about is spectacular. I would respectfully disagree with Senator Jacobson's analysis that the reason that the Cash Reserve is what it's at is because we're overtaxing people. I do believe that a-- at least a large chunk of why our Cash Reserve is so high right now is because of federal funding that we got because of-- essentially because of COVID. I think we're looking at \$24 billion in federal stimulus that we had. And so, you know, obviously, again, respect-- intelligent minds can disagree about how taxes operate and whether we're taxing too much. But the current massive amount of money that we're seeing in this influx, I do think, is somewhat artificially inflated by virtue of COVID and the federal stimulus funds that we had. And so what I think our real analysis has to be is that if we are in a situation of severe economic downturn, are we going to have enough to put us in a place where we are safe and secure as a state, and that doesn't result in us cutting services. A lot of people have talked at great length about the Education Future Fund. I think it's spectacular that we are committing state funds to education. But what I want to be absolutely certain of is that we don't tap into that in the future when we find ourselves in a situation that is an emergency because we don't have enough in our Cash Reserves. So looking back at the Great Recession, there's been studies done, sort of across the country, of how states had to tap into various different pockets to make things work during the Great Recession. And of the states that were analyzed, my understanding is that only 9 percent of states relied on rainy day funds and reserves, whereas the vast majority of trying to make ends meet during the Great Recession, 45 percent of it was spending cuts. And so what we've seen is the most recent massive economic downturn

that really turned this country upside down resulted in a massive amount of spending cuts, spending cuts that probably go towards programs that we've made promises about--

DORN: One minute.

DUNGAN: Thank you, Mr. President. And specifically promises to children when it comes to things like education. And so the fact that we have a robust rainy day fund should not give us carte blanche to then just get rid of it. I think we have to continue to maintain a sufficient amount in there. So I am opposed to AM1729. I do believe that if we find ourselves in a situation where we need to inject more funds into our money on the floor to make ends meet, that we should be taking a better look at our appropriations, take a better look at our revenue cuts, and just make sure that we're working within our means rather than moving money over from our savings account into our checking account to make those ends meet. But again, I do appreciate the Appropriations Committee being transparent about this. I think Senator Linehan is correct that it's good that we can have a debate about it, that we can have this conversation. And I appreciate the opportunity to debate this here this afternoon, and interject my \$0.02. Thank you, Mr. President.

DORN: Thank you, Senator Dungan. Senator Raybould, you're recognized to speak, and this is your third time.

RAYBOULD: Thank you, Mr. President. You know, I stand in opposition to AM1729. I think, you know, if we are so flush with cash, if we have such a robust balance sheet, then we don't even need to dip into our Cash Reserves. Cash Reserves to me are something that is very sacred to your financial well-being, that you only dip into it one time, one time expenditures. And what we've committed to in this budget, they're not one time commitments. You know, we're talking about really right sizing public education funding from-- on our hardworking taxpayers, in their property tax bills, shifting it back to the state of Nebraska, that takes a lot of energy, financial sustainability to live up to that commitment. We're also looking at our community college, colleges and trying to take away that line item in your property tax bill and give it back to the state. That in itself is a huge commitment to live up to that financial obligation to our taxpayers. We hope there is some relief that we can see in the short term, but also in the long term, because public education funding, it should be a good chunk with our state of Nebraska. There's other equally transformative things that we're trying to do that are great, but we

have to be mindful, can they be sustainable? There are some big, big ticket items that we're talking about that we might want to downsize. We talked about the Perkins Canal. Is there a better way than building another prison, another penitentiary? There has got to be a better way. Why can't we put that on pause and say we're going to take a deep dive into the criminal justice reforms that have been documented and recommended and tailored to our state of Nebraska, that we actually should try to invest in those. And also, I really commend Senator Conrad, because she also talked about triggers. I'm big on triggers. If we think we're going to be able to deliver on our commitments and promises, then we should be able to say, hey, we may not get it right, but we're going to put in some triggers. And I've talked about them before and I, I have two triggers, you know, and they're pretty simple. One is just we won't give any more tax cuts, corporate or individuals, it stops if our General Fund receipts are less than the previous year's net receipts, plus the increase of inflation on top of that. That's a pretty simple-- that's a pretty simple trigger, like whoop, you know? You're not-- we're not binding other senators to live up to these type of ca-- tax cuts that we have started since 2020 that are not delivering on what I consider a return on investment, increasing the number of corporations relocating to our state, or maybe an expansion of an existing corporation in our state, the job, job creation, etcetera. The other trigger that I have been proposing is-- that would stop all the tax cuts again, if the General Fund net receipts must increase from the prior year's receipts by at least inflation on top of that. And the Cash Reserve must have at least 16 percent of General Fund expenditures from the prior year, and it would also require you to look back two years. This is really just pretty basic common sense triggers that we should be implementing if we're so confident that our economic forecasting is going to get us to where we need to be in 2025, 2026--

DORN: One minute.

RAYBOULD: Thank you, Mr. President. I think we should be open minded to that. Any business person out here knows that they have to come up with some triggers in their own company, particularly when you're trying to do forecasting. If you're not going to miss, if you're going to miss those numbers, that's something that you should consider. The one thing I, I also want to talk about is what Senator Conrad talked about, the inequities in what we're seeing. You know, an income tax, that's a pretty progressive tax. If you, if you make more, you pay more. A sales tax is a very regressive tax. So if, if you have a certain income, you're paying more in taxes for that. I think we need

to be mindful of that. And I'm also big, and I'll say it for like maybe the fourth time on the mike today, what's our return on investment for these tax cuts, the individual tax cuts. I've talked about the economic multiplier effect. And when you give these type of great tax cuts, they're not the same as when you give benefits that Senator Cavanaugh had talked about.

DORN: Time.

RAYBOULD: Thank you, Mr. President.

DORN: Thank you, Senator Raybould. Seeing no one else in the queue, Senator Clements, you're recognized to close.

CLEMENTS: Thank you, Mr. President. I'd like to just point out that the \$610 million is not in the Cash Reserve right now. The \$610 million is in the General Fund, and the committee had-- in, in the bill previously it did show a transfer, but that transfer is not done until this bill passes. So that transfer was an approximate number that I picked and now we're revising that to \$440 million, and the balance will stay in the General Fund where it is now. And one, one other comment I'll have is in the budget process, the provider rates that we had were an \$80 million total, which was a number that had not been in the preliminary from the Governor. And this helps providers cover those rates also. But mainly this isn't one time money that is being pulled back. It's General Fund dollars that we're changing the amount of we're transferring to the Cash Reserve. And I'm comfortable that we'll still have an adequate Cash Reserve. Historically, this is above what we've had for several years, and it's still sufficient and sustainable in my opinion. And so I would appreciate everyone's green vote on AM1729. And thank you, Mr. President.

DORN: The question before the body is the adoption of AM1729. There's been a request for call the house. There has been a request to place the house under recall. The question is, shall the house go under call? All those in favor of vote aye; all those opposed vote nay.
Record .

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

DORN: The House is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senator Machaela Cavanaugh,

Transcript Prepared by Clerk of the Legislature Transcribers Office

Floor Debate May 10, 2023

Rough Draft

Fredrickson, Day, Dover, Bostar, Vargas, Wayne and Hunt. Please return to the Chamber. The house is under call. The house is under call. Senator Wayne, please return to the Chamber. The House is under call. All unexcused senators are now present. The question before the body is the adoption of AM1729. All those in favor vote aye; all those opposed nay. Mr. Clerk, record.

CLERK: 31 ayes, 9 nays on adoption of the amendment.

DORN: The amendment is adopted. Mr. Clerk, for items. Raise the call.

CLERK: Mr. President, amendments reprinted from Senator Cavanaugh to-- Machaela Cavanaugh to LB552, and LB531, as well as LB754. Concerning LB818, Mr. President, Senator Clements would move to amend with AM1745.

DORN: Senator Cle-- Clements, you're welcome to open.

CLEMENTS: Thank you, Mr. President. AM1745 is a committee amendment, a clean up amendment, it has five items. The first is regarding economic development. Striking funding for a riverfront project which was going to be in Norfolk. That funding is going to be done a different way. Number two, with Game and Parks, we're striking transfers from the Game and Park Fund, which was also going to be used for Norfolk and Lancaster County. Game and Parks indicated that we would be over appropriating the balance, so we're striking that transfer. And the third one is, again, the Department of Economic Development for Lancaster County Agriculture Society that was coming out of Game and Parks, and we're going to-- through D-- DED, and we're striking those transfers. Those, those are the first 3 items we, we-- are all regarding Norfolk and Lancaster County. Provisions on item 4, its-- the Department of Education, regarding the Education Future Fund. It is inserting some new language that we needed for reimbursements related to special education. And evidently there was a-- the Education Future Fund does have special education language, but this is special education under section 79-1142 that we were told needed to be there. So we fulfill the purpose for the Education Future Fund. Item 5 is clarifying about organizations reading-- receiving grants from TANF funds to require that they hold a certificate of exemption under Section 501(c)(3) of the Internal Revenue Code, and that's for if they were distributing food. Those are the items in AM1745. I ask for your green vote. Thank you, Mr. President.

DORN: Thank you, Senator Clements. Senator Machaela Cavanaugh, you are recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. Colleagues, I have an update on the Human Rights Campaign letter per Senator Linehan's questions about what it meant on the pages where the companies names are listed that signed on to this letter. It says updated 5/4/2023. So I did not get this in an email. We went back and forth over the phone and, and text message for questions that I had about it, so I typed it up. I'm happy to send my typed up notes to everybody, if that would be helpful. All businesses were asked to re-sign on to this letter for this legislative cycle. In signing on to the letter, the businesses agree to allow the Human Rights Campaign to choose what legislation was deemed harmful. The companies are aware that the letter is being used to engage on issues deemed harmful by the Human Rights Campaign. The update-- updated date is the update of companies signed on. There was no change to the language of the letter from when they were asked to re-sign at the start of the legislative session up until May 4, 2023. So, yes, the original letter was drafted in 2020. No, it is not outdated. I hope that this answers all of the concerns about the validity of this letter. All of these companies are aware that their name is attached to this letter, and that it is being used for the purpose that it is being used for. I would recommend further concerns be taken up directly with the companies in Nebraska. If you believe that they were somehow misled, I don't believe that the Human Rights Campaign would allow themselves to be opened up to something like that so vulnerably. It would cause them a lawsuit if they had done that. So I am pretty sure that they made sure this was very buttoned up. They seemed to think it was very buttoned up. They 100 percent stand behind the letter. They stand behind sending it to us. They stand beside-- behind standing it to the Governor. It is accurate. It is real. It is valid. If you don't care, I don't care. I'm not here to make you care. But it is a valid letter. It is a real letter with real companies, real CEOs signing on to it. So I think that there is a misunderstanding about why people would be upset by the accusation that it was anything else. Yes, there is a misinformation campaign clearly happening in this body, and it doesn't seem to matter how much the people of this state, the parents of this state, the medical professionals of the state, and now the business leaders of this state, it does not seem to matter how much they all say the same thing. The people within this body are doing everything that they can to undercut them and to malign them and to make it seem like this is

false, disingenuous, that they were misled, that they were led astray. Colleagues, this is real.

DORN: One minute

M. CAVANAUGH: This is real. This is accurate. This is up to date. The only thing about this that isn't up to date is that more companies may have signed on to this letter in the last six days. I hope that this answers any concerns or questions about the validity of the letter. I'm happy to discuss it further off the mike with anyone who would like all of this. Thank you, Mr. President.

DORN: Thank you, Senator Machaela Cavanaugh. Senator Blood, you're recognized to speak.

BLOOD: Thank you, Mr. President. I had a question I was hoping that Senator DeBoer would come back to the floor so I could ask that question, because I'm not sure Senator Clements will know the answer. No offense, Senator Clements, but it's my understanding that it's Senator DeBoer language. So the question that I am concerned about, and I kind of understand it, is on AM1745, which at this time I think I support and I definitely support the underlying bill. I'm looking at the last part of the amendment where it says on page 46, line 20 strike that provide food assistance, and we're talking about Temporary Assistance for Needy Families, which we talked about in another bill already, and insert holding a certificate of exemption under section 501(c)(3) of the Internal Revenue Code that distributes food in 10 or more counties in Nebraska and qualify for the Emergency Food Assistance Program administered-- administered by the United States Department of Ag. So it's my understanding that it's pertaining to the two biggest food pantries. But the concern that I have is are we eliminating the other food pantries, or is it because they just don't qualify under this part of the USDA funds that are administered? So I'm just a little fuzzy on what we're trying to do here with this language, and I'm hoping wherever Senator DeBoer is that she can hear me, and that she'll come and explain this before we vote on it, because I'm not willing to vote on this until I find out. Here she comes. Senator DeBoer, would you-- can Senator DeBoer please yield to a question?

DORN: Senator DeBoer, will you yield to a question?

DeBOER: Yes.

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BLOOD: Senator DeBoer, did you hear all that?

DeBOER: No.

BLOOD: So your part of the amendment, where you're asking them to take out that provide food assistance and you're asking them to put in basically the explanation, plus distribute food in 10 or more counties in Nebraska. Why are we amending this for the bigger food pantries and eliminating the smaller food pantries, or did it ever really apply to those pantries?

DeBOER: So there's a difference between a food pantry and a food bank.

BLOOD: OK,

DeBOER: So a food bank is the larger organization--

BLOOD: That distributes--

DeBOER: The pantry is the smaller organization. The banks buy the-- the food banks buy the food in bulk. Therefore they get it cheaper, and the pantries are the recipients of that. So what we want to do is get at the food banks to get the highest efficiency for our dollar, and then they distribute to the food pantries. It's not just the food banks, because there's also a Catholic group that does it as well. But these large groups that exist in large swaths of our state, and in fact cover our whole state between the two fank-- food banks. I apologize. I'm not really familiar with which counties the Catholic charities are in, but they are the large areas. They then distribute to the individual pantries. So the individual pantries are not going to be able to receive money from us. That would be a whole logistical nightmare anyway. This is for buying food in the large banks.

BLOOD: What about the food banks as we go out further west, are there none that serve that county area?

DeBOER: No, the Food bank of the Heartland serves all of Nebraska except the area around Lincoln, which the Food Bank of Lincron-- Lincoln does.

BLOOD: OK. I just want make sure no one's getting screwed.

DeBOER: Nobody's, nobody's getting screwed.

BLOOD: I heard. I appreciate it. Thank you so much, Senator DeBoer.

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DeBOER: Yep.

BLOOD: Thank you, Mr. President.

DORN: Thank you, Senator Blood and Senator DeBoer. Senator Day, you're recognized to speak.

DAY: Thank you, Mr. President. I wanted to follow up a little bit on what Senator Cavanaugh was saying with an update. I appreciate her giving us some clarification on the letter. And I also spoke with Nicole Poindexter, who is listed on the front on that letter as being the Associate Regional Campaign Director for the Human Rights Campaign. She and I corresponded as well. And I think it's important to also point out that she said that there is a legal process that businesses have to go through in signing on to the letter. And additionally, as Senator Cavanaugh pointed out, they have to re-sign on to the letter every legislative cycle. So the businesses that are listed in that letter recently made the decision to re-sign on. And lastly, she said that even as recent as yesterday, she consulted with their legal department to ensure that the specific legislation that has been introduced here in Nebraska, LB574 and LB575, was on the list of legislation that they opposed. She wanted to make sure that it was specific to the legislation that we have here in Nebraska. So, yes, the businesses recently signed on and it is specific to the legislation that's being introduced here in the state. Though it is sent out in a broader-- in a broader method to encompass all states and all legislation and all businesses, it is-- they are also aware of the specific legislation that is being introduced here. Again, as recently as yesterday, and they have stated that the businesses that have signed on oppose the legislation. So again, businesses like Apple, General Motors, IBM, Johnson & Johnson, Microsoft, United Airlines, and then more specific Nebraska businesses like Union Pacific, Amazon, Cargill, Kellogg, Google and U.S. Bank are all listed on the letter specifically stating that they oppose the legislation, LB574 that's introduced here. So just for clarification, I yield the rest of my time. Thank you, Mr. President.

DORN: Thank you, Senator Day. Senator Slama, you're recognized to speak.

SLAMA: Thank you, Mr. President. I am so grateful that Senator Cavanaugh admitted that I was right, and the language that was in the letter was from that 2020 draft, U.P. signed on in 2021, according their comments from the Omaha World-Herald. So I'm grateful for

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Senator Cavanaugh for correcting her mistake on the mike, and I'm grateful and hopeful that we can return to debate on LB818 and our state's overall budget, which deals with billions of dollars in taxpayer money, and get back to the real issues facing Nebraskans. So thank you, Mr. President.

DORN: Thank you, Senator Slama. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President, and good afternoon, colleagues. I am surmising there is some chain of events that happened when I was off the floor today, and that might be in relation to Senator Slama's, Slama's commentary there and Senator Day's. So I, I definitely need to get some more details on that to catch up, I guess. But in regards this specific amendment, I definitely just wanted to check in with Senator DeBoer if she was available to yield to a question. There she is coming in. Again, colleagues, while she takes her place at the mike, I, I think that there is wide-spread support for the excellent good work that our food banks and our food pantries do all across the state. They are filled with loving, caring people who help families put food on the table, literally, that run backpack programs that are there to help meet unmet needs for people in our metro cities and in rural Nebraska. So I think there's widespread support for their incredible good works. But I do just want to make sure for consistency purposes, to clarify with Senator DeBoer, if she would so yield. Senator DeBoer, I'm looking at the amendment, and the reference back to the underlying legislation, and I just wanted to clarify, this is part of your ongoing work, and I know you've done it with TANF-- with ARPA funds and otherwise, but, but this measure that you're bringing forward, it has some technical corrections, I think, in AM1745, but it still does draw down the TANF rainy day funds. Is that right? If you would so yield.

DORN: Senator DeBoer, will you yield for a question?

DeBOER: Yes.

[RECORDER MALFUNCTION]

DeBOER: This is just technical language. Actually, this is just harmonizing language in this bill, to make sure that it harmonizes with the other one. But it does use TANF rainy day funds, which is an acceptable use of TANF rainy day funds. Understand, we disagree about that a little bit, about whether or not it, it-- although it's

acceptable use, whether or not that's the best use. Some people disagree. But, yeah.

CONRAD: OK. Very-- no. I appreciate your candor. I just wanted to make sure as I was checking the amendment back to the underlying bill that I had a, a clear understanding there. And then, Senator DeBoer, is it your understanding that this proposal will require a waiver from the federal government to utilize these funds for these purposes?

DeBOER: No, I think that this is one of the acceptable uses. That's my understanding, that they will have to do paperwork demonstrating who's getting it, in what case and why, to make sure that it is within those things. Some of the money that-- or some of the food that the food banks provide goes to different groups of people. And this--

CONRAD: Um-hum. That's right.

DeBOER: --would just have to demonstrate that it was going to the correct group of people.

CONRAD: OK. Thank you, Senator DeBoer. I definitely appreciate your candor and clarification. Colleagues, I am going to be voting against the amendment, because of my concerns about fidelity and utilization of the TANF reserve funds. I applaud the good work of the food banks. And I know Senator DeBoer and others have worked hard to bring a lot of leadership to food security issues in Nebraska. My concern is just with the technical aspects related to the TANF rainy day funds. Thank you so much, Mr. President. And thank you to Senator DeBoer.

DORN: Thank you, Senator Conrad and Senator DeBoer. Senator Macheala Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. Colleagues, I, I, I have an answer to that question. It would require approval. I checked with the fiscal analyst. It would require a pre-- pre-approval from the federal government to be utilized. So it's not quite the same thing as a waiver. A waiver would be a little bit different. But it does require approval. I-- thank you to Senator Slama for-- I had missed this part of the article in the World-Herald. I was more focused on the letter itself, but the part where Union Pacific had released a statement. I think, though, it is important to share their statement, at least as it is in this article, in full, which was not previously done. Union Pacific signed on to the Human Rights Campaign's, HRC's, business statement on anti-LGBTQ state legislation in 2021 and has a

long-standing public record of supporting our LGBTQ employees and community, including membership in Nebraska Competes and our 100 percent rating from the HRC Foundation's Corporate Equity [SIC] Index. So what they didn't state or wasn't reported that they stated, whether they did or not, is that they had to re-sign onto it at the start of this legislative session. So they initially signed onto it in 2021. What we have now found out from the Human Rights Campaign is that they re-upped their support and they are maintaining their support. And I, I just, for whatever reason, we're trying to discount the support of these companies. It's there. It's real. And I think providing clarity that it's there and it's real is important, because it does seem to be that people are, are trying to undercut it on, on the floor here. So going back to the amendment, AM1745, I very much believe that we should be supporting our food banks. I think that we should be doing everything we can to ensure that we are getting food and resources to people in, in communities across the state. And it should be general funds. This should not be a TANF expense. And it's disappointing that the Appropriations Committee chose to do it this way, because we all know that there is money. There is money to do this through the general funds and we should be doing it through the general funds. So I, I probably won't be voting for this amendment either. We seem to be going out of our way to not help the people most in need. And when I say this, I am not speaking about Senator DeBoer. She is going out of her way to help the people most in need. But collectively, we are refusing to do anything about TANF eligibility. We are refusing to do anything about TANF payments and amounts. We are forcing the body to fight for food for kids, food in schools, food, food pantries, food SNAP eligibility, food for SNAP for convicted drug felons. We are just making poverty a crime.

DORN: One minute.

M. CAVANAUGH: And we are dripping in money, dripping in it. And instead of using it to support people in poverty who need it the most, we're doing tax cuts and we're pilfering funds, like TANF, so that we can afford to do tax cuts while also patting ourselves on the back, saying we did something for people in poverty, when the reality is that we stole from people in poverty to do that thing. Colleagues, this is not a good way to do policy. And I know that, because this isn't how we did policy before this year. We didn't raid TANF rainy day funds. We didn't raid behavioral health aid.

DORN: Time.

M. CAVANAUGH: Thank you.

DORN: Thank you, Senator Machaela Cavanaugh. Senator Halloran, you are recognized to speak.

HALLORAN: Thank you, Mr. President. Well, much has been said about the Human Rights Campaign. And it's an interesting dialogue, but it's laced with a little bit of hypocrisy. It didn't take me long to search through this list. By the way, I think only one company on this list is headquartered in Nebraska. Nobody else. But going through this list in a quick search-- a quick Google search, to find out how many of these companies are, are doing manufacturing, using slave labor in China, the Uyghurs, a muslim sect, putting them in education-- reeducation camps, which I would suppose maybe some in this body might agree that others in this body should go to, here in this country. But it-- reeducation camps, enslaving them to manufacture products to sell in the United States, I do not- we do not need to be lectured by these companies, who are abusing people in a slave-like manner, on how we should do legislation protecting our children in, in this state. Let me go through the list-- short list, 17 of them: Abercrombie and Fitch, Apple-- look at the phone you have-- Ben and Jerry's Homemade Ice Cream, now-- Gap Inc, General Motors, Google, H&M, Hitachi. Vantari, HP, HP Inc. Intel, Mars North America. Microsoft, Nestlé USA, Nike Inc.-- now, how many Nike shoes you got-- Simmons Corporation, Sony, Victoria's Secret. I'm not going to ask how many people here buy from Victoria's Secret, but the point I'm making here is these companies have no business lecturing us and being held up in high esteem, when they are forcing people, slave labor, to produce stuff so they can sell here cheaply. I've had enough of this human rights campaign. It's hypocritical. It's woke, progressive companies. I do not have to listen to it. Nebraska Legislature does not have to listen to it. Thank you, Mr. President.

DORN: Thank you, Senator Halloran. Senator Machaela Cavanaugh, you are recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. Senator Halloran, I don't think you should listen to it. I, I was just stating the timeline and the validity and the reality that these companies signed onto it. I agree. I don't like these companies. A lot of these companies are not great. You don't have to care or you can care. And I don't think that they're berating you. I think that it is a clear statement of their views on this type of policy and how it impacts their ability to do business and that they're not going to come to states that are

impacting their ability to do business. And I don't think that they're being altruistic at all. Like you said, they're very problematic for a variety of reasons. I think that they are saying this because it impacts their bottom line, it impacts their ability to have employees, it impacts their ability to work in a certain state because they can't get people to move there. I don't think they're altruistic, not at all. I'm just saying it's real and it's valid. And I really don't think you need to care. If you don't care, I-- that's fine. For some reason, it seems to have hit a nerve in the body. This letter seems to have hit a nerve in the body and there seems to be an effort to subvert the reality of the letter. You don't have to care. Not a single person in here has to care at all about this letter. I think it illustrates an important thing about the conversation. And I think it is important to take that into consideration if you are business-minded, if you care about economic development in Nebraska. That's my opinion. That's one woman's opinion. It doesn't need to be anybody else's opinion. I think it's a powerful statement, but I also think that it's coming from people who aren't great. But they do care about their bottom line, clearly, or they wouldn't have issued the statement. They wouldn't have signed on to the letter. Because if they thought that signing on to the letter was bad for business, they never would have done it, because that's how businesses are. They don't do things that are bad for business. They do things that are good for business. And they signed on to these letters because it's good for business. It's not altruistic at all. You're right. It's good for business. And what they're telling us is that this kind of legislation is bad for business. Care or don't care, that's up to you. I think it's an important argument. I'm not a huge friend of the large, corporate America business community, not really at all. They probably really greatly dislike me. That's fine, too. But I do care about economic development in our state. I do care about the future of our state. And that's why something like this is impactful for me. It's really impactful for me to see 300 corporations stand up in this way. It doesn't have to be impactful for you. So I'm sorry if there was a misunderstanding that it-- that you had to care. You don't. You certainly don't. I don't expect you to. I don't expect most people to. I just find it very odd that people are trying to make it seem like this isn't a valid statement from 300 companies. It is a valid statement from 300 companies.

DeBOER: One minute.

M. CAVANAUGH: And undermining that is unbecoming of this body. So there you have it. Thank you, Madam President.

DeBOER: Thank you, Senator Machaela Cavanaugh. Senator Halloran, you're recognized.

HALLORAN: Thank you, Madam President. Well, I, I will agree with Senator Machaela Cavanaugh on one point. She doesn't like 14-year-olds working in a meat packing plant. Neither do I. OK. She missed the point completely. I don't think Senator Machaela Cavanaugh is for slavery of children manufacturing products. The point is, their credibility is lost on us. If they're lecturing us on wokeness, on what we should do in this state in regard to protecting our children in this state. It's trash. It's not that-- she missed the point completely and I don't-- I-- I'm not totally surprised at that. She has an agenda and that's fine. I guess we all do. But my agenda is not listening to companies that, that slave labor their children or other religious sects, in order to produce products cheaply. Machaela Cavanaugh said, well, they're worried about their bottom line. In fact, that's what people that engage in slave labor do worry about. And we buy some of their products. And now, we're supposed to listen to them. No, I'm not going to. You all can choose to decide what you want to do, but it's a human rights issue that these companies are abusing. Thank you, Madam President.

DeBOER: Thank you, Senator Halloran. Senator Day, you're recognized.

DAY: Thank you, Madam President. I just don't want everyone to forget in the conversation about the larger letter from the Human Rights Campaign that we also just, I believe a week prior to this letter being sent out to the press, we had over 100 local Nebraska businesses, who do not utilize, utilize slave labor to produce products, who said the exact same thing. So if we're going to pick and choose what businesses we're going to listen to based on who uses slave labor and who doesn't, I've got a whole list of about 115 businesses that agree with the corporations that signed onto, onto the HRC letter, that don't use slave labor that you could listen to. Again, we-- no one is missing the point here. The point is, is that we have conversations, especially when we talk about the budget or we talked about Senator Hansen's amendment or we want to talk about supporting economic growth and, and, and creating job opportunities and creating a, a good financial environment for businesses to thrive and for families to grow and for, and for families to live. We want to talk about tax incentives and, and corporate welfare, essentially. We got to, we got to attract businesses into the state, when it comes to taxes and incentives. But when they tell us that the social policies that we're implementing are pushing them away, we don't care. So if we

want to talk about hypocrisy, you all will vote for a tax cut for the largest corporations in the state, because it's going to attract businesses or because it's going to allow them to hire more workers and create more jobs. And then that exact same business can sign a letter saying, don't vote for this bill. And you guys would be like, well, I don't need to listen to you because-- that's the point. Listen or don't listen, but don't tell me that you want to pass tax incentives and business-friendly legislation when you turn around and do the opposite. That's the point. Listen or don't listen, I don't care. We know it doesn't matter. I mean, again, I know that there is a large handful of you in here who, it doesn't matter who would sign onto a letter, it doesn't matter how many times they could tell you, it's not going to matter. And I'm venturing to guess, Senator Halloran, it wouldn't matter what anybody said to you or who came to you and talked to you about it. You would still vote for LB574, which is your right to do. You don't have to listen to the businesses. But we gloss over the reality of what's going on in here. And we're not consistent. Don't talk about business-friendly legislation when businesses, hundreds and hundreds of them, hundreds of them that are located here in the state of Nebraska, are telling you this is not business-friendly legislation and then you're going to vote for it. It's BS. And we all know it. I yield the rest of my time. Thank you, Madam President.

DeBOER: Thank you, Senator Day. Senator Blood, you're recognized.

BLOOD: Thank you, Madam President. Fellow senators, friends all, I believe I stand in support of the amendment. And I most definitely stand in support of the underlying bill, but what a bunch of malarkey is being said on the mike today. I, I am going to ask my peers to please stop using a word. Please stop using the word woke. It is the dumbest word ever. I'm not saying that you're stupid. I'm saying the word is stupid. Because traditionally, it's just used to green light prejudice and I certainly don't want to think of my peers in that fashion. So don't use it. I won't use it. You don't use it. It's dumb. Let's not start pointing fingers and talking about hypocrisy, because if you know me and I know you do, you know that I keep lots and lots of notes on the hypocrisy in this body in case I need them in the future. You passed a bill giving the green light-- I used that term twice now in this, this 5 minutes-- to allow Boy Scouts carte blanche to schools, which is fine. I support the Boy Scouts. I was a scout leader. My son was a scout. My brothers were scouts. But you remember, they had 96,000 cases of sexual assault that they were accused of. And unfortunately, Senator Halloran, you and I are Catholic and we know

what happened in the Catholic Church. You can't keep pointing fingers about hypocrisy and look the other way on other types of hypocrisy. We green-lighted Senator Bostar's bill. You do know that last year, our Governor's Office had war criminals there, right, from Kenya. Was I the only person that seemed to notice that? When they had William Ruto here, in Nebraska, the person responsible for post-election violence causing thousands of deaths, the displacement of over half a million people, not to mention hundreds of victims of sexual assault and we had that person in the Governor's Office. My list is long and I'm not going to do it, because I'm not here to anger people-- not the word I was going to use, to anger people. Just knock it off. Stop using dumb words like woke. Stop trying to figure out who's the biggest hypocrite in the room. And I'm not just talking about this side of the room or that side of the room. We're making progress. Let's move forward. I understand why people are angry. I understand that tempers were lost, but there is enough hypocrisy to go around, in this building, for us to have a whole session on it. And if we're going to start doing that, I'll start pulling out my notebooks and we'll start talking about seven years of hypocrisy. And I am happy to do that. There's a reason I track all of that, because you never know when you really need it. I've been waiting to, to talk about this one all year. It was time to pull it out. You can't point fingers and say people are hypocrites when you're doing it yourself. And I'm sure I'm guilty of it, too, by the way. That's just our nature. That's human nature. We like what we like and we don't like what we don't like. And I'm sorry I raised my voice, by the way. I try not to yell. But can we please get back to taxes, get back to the budget, get back to moving forward and getting stuff done? And quit picking fights with each other. That would make me really happy. Not that you guys really want to make me happy, but I'm a lot nicer--

DeBOER: One minute.

BLOOD: --when I'm happy. I know you guys all are, too. But seriously, be careful when you start pointing fingers and calling people hypocrites, because there's a lot of people in here that have voted for bills that have a lot of baggage attached to them. And we've had a lot of things happen in this building right in front of our faces that no one seemed to ever notice, that are some pretty bad things and having war criminals, I would put at the top of my list. Thank you, Mr. President-- or Madam President.

DeBOER: Thank you, Senator. Blood. Colleagues, we will now stand at ease until 6 p.m.

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[EASE]

DeBOER: Senator Raybould, you're recognized.

RAYBOULD: Thank you, Madam President. I think we discussed this subject fully before we took our recess. I yield my time.

DeBOER: Thank you, Senator Raybould. Seeing no one else in the queue, Sen-- Senator Clements, you're recognized to close on your motion.

CLEMENTS: Thank you, Madam President. This is-- AM1745 is a committee amendment. Five items on there, unanimous from the committee, that was just cleaning up, removing some expenditures that, that were going through Game and Parks. We were running out of money there, so we're striking that. We're revising, adding some more language for special education funds authority and the Education Future Fund and clarifying the fund-- funding for food distribution organization, making sure that we're requiring them to be 501(c)(3) nonprofits. I ask for your green vote on AM1745. Thank you, Madam President.

DeBOER: Thank you, Senator Clements. The question before the body is the adoption of AM1745 to LB818. All those in favor vote aye; all those opposed vote nay. 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, 6 nays to place the house under call.

DeBOER: 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 persons, please leave the floor. The house is under call. Senator Machaela Cavanaugh, Day, Conrad, Fredrickson, McKinney, Lippincott, Walz, Bostar, Ibach, Lowe, Dungan, Hunt and John Cavanaugh, please return to the, the Chamber. The house is under call. Senator Ben Hansen, we're lacking Senator Machaela Cavanaugh, Senator Conrad, Senator Fredrickson, Senator Walz, Senator Ibach and Senator Hunt. Would you like to proceed? Thank you, Senator Hansen. Senator Clements, would you accept call in votes?

CLEMENTS: Yes.

CLERK: Senator Bostar voting yes. Senator Ballard voting yes. Senator Armendariz voting yes. Senator Dover voting yes. Senator Lowe voting yes.

DeBOER: Record, Mr. Clerk.

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

DeBOER: The amendment is adopted. I raise the call. Next item.

CLERK: Mr. President or Madam President, Senator Bostelman would move to amend with AM1623.

DeBOER: Senator Bostelman, you're recognized to open on AM1623.

BOSTELMAN: Thank you, Madam President. Good evening, colleagues. AM1623 amends the language for the County Bridge Match Program to ensure there are funds available for our counties to help maintain their bridges over the next few years. The County Bridge Match Program is a match-grant program that provides 55 percent of matching funds to repair or replace deficient county bridges, to a maximum of \$250,000 per bridge. The amendment strikes, on lines 6 and 7, the words, except that no more than 40, strikes those words and it adds, on line 6, the word, forty. Last fall, Director Selmer testified in front of the Transportation and Telecommunications Committee about the importance of this program. To date, around \$25 million has been spent using the County Bridge Match Program. In 2023, the selected proposals included 30 bridges in, in 18 counties, utilizing, utilizing \$5 million from the County Bridge Match Program. The former director further indicated that the fund was set to expire in June of this year. Upon learning of the sunset date, Senator Moser introduced LB124, which is included in LB683, that is on Final Reading, to extend the sunset date to 2029, in order to con-- to continue the program. The Transportation Infrastructure Bank Fund, which funds the County Bridge Match Program, has been a self-sustaining fund, generating revenue through Nebraska fuel tax and interests. In FY '21-22, the fund had a beginning balance of \$48 million, generated \$29.3 million through the gas tax and interest, expended \$22 million and had an ending balance of \$54 million. The fund's most recent balance was \$47 million, million as of March 21, 2023. What my amendment does, in conjunction with Senator Moser's bill, is to fulfill the intent of the Legislature, who originally created this program to utilize the full \$40 million originally intended for the County Bridge Match Program. Each year, we receive a report from the Department of Transportation on the progress of the County Bridge Match Program. This fund is crucial to our counties to assist them in repairing and placing aging infrastructure.

And I ask for your green vote on AM 1623 and LB818 and advance this to Final Reading. Thank you, Madam President.

DeBOER: Thank you, Senator Bostelman. Senator Clements, you're recognized.

CLEMENTS: Thank you, Madam President. This is a friendly amendment and I believe it's going to help many counties. The number one item is this is not coming out of the Cash Reserve Fund, is not coming out of general funds. This is coming out of a cash fund from Department of Transportation, from, I believe, from gas-- fuel tax. And so, it doesn't change any of the numbers that we have in the General Fund or Cash Reserve. And also, it does make sure that the counties are able to receive more money for roads and bridge construction, which my county commissioners have mentioned that they really appreciate. The County Bridge Match Program is-- construction is becoming more and more expensive. I'm glad to see that we're able to make sure we allocate more toward the counties. So I ask for your-- I support AM1623 and ask for your green vote on it. Thank you, Senator Bostelman, for bringing this.

DeBOER: Thank you, Senator Clements. Senator Brandt, you're recognized.

BRANDT: Thank you, Madam President. I am in full support of AM1623 and LB818. I commend Senator Bostelman for taking the initiative and finding the money to fund this program. Senator Moser and myself had identical bills to do this and Senator Moser's passed, to extend the date for the County Bridge Match Program. This is critically important to all 93 counties in the state of Nebraska. When you get into southeast Nebraska, where my district is at, my four counties each have more than 200 bridges in Fillmore, Thayer, Jefferson and Saline County, as opposed to western Nebraska, where some of those counties have less than 10. This program allows a county to get up to 55 percent reimbursement for box culverts and bridges. And if we don't have this assistance from the state, what happens is when we have severe storms, we close those roads and when those roads are closed, then the constituents have to drive around until the money is found or the property taxes are raised to repair these roads. So thank you, Senator Boselman, for taking the initiative and finding this money and not getting it from the General Fund.

DeBOER: Thank you, Senator Brandt. Senator Dorn, you're recognized.

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DORN: Thank you, Madam President. I, too, get up in full support of this amendment, AM1623 and the LB818. Many of you know I was on the county board and when we were on there, our county and other counties went together and put packages together for-- in the area, different bridges and different bridge-- box culverts and stuff and even regular culverts. And this has been a tremendous program for the counties that, to be able to get this extra financial help, many of them, their budgets are tight and they don't have, always, that extra money to put towards bridges. So, very, very good program. I'm glad to see or hear that Senator Bostelman has put the work in this to make sure that this program now will have those full \$40 million expended over the next so many years and that it's not going to sunset and, and not help the counties. So, very much in support of it. Thank you. Yield my time.

DeBOER: Thank you. Senator Dorn. Senator Machaela Cavanaugh, you're recognized.

M. CAVANAUGH: Thank you, Madam President. I just wanted to do something wacky and wild and say I stand in support of AM1623. I think this is a great thing for us to do. The bridge program is really essential to infrastructure and making sure that those funds are being utilized is something that I, I think Senator John Cavanaugh mentioned that Senator Julie Slama sometimes-- I don't know why I'm saying first names. I guess it's habit. Sorry. Senator Slama has wholeheartedly opposed something and I would like to say that I wholeheartedly support AM1623. Thank you, Senator Bostelman, for bringing it.

DeBOER: Thank you, Senator Machaela Cavanaugh. Seeing no one else in the queue, Senator Bostelman, you're recognized to close on your amendment. Senator Bostelman waives closing. The question before the body is the adoption of AM1623 to LB18 [SIC-LB818]. All those in favor vote aye; all those opposed vote nay. Have all voted who care to? Record, Mr. Clerk.

CLERK: 42 ayes, 0 nays on adoption of the amendment.

DeBOER: The amendment is adopted. Mr. Clerk, for the next item.

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

DeBOER: Senator Machaela Cavanaugh, you're-- Senator Ballard, for a motion.

BALLARD: Madam President, I move that LB818 be advanced to E&R for engrossing.

DeBOER: Senator Michaela Cavanaugh, you're recognized.

M. CAVANAUGH: Thank you, Madam President. I was holding onto amendments. Is it too late to add amendments? I'm looking for a head nod in one direction or another. It's not. No. OK. If anybody else could get in the queue to give me a moment to get my amendments filed, I would really appreciate it. And I will talk until people are in the queue. People are in the queue. Look at that magical-- thank you so much. I yield my time.

DeBOER: Thank you, Senator Machaela Cavanaugh. Senator Conrad, you're recognized.

CONRAD: Thank you, Mr. President. Good evening, colleagues. Hopefully, everybody was refreshed after a lovely dinner break and an opportunity to catch their breath off the floor and find some sustenance. Just as a point of reference to where we are. Again, not always perfectly consistent in terms of approach, but I think our body does a pretty good job of yielding time when a colleague needs time, punching in, if a colleague needs a little bit of time to attend to business on the floor, extending debate if a colleague is waiting for an amendment to come down from Bill Drafters or what have you. Sometimes, we do that more candidly and sometimes, we're a little bit more subtle about what we're doing, in regards to our debate. So try and always vote in the affirmative when we have an opportunity for a call of the house out of a-- in the spirit of collegiality and as part of our tradition here, I, personally, almost always vote against cutting off debate, whether through calling, through calling the question, because I think more debate rather than less debate is beneficial to our institution. So in the spirit of collegiality, I punched in to help Senator Cavanaugh get her amendments filed. And additionally, I want to thank Senator Bostelman for his leadership and good work, work in regards to the infrastructure in the bridge measure that he just brought forward. I know that's something that's very important to each of our districts. And I really appreciate not only the substance of the measure that he brought forward, but I really appreciate his leadership, too, in coming around the floor, giving everybody a heads up, talking through the issues. That was really cool and really appreciated, so kudos to Senator Bostelman. And I'm glad that we'll get some more resources for our critical infrastructure needs. Thank you, Mad-- Mr.-- Madam President.

DeBOER: Thank you, Senator Conrad. Mr. Clerk, for items.

CLERK: Madam President, Senator Machaela Cavanaugh would move to amend LB818 with AM1727.

DeBOER: Senator Machaela Cavanaugh, you're recognized to open on AM1727.

M. CAVANAUGH: Thank you, Madam President. AM1727 strikes Section 2. I apologize, colleagues. My staff has been amazing at being prepared on my behalf. And I had today's amendments-- I have a sticky note that says today's bills on it. And I thought, I'm not going to file LB818 unnecessarily, so I'm going to hold on to those. And then, I saw Senator Ben Hansen has an amendment. I didn't realize it was to Final. You do. You have an amendment pending on this bill. And so, I was like, oh, that'll be fine. I don't need to file an amendment. And then, all of a sudden-- so, mayhem. So this amendment strikes Section 2. And-- let's see here. I believe that our cloture vote is at 7:02 ish. It's at 702? No, it's not. One-- three-- 13. 7:13. OK. I was off by 11 minutes. Great. Well, then I might have to file-- oh, no. So, less than an hour, but I probably don't have enough time on this amendment, so I may have to file another amendment to get us to that time. But I'm also trying to work on something with Senator Brieese on the next bill. So it's kind of like a madcap situation here, where I need to talk to people about taxes. People want to talk to me over there about taxes, about the next bill. And then, I'm standing here talking about striking Section 2. So I'm just going to pull up the bill and review what striking Section 2 does. Also, I hope everyone had a lovely dinner break. I ate my typical bag salad, so was it lovely? Was it sustenance? I guess. I did eat Muchachos mac and cheese for lunch today, because somebody got me Muchachos mac and cheese. And who am I? I'm not a heathen. Obviously, I'm going to eat that. So I had that. And then, I was like, ohh. It-- the mac and cheese was delicious. It's just that, as I previously stated, my gallbladder and I are having a very, very difficult relationship with one another. And my gallbladder is just, sort of, like a nagging partner, telling me constantly to eat more healthy, so hence, the constant bag salad. But I did have Muchachos mac and cheese this afternoon, for lunch. How many times can I say Muchachos? I don't know. I guess we'll find out. I hope somebody is counting. Muchachos. I am looking-- legitimately, I'm looking for the E&R amendment to see what striking Section 2 is. OK. Here we are. So, strike Section 2. So I am, I am assuming that this is striking Section 2 from ER32 on LB818. If you are following along and you want to look at what it is, I think that's what it is. Page 1, line 9, Section 2. So this would strike, the State Treasurer shall transfer an amount as directed by the budget administrator of

the budget division of the Department of Administrative Services pursuant to subsections (2) and (3) of Section 82-331, not to exceed \$1 million from the General Fund to the Nebraska Cultural Preservation Endowment Fund, December 31, 2024, or as soon thereafter as administratively possible. So let's not. Let's just-- let's not, let's not strike Section 2. Let's just, you know, have a conversation until 7:13 or thereabout and, and then not strike Section 2. So, all right. I have another amendment that I'll have to get filed just in case, since clearly, I wasn't mac on the spot this afternoon-- this evening. I'm going to strike Section 1 in the next amendment. So we'll-- I'll get that signed, in, in triplicate. I have to sign everything in triplicate. And my signature this session has become extraordinarily illegible. So I actually signed a card, back in the Clerk's Office. There's a card back there in the Clerk's Office for people to sign. And I signed it. And I did the signature and the Clerk's staff is all going to be like, oh, we know that signature. I used the signature that I've been using on my amendments, so it is totally illegible. And I realized that after I did it in pen. And I was like, well, that's not much of a, a thank you card signature now, is it? But I guess it's true to my form. So now, I am signing my next amendment, which will strike Section 1. And part of the reason that my signature has become illegible is that my name is long. It has a lot of A's in it, a lot of A's, and it's long. And if you write it as many times as I write it in a day, you're going to get, you're going to get a, I guess, a little lackadaisical. So that's where I'm at on it. How much time do I have, Madam President?

DeBOER: 3:30.

M. CAVANAUGH: Madam President, you seem very enthused by my signature conversation, so I'm going to continue my signature conversation. It may become my signature of a conversation. So my signature is very long and mostly illegible. And it's basically M, scribble, M, scribble, C, scribble. What is the second M for? My middle name. My middle name is Munnelly. And if you go downstairs, take a little walk, look at the gallery of former legislators, you will see John Munnelly or Red, as he was called, my great uncle, my grandmother's brother. And I am named after his daughter. Her name is Machaela Munnelly. Well, she's married and she has been for a long time, but I'm not going to say her married last name because I don't want people to harass her. Interestingly, though, my neighbor directly across the street from me, her name is also Machaela, spelled the same way as I spell it. And that is very unusual-- well, not how I spell it, how my parents spell it-- very, very unusual. And I asked her, I was like,

are you named after someone, because this is not, like, a common spelling? She is also named after my dad's cousin. Imagine that. And we live across the street from each other. And we lived across the street from each other for a couple of years before we knew this. And her kids went to grade school with my niece and nephew. So like, we had lots of connections, anyways. And then it turns out she's named after the same person I'm named after. Who would have thunk it? Once, when I was working in Washington, D.C., a woman called my boss's office and wanted to leave a message. Her name was Machaela. I asked her to spell it, because there's lots of different ways to spell it. She spelled her name the same way I spell my name. She was calling from San Francisco. I said, this is a really unusual way to spell your name. Are you named after someone? Yes. My mom is a schoolteacher in Omaha, Nebraska. Guess who one of her students was? My dad's cousin. Yep.

DeBOER: One minute.

M. CAVANAUGH: We're everywhere. Machaelas with an A. Or Match-ela [PHONETIC]. If you have me in your phone and you have Siri and Siri will announce my name, Match-ela Cavanaugh. Match-ela. Match-ela Cavanaugh. So-- and I also spell, when I shorthand my name for Mac, which I do sometimes, I spell the H. I use the H. I don't know why. So it's like, more like mock, but I say Mac, M-a-c-h, Mach. That's how I spell Mac, I guess, to distinguish that I'm a Mach versus a different Mac. I'm not really sure, like Johnny Mac, John McCollister. I think I'm about out of time. It's been great talking about my name and my signature. I'll be back on the mike in a little bit, because there's other people in the queue. Thank you, Madam President.

DeBOER: Thank you, Senator Machaela Cavanaugh. Senator Erdman, you're next in the queue.

ERDMAN: Thank you, Madam President. Thank you.

DeBOER: Thank you, Senator Erdman. Senator Day, you're recognized.

DAY: Thank you, Madam President. And thank you, Senator Erdman, for that eloquent and important discussion on the mike. I wanted to make sure we're continuing to remind everyone that there are several of us in the room that are opposing some of-- or being present, not voting on some of these budget bills, because we fundamentally oppose the building of a new prison. I'm not sure if any of you saw, Senator McKinney had passed out the CJII's report on Nebraska's criminal

justice system, I think, a couple of weeks ago. And I'm just now getting to the point where I am going through it. And I was going to read a little bit of it on the mike. The challenge, it says, is Nebraska's corrections system is in crisis. Over the last decade, Nebraska increased its prison population by 21 percent, outpacing state population growth nearly threefold. Nebraska was one of just four states across the country that saw its incarceration rate increase in 2020, bucking national trends focused on lowering incarceration and crime at the same time. Unsurprisingly, Nebraska's prisons are bursting at the seams. Nearly every state prison is operating above capacity, with six of the ten prisons at over 120 percent of operational capacity as early-- as of early 2021. According to 2020 data, Nebraska has the most acute prison overcrowding in the country. The swelling of Nebraska's prisons has commandeered a sizable portion of the state's budget, with corrections expenditures increasing over 51 percent since 2011. In 2020, corrections expenditures were over a quarter billion dollars, at \$272.3 million, not including an estimated \$270 million for a new prison to meet the needs of a growing prison population. Yet this increasing financial burden for Nebraska taxpayers has not enhanced public safety. Over the last decade, recidivism rates have not declined, with nearly one-third of individuals released from prison returning within three years. Given these conditions, the corrections system is unable to do what taxpayers expect: divert people from criminal behavior after release. Absent policy changes, Nebraska's prison population is projected to increase roughly 25 percent by 2030. This growth would likely require building a second new prison in addition to the quarter billion dollar facility proposed by former Governor Pete Ricketts, to accommodate the current population. The solution. In spring 2022, the Nebraska Legislature debated a bill containing data-driven justice reform policies to reduce the state's projected prison growth while promoting public safety and reducing recidivism. The bill, LB920, was the product of a yearlong effort by a bipartisan group of stakeholders from across the state, the Nebraska Criminal Justice Reinvestment Working Group. Based on years of criminological research, LB920's policies were crafted to maximize taxpayer resources by reserving prison beds for serious offenses, expanding alternatives to incarceration and improving community-based behavioral health services to interrupt misconduct and prevent crime. Had LB920 passed, it would have decreased projected prison population growth by over 1,000--

DeBOER: One minute.

DAY: --people. Thank you, Madam President. It would have decreased projected prison population growth by over 1,000 people by 2030, saving the state more than \$55 million in additional costs. Nebraska leaders have a critical opportunity to bring the bipartisan Working Group's important efforts to the next level and address the crisis in its corrections system by implementing seven policy priorities. One, preserve prison beds for the most serious misconduct; two, tailor penalties with severity of conduct; three, streamline release for people prepared to reenter society; four, expand alternatives to incarceration; five, enhance reentry supports for justice-involved people; six, invest in community-based behavioral health services; and seven, support community supervision best practices. I think I'm about out of time. I will get back in the queue. Thank you, Madam President.

DeBOER: Thank you, Senator Day. Senator Conrad, you're recognized.

CONRAD: Thank you, Madam President. Good evening, colleagues. I specifically wanted to talk about a specific interest I have in state policy, in regards to oversight and appropriations regarding state settlement funds that is contained in the overall budget train. But then I also, since we're taking a little bit of time this evening, so that some negotiations on the next bill can continue with senators who were engaged in the debate, I also wanted to take a step back because I, I think that we've had a pretty robust debate about some of the big ticket items in the budget that caused the, the great deal-- that caused, caused-- perhaps, caused the great-- oh, I'm tired-- that perhaps causes the great amount of disagreement or concern. But we haven't really had as much time, perhaps, to talk about some of the other hidden jewels or treasures within the overall budget that I know the committee worked really, really hard to put together. And like any piece of legislation, it's typically not all bad or all good, but in amalgamation of an attempt to reach consensus and compromise. So when you page through your budgetary book, you can see and I agree with Senator Linehan, the transparency, in terms of how they presented the underlying bills that have been incorporated into the budget, is very welcome and very clear and excellent to understand. And I don't remember seeing a chart like that in the past, so I'm, I'm really grateful for that development, in terms of how we present our, our budget. But I also just wanted to note that, again, the investment in the Education Future Fund, while, I think, subject to concerns in other regards is a good thing, is part of the momentous shift in terms of education funding that we took up earlier this week under Governor Pillen's proposal and championed by Senator Sanders. I think there is a lot of really important investment in the budget, when it comes to

meeting our negotiated rates for not only our first responders on the state payroll, but all public, public employees. That was truly, truly long overdue. And I want to give a shout out to the union leadership for their excellent negotiation and give a shout out to management, for coming to the table in good faith to come to an agreement and consensus about compensation for our hardworking state employees across so many spheres of government. That's going to make a big difference to a lot of families and it's in recognition of their commitment to public service, as well. So I think that's something we can and all be really, really proud of. I'm also really happy to see funding in the overall budgetary approach for continuation of an educational benefit for public employees, for their children to attend community colleges. I think that is an excellent enhancement to our overall workforce policies and I think will pay great dividends for building our workforce now and, and into the future. I know Senator McDonnell and others worked hard to put together funding for shovel-ready projects for a very patriotic and well-deserved war memorial, which, I know, I believe probably all of us support and that's contained in the budget.

DeBOER: One minute.

CONRAD: There's-- thank you. Madam President-- at least two major components in regards to beautification of our unique awe-inspiring State Capitol, in putting some funding together to create a visitor center that Senator Pankonin-- former Senator Pankonin, a good friend of mine, is championing with other state leaders, working with former legislators to ensure that we have structures in place to maintain the beautiful courtyards that were recently renovated to meet the original vision of the capital architects. There's a significant amount of money in the budget in relation to addressing housing justice issues, which, I know Senator Vargas and Senator Briese have championed, which are very welcome and exciting. There's funds in here that Senator Jacobson has championed to improve opportunities for outdoor youth education, which is very exciting, the crime lab expansion--

DeBOER: Time, Senator.

CONRAD: --tax relief and mentorship. So I just wanted to also add a point for those, those really good things in the budget.

DeBOER: Thank you. Senator Conrad. Senator Hunt, you're recognized.

HUNT: Thank you very much, Madam President. I hope that everybody had a nice break over the dinner break. I regret how little time we really have this session, not only to socialize, but to strategize, frankly and, and get together and meet and talk about different things. I know that, originally, with this session, Senator Arch's goal was to have very few late nights, if possible, to not discuss controversial topics, which we wouldn't have to be doing if he had just been not voting on General File for LB574. And we-- we're really having as many late nights as possible now, because of that choice. And there are some really kind folks in Nebraska who have been watching what we're doing, who are happy that we're standing up for the rights of their kids or their friends' kids and trying not to roll back the clock in Nebraska, on human rights and civil rights and get us going down a path that we've seen so many states go down. In Montana, right now, they're facing legal action against some legislation that they passed blocking healthcare for trans individuals. In Missouri, we're seeing the same thing. And as a courtesy, you know, to say nothing about human rights, but it's going to waste a lot of time and money for taxpayers if Nebraska goes, goes down the same path. But we have already wasted so much time and money just, because of this vote on General File, on LB574. Some of the people watching heard what I was saying a couple of nights ago, about when many of us are in elementary school and these memories of having Kool-Aid or different types of drinks. And Kool-Aid, of course, was invented in Nebraska, which is a big point of pride for us. And their parent company now, Heinz, is also one of the companies that signed the letter opposing LB574. So, you know, that's another company that originated in Nebraska, that is against this anti-trans, anti-gay hate that people like Senator Linehan and Senator Kauth and Senator Slama have really put their whole hearts behind. When you're in the mood for Kool-Aid, you can walk into a grocery store and you can choose from about 20 different flavors, all priced at about a quarter. There used to be so many more different flavors. And if you're in the market for some quintessentially classic Kool-Aid flavors, you have to enter the fruit-flavored underbelly of one of the most intriguing subsets in the world of pop culture food enthusiasts and that is the black market of vintage Kool-Aid packet collectors. There's no real quantifiable way to know just how big this particular community is. But the best place to check the pulse on this market and on the vitality of this market is on eBay. A quick search for Kool-Aid packet on eBay seems to signal that the market is alive and well, returning over 250 active listings, some of which are going for triple-digit asking prices, \$400 for a still-sealed packet of Pink Swimmingo, \$225 for a single packet of

Yabba-Dabba-Doo Berry, \$195 for a single packet of one of Kool-Aid's most beloved flavor mascots and a favorite of one of the most high-powered lobbyists out in the rotunda who texted me, Purplesaurus Rex. A search for recently completed eBay auctions showed a display of 1960s grape Kool-Aid packets.

DeBOER: One minute.

HUNT: --being sold for \$250 and a single packet of Rock-A-Dile Red closing out at \$125. The good stuff doesn't come cheap. If you're scratching your head as to why people might pay hundreds of dollars for packages of unsweetened drink powder that only cost a quarter in the grocery store, continue on. Keep listening, because the vintage Kool-Aid packet collector community is really just a microcosm of broader dynamics of fan culture, of economics and of the kind of vitality that keeps our neighborhood grocery stores up and running. Thank you, Madam Chair.

DeBOER: Thank you, Senator Hunt. Senator Day, you're recognized.

DAY: Thank you, Madam President. Returning to the handout that Senator McKinney had passed out onto all of our desks, which it's the-- excuse me-- CJI report on Nebraska's corrections system or as he so eloquently called it last night, Nebraska's punitive system, I believe, is what he called it. Nebraska's-- I don't know. He said something about punitive and replaced the word corrections with punitive. And it was, I thought, brilliant. So policy priorities: one, preserve prison beds for the most serious misconduct. Research shows that imprisonment harms individuals' health, economic stability and positive relationships, all of which may contribute to increased criminal involvement following release. Moreover, there is no conclusive evidence suggesting that longer prison stays are more effective at reducing recidivism or protecting public safety than shorter stays. And in certain contexts, longer stays have been shown to increase the likelihood of recidivism. It's almost like being in prison isn't great for people, when it comes to rehabilitating them and helping them get out of a cycle of crime. Imagine. Despite these findings, the average length of stay on a prison sentence in Nebraska grew by 38 percent from 2011 to 2020, driven, in part, by longer sentences resulting from consecutive sentences, mandatory minimums and habitual criminal enhancements. Sentence enhancements cost taxpayers significantly, yet provide minimal public safety benefit. As predicted by the research, funneling more taxpayer funds to cover longer stays has not improved justice system outcomes, as recidivism rates have

remained high. Despite this, Nebraska continues to use longer sentences for less serious, nonviolent criminal behaviors. Policy recommendations would be to reserve mandatory minimum sentences for violent and serious offenses, ensure habitual criminal enhancement statute is only used for violent or sex offenses, modify credit accrual for those with mandatory minimum sentences to incentivize behavior change and reduce the use of discretionary consecutive sentences. The potential impact would be that long sentences are a primary driver of Nebraska's prison population and limiting sentencing enhancements could significantly reduce the length of time people spend in prison and therefore, the overall prison population. Nebraska can save more than 300 prison beds by 2030, by implementing all four policy recommendations described above. The second policy recommendation would be to tailor penalties with severity of conduct. Criminological research has consistently found that incarceration is not more effective at reducing recidivism than non-custodial sanctions, such as probation. In fact, incarceration may lead to higher rates of recidivism for certain types of lower-level behavior like drug offenses and technical violations and is significantly more expensive to taxpayers than alternatives to incarceration. The total cost to house a person in state prison is over \$40,000 per year. Given that, it is critical that Nebraska policymakers ensure that the length of a prison sentence corresponds to the severity of the conduct. Drug possession was the leading offense for admission to Nebraska prisons in 2020. Unlike many other states, Nebraska categorizes possession of controlled substances other than marijuana as a felony, regardless of the amount possessed.

DeBOER: One minute.

DAY: Thank you, Madam President. This means that people who are addicted to drugs and in possession for personal use, not sale, are punished with felony sentences. Research suggests that deterrence does not work for many drug users because of the seriousness of their behavioral health disorders. A more effective response to drug possess-- possession may be alternatives to incarceration, such as treatment. Imagine, treatment for drug addiction as opposed to putting them in jail. Imagine. Unlike many states, Nebraska considers a third or subsequent shoplifting, shoplifting offense to be a felony, even with the value of the item is below the typical threshold for felony theft of \$1,500 dollars. This means that people can be convicted of a felony and go to prison for stealing something under \$5 if it is a third theft offense. In 2020, property offenses represented more than

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10 percent of admissions to the Nebraska Department of Correctional Services.

DeBOER: Time, Senator.

DAY: Thank you, Madam President.

DeBOER: Thank you. Senator Day, Senator Machaela Cavanaugh, you're recognized.

M. CAVANAUGH: Thank you, Madam President. I appreciate everyone giving me some space to talk to folks about the next bill. And I think we've reached an imp-- impasse. Impasse? So, I'll just be back. How many-- is this my first time, Madam President? Do I have one more and a close?

DeBOER: Yes.

M. CAVANAUGH: OK. I'll get-- I'll just hop on back into the queue. I wonder what the history of the word queue is. And how do people spell it? Q-u-e-u-e. The queue. It's kind of a British term, like queue up. Get in the queue. Cheerio. Pip, pip. Also don't know what cheerio pip-- cheerio, pip pip. There's this program on NPR called Way With Words. Love that. That would be a good question for them. If anyone is watching this must-see TV-- reality TV that is your Nebraska Legislature and you want to submit a question to a Way With Words on my behalf, history of the word queue or the origins. I'm, I'm looking for it now. Origins-- origin of the word queue. Let's see here. All right. This is, this is just using the Internets, the Googles. I Googled it. Google is a company that signed onto a letter that was sent to the Legislature and the Governor, saying that they don't like our discrimination policy potential. OK. Origin, Latin, French. It has both Latin and French on here. Don't know why. So late 16th century, as the heraldic term denoting the tail of an animal; from French, based on Latin qua-da-- quoi-da? Q-- c-a-u-d-a. Cay-da? Caw-da. Cauda. Thank you, Senator Day. Latin cauda, meaning tail, compared-- compare with cue, cue, c-u-e and queue, q-u-e-u-e, sense 1 of the noun, dates from the late 18th century. It's not really much of an--a-- what's the difference between cue, c-u-e, and queue, q-u-e-u-e? For the more commonly encountered meanings, try to remember to use cue, c-u-e, when referring to hints. Can I-- like a cue card. Cue, cue the music. C-u-e. So hints, suggestions and information. Ah. Just an FYI. This little write-up here uses the serial/Oxford comma-- and to use queue, q-u-e-u-e, when referring to things that organize into lines. So we

are organized into a line, queuing up, as it were. How do you use the word queue? I don't know. How do you use the word queue? To wait in the line of people, often to buy something. Dozens of people were queuing up to get tickets. We had to queue for 3 hours to get in. I studied abroad in the UK. And the term queue was used a lot, for like-- well, I was in college. So going out, like, people would say, well, how long is the queue?

DeBOER: One minute.

M. CAVANAUGH: The line to get in to wherever. Also, at least the town that I was in, really into theme parties, where you have to wear fan-- they call it fancy dress, which, I did not know when they said it's a fancy dress party, that that meant it was a theme. I thought it was like, get-dressed-up-nice kind of party. It wasn't. It was a theme. Fancy dress, theme party. The one I'm specifically thinking of, I think, was like a 1920s theme. Fancy dress. How was the queue? Is it a long line? Mostly, the girls would want to know if it was a long queue because they were debating whether to bring a coat or not. Like, do I have to stand outside without a coat on for a long time, then maybe I'll bring a coat. So, queue, q-u-e-u-e. I want to just drop that first e for some reason. Q-u-e-u-e, queue.

DeBOER: Time, Senator.

M. CAVANAUGH: Thank you, Madam President.

DeBOER: Senator Conrad, you're recognized.

CONRAD: Thank you, Madam President, and good evening, colleagues. Good evening, Nebraska. As part of the overall budgetary approach, I did want to draw the body's attention to page 47,47 in our budget books. And it highlights a section in terms of how we're, we're utilizing some of the opioid settlement funds. So how the Legislature interfaces with Attorney General settlements has long been of interest to me, including in my prior term of service. Of course, we, I think, are all well-versed in how Nebraska was very thoughtful in their approach in the utilization of something very specific, very well known, very tangible, like the, the nationwide tobacco settlement that happened many, many years ago and how that helped to really seed our Health Care Cash Fund and how that prudent approach has, I think, stretched those dollars further and helped to retain some fidelity to the reason that the settlement was agreed upon and help to complement and address Nebraska's approach to meeting unmet healthcare needs for our

citizenry. So I just-- lifting that up as kind of an example about what I'm talking about here. We have seen a, a host of settlements come to Nebraska over the years, typically under the Attorney General's consumer protection work. Not always, but, but typically, those are the, the most, most well-known kind of settlements and litigation that we enter into. And you might remember, during-- in the wake of the Great Recession, spurred by the housing crisis and the housing bubble, the Attorney General, in Nebraska and all across the country, entered into a settlement with some of the larger banks, to address the harm and the economic injustice that really was wrought on so many homeowners and then, also, states and localities, etcetera. So when some of those funds were coming in and I was a member of the Appropriations Committee, we worked very hard to-- under what lawyers call basically a cy pres theory, c-y p-r-e-s, we, we made a play to get some of those housing settlement dollars. Instead of just dumping them directly into a settlement cash fund at the AG's Office or otherwise get dumped into general funds or be committed to ongoing operations for the state or the Attorney General, we made a play to grab some of those dollars and, and push them through the Commission on Public Advocacy and the Affordable Housing Trust Fund and trying to make the case that those settlement funds, which the Attorney General is suing in our citizenry's name for harm that has befallen our citizenry, those dollars, my belief is they should be directed as closely as possible, tailored as closely as possible, to the best and highest purpose in state government that relates to that underlying litigation. That's, that's my perspective on it. And I think that we should definitely have more oversight on cash settlement funds. And I think that we should have some, some more measures in place to ensure a more consistent approach. I actually have a bill pending before the Executive Board on that very topic. And the Attorney General's Office--

DeBOER: One minute.

CONRAD: --I believe, if memory serves, actually came in in neutral, in that regard. Thank you, Madam President. I'll have a chance to pass around later-- there was a very informative article in Governing magazine just over the last week or so, that talked about some of the experiences our sister states are facing in dealing with the opioid settlement funds. And it seems that each state has learned some lessons, including from the tobacco settlement, but there's still nuances in terms of how each state is utilizing these funds. And if you look on our budget book, on page 47, you can see the state of Nebraska is expecting to receive over \$100 million in settlements from

the drug distribution companies and producers of opioids. So we start to see just a little bit of funds being appropriated to address opioid-related impacts, particularly for first--

DeBOER: Time, Senator. Thank you, Senator Conrad. Senator Hunt, you're recognized.

HUNT: Thank you, Madam Chair. I rise in opposition to AM1727 and also in opposition to LB818, as we've appropriated funds this year for a new prison, which I'm completely against, out the gate, 100 percent. And I'm waiting to hear back from a friend of mine about the drinks that are available in prison and if that varies in Nebraska, between different prisons. This friend of mine served time in a couple of different facilities and also worked in the kitchen. And so, I was trying to find out if Kool-Aid was anything that they had there or if they had Tang or something like that or nothing. Maybe, maybe they didn't. I have one friend who I will not say who it is, because they will-- it will get back to them, who is a collector of vintage everything-- anything and everything. Everything in the house is vintage. Most of it is beautiful and like, in really good condition. But there's a lot of stuff on the shelves for display, just, kind of, art objects, I guess, that are vintage, but are very, very, very dusty, like very faded, dusty type of stuff. And you know, I'm a vintage collector, too. I've got some great chairs, some good Danish chairs from like the 1950s, that are just fabulous, that I've had-- they were one of my first adult purchases in my late twenties. And I love these chairs. But like, a dusty box of food, I, I don't understand collecting that. But there is a whole market for collectors of this kind of thing. And if you can get past the idea that collecting expired food is what you're doing, Kool-Aid is actually a really ideal thing to collect. And that's according to Matt from Dinosaur Dracula, which is one of the most visited and longest-running nostalgia sites on the Internet. And he declined to give his last name. But Matt from Dinosaur Dracula has been writing about old food, movies, toys and other pop cultural ephemera since 2000, which is really old, in terms of when blogs were starting and everything. If you've been blogging for 23 years, that's-- you were there in the beginning. And he routinely touts Kool-Aid as one of his favorite subjects to write about and one of the best entry places for somebody who's just getting into collecting vintage. Because sometimes at, you know, a garage sale or estate sale is kind of a stretch, but you can sometimes find really good deals on old packets of Kool-Aid. And then, these things can fetch, as I said before, hundreds and hundreds and hundreds of dollars on eBay. There are serious collectors. While he's

primarily a Kool-Aid collector, Matt occasionally rips into a vintage packet with the earnest devotion of a skilled sommelier, to conduct taste tests for his readers. He writes of a 1987 packet of Surfin' Berry Punch. Everyone like, my age, millennial people, mid to-- mid-thirties to late forties, Google Surfin' Berry Punch. Look at what that packet looks like and you will be like snapped into your childhood. Like it's a-- one of those things that scratches a memory that you never thought you would ever think about again. Just looking at what this packet looks like was like, wow, I feel like I'm six-years-old. And some people think I'm acting like I'm six-years-old. He writes of a 1987 packet of Surfin' Berry Punch. I wasn't wild about the powder color, which to me felt too dim and purply for a beverage that was supposed to look like liquid fire trucks. Fortunately, it changed color as soon as it hit water, like a less braggy Great Bluedini. This was basically second grade sangria.

DeBOER: One minute.

HUNT: Thank you, Madam Chair. His description of a 1989 packet of Mountain Berry Punch. It's another great design. I-- we've talked about the design of HV7, which is the cup-- it's the product name of the cup that comes out of the vending machine for the coffee machine downstairs and how it's based on the Jazz design from Sweetheart Cup Company that came out in 1992. And I would be interested to know who the designers are for the original Kool-Aid packets in the eighties, that were so, you know, formative, to people in my generation. When you see that imagery, it just brings you right back, immediately. Mountain Berry Punch, Sweet-- Pink Swimmingo, Surfin' Berry Punch, a lot of different kinds of punch-- Purplesaurus Rex. But these design jobs are--

DeBOER: Time, Senator. Thank you, Senator Hunt. Senator Conrad, you recognized. This is your final opportunity.

CONRAD: Great. Thank you so much, Madam President. Sadly, I don't have a lot to add to the Kool-Aid debate. My folks were too strict and we never really had Kool-Aid growing up in the house. But it was a big treat when we visited friends and they had those delicious, tasty treats, which, of course, have deep Nebraska roots with Kool-Aid. But I wanted to just return to a little bit more commentary in this last time, in regards to our oversight engagement and appropriations role when it comes to state settlement funds. I think former Attorney General Petersen was pretty aggressive and pretty adept at securing significant settlements for the state of Nebraska on a wide range of

issues. And for that, he should be commended. But we do need to make sure that when the Attorney General is suing in the name of our citizenry for harm that occurred to our citizenry, that we are stepping in and utilizing our inherent power of the purse, our appropriations powers, to make sure those funds are directed to address the harm for the citizens that we settled those cases on behalf of. So as I mentioned, I was going to pass it out to everybody, but it's like a 15-page-long article and I think that would be too many trees to kill. But if you look at Governing magazine, from April 23, 2023, you can see a, a really excellent article about various state plans and how they vary for spending the \$26 billion in opioid settlement funds, which, I think, has a lot of good lessons for us to look at. I also want to note, I believe the Attorney General's Office is helping to lead a, a broader advisory and stakeholder group with members of the public, providers, members from the legal side and HHS side, to talk about a comprehensive plan to address the full utilization of our opioid settlement dollars. You can see some of the meeting membership, the agendas and minutes that are housed on the HHS website. And that provides, I think, some information about how we plan to utilize these funds. And I want to commend them for bringing that group together and sharing some of that information. However, sadly, if you look at that website, they haven't really had any meetings or updates on those materials since October of 2022. In light of that fact, I did reach out to the key stakeholders and copied many members of relevant committees of jurisdiction in this body, inquiring as to any recent updates and plans to utilize the settlement funds, to make sure that we have a chance to weigh in, particularly this session, if possible, on their utilization thereof. I want to also thank my friend, Senator Clements, for responding to that letter that I sent and directing my attention to the utilization of at least a small amount of the settlement funds that we have in hand, to address opioid-related issues, behavioral health-related issues for first responders, which I think is a fantastic idea, but just wanted to flag that for the body, kind of writ large. We really need to grapple with settlement funds in a thoughtful, uniform and comprehensive manner. And we need to really keep our eyes on that significant amount of money that's going to come into the state from the opioid settlement and make sure it's directed, really, to behavioral health, because that's the harm that is underlying those settlements. And we need to make sure those dollars, those one-time--

DeBOER: One minute.

CONRAD: -- dollars in that settlement-- thank you, Madam President-- are not diluted for other purposes. So I understand that the conversations will continue, but that's an important part of not only our overall budgetary picture, but our legislative oversight. Thank you, Madam President.

DeBOER: Thank you, Senator Conrad. Senator Machaela Cavanaugh, you're recognized. And this is your third opportunity.

M. CAVANAUGH: Thank you, Madam President, I think we are getting close to cloture. I see someone else is in the queue, so I-- actually, I think I'll yield my time so that they can finish out, so I can talk to the Clerk. Thank you, Madam President.

DeBOER: Thank you, Senator Machaela Cavanaugh. Senator Hunt, you're recognized.

HUNT: Thank you, Madam Chair. Once again, I rise in opposition to LB818, because of the decision of funding for another prison in Nebraska, without any plan to decommission or-- you know, for the future of the Nebraska State Penitentiary, as it stands right now. In Lincoln, we have-- in Lincoln, specifically, I mean, all over the state and to an impressive degree, but in Lincoln, we have a wonderful branding agency called Archrival. And they actually did the branding for Red Bull. So this-- you know, if you are into Formula One racing, you see the Red Bull car. They're the best team this year. They were the best team last year. Not my favorite team. I'm not a Red Bull person, at all. But that design came from Lincoln. And that's something that we can be very proud of. Not knowing who did the design, though, for the iconic Kool-Aid packet, Mountain Berry Punch, that's something I'm going to be looking into over the next couple of days. And I bet that there's actually somebody, perhaps at that branding agency, who knows the answer to that. Because these kinds of iconic designs, whether you're talking about the Java cup or the Jazz cup or any other kind of iconic thing that we would even see in this room around us-- you know, the design community has fans. And I'm sure there's somebody who knows the answer to that. Getting back to Matt from Dinosaur Dracula, his description of a 1989 packet of Mountain Berry Punch: the Kool-Aid smelled, looked and tasted like unsettled strawberry jello. It didn't have too much tartness or acidity. I'm guessing it was meant to be Kool-Aid's dark and sophisticated flavor, because nothing moves posh foodies like an image of the Kool-Aid man scaling mountains to fetch cartoon strawberries. Right off the bat, you'll find within the community a debate over whether or not you can

or should drink decades old Kool-Aid. As Matt sees it, quote, the drinking thing is overstated. It happens, but rarely. You can and you can't. Or maybe I should say you shouldn't, but I have. While it's probably true that not many vintage Kool-Aid packet collectors are paying exorbitant prices with the sole intention of drinking their way through their collection, Matt does acknowledge that, quote, if you were ever going to eat old junk food, I suppose Kool-Aid is one of the safer bets. I also want to say that I do not endorse eating expired food and I'm not telling any Nebraskans to do that. Quote, my interest in Kool-Aid is on the extreme side, Matt says. But what I found through covering it is that Kool-Aid seems to make everyone happy, whether it reminds them of some long-ago family picnic or using the stuff to badly dye their hair in high school, it weirdly connects so many personal memories. It's kind of a mutant version of Proust's madeleines. If the port key connection between a wall-busting anthropomor-- anthropomorphic drink pitcher and one of the premiere French novelists of the 20th century seems potentially tenuous, it's helpful to contextualize Kool-Aid's quietly persistent presence that spans almost a century. Kool-Aid was first conceived in the late 1920s by entrepreneurial inventor, Edwin Perkins, as a primarily, a means to save money. At that time, one of the top sellers in his catalog of household goods was Fruit Smack, a fruit-flavored liquid concentrate housed in four-ounce glass bottles. In an effort to reduce shipping cost and eliminate breakage losses, Perkins developed a powdered version that could be sold in small envelopes. His Kool-Ade debuted in 1927, spelled a-d-e, like lemonade. The name was officially tweaked to Kool-Aid, a-i-d, about seven years later. With a variety of flavor envelopes promising to generate 10 drinks for only \$0.10, Kool-Aid's cultural entrenchment started almost immediately.

DeBOER: One minute.

HUNT: Thank you, Madam Chair. Shortly after its creation, the Great Depression hit and Perkins cut the price of his product in half. Yet even at just \$0.05 an envelope, Kool-Aid was generating, generating over \$1.5 million in annual net sales by the mid-1930s. This is a great example of a business owner, a producer, cutting prices when times get tough, instead of, you know, giving in to inflation and jacking up prices. We know that things along the supply chain have become more expensive for a lot of producers and a lot of manufacturers in the United States of America. But we also see, from the profit returns on these publicly-traded companies, that a lot of the profits and payments to C-level executives have spiked. They're higher than ever. And this is a great example of a Nebraska

entrepreneur who chose to cut the costs for people in a time of hardship instead of raising his own salary. Thank you, Madam Chair.

DeBOER: Time, Senator. Thank you, Senator Hunt. Mr. Clerk, you have a motion on your desk?

CLERK: I do. Madam President, Senator Arch would move to invoke cloture on LB818 pursuant to Rule 7, Section 10.

DeBOER: Senator Arch, for what purpose do you rise?

ARCH: Call of the house. Roll call vote.

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

CLERK: 22 ayes, 2 nays to place the house under call.

DeBOER: 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 persons, please leave the floor. The house is under call. Senator Machaela Cavanaugh, Raybould, Day, Bostar, Wayne, Brewer, Dungan, Hansen, please return to the Chamber. The house is under call. Senator Wayne, please return to the Chamber. The house is under call. All unexcused members are now returned to the Chamber. Members, the first vote is the motion to invoke cloture. All those in favor vote aye; all those opposed vote nay. There's been a request for a roll call vote. Mr. Clerk, please call the roll.

CLERK: Senator Aguilar. Senator Albrecht. Senator Arch voting yes. Senator Armendariz voting yes. Senator Ballard voting yes. Senator Blood voting yes. Senator Bosn voting yes. 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 not voting. Senator DeBoer voting yes. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan voting yes. Senator Erdman voting yes. Senator Frederickson voting yes. 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. Senator Moser voting yes. Senator Murman voting yes. Senator Raybould voting yes. Senator Riepe voting yes. Senator Sanders voting yes. Senator Slama voting yes. Senator Vargas voting yes. Senator von Gillern voting yes. Senator Walz voting yes. Senator Wayne not voting. Senator Wishart voting yes. Vote is 41 ayes, 1 nay, Madam President, on the motion to invoke cloture.

DeBOER: The motion to invoke cloture is adopted. Colleagues, the next vote is AM1727, as an amendment to LB18 [SIC-LB818]. All those in favor of vote aye; those opposed vote nay. Record, Mr. Clerk.

CLERK: 1 aye, 38 nays, Madam President, on the adoption of the amendment.

DeBOER: The next vote is the advance to E&R for engrossing. All those in favor say aye; all those opposed say nay. LB818 is advanced. Mr. Clerk. I raise the call.

ARCH: Mr. Clerk, next item.

CLERK: Mr. President, some items quickly. Sen-- amendments to be printed, Senator Bostar to LB727, Senator Hansen to LB818 and Senator Machaela Cavanaugh to LB243. Next item on the agenda, Mr. President, Select File, LB243. First of all, Senator Machaela Cavanaugh, a priority motion, would move to bracket LB243 until June 2, 2023.

ARCH: Senator Cavanaugh, you're welcome to open on your bracket motion.

M. CAVANAUGH: Thank you, Mr. President. Colleagues, OK. So I see the queue is quite full. Everybody loves to talk about taxes. The bracket motion is the bracket motion that, you know, back, back when we, on day 50, changed the rules, filed a whole bunch of pro-- proactive motions. So I stand up and I'm like, oh, here's a motion for me today. OK. I guess I'm opening on this motion, since I filed this motion. All right. Let's, let's pull up LB243. We're on Select File. I have a binder on this, but, if anybody who sees my desk, it's like a hodgepodge of binder activity, so-- all right. LB243 came out of committee, 7-1. It had a lot of agricultural people in support. Tax Policy Institute, OpenSky, in opposition. Summary: LB243 amends the Property Tax Credit Act to increase, beginning in 2024, the maximum relief granted under the act from \$275 million to \$700 million, with an allowable increase every year after 2024. Thank you, Mr.

President-- with an allowable increase every year after 2024, equal to the percentage increase in total assessed value of the real property in the state over the past year. AM 940 adds the following amounts in these given years: tax year 2024, \$388 million. It's hard-- there's a period and zero zero, so I, for a second, was like \$388 billion? No, it's million. 2025, \$428 million; 2026, \$468 million; 2027, \$488 million; 2028, \$515 million; 2029, \$560 million and then proceed to the growth rate stated above. Explanation of amendments: AM977 incorporates the provisions of five other property tax-related bills into the LB243. LB28, as amended by the committee modified version of AM351; LB242, as amended by AM956; LB309; LB589 as amended by AM933; and LB783, as amended by the committee modified version. I actually I was looking for a post-it note that I had sitting on my lamp here, for a while and I, I think I just took it off and threw it away yesterday. And it was a list of bill numbers and I think it was the bill numbers that are in this bill. So kind of lost track of the bill. Pardon me. I apologize. OK. The committee voted to adopt AM977 in an 8-0 vote. LB28 would require the valuation of a property that currently has an appeal to the Tax Equalization and Review Commission that has not been decided, when the first half of taxes become delinquent, to revert said valuation to the value of the year prior to the appealed year. AM 351 to LB28 and make-- and a "make it so amendment" to LB28. Would Senator Briese yield to a question?

ARCH: Senator Briese, will you yield?

BRIESE: Yes.

M. CAVANAUGH: Thank you, Senator Briese. What is a quote, make it so amendment? I'm not familiar with that.

BRIESE: A make it so amendment, my understanding is, is an amendment that hadn't been drafted prior to the time that it was adopted and it was explained in a certain way and staff is corrected to make an amendment so, to reflect the understanding of a committee.

M. CAVANAUGH: So it's, it's what you directed the staff to do? Would you mind? Just for the mike.

BRIESE: Yes, I think that's a fair statement.

M. CAVANAUGH: OK. Thank you. Sorry. I just-- I hadn't-- I wasn't familiar with the statement and so, I was curious. I appreciate the clarification and-- sorry. Senator Briese nodded his answer to me and

I wanted to let him, for the record, state it. So thank you, Senator Briese. OK. So-- a make it so amendment to LB28 adds interest determined by the post-judgment interest rate shown in Nebraska Revised Statute Section 45-103, applied to the tax liability of the valuation difference of the Tax Equalization and Review Commission's decision has a higher valuation than the one reverted to. OK. And if anybody wants to look up what we're talking about, you can look up Revised Statute 45-103. OK. That motion was 8-0. Transfers-- testifiers on LB28: didn't have any-- oh, it did have an opponent. NACO was the opponent. So Senator Erdman's bill and LB28-- so it did have an opponent. Maybe the make it so amendment addresses that. And there is a committee statement-- a separate committee statement for LB28, which people can look at. AM351 requires that the decision of the Tax Equalization and Review Commission returns an amount that is higher than the amount reverted to. The property owner must pay the taxes on the additional amount with incurred interest from the date it was reverted to at an interest rate of that set in Nebraska Revised Statute 45-301 plus 3 percent. OK. Gosh, I have too many tabs open. I still have tabs open on the previous bill, so-- got to get back to that. OK. LB28. LB242 amends the Nebraska Property Tax Incentive Act to eliminate the cap on allowable growth percentage and reset the credit percentage under the act to allow a percentage that will allow for \$1 billion in credit under the act in 2024. In subsequent years, the credits will be the prior year's credits plus the annual growth percentage defined under the act as the percentage increase, if any, in the total assessed value of all real property in the state, from the prior year to the current year, as determined by the Department of Revenue. AM956 also removes the current 5 percent cap on the allowable growth percentage on the LB1107, 2020, refundable income tax credit. Motion-- so, 8-0. Just a random thought. So we always talk about LB1107. We talk about LB1107, LB1107, LB1107. And like, for me, when you say LB1107, I will always think of that as the tax incentive package.

ARCH: One minute.

M. CAVANAUGH: I wonder if, next year or in another biennium, LB1107 will be something of massive significance that will then confuse people when they're talking about LB1107. They'll be like, are you talking about the 2024 LB1107 or the 2020 LB1107? And then, you can't talk it-- call it LB1107 anymore. You got to like, call it the Imagine Act or whatever it was called. So I think I'm about out of time. Wow. That is a really full queue. People are very excited to talk about taxes tonight. Thank you, Mr. President.

ARCH: Senator Briese, you're recognized.

BRIESE: Thank, thank you, Mr. President. And good evening, colleagues. I clearly rise in support of LB243 and in opposition to the bracket motion. And at some point, we're going to want to get to an amendment on LB243. That particular amendment is going to be an amendment to the E&R amendment, AM1743. And it's going to be important that we get there. I'll-- and I will talk in detail about it later. But AM1743 contains several suggestions that Bryce Wilson of NDE brought to us and I would consider them cleanup suggestions. It also inserts some language to address concerns of some of our rapidly growing school districts, also adjust some of the numbers to help ensure balance within the tax packages, eliminates one provision and also, changes some dates. But again, we'll talk about that later when we get close to it. But at this point, I think I'd just like to talk about-- remind everyone of what LB243 does, what the E&R amendment does and remind everyone of the importance of getting this passed. LB243 increases the statutory minimum in the Property Tax Credit Fund over the next six years and then contains an escalator after that. The escalator would be based on the annual increase in valuation of real property across the state. Another section brings in an amended version of my LB242, which deals with the Property Tax Incentive Act credit, which Senator Cavanaugh mentioned a little bit ago. The 11-- what I would consider the 1107 credit. After tax year 2023, the total amount of that credit grows at the allowable growth rate, which is defined as a percentage increase in any of the total assessed value of all real property in the state from the prior year to the current year. And that increase is currently capped at 5 percent per year. LB243, the E&R amendment would remove the 5 percent cap on the allowable growth rate. The next component includes the tax-asking cap of my LB589 and-- however, it is a soft cap. But in a nutshell, it limits a school's overall annual increases in total revenue to 3 percent. The school's property tax asking authority is then adjusted to meet that 3 percent limit. But we need to remember this 3 percent limit is adjusted upward for growth in student enrollment, poverty, student growth and LEP student growth. And note that this limit can be exceeded by a 70 percent vote of the school board or a 60 percent vote of the public. And this limit does not apply to grants, bonds, voter approved, QCPUF bonds. And it really is a very reasonable measure that accommodates many, I would say most, if not all, of the concerns of school districts. It's much more-- it's much less onerous than things we've talked about in past years. And I, I think it's really, again, does accommodate the concerns of public education in Nebraska, but still accomplishes the goals we're seeking

to accomplish. And the next portion is Senator Murman's essentially, LB783. And it keeps in place a refundable tax credit for community college taxes paid, but at 100 percent of those taxes paid. But it also takes away the ability of community colleges to levy property taxes beginning in fiscal year '24-25, but those dollars are then replaced by the state in an amount equal to the taxes levied in '23-24, increased by 3.5 percent. And that's kind of a very cursory explanation of that bill. I'm sure Senator Murman might want to explain it in further detail at some point. But it's my understanding that the community colleges generally support the concept, again, taking away their taxing authority, but replacing it with state revenue that's going to increase automatically over the years, but allowing them to retain-- regain that taxing authority if we fall short on our commitment to them.

ARCH: One minute.

BRIESE: Thank you, Mr. President. Section-- another section represents Senator Bostar's LB309, providing that for any property tax refund, interest is to be paid at 14 percent instead of the current 9 percent. And finally, we have Senator Erdman's, I believe it's the provisions of LB28. And it does a couple of things: adds a commissioner to the Tax Rate Equalization and Review Commission and it also provides a, a valuation adjustment in the event of TERC appeals. And I think that's a provision that we're attempting to pull out with this amendment. And so, that's essentially in a nutshell what LB243 does. It's an important component of the tax package that we've been talking about in this body for several weeks, if not months now. And we need to see this bill through. Thank you, Mr. President.

ARCH: Senator Linehan, you're recognized.

LINEHAN: Thank you, Mr. President. I rise in support of LB-- can't see-- LB243, and also of Senator Briese's amendment that we would like to get to. The amendment is-- obviously, clean up amendments are very helpful. And I think there's an amendment that helps a handful of schools that are fast growing districts and I hope we can get to it. There was a lot of talk about unsustainability of the tax cuts today. And I just-- I've read OpenSky's deal they put out, I think, earlier today. They're always using the out year numbers here, when they say how much it's going to cost. So be very leery. I would suggest, if you want to understand the bill, the fiscal note, revision 01, lays it out very good-- very well about exact-- and our Fiscal Office is still over here? I think they took the night-- they are not here, but

they've been here all day. And they did a great job. But it lays it out very well, as to what each part cost. And I think, if you have questions, the Revenue Committee will be on the floor. We're happy to help understand any part of it. What we're doing is, we're, we're-- this is part of the whole plan. So we have the school funding bill, which we did yesterday. We had the budget, with \$1.25 billion for the education fund, which is part of the budget. And now, we get to the property taxes. And this is-- what we are actually doing here, that I'm very proud of, is we're taking community colleges off the property tax rolls except for their bonding. So I question really, why community colleges were ever put on property tax rolls. I-- I'm guessing, though I have not-- and this is a guess-- I'm guessing it was because community colleges were pulled together in the early seventies, in the sixties. The people of Nebraska told the Nebraska Legislature, the Governor, you're not going-- we're not going to pay property taxes to the states anymore. So this is a way to kind of squirt around that. Our university does not get property taxes. Our state colleges do not get property taxes. Our community colleges are critically important and we should be paying for them, just like we are paying for all higher education. It shouldn't be on the property tax rolls. And I will give credit where credit due. The property tax-- I mean, excuse me, community colleges worked really hard to get to some agreements. Somebody can correct me if I'm wrong, but I think, in the bill, there is an escape hatch. If we don't keep our commitment and keep them where they would be on property taxes, then they get to go back and collect property taxes. So I think that's a pretty good guarantee that the Legislature will keep taking care of our community colleges, which are critical to our state. And I know Senator Briese can explain this far better than me, but the cap is, is a soft-- when we say soft cap, it, it just takes a super majority of the school board to override it. And there's limits to how far they can override it. And they can also have an override of your whole district, the people. But if you look at most school board votes, with the exception of maybe two districts-- or maybe there's some that aren't in the papers, that I don't see, out west. Generally when school boards are pretty collaborative and they all agree to agree and most of their votes are like, 7-0, 6-0. So I think this is a very livable plan.

ARCH: One minute.

LINEHAN: I know that Senator Briese spent hours and hours. He was on the Governor's committee that looked at this, before the Governor was sworn in. And I'm proud of this work and I would ask for your support

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and hopefully, we can get to those amendments that would make the bill better. Thank you, Mr. President.

ARCH: Senator Brandt, you are recognized.

BRANDT: Thank you, Mr. Speaker. Once again, thank you, Senator Briese, for bringing this bill. This is a very important bill to rural Nebraska, because it targets the property tax relief that we talk so often about, here on the floor and it helps, in particular, those rural landowners in the state of Nebraska. What I'd like to focus on is what Senator Linehan has already alluded to, and that's our community colleges. We've got six community colleges in the state. They are great schools. I have a son that graduated from Southeast Community College and he worked with Senator Linehan's brother, who also works at the community college, trying to teach these farm kids how to farm and does a great job. So what does this bill do for community colleges? Last year, we passed the tax bill, I believe it was LB873. And in LB873 there was a five-year runway to eliminate up to \$190 million of community college-- what, what we pay to community colleges on our property taxes. And this was the first year where you got 20 percent of that back on a refundable state income tax credit. So this year, not only did you get what that property paid to the K-12 school district, you got 20 percent of what that property paid to the community college district you were in. And had this plan not come up over the course of five years, you would have got probably the equivalent of about 75 percent to 80 percent of what that property pays to the community college. What LB243 does is it takes that final step. It goes up to, I believe, and Senator Briese will have to correct me, but I think we're going to \$234 million or \$240 million. And that's 100 percent, in the state of Nebraska, what is paid. And I think where I get a little confused, because we had a five-year runway and now, LB243 adds some more money on top of that and we have shortened the runway. I guess I would like to ask Senator Briese if he could-- would answer a question.

ARCH: Senator Briese, will you yield?

BRIESE: Yes.

BRANDT: Senator Briese, underneath-- under LB243, because we have an existing program that we started last year and this will modify that program, how many years now will it take to get reimbursement on the community colleges?

BRIESE: I'd have to look for sure. I might have to ask Senator Murman that question, but it's-- I think it's tax year '25, it's 100 percent. '24 or '25, but it's coming right upon us. I'd have to look at it and see for sure.

BRANDT: Certainly. So about two years, then, we would be at 100 percent?

BRIESE: Yes.

BRANDT: And--

BRIESE: Very, very much accelerated compared to what we put in place in 8-- LB823 or whatever it was and-- or LB873. And like you said, when we got to the max on that, we'd only been 70 or 75 percent of the total, probably.

BRANDT: And then alluding to what Senator Linehan said about levee authority. So the fear on any of our school funding, community colleges included, is that someday, the state may be short of money and, and short these colleges. We left in there the ability to levy property taxes if the state would decrease this amount. Would that be correct?

BRIESE: Yes. If the state doesn't meet its obligation under the statute, they would regain their taxing authority, to make them whole.

BRANDT: And this just pertains to the reimbursement for--

ARCH: One minute.

BRANDT: --the operating expenses. If a-- I'm in Southeast Community College, if they want to build a new science building or something like that, they still have the ability to bond and ask the people for a vote of the people.

BRIESE: Yes, that's my understanding.

BRANDT: Thank you, Senator Briese. I appreciate that. As a farmer, I can tell you, on an irrigated quarter section in my neighborhood, Southeast Community College is about \$200 or more dollars per quarter section. That may not sound like much, but getting that money back into the hands of the property taxpayer, even if you have to go through the refundable state income tax credit, is a good thing. I

would encourage everybody to support LB243 and the amendment when it hits the board. Thank you.

ARCH: Senator Holdcroft, you are recognized.

HOLDCROFT: Thank you, Mr. President. First, I wanted to revisit the make it so order, which we use a lot in the military, particularly in the Navy. So put yourself on the bridge of a, a U.S. destroyer or a officer of the deck. The officer of the deck is the, the individual who controls the movement. And he will report to the captain that he has a contact, say, off the-- two points off the starboard bow, which has a constant bearing, decreasing range. And what that means is he's on the same, same bearing and-- but his range is decreasing on that bearing. And if nothing changes, then you're going to have a collision. And I'm here to tell you, a collision at sea, it will ruin your whole day. So he will then make a recommendation. He'll say, Captain, I recommend you come right-- we come right to zero, four, five. That will give us a closest point of approach of about 5,000 yards. Five thousand yards is about 2.5 miles. So, yeah, that sounds pretty good. So then, if the captain-- if he's happy with that, he'll say, "make it so." And then, the office of the deck will carry out that, that recommendation. But we're here to talk about property taxes. And so I'll take you back to campaigning. I only knocked on 5,000 doors. I know, Senator Lippincott did 6,000 doors. But I-- you know, I would-- my introduction at the door was yeah, Rick Holdcroft. I'm running for the state Legislature. I'm pro-life, retired military. And that, that really rings pretty good in my, in my district. Seemed to work. But, you know, every once in a while, we would get around to property taxes. And people are concerned about property taxes. And the first thing I'd have to explain to them was property taxes are locally assessed, they are locally collected and they are locally spent. So at the, at the state level, there are just a limited number of things that we can do. But we do have-- I said, we do have a pretty good reserve fund surplus and we're going to work on a way to try to turn that into property tax relief. And that seemed to satisfy most, most folks. So here we are. We have these-- this pretty good plan, I think, to do that. I would also explain to them that, you know, the way property taxes work is we have a number of what we call political entities, locally. And those are your cities and counties and school boards, used to be community colleges also had that authority to, to put a levy on your house. And a levy is simply a percentage that's applied to the value of your house and that's what results in your property tax. Now, a lot of people don't, don't really appreciate how much of their, you know, their monthly bill, loan payment, goes to

property tax. Because what the banks do and they're not, they're not stupid. Banks are not stupid. They don't want to lose your house because you're not paying your property tax or, or insurance, so they include your property tax and your insurance into your, your monthly loan payment. So until you pay off your house, I think you don't have a very good appreciation for how much of your, your monthly mortgage payment is actually going to property tax. But I would estimate it's probably about one-third of that monthly payment is going to property tax. So that is-- that's how it's assessed. So how does the state help out with the property tax? And it's been alluded to before, we really do it in three different ways. The first thing we do is, is there's a flat rate. You'll see it on your, on your annual bill, right across the top: state contribution to property tax. That's where we're taking our, our gambling profits and everything and we put that into that fund and then we apply that. And you get a percentage of the value of your house is applied directly by the state to your property tax. And the second way is-- it was also just alluded, was that we, we look at which-- the biggest-- the largest percentage of property tax is, is for education. So a, so a, a bill passed in the last session--

ARCH: One minute.

HOLDCROFT: --that allows you, allows you to, to, to figure out exactly how much you're paying, based on your school district to your, to your-- how much of your property taxes are paid to education. And there was a deduction that you could have taken. Now, it's an extra step, when you file your income tax. Not everybody's picking it up. I think we only had a-- about a 60 percent rate a couple of years ago. We're working on trying to improve that. But you, you can, you can apply for that, also. And that's the second way that you can, you can reduce your property taxes or the state can help you reduce your property tax. And then, the third way is the way-- what we're trying to do now, with these-- with this bill. And that is to, is to set aside, you know, it's-- again, it's three bills. And I think I'll, I'll yield the rest of my time and come back to that on, on, on another visit. Thank you, Mr. President.

ARCH: Senator Murman, you are recognized.

MURMAN: Good evening, Mr. Speaker and Nebraskans. I rise tonight in strong support of LB243 and against the bracket motion. This turn on the mike, I'd like to talk about my portion of the revenue property tax package. This is the amended version of LB783, that I introduced at the request of the Governor. As introduced, this bill would have

ended property tax levy authority for the community colleges and called for the funding of these institutions through the state. Each year, the state will raise community college funding by 3.5 percent. Under the amended version of this bill, the community colleges will maintain limited levy authority and only if the state fails in its obligation of, of appropriating the 3.5 percent increase in funding each year. And what property tax levying authority that is retained by the community colleges will be a 100 percent credit on-- or against your income tax bill. So it does eliminate-- essentially eliminate property taxes on community colleges. So the community colleges will maintain their ability to levy, levy property taxes to cover bonds. I would like to point out the critical work our community colleges are doing. Nebraska has a critical workforce shortage. And our community colleges are working overtime to get those parts filled and build up our local communities. Some of the industries that community colleges do teach are education, healthcare, manufacturing, retail, trade, construction, etcetera. The district I represent, District 38, is covered by Central Community College at Hastings and Mid Plains Community College in McCook. I have seen, firsthand, the value of these two institutions bring to my community and I am positive many of you can say the same about Southeast, Metro, Western and Northeast Community College systems. To summarize, this section of the package will provide immediate dollar for dollar relief to property taxpayers and secures reliable revenue streams that allow our community colleges to grow. Again, I would like to thank Governor Pillen, Senator Linehan, the Revenue Committee, and our great Nebraska community colleges that have worked to get this legislation to this point. Thank you and I'll yield my time back.

ARCH: Senator Jacobson, you're recognized.

JACOBSON: Thank you, Mr. President. I, too, rise in support of LB243 and the ultimate amendment that will be added to this bill. There has been a lot of hard work that went into this. And this is a part of the, of the budget package that I am most interested in. I think, like most other rural senators, property taxes are a big deal. Our property taxes are so far out of line with regard to all of the states around us, that it has put us at a huge competitive disadvantage. And I can tell you that as I get around the country and speak with various people and they look at making an investment in farmland, that Nebraska would be one of the last places they would come to, because our property taxes are so high. With that said, I would tell you that as I look at farmers and ranchers and I look at the burden that they pay, and I think it's important to note in those cases in particular,

it doesn't matter whether they have a crop failure like we saw in many of the dry land areas in my district and across the state last year, your property taxes aren't reduced. You still pay the full property tax, regardless of the revenue you produce. If you're a rancher, it doesn't matter if you don't produce grass. It doesn't matter if you have to sell off the cow herd or reduce your cow herd because the grass didn't grow because you didn't get moisture, you still pay your property taxes. When it comes to homeowners and apartment owners, they're paying these high property taxes, as well. I know a lot of people say when I make the statement everyone who lives in a home or owns any real estate or rents real estate are paying property taxes. And I get all the emails that say, no, I rent so I don't pay any property taxes. But I can assure you that whoever or whoever owns your apartment or the home that you rent, they indeed are paying property taxes and that gets factored in to what you pay for rent. I know there's a lot of people that believe that if there's an apartment owner out there, that that property is free and clear. And that's just an investment and it doesn't matter what they get for revenue. But I can assure you, in many cases, there's a lender on the other side of that. And I can tell you there were a lot of nervous moments during the pandemic, when we had these moratoriums on rent being paid and these property owners were trying to figure out how they were going to make the payments to the bank, because they still had payments they had to make every month. And I can also assure you that if you look at rents and people say, well, if we give these property tax breaks, are my rent-- is my rent going to go down? I think you got to look at it more from the standpoint as will my rent go up as much? Because that's what's happening. Right now, look at what's happened to interest rates. And I can assure you that when the Federal Reserve decided to go on this march and raised interest rates almost 550 basis points or 5.5 percentage points. Factor that into what an apartment owner is going to pay if they're loans coming up for it-- coming due and they're going to have to renew that loan. Think about what they're going to pay in additional interest. They're not going to be I'll pass that through, because they can't get that much rent. But I can tell you these property tax reductions will make a difference for them and it will make a difference in what you pay for rent. At the end of the day, property taxes have not been in line with revenues produced, particularly in ag land. But I can tell you, it's been over-the-top for homeowners and for farmers and ranchers. And it's time for that to stop and we're making a big step forward with this bill. And I'm really pleased that it's moving forward. I would also tell you that we

need to keep in mind, as we've talked, that the dollars are going to go to the public schools--

ARCH: One minute.

JACOBSON: --is going to have a soft cap. Thank you, Mr. President-- will have a soft cap. You will be able to override it. When I look in the smaller school districts, you could have it-- you could override it by an additional 7 percent. So you could actually move your budget up 10 percent and still be in compliance, along-- as long as you get 70 percent of the school board members to go along with it. This bill makes a lot of sense for a lot of reasons. I'm glad it's here. For the first time in a long time, we're going to actually get real property tax reduction on the top line, in addition to the income tax refund. It's a great step forward. Thank you, Senator Briese for championing this. Thank you, Revenue Committee, for bringing it forward. Thank you, Mr. President.

ARCH: Senator von Gillern, you are recognized.

von GILLERN: Thank you, Mr. President. I'm pleased to follow Senator Jacobson. And it reminded me of some comments that he made, this afternoon, that I wanted to, to echo, from the previous conversation about the appropriations bill. In one of the comments that he made was that the reason we have too much money in the budget is because we've collected too much from the taxpayers. And it's, it's reminiscent of when I was campaigning this last year and going door to door and I'm, I'm sure others that were campaigning would echo the same comments and say that the number one thing that was raised, the number one topic that was raised on front porch steps, front doorsteps, was property taxes. You're knocking on people's doors. You're at their home. Some of that was seasonal, of course, during tax season. And, and actually, I think I've shared this story before. I probably-- I think I won some votes from some people, because during tax season, I would ask some about the property tax credit and many of them didn't know about it. And so, I had the opportunity to explain that to them and, and allow them to take advantage of that, of that property tax credit in their income taxes. So-- and it was a good way to win some fans, a good way to win some votes. But again, I think the-- philosophically speaking, I think we have a, a, a, philosophical difference with some folks, when we say that we believe that the money that is in the coffers of the state is not ours. It's ours to manage, it's ours to steward and we came here to do that well. And I know that it's the best intent of all 49 senators in this room to do that. We see how to do that

differently, sometimes. But again, cutting taxes begins with giving back the money that we have, that we don't need for necessary and important expenditures of the state, to do the primary job that we were elected to do. So that's the first place I want to start, is reminding it that it's not our money [RECORDER MALFUNCTION]-- people would ask, how are you going to cut taxes, every politician says they want to cut taxes? And I would tell them the first thing to do is to give you back the money that, that we have that's already yours that we don't need to operate the state. I looked back this, this past year like many in the room and I know others have shared, I don't do my own taxes, that, that's something best left to experts that I believe and I own several-- I own my home and a commercial piece of property and a farm property so it gets fairly complicated so those, those taxes are done by others. But I do make sure and look and, and make sure that I got the, the credits that, that were due to me. And I do live in a high-levy district, high school, school tax levy district and-- but I look back and my property taxes were cut by about 15 percent in this past year. So it's a substantial savings. I know not everybody will see that rate. It will vary somewhat, but, but it made a big difference for me in my home. By increasing the dollars that go into that property tax credit fund, which is one of the bills that we've got wrapped up in this package, we'll be able to increase that credit and increase the kind of artificially cut property taxes for Nebraskans. It's a, it's a left-handed way to do it, but that's the system that's in place so we'll continue to do that. The community college reductions that were spoken of earlier are another substantial way to, to cut, cut property taxes. And the numbers that I've been reading on that, is it will cut property tax by around 6 percent for most homeowners. So if I take the 15 percent or so, at least in, in my personal story, and add 6 to that, we're over 20 percent. I'm at 21 percent reduction in my taxes and that's substantial. I don't-- it doesn't matter who you are or what your, what your district is. I'll take a 21 percent reduction any day. Now through all that we're still supporting schools through the education trust fund. We've got funding going directly to the school districts. Again, that has, has been spoken of today. And then the SPED funding, the \$7,500 per student SPED funding and even--

ARCH: One minute.

von GILLERN: --considering the-- thank you, Mr. President-- again, considering the, the reductions, I'm looking forward to a, to a substantial savings or an increased savings going forward. I'll begin an article that I've got here and I'll continue that my next time on

the mike that was written recently by Jim Vokal. In fact, I just received it today and it says: Imagine this familiar scene, Nebraskans from all walks of life gather around the kitchen table or local coffee shops commiserating over the burden of their high property taxes. It's a story shared by families and individuals throughout our state, echoing the frustrations of a system that seems to work against them. As I've traveled across Nebraska over the last decade, I've consistently heard concerns about workforce needs, affordable housing, broadband deployment, and keeping more of what you earn. Yet, one issue rises above all the rest, Nebraska's property taxes. And I'll finish on my next time on the mike. Thank you, Mr. President.

ARCH: Senator Lowe, you're recognized.

LOWE: Thank you, Mr. President. I, too, when I was out campaigning, gosh, now, eight years ago, doesn't seem that long, but it's been eight years since I was out originally campaigning, first time for an elected office. And almost every house I went to, and unlike Senator Holdcroft and Senator Lippincott, I tried to hit every house except for the one street my opponent was on because I knew he had that street pretty much wrapped up. So I knocked on all these doors and what was their number one ask? And that was, what are you going to do about my taxes? My taxes are too high. I can go down to Kansas and live like I'm living now and have money in the bank where I don't have it now. What are you going to do? What are you gonna do about my property taxes? And I had the same response as Senator Holdcroft, well, that's a local issue. They raised the, the, the taxes and the levies and, and that goes into the cities and the counties, and they go, but what are you going to do about that? Well, for the first four years or five years that I would go home, I would say we're working on it. We're going to get there. We're working on it and they would grumble at me. This year, I have been stopped every time I've gone back to Kearney by people. Every time I've gone back by somebody thanking me for the property tax relief that they have finally gotten. And now we want to continue that, we want to make that more for the people of Nebraska because this is not our money, this is not the state's money. Like Senator von Gillern said, it's the people's money that we are stewards of and we should be very good stewards of their money. It's been an honor because my class has two champions that have really championed this effort, and that is Senator Briese and Senator Linehan. They have worked endlessly to try to get tax relief to the people of Nebraska. And I wish everybody in the state of Nebraska would send them an email. I don't know they want to open up that many emails thanking them for the property tax relief that they have given

you. It's been amazing. And, Senator Holdcroft, it sounds like the Navy has a long way of doing things. When you're heading for a ship and the first mate says I think we need to turn 45 degrees to the right, instead of saying yes, you say make it so. I think yes is a lot simpler and a little clearer to most everybody on the floor. And for those of you that have not taken advantage of the property tax credit relief that we have, it's on the Nebraska Department of Revenue's website, about halfway down in red print, please click on that. Please get your money back. It's yours. Thank you, Mr. President.

ARCH: Senator Hardin, you're recognized.

HARDIN: Thank you, Mr. President. I rise in support of LB243. I'm in opposition to the motion. A middle-aged farmer stood on my front porch one day with tears running down his face because he had just paid nearly \$80,000 for his taxes. He did the math on what he had paid for the last two decades. He shared the enormous number with me and then shared that he could not see a way to pass the multigenerational farm on to his own son. He could take the weather. He knew how to navigate the timing of the markets to some degree, but he had no hope for getting around the nightmare of property taxes in Scotts Bluff County. He also did the math forward thinking through what he would probably pay on the remaining 20 years of his career if he worked into his seventies. That drove him to declare that the margins are too thin, the inputs are too high, that the property tax mountain was too steep to climb. Grandparents are moving away from children and grandchildren so they can find a place they can afford to live in their golden years because they cannot afford to stay in their paid-off, middle-income home. The Tax Foundation ranks our state as having the seventh highest property tax rates in the country. We are the highest in the Midwest. That's significant because for those interested in living in the middle of the country, for those interested in returning to where they grew up, for those majority of college students who graduated from Nebraska and moved away and would like to move back, LB243 is an opportunity to begin to change that environment, to improve it, to make it more attractive to move back to. I work with small businesses, entrepreneurs, and one of the first three items we help a small business to solve is where should they domicile their dream? The where question is tied at the hip to taxes, property taxes especially. We have an opportunity to change, what many in Nebraska, when you're knocking door to door and learning about what's on people's hearts, we have an opportunity to change something substantively and for the better. Thank you, Mr. President.

ARCH: Senator Dungan, you are recognized to speak.

DUNGAN: Thank you, Mr. President. Good evening, colleagues. I know we have a number of people in the queue here tonight, so I'm probably only going to get to talk this one time. But we've had a robust conversation, I know already about the taxes, both property and the income and the corporate taxes earlier today. I do rise still unsure about LB243. Generally, I want to be very clear, I am in support of reducing property taxes. I think as Senator Holdcroft talked about, and a number of other folks that are here today who are new to this body, when we were out knocking doors for this campaign and we asked folks, what's the most important thing to you? I did hear from a number of my constituents that property taxes and property tax reduction was one of the most important issues to them. So when I came to this body, one of the things that I was committed to was absolutely lowering property taxes and finding a way to do that. So I want to be very clear that that is a priority for me as well as I think all of my colleagues, because we all understand that property taxes are too high. And I've looked at the three-legged stool and understand that it's out of whack, and that's a thing that we've all talked about. So I think that we can all feel as though that's an issue that that's very important here. One thing that I don't personally know, but I know from listening to my colleagues from more rural areas is that it's an even more important issue for a number of folks in the rural communities. Obviously, home valuation here in Lincoln can be an issue sometimes. But I also understand that when you're talking about much larger swaths of land being valued at much larger amounts, the property tax issue, I think, hits home even more. So I do, I do understand the concerns and the considerations of all of my colleagues. That being said, there are some things in this bill that I still do have some concerns about, which I did bring up on General File, and I just wanted to take this time to, I guess, voice a couple of those concerns, still understanding that we can continue to address them as time moves on. One of them overall, and I think-- again, colleagues, I've already talked about this is a concern about the overall sustainability of the packages that we're talking about here. So earlier today, we discussed the movement of money from the cash fund, the Cash Reserve, rather, over to the General Fund and that is clearly indicative of the fact that we do not have all of the money on the floor that we thought we had to pay for all of these different packages and reductions in revenue along with the appropriations. And so already, if we're, we're having a conversation about what to approve and what not to approve and we're needing to dip into that

Cash Reserve, I think it's indicative of some of the concerns coming to fruition that we had expressed earlier. In addition to that, this package contains a number of bills. I want to take a second again to applaud Senator Briese for the hard work he's done. I think trying to bring a bunch of different stakeholders to the table and having conversations about what's important to those folks and how we can accommodate those. And I do want to say that in the Revenue Committee, it's very clear that he made a number of concessions to try to get some folks on board who might have been hesitant. A good example of that, but an area that I do still have concerns, is these caps that are being put in place with regard to schools' tax-asking authority. I understand that there's a notion that they are soft caps, but a soft cap is still a cap. And I want to ensure that our schools have the possibility to grow when they need to and that the ability to grow is commensurate with the amount of growth that's necessary for that school depending on their needs. And so concerns that I had regarding that were-- there's a couple of different layers. One, the amount with which a school can exceed its base authority is based on the amount of students that are enrolled in that, that school district or that school area. And so it seems especially problematic to me that urban areas have less growth than rural areas, given that a lot of the larger school districts are the ones that are most likely--

ARCH: One minute.

DUNGAN: --going to need-- thank you, Mr. President-- a larger amount of growth. And so I have concerns about the caps in general. I have concerns about even putting those caps in place in the first place. They may be a soft cap now and you may think the growth rate allowable is appropriate now, but that does not mean that future Legislatures won't come back and limit that growth. It doesn't mean that future Legislatures won't make it harder for schools to have the growth they need. Now LPS I know is not opposed to this, and I want to be very clear, they did take into consideration a number of the concerns from LPS as well as other school districts. But I remain concerned that putting this structure in place at all is going to put us in a bind in the future when schools may need to exceed that. There is a mechanism with which you can exceed that and it involves a vote by the school board or the people. I think some of my colleagues are probably going to speak a little bit more about that. But I do have concerns about the 60 percent vote of the public that's needed to exceed that tax-asking authority, given it does--

ARCH: Time, Senator.

DUNGAN: Thank you, Mr. President.

ARCH: Senator Dorn, you're recognized.

DORN: Thank you, Mr. President, and, and thank everybody for the conversation here tonight. I want to thank also Senator Briese for bringing this bill and Senator Linehan for all their hard work, what Senator Lowe spoke about that what we've been up here, or I've been up here the four years, they've generally been the leaders of bringing forward some policy so that we can address some of the tax issues. I, like many others, have talked-- when you talk to the people around the state or in your district, property tax is one of their main concerns or one of their main issues, especially when it happens like it's happened here. Now the last year, valuations have gone up from 10 to 30 percent, sometimes in that higher range. Part of what this-- the, the LB243 bill does is it addresses some, I call it, property tax credit fund, which is different than the one with the income tax property tax credit fund. This is original one that I want to read some comments on, on page 44 of your budget book. A little bit about the history of it. It was started in about 2007 with \$105 million in that credit fund. It's slowly grown to \$115 million, and then in, in '09 to '14, and during the 2014 session, increased \$140 million. In the 2015 session, the credit was increased by another \$64 million to \$204 million. So this fund, as you can see, has grown slowly over time. In 2016, one change was made to this, it was-- it took the total dollar amount, the \$204 million, and it took the total amount of property taxes paid in the state and it used those for calculations and it came up with an amount you were adjusted for. And this is a tax that when you get your tax bill or your tax statement that the property taxes that you owe for '23 here, you'll get it in December, that you owe for '24 and you will pay in '24. This-- when you look at that statement, it will list from five to eight to ten different things that is-- that property taxes are calculated on, on your statement. There are schools, there are city, there's counties, and many other smaller ones, that total amount is added up. Then down at the bottom, there will be a negative number. That negative number is this property tax credit that the counties now don't bill you for that property tax amount. They don't bill you, they're giving you a negative amount on your total bill and then the state reimburses them for that. So this is that property tax credit fund. Well, I said it went up to \$204-- \$224 million in 2016 or 2017. In 2019, this was increased to \$275 million. And then it, it increased to-- in 2021 and 2022, it increased to \$300 million and \$313 million a year ago. Part of this bill now we have included the next two years of this property

tax credit fund in the budget. So in the whole bigger picture of the budget, another approximately \$50 million having been included for the fiscal year '24 and that puts that up to, I believe, \$365 million. And then the next year it's going to go up to over \$390 million for your property tax credit fund. So this is a fund--

ARCH: Minute.

DORN: --that statewide, everybody gets to participate in, every landowner, every house owner, every property owner gets this credit back on your property statement. Part of what you do, and when you look at the fiscal note, it also shows that in this bill, LB243, that is going to keep increasing for the next four to five years and then it has a factor built in after that to increase to match some, I call it, percentage increase in valuations so that we, the state of Nebraska, are giving very much property tax relief here and that the people of the state of Nebraska, when we talk about your property taxes, everybody knows what their statement is, everybody knows what they're paying. But there's a line on there, that minus line, when you get that statement, that is what the state of Nebraska is reimbursing the counties that they don't now charge you for that, that the state of Nebraska is paying--

ARCH: Time, Senator.

DORN: --those property taxes. Thank you.

ARCH: Senator Kauth, you're recognized to speak.

KAUTH: Thank you, Mr. President. In line with what Senator Dorn was saying, as I was door knocking last year, the postcards had just started to go out talking about the tax, property taxes that people were paying, and I believe it was Senator Hansen's bill that made that possible. People were shocked and astounded at what their tax bills really were, and it gave people a chance to go and show up at these meetings. And I talked to some of the people who were hosting the meetings and I said we've had maybe one person show up before and now it's, like, 100. So this kind of transparency really does work and it's very important for our citizens. This package of bills is actually designed to reduce property taxes, and it works in conjunction with the education package. It provides significant new assistance from the state to the schools with the establishment of the future-- the Education Future Fund. And that includes \$1,500 per student, 80 percent special education, and \$1 billion set aside for

the first year and then \$300 million for the next several years. I can't stress enough how important it is that we are setting aside money for our education system. That means we won't have to take that money out of our taxes. And that means the schools can lower the property tax rate. We've set up a framework. We're ready for the school districts to lower the rates. We're ready for the community colleges to stop levying taxes. These plans will all work very, very well together. And I know everyone in the community did a lot of work to make this happen. Thank you. I yield time.

ARCH: Senator Bostelman, you're recognized.

BOSTELMAN: Thank you, Mr. Speaker. Good evening, everyone. Good evening, colleagues. Good evening, Nebraska. Property taxes is always a topic that comes up that I'm always amazed at when people stand on the floor and say, well, I just don't know. I just don't know if we need to do property taxes. I just don't know whether we should do this or not. For the seven years that I've been here, I don't know if there's one person that I've talked to, and any meeting I've been into, Cattlemen, Saunders County Livestock Association, Corn Growers, whether it's knocking on doors in town and the community, the number one thing that always comes up is property taxes. What are you going to do about property taxes? When are you going to lower my property taxes? I can't afford it anymore. This is going to cause me to lose my house. What are you going to do about it? LB243 I support and takes another step in the right direction. I oppose motion 169. I want to read you a couple, some emails I have and we're going to start generational. So my first emails I'm going to-- I want to read to you, they're brief, they're short, but I think they'll get the point across when we look at this bill and what we need to do. I think we need to do more. This doesn't do enough. We need to do a lot more for Nebraskans. But having said that, the first letters I'm going to read are from high school students this year, seniors from my district. The first one says: In my government class we're supposed to write a letter to the senator. I have a few questions for you and some responses. My first one is why are the property taxes on farmland so expensive in District 23? My question is, if it's just used for farmland, why don't we just lower the taxes because they are helping the government with resources and products for the people? I feel you should try and lower the taxes on farmland and make it so people can help the government and it would make people want to farm and-- farm more because it would-- wouldn't be so expensive. I hope you understand since you're a farmer and from a small town in Nebraska. Another high school student: I'm sending a letter to you to talk to

you about your thoughts on property taxes going on in Nebraska. I don't personally agree with the property taxes being so high. I wish it was cheaper for landowners in Nebraska. Paying over three grand for property taxes in a year is unnecessary. I would like to see the state lower the property taxes. I would like to see landowners in Nebraska not worry about it so much. So let's, let's skip a generation or two: We have way higher taxes than any other states around. We need to be doing what other surrounding states are doing or we are going to be lagging behind them. Change the way ag land is being taxed. Iowa is paying probably one-third or less of property taxes than we are, and in states like Missouri or Kansas, it's even cheaper. Something has changed in the past couple of years and the Unicameral isn't changing it back. I'm asking-- this is another one: I'm asking because forking out near-- I'm asking because forking up nearly \$9,000 a year to live on a little 125-acre acreage is just ridiculous. There's no way this little farm can pay for that. Ask your fellow senators if there is a business in their city that, that they tax every dime of profit that they make every year--

ARCH: One minute.

BOSTELMAN: --just to pay the taxes on it? The last one I already read to you, it's about the, about the woman, 66 years old, who has a house in a small village in my district. They raised the, the taxes on her home three times as much because one house in that village sold for more than the value of the house. She went to, to the, to the county and did have it lowered to double instead of triple in taxes. But she says, I can't pay for it. I'm not going to be able to pay for it because I don't have the money to pay for it. And eventually someone's going to pay for my taxes and take my house from me, take my house from me. I own my house now, but someone's going to take my house from me because I can't pay the taxes on my house. Things must change.

ARCH: Time, Senator.

BOSTELMAN: Thank you.

ARCH: Senator Hunt, you're recognized. Senator John Cavanaugh, you're recognized.

J. CAVANAUGH: Thank you, Mr. President. Oh, sorry about that. That was not on purpose. So I rise in support of the bracket motion, I guess, in opposition to the bill in its current form. So I was just trying to do some quick math because on the last time around on this bill I

brought two amendments specific to the section about the levy override votes and I talked about how my basis of my opposition to that, aside from my principle opposition I guess, that we shouldn't put undue restrictions on local control and we should let those people make the decision. But, you know, Senator Briese, as I talked about, has worked-- in my three years here he's worked on this issue a great deal and has made some concessions and things. But my position to my amendment-- my amendments were around the idea of having the public vote for the public for a levy override to lift the levy lid require a 60 percent vote and so I brought two separate amendments about that. And the basis of my opposition was that our constitution has stated how we should conduct votes of the public. And so initiative referendum, signatures required, so I was trying to look up this part. Here we go. So this is section-- Article III, Section 4: Initiative or referendum; signatures required; veto; election returns, constitutional amendments; nonpartisan ballot: A measure initiated shall become a law or part of the constitution, as the case may be, when a majority of the votes cast thereon, and no less than 35 percent of the total vote cast at the election at which the same was submitted, are cast in favor thereof, and shall take effect upon the proclamation of the Governor. But so basically what that means is we have a, we have a referendum process in our constitution and it allows for citizen referendum and the vote on that is a simple 50 percent. So the constitution says how we should do these referendums. I think it's a bad idea for us to diverge from that referendum threshold on-- for these levy overrides that are in this bill. And I would caveat, I guess, with this 50 percent, but it has to be at least 35 percent. The 50 percent threshold has to be at least 35 percent of the votes cast in that election. So try to do some quick math here for you. If you, say, have an election in which there are 100 people vote, but only 60 of them vote in the levy override or the, the ballot initiative question, and so then 31 of them vote for the, the initiative. That initiative does not become law, though it's more than 50 percent of the ballots cast in the initiative, it's not more than 35 percent of the ballots cast in the election overall. So that's how the constitution provides for making sure that it's not a low turnout election or a low, a low participation issue on the ballot, but it still leaves it at 50 percent plus one of those voting on that particular question. And so I brought an amendment that would essentially adopt that language for the levy override initiatives. So the reason I'm talking about this now, aside from the fact that we're on the-- this ballot or this issue, is that I just noted and I mentioned this to Senator Briese earlier today kind of in passing, but

that there was a, a school bond issue in election last night in Omaha, at least District 66 Westside, in which 7,500 ballots were cast, 4,785 voted for it, 2,750 [SIC] voted against. And this is the math I was trying to do when we were-- right when I got called up here. But so it's about a 66 percent of people voted in favor--

ARCH: One minute.

J. CAVANAUGH: --thank you, Mr. President-- which would meet, if this were the levy override vote, would meet Senator Briese's standard. But in my standard, you'd have to look at it-- the suggestion I proposed, you'd have to look at the number of people who voted, we'd have to do it in a, say, the primary election. So the last most recent primary was 2022 and they had in Westside a ballot election. You'd have to get 35 percent of something along the lines of, you know, 8,000 people. So it would be a higher threshold, which I would say this would have met. But the 66 percent, clearly people wanted this override, but that's just because they can achieve that higher threshold that Senator Briese wants to set it at.

ARCH: Time, Senator.

J. CAVANAUGH: Oh, thank you, Mr. President.

ARCH: Senator Halloran, you're recognized to speak. Senator Erdman, you're recognized.

ERDMAN: Thank you, Mr. President, and good evening. I'm going to speak briefly about, Senator Briese had made mention to the TERC amendment that was included in LB243. And by the way, I want to thank the Revenue Committee and Senator Briese for allowing me to attach this bill to this LB243. I appreciate that a lot. So what we're doing is we're removing the portion of the TERC bill that said if your valuation-- if you protest your valuation and you haven't had a hearing or a decision by TERC by the time your next tax statement is due, the value shall remain as it was when you filed your protest. And NACO has come and suggested that we get an Attorney General's Opinion on that. And so rather than try to hold the bill up, I thought it was very expedient wise that we would go ahead and strike that part of the amendment so that that wouldn't be a hold up. And so that is what that amendment does. And if you want to find that, it's section, the new language in Section 16, which is found on page 30 in the E&R amendment. So that's where you find it, it's Section 16, the new language on page 30 and 31. So now let me address a little bit about

the property tax relief that we've been talking about on LB243. Numerous people have said about the information they received by knocking on doors about lowering our property tax. Now I don't want to sound disrespectful about LB243 because Senator Briese, Linehan, and others worked extremely hard to bring us this bill to reduce our property tax by the amount that they have. And I appreciate that and I will vote for LB243. But I want you to know there is a better way. And Senator Bostelman was talking about those people losing their homes and their properties because of property tax. He read a bill-- an email about the cost of ag land property tax. If you get a chance, take a look at epicoption.org and it will give you an idea of how to fix our broken tax system. The system is broken, it's been broken ever since the first day they implemented it back in 1967. And if we don't go to the consumption tax proposal and adopt that, we will continue to do what we're doing here this evening for years to come. That's exactly what it does. This does not move us in any way, shape, or form ahead of any of our neighbors in taxation. And the only way that we're going to get ahead of those neighbors or move in front of any of those other states in the United States is to adopt the consumption tax, which is the tax that allows people to pay the amount they can afford to pay when they can afford to pay it by the things they consume. So for those of you who are listening and those of you in the room, if you haven't taken a look at the EPIC option, you need to do that because it is the answer. Because we will be back next year and the year after that doing more of the same things we've always done and we will not move the needle far enough to get ahead of anyone because if we think Iowa is going to stay at 3.9 or the other states that we're in competition with near us, we'll never catch up with them. So we need to fix our broken tax system. And there's only one way to do that, and that's start over. So in 1966, when the voters passed a referendum that said no more property tax for the state, the state implemented sales and income tax and the original goal was to do that to lower property tax. And the voters decided they didn't want the state to have--

ARCH: One minute.

ERDMAN: --three forms of taxation so they put it on the ballot and it passed. Well, we are doing a petition drive to get the consumption tax on the ballot. It is being very well received by the general public. When we have an opportunity to explain what this does for their property tax and their income tax, people are excited about signing the petition that actually is a solution instead of a Band-Aid on an amputation. So I will vote for LB243 because until we get the

consumption tax passed, it's better than what we currently have. But I just want you to know there is a better way. There is actually a real solution to our tax problem in the state of Nebraska. Thank you.

ARCH: Senator Conrad, you're recognized to speak. Senator Vargas, you're recognized to speak. Senator John Cavanaugh, you're recognized to speak. Senator Vargas, you're recognized to speak.

VARGAS: Feel like that was-- thank you very much, President-- one of the quickest-- quick, quick drop right there. Thank you very much. I just, I just wanted to weigh on this a little bit because-- and I had good conversations with people off the mike. You know, I voted for this in the first round and, and supported it. And there's a couple of reasons why and, and I, and a couple of reasons for caution on this and, and I've said this in the past. You know, even when we are looking at the way that we are crafting our budget, and, and I know we're not talking about the budget but this does impact when we can do and how much we can do of all the different tax cuts and, in particular, for, for this bill, is we need to be very mindful about what is happening in the long term. You know, the forecasting is, is helpful and, and I know that there's very different interpretations from different people, both on Revenue and on Appropriations and not on those committees in regards to what things are going to look like in the future in terms of the out-years and know we had a bit of that debate in, in the last couple of bills. But I think it is important to recognize, like, what we have been able to do in the budget and why that impacts this legislation. Even under a very lean-- I, I would say that this, this budget year, this biennium has been extremely lean. And I say that because when you look at the composition of our committee and what we can bring-- come to consensus, there's not enough consensus to do more on many of the budget items that I would normally try to invest more in, in terms of, like, human investments. And what we have been really presented with or what we've been able to come to consensus to in terms of getting a majority of votes in support has been a budget that is extremely lean. You know, getting to about the 2 or 2-- 2.3 percent, like, we are, we are functioning on investing in salaries, in retirement payouts, in use of programs and infrastructure of, of what is needed for agencies. We're talking about the actual increase in the overall budget, that, that's what really is compromising the majority of, of the budget. And that got us to about 2.3 percent. Right? I say that because that doesn't even include-- that, that includes some of the, the initiatives that you've seen, especially from the Governor's Office. Some of those-- or many of those are one-time spends, even if you're looking at the canal and

things like that. Now the reason why I say this is because part of the reason, in my opinion, but also grounded in a lot of the data, we're seeing the successful years of revenue. There's obviously this moment in time where we see this across the country. But in terms of Nebraska, we have seen a larger amount of revenue come in. And part of that is due to the fact that our Appropriations Committee has been very lean over the last six years. We've spent a lot of time, you know, whether you agree or don't agree with being very fiscally responsible with our, our state, our state funds and taxpayer money. Very fiscally responsible with how we are spending the money and the, the growth of spending and the biennium budgets over the last three biennium. Extremely. I've had this conversation with Senator Dorn several times. We have been very, very lean and that was we were forced to in the first couple of bienniums, but even in the last two bienniums we have been. And after many years, just like our own budgets of being lean, with the revenues coming in, that's where we even have even more money to spend because we have slowed the rate of growth for several biennium. So the, the point of caution I take and I've said this very frankly to Senator Linehan, there's two things I'd like to do if we have more revenue resources--

ARCH: Time.

VARGAS: --coming in.

ARCH: Excuse me, one minute.

VARGAS: Thank you. One is I want to make sure that we are investing money back into things that are going to only help us build our state and our economy and revenue in the future. Right? So that's why we focus on people, that's why we focus on human services, that's why we focus on higher education and education. And the second thing that I, that I do support doing is tax relief in a responsible way. The caveat I put out there is if we are looking at new spending sites over the next several years, new spending, that's going to add on what we do as a lean 2.3 percent. We're going to need to really look at how we spend to make sure that we are ensuring the health of our state. We have to. That's going to have to happen in Appropriations Committee and in Revenue Committee in '26, '27, and beyond. It is going to be their responsibility to do that. So I'm cautious because I know when we have more money, we can provide relief and I want to make sure we're continuing to do it responsibly into the future.

ARCH: Time, Senator.

VARGAS: Thank you.

ARCH: Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. Good evening, colleagues. I wanted to rise in opposition to the bracket motion and talk about some of the concerns I have with certain aspects of LB243. I think overall the goal is laudable and something that will draw widespread consensus in the Nebraska Legislature to address the perennial issue in terms of property tax relief for Nebraskans across the state. I know Senator Briese has been very laser focused in terms of his leadership in regards to property taxes during the course of his service so definitely want to give a shout-out in some appreciation to him for continually raising this issue. I think it's probably already been said but just wanted to reaffirm that one of the biggest challenges we have in addressing property tax pressures in Nebraska from this vantage point from the Nebraska Legislature is the fact that we don't levy property taxes. So, of course, the property tax issue rises up from entities of local government, cities, counties, schools, perhaps a little bit from NRDs or ag societies to kind of round things out there. But, of course, even though we don't levy it, the decisions that we make can either help to relieve the pressure on local property taxes or exacerbate the pressure on local property taxes. So why, of course, we continue to see this measure married with the school funding bill is because there is a direct correlation there. For every dollar that we send to the school districts which make up, in many instances, the lion's share of the property tax bill, every dollar that we send out in school aid helps to not only educate our kids, but helps to relieve the pressure for local property taxpayers. So I really see that as the most effective and policy-based way for us to address property tax relief in Nebraska. And I'm glad we're making strides in that regard, which is one of the big reasons that I am supporting the increase in education funding, in particular. During my first time, first term of service in the Legislature, we worked together to try and establish and craft the property tax credit fund, relief fund. That was, I think maybe Senator von Gillern said, maybe a left-handed way of dealing with property taxes, which caught me as an interesting turn of the-- which caught me, caught me as an interesting turn of phrase this evening. But I, I do think I appreciate and understand what he's saying there with no dispersions to left-handed people, of course. But since we don't have that direct impact on property taxes, the property tax relief fund is indeed meant to provide relief to property taxpayers, but it shows up in our budget as a spending program actually in terms of program design. So that's

something that, that can be a little bit counterintuitive for folks who maybe aren't as familiar as how that program works and can-- every time we increase the property tax credit fund, yes, that will provide a benefit and some relief to taxpayers, but it will show up in increased state spending in terms of our overall budgetary bottom line. So I know that there have been particular efforts in recent years to try and do more in regards to property tax relief. I agree, had a lot of the same conversations at the doors over the course of all of my campaigns about putting our heads together to find ways to address--

ARCH: One minute.

CONRAD: --property tax pressures-- thank you, Mr. President-- for Nebraskans who-- working Nebraska families, seniors on a fixed income, etcetera. Of course, this goes hand in hand with our efforts in updating our homestead exemption programs, the LB1107 program, which many people were not familiar with, and I agree with Senator von Gillern was-- I was able to provide some information about those new components to people at the doors and they found that very helpful and informative. So I think that's also an important piece of the puzzle that as these additional tools to provide property tax relief are just being realized by the citizenry, you know, we shouldn't, we shouldn't rush to put forward a very, very expensive measure, and we should let some of those existing tax cuts that were recently passed that haven't even come to fruition fully--

ARCH: Time, Senator.

CONRAD: --kind of, kind of play out. Thank you, Mr. President.

ARCH: Senator John Cavanaugh, you're recognized.

J. CAVANAUGH: Thank you, Mr. President. So, again, rise in support of the bracket motion and opposed to the bill in its current form. I was talking about, you know, my issue just with the specific voter-- changing the voter threshold. So moving the goalpost from what it is to win a referendum. And my opposition to that is both that it's in the constitution, lays out what it takes to win a referendum. And I've talked about this on General File, which is that the constitution lays out what the, the authority is for a referendum. And I don't think the Legislature can or should change, attempt to change the standard by which the public can initiate a referendum process or-- and what the threshold would be for a vote on that. And so that's really the basis

of my opposition. I think that the other things that Senator Briese's accomplished in, in-- as it pertains to the levy lids and overrides and things like that stands even in face of that. But so I was reading in the handy book here about the Nebraska Constitution and sort of an explainer of some of the sections, which I always enjoy reading on the constitution, and I thought this was an interesting part about this, about the initiative process. And it was in Initiative 413, it was a tax lid that was on the ballot, placed on the ballot by initiative in 1998 general election, and it failed. After that, proposals in the Legislature to limit the initiative process were considered. Two constitutional amendments were placed before voters. First, proposed the ratification process that the commission recommended. The second proposed an eight-month filing deadline for initiative petitions for placement on the ballot. Neither was approved by the voters in the 2000 general election. This can be taken as an expression by the people of Nebraska that they treasure the initiative power considered in conjunction with judicial oversight of provisions that facilitate the initiative and referendum procedure and the First Amendment limitations placed on legislative efforts at reform. Direct democracy is alive and well in Nebraska. So I thought it was interesting. So a ballot initiative fails, Legislature attempts to change the standard under which ballot initiatives can be undertaken. And, of course, the voters of the state of Nebraska rejected that because essentially attempting to limit the power of the voters. And that's the problem. When you change the threshold from 50 percent plus one, you say it's no longer the majority of the voters. It is some other number. Right? So you're watering down the power of the individual voters or the, the, the referendum process. So that's what I think is dangerous about doing that. That's why I don't like this particular section, that particular thing. But and, again, I was just looking through this election and obviously there was that election in Westside that went to 66 percent, so a lot of voters wanted that increase in the bond issue. But then I was just looking at the last election of ballot initiative referendums in the city of Omaha, although I think most of the ballot initiatives in the city of Omaha in that last election were placed by the city council, but the voters voted 57,000 to 18,000 in favor, 67,000, 20,000, 65,000, 22,000, 63,000, 24,000, 68,000, 19,000. So the voters obviously overwhelmingly approved these. But the fact that when you have a referendum or a ballot initiative that it might pass handily is not the question of what the standard should be. The standard should be the rule of law and the, and the constitution. And the constitution, I think, speaks clearly on this issue. So that's my issue with that and I--

ARCH: One minute.

J. CAVANAUGH: --thank you, Mr. President-- I yield the remainder of my time.

ARCH: Senator Machaela Cavanaugh, you're recognized.

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

ARCH: This is your first five minutes.

M. CAVANAUGH: My first five minutes, OK, I have a second and a close. Great. Thank you, Mr. President. This has been an unusual evening. I wasn't expecting this. I do this a lot, when there's a lot of people in the queue, I kind of-- I get out and I get back in because I don't, I don't want to stand in the way of, of debate. I don't want to stand in the way of people having a conversation about the bill. And I did that numerous times tonight. I kept getting out of the queue and getting back into the back of the queue and it was very full. It was very full. And then all of the sudden everyone got out and I was, like, OK, I was confused by the fact that you all were in in the first place because you were all filibustering for me, keeping the bracket motion up on the board for me, I was, like, cool. I mean, I, I love a good break. I was playing a little game on my phone, it was very therapeutic. But then all of, all of a sudden, an hour and a half in, hour and 20 minutes in, everybody got out of the queue and I was, like, OK. I mean, cool beans, whatever. I'll just start talking, I got, I got my, I got my groove, I can do it. That's fine. I will acknowledge that for the first time, in I don't know how long, somebody actually sent a note into me from the Rotunda to talk to me about a bill, to talk to me directly, not to a surrogate, to have somebody talk to me. And while I didn't give them the answer that they wanted, I very much appreciate that they actually attempted to talk to me because no one in the Rotunda is ever trying to talk to me. And they're just scurrying around, talking to people around me, trying to get the people around me to talk to me. And that's not how I work. I'm a one-on-one kind of gal. You want something from me, you want to talk about something, you talk to me. That's how I work. And just for full disclosure, what I really don't like is when people think that the best messenger is my brother. He is his own man. I am my own woman. We don't agree on a lot of things. We agree on a lot of things. If you want to talk to me, talk to me. If you want to talk to my brother, talk to my brother. But don't conflate the two, don't conflate the two. Now sometimes here, inside here, that might be different, but

that's not because he's my brother. It's because when we are in here we all have different relationships with each other. And depending on what the conversation is, there's a different messenger. Like today, Senator Bostelman came over to talk to me about his amendment. We're on the committee together, I know about the amendment, I know exactly what it does, was very happy to talk about it. He was-- he didn't need a go-between. He talked to me. We, we had a great conversation. I spoke in support of the amendment and voted for it. Now if you have some Natural Resources thing and you come to me and you're, like, I want to do X, Y, and Z, I hope you'll vote for it or support it, that is an moment in time where I'll say you know I'm going to talk to John because he's on the committee and I don't know as much about it, but the same would be true about other bills with other senators in other committees. I am going to say, if it's a bill that I'm not-- in my area of expertise, you know what, I'm going to check on that with so and so.

ARCH: One minute.

M. CAVANAUGH: So, you know, use your better judgment. But for the most part, one to one is the way to go. And I think a lot of people will realize that they will get a lot more and they will get a lot further with the one to one. But the diverting your eyes when I walk out into the Rotunda is not how you're going to get anything from me at all. So that's just a little PSA for the people out in the Rotunda on how to maybe do your jobs of lobbying to this particular senator a little bit better is direct communication. So there we go. So I know we were going to take about two hours on this, and I think that's, like, 9:23-ish. Up to the Chair, of course, because the Chair right now is also the Speaker, but I don't think it's generally--

ARCH: Time, Senator.

M. CAVANAUGH: Thank you.

ARCH: Senator Vargas, you are recognized to speak. Senator John Cavanaugh, you're recognized.

J. CAVANAUGH: Thank you, Mr. President. It's a lot of fluidity to what's going on in here. So I wanted to talk, I've talked about my big issue with the bill, but I did want to take the opportunity that I didn't last time that Senator Bostelman talked again, again inspired me, Senator Bostelman, to talk about home equity theft, which is-- as Senator Bostelman had talked about folks being taxed out of their

homes. So, you know, we all want to make sure-- of course, you know, we have-- we had a robust conversation today about our responsibility to not charge people, assess more taxes than we absolutely have to, to run the state. And, of course, we all know that property taxes are levied by local entities and not the state. But we do have the ability through certain things like levy lids, like is proposed in this bill, and direct aid to local government, which is also proposed in this bill to lower or keep down property taxes so we can do those sorts of things. And by doing that, of course, we're making sure-- well, direct aid, we're actually-- that's just a shift of money from one place to the other. But we're keeping property taxes low enough that people, fewer people are going to be, you know, have their property taxes rise to the level where they can't afford it. And the problem we have is, of course, when somebody, you know, gets to a certain age, as Senator Bostelman has talked about, this woman that had emailed him, I think this was yesterday, who's on a fixed income has-- well, she's on a fixed income and she has a part-- small, small part-time job and her property taxes go up and becomes harder and harder for her to pay. And you get to a point where somebody has built up equity in their house, they, you know, their income stream is diminishing and they don't qualify for homestead exemption. And it's, it's a shame that that person would be forced to sell their home and downsize or move into apartment, something along those lines, move in with family before they need to or want to, you know, to change their living situation because of that after they've put in all this effort over their lifetime to build up equity in a home. But even bigger travesty is in the fact if they can't afford their taxes, they miss a payment, somebody buys the tax deed and then three years later converts that deed to-- or that tax certificate to a tax deed and they convert that and then sell the home out from under the person and they get back their, recoup their cost of the tax certificate and then they gain all of the equity that that person had built up in their house that-- and then that person becomes homeless, of course, but loses all of the equity they built up because they missed some of their tax payments because their taxes were higher than they could afford. And so that is an obligation that's important that we are-- I'm getting some looks from the front, sorry-- but that's an obligation that we're, you know, we need to take seriously is to make sure that we, you know, of course, we should keep people's taxes as low as we possibly can. We should do it for all of the reasons that people have talked about. But one really important reason is to make sure that older folks who, who have done their, done their time, they've worked their jobs, they've worked their career, they've saved their, their, their money, they put

it into their property, built up equity that they, one, can stay in their home and, two, don't lose that savings and that, that wealth that they've built up over those years in that home. So that is a really important part of what Senator Briese's attempting to do here is to create, you know, some more stability and, and downward pressure on property taxes. So I do really appreciate Senator Briese's diligence on this issue and I appreciate--

ARCH: One minute.

J. CAVANAUGH: --his work and, of course, I've continued to fight him on a number of issues as it pertains to-- mostly I'm fighting Senator Briese on intrusion on local control. And that's where it's a philosophical fight between myself and Senator Briese, but I really do appreciate the work he puts in to try to find new and creative ways to decrease property taxes. So thank you, Mr. President.

ARCH: Thank you, and Senator Cavanaugh, that was your last opportunity on this. Senator Dungan, you're recognized.

DUNGAN: Thank you, Mr. President. And colleagues, I rise again, just with some questions and comments regarding LB243. Before I start, I'm looking over here at the pages that are sitting in the front, and I'm just generally curious how the pages decide who's going to be here during these late nights. I don't know if you draw straws or if you all volunteered, but they're all nodding yes. They volunteered. Wow. Extra credit. Good job. OK. Happy to see you all here. Thank you for being with us late. And for the folks at home watching, thank you for being with us late during these late nights in the Legislature. One thing that stood out to me that I, I was talking about last time about LB243 that I wanted to kind of reiterate and then talk a little bit more about some concerns I had is that I, I really do think there's a number of things contained in LB243 that are the product of compromise. And, you know, we've seen Senator Briese, I think, for years work towards property tax relief and in doing so has had to, again, meet with stakeholders and have these ongoing conversations in an effort to get people on board with some of the proposals. And I've been very impressed watching him and others on the committee work with the stakeholders. And a really good example of that is the community college bill that is contained in LB243. I'm sure many already know about it, but just to reiterate for those who might have missed other conversations, it's shifting community college funding away from property taxes and instead having it funded through the state. I think that that's a very laudable goal. I think that we need to make sure

that state funding for education, both at the public school level, but also on the, the collegiate level, is something that we have because it shows our dedication towards education. One of the concerns that I voiced, however, with regard to that bill originally was what happens if the state is unable to fulfill its obligation to community colleges? And so we had talked at great length, I know, with the folks who represent community colleges, the advocates, the, the super-- the, the presidents of the community colleges, and ultimately a compromise was worked out where an amendment on the previous round of debated to LB243 created for all intents and purposes an escape hatch or a release valve, whatever analogy you want to use. And, to me, that is indicative of the fact that we can continue to work together and we can continue to find some compromise on these issues that we have concerns about. That addressed one of my major concerns, but it did not address all of my concerns on LB243. One of the remaining concerns that I have, which I alluded to previously, and I'm sure I will talk about again as time goes on, is with the overall cost. One of the things that I think, again, we have to continue to be aware of is the green sheet as we evolve through the session, as we kind of wind down to our 90 days, we can see the overall costs of all of these bills as they approach Select and Final. What we have on the green sheet here is that, you know, LB243 ultimately, as I have on here, is a \$133-ish million for '23-24 and \$178 million for '24-25. The cost then continues to rise to \$194 million in lost revenue by '25-26, and then up to 200-- \$200 million-ish by '26-27. And so, you know, I know that's only a few fiscal years, but you do see continued growth in terms of the cost that this is ultimately going to lead to for Nebraska. Now, again, I support property tax relief. I absolutely do. We have to find a way to do that, but we have to find a way to do it that is responsible. And my concern is the continued exponential growth in the revenue loss that we're going to see for the state of Nebraska. So I know one of the proposals--

ARCH: One minute.

DUNGAN: --thank you, Mr. President-- that has been made is to place a stabilizer, a cap, for all intents and purposes, on the LB1107 fund's growth each year. I think that originally there was a 5 percent cap. I think there might be an amendment currently pending for a 7 percent. But one thing that I would encourage my colleagues to think about, I would encourage folks who care about this to continue to talk about is the potential for implementing some sort of cap or stabilizer on the growth of the LB1107 fund. Not because I don't think it's important that it grows. We have to make sure it does grow because we have to

keep up with need. But I just want to make sure there is something there to ensure that it doesn't grow exponentially out of control and ultimately snowball into a place where we find ourselves unable to fulfill other financial obligations. So, again, it's a concern that I have. I'm still thinking about LB243, but I just want to continue to voice those concerns as we have this conversation. Thank you, Mr. President.

ARCH: Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. Good evening, colleagues. I wanted to share some additional thinking in regards to LB243 and some of the issues that I think are deserving of some additional debate and deliberation are the following. So this measure would have almost a \$2 billion price tag, give or take. And, and that's pretty significant. It would also, of course, have a cap on school districts. I know Senator Briese, my friend Senator Briese, talks about this is a, quote unquote, soft cap. I don't have any quibble with the component of the measure that requires a supermajority vote of the school board to effectuate activities over the, quote unquote, soft cap. However, as you may remember from General File, and I think Senator Dungan and Senator John Cavanaugh have reiterated again tonight, I do find the provisions of the, quote unquote, soft cap that require a 60 percent-plus vote of the people to effectuate the same, to be antidemocratic. And to be clear, we have a robust tradition of direct democracy in the state, as we should. It's a critical and defining feature of Nebraska politics. However, we do not have in other models that I am aware of any supermajority requirement when it comes to the vote of the people. The majority wins 50 percent plus one in our elections, in our initiatives, in our referenda, and our recall. That should be the model and the standard in regards to this measure as well. I find that to be antidemocratic. And when I say that, I mean little "d" not, not big "D" in terms of a partisan perspective, but in terms of our form of government. I also am a bit concerned when you look at the ultimate beneficiaries of the property tax credit fund, you're seeing, again, a pretty significant amount of inequity in terms of who the benefit flows to. So when you look back at how the program works, you can see that about half of the credits or so go to the top 20 percent of earners and flow additionally to many out-of-state landowners as well. So what does that mean really when we talk about the upper 20 percent in terms of tax income in Nebraska? So when you look at the upper 20 percent, that's folks that are making north of \$140,000 a year. So the primary beneficiaries of, of these tax credits will, again, much like the income tax credits and the corporate tax--

the income tax reductions and the corporate tax reductions, again, are going to be providing the most significant benefit to the wealthiest Nebraskans and out-of-state corporations. I, I just feel that not only, again, are there sustainability concerns, but there are equitable concerns in regards to these measures as well. The final point that I wanted to lift in regards to some concerns with this measure that seem to have been alleviated in-- to, to a great extent was the idea that the state would pick up the overall funding for our community college system in an effort to reduce property taxes. I'm not sure if this is exactly right in terms of origin, but I first learned about this idea and this measure in reading some materials in publications from the Platte Institute. It jumped out as me-- jumped--

ARCH: One minute.

CONRAD: --out at me-- thank you, Mr. President-- as an idea that was worthy of consideration and movement. But in early discussions with representatives from the community colleges, they were very, very concerned as to whether or not in an effort to provide much needed, well-deserved property tax relief to our citizenry, if the state would truly keep our promises to keep community colleges well-funded so that they could meet their unique mission in terms of maximizing human potential and contributing to our shared prosperity and workforce needs. I understand many of those concerns were alleviated in changes to the program to provide some safeguards to ensure the state does keep its promise. But I am still a bit trepidatious about that, considering, again, here we are in a time of unprecedented economic prosperity and we're providing--

ARCH: Time, Senator.

CONRAD: --modest increases to higher education. Thank you, Mr. President.

ARCH: Senator Machaela Cavanaugh, you're recognized. This is your last opportunity before your close.

M. CAVANAUGH: Thank you, Mr. President. And I think we're about done for the day or not, I'm sorry, not done for the day. We're about done with this motion. We're going to go to a vote on this motion. So, yeah, I'm not going to belabor it. I'm going to waive my closing. Call of the house.

Transcript Prepared by Clerk of the Legislature Transcribers Office

Floor Debate May 10, 2023

Rough Draft

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

CLERK: 10 ayes, 3 nays to place the house under call, Mr. President.

ARCH: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senators Halloran and Hughes, please return to the Chamber. The house is under call. Senator Cavanaugh, we were lacking Senator Halloran, Hughes, and Hunt, would you like to wait or proceed? Senators, the motion before us is to bracket until 6/2. All those in favor vote aye; all opposed vote nay. Mr. Clerk.

CLERK: 1 aye, 26 nays, Mr. President, on the motion to bracket.

ARCH: The motion fails. Mr. Clerk, for items.

CLERK: Mr. President, amendments to be--

ARCH: Raise the call.

CLERK: Mr. President, amendments to be printed: Senator Cavanaugh to LB243, Sander Briese to LB243. Senator Brewer, new LR, LR143. That will be referred to the Executive Board. Name adds: Senator Vargas, name added to LB80, LB130, LB249, LB274, LB503, LB512, and LB596; Senator Bosn, name added to LR130. Finally, Mr. President, a priority motion, Senator Bosn would move to adjourn the Legislature until Thursday, May 11, at 9:00 a.m.

ARCH: Senators, you've heard the motion to adjourn. All those in favor say aye. All those opposed say nay. We are adjourned.