

Transcript Prepared by Clerk of the Legislature Transcribers Office

Floor Debate January 22, 2024

Rough Draft

KELLY: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the thirteenth day of the One Hundred Eighth Legislature, Second Session. Our chaplain today from Senator John Cavanaugh's district is Pastor Jacob Richardson, Citylight Mosaic Church in Omaha. Please rise.

JACOB RICHARDSON: Awesome. Let's pray. God, we thank you for this day. We thank you for-- Lord, these servants who come to, to work for the good of our state. We thank you for their, their dedication to, to human flourishing and to working-- yeah. Just for, for good to come to Nebraska. God, I pray that you would bless them. I pray that you would give them wisdom today as they debate. God, would you give them discernment and would you help them work well, God, for the good of our state and know that, that there are so many people who are thankful for them and their service to, to these-- yeah-- to our neighbors, to our friends. God, would you fill them with your spirit and do a great work in them and through them? I pray. Amen.

KELLY: I recognize Senator Hansen for the Pledge of Allegiance. Senator Lowe.

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

KELLY: Thank you. I call to order the thirteenth day of the One Hundred Eighth Legislature, Second 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: Mr. President, a single item: communication from Senator DeKay to the Speaker indicating that LB1301 will be selected as a personal priority bill for the session. That's all I have at this time.

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KELLY: Senator Vargas would like to announce and recognize the doctor of the day: Dr. Theresa Hatcher of Omaha. Please stand and be recognized by your Nebraska Legislature. Senator Holdcroft, you are recognized for an announcement.

HOLDCROFT: Thank you, Mr. President. The Navy announced this morning that it has ceased search and rescue operations for two Navy Seals lost off the coast of Somalia. I asked for a moment of silence for these brave sailors who have made the ultimate sacrifice for their country. Thank you.

KELLY: Thank you, Senator Holdcroft. Speaker Arch, you're recognized for a message.

ARCH: Colle-- good morning, colleagues. Thank you, Mr. President. Before we begin debate of legislation, I want to share with you how I will be handling cloture and other procedural motions this session. Following my remarks this morning, the pages will be passing out the memo detailing my handling of these motions. First, I want to mention that I intend to continue in general the practice of our recent Speakers not to reschedule any bill that fails to advance from General File or from Select File unless the bill is subsequently designated as a priority bill. This same general rule of not rescheduling a bill will apply to any bills successfully bracketed during debate to a date certain or without a specified date and any bill for which the principle introducer chooses to lay the bill over following the filing of a motion to indefinitely postpone. However, these bills may be rescheduled if subsequently designated as a priority bill. As for cloture: in general, I intend to follow the 8-4-2 time threshold for determining full and fair debate for invoking a cloture motion on bills and constitutional amendments unless I discern that full and fair debate has occurred sooner, in which case I will entertain a motion for cloture earlier than the 8-4-2 time thresholds. I want to explain how I would make a determination such as that. I will make that determination in consultation with the principal introducer and members of the Legislature in opposition to the bill based on the quality of the debate and number of members participating in the debate. For A bills, the full and fair debate time threshold will be 30 minutes, or 1 hour in the case of a more substantive issue with the A bill. As with substantive bills, if I discern full and fair debate has occurred sooner than the 30 minutes of debate, I will entertain a motion for cloture earlier than the 30 minutes of debate completion. Please note: at this time, I do not intend to deviate from the stated time thresholds for purposes of cloture. As I mentioned at Legislative

Council, I believe last year was an aberration, and we all need to hit the reset button for this session. So far, I think we have done that. I'm going into this session with the expectation that we are returning to the norm with respect to debate and the utilization of filibusters, and thus how I determine full and fair debate for the purpose of cloture will then continue to be an objective, uniform time threshold for all bills. However, unlike last year, I am giving myself the flexibility to move to a more subjective determination of full and fair debate if the reset button does not hold. For me, this is not something I want to do as a Speaker, but I am willing to do so if necessary. As for the rule change allowing the cloture motion to apply to committee reports such as gubernatorial appointments and procedural motions, I intend to allow a cloture motion only if debate on such matters becomes exceedingly obstructive this session. I will provide the body with notice if such an occasion occurs. As Speaker, I encourage-- I want to encourage everyone to utilize extended debate to discuss the specifics of a bill and its ramifications. While during any given debate, members of this body will have a range of opinion on what remarks do or do not fall within, quote, the specifics of a bill and its ramifications, I believe a general standard of what constitutes debate on the measure can be reached by reasonable minds. Quality debate takes preparation and engagement. In addition to preparing for the public hearing and floor debate of your own bills, it will require preparation for floor debate on other bills. It will require the knowledge and participation of committee members to become involved in floor debate for the bills that went through their committee. Whether you support a measure or not, members on the floor who are not on your committee will benefit from your viewpoint. I'm not suggesting every committee member has to take a full five minutes, but sharing why you do or why you do not support a piece of legislation after personally listening to proponents and opponents in a committee hearing is valuable for your colleagues. To help facilitate members preparation for floor debate, to the extents possible I intend to provide notice of the bills that we will be debating in advance. Please use that information to show up to the floor prepared to engage in the debate. Debate serves a vital role in the development of good legislation. Thank you, Mr. President.

KELLY: Thank you, Mr. Speaker. Senator Hardin would like to announce some guests seated under the north balcony: members of the Kid Shelleen band, Dana Vernon, Don Osborne, Bryan DeLunger, and the senator's wife, Lili, from Scottsbluff, Gering area. Please stand and

be recognized by your Nebraska Legislature. Mr. Clerk, please proceed to the first item on the agenda.

CLERK: Mr. President, first item on the agenda: General File, LB461, introduced by Senator Arch. It's a bill for an act relating to the, to the Department of Administrative Services; names an act; changes, transfers, eliminates provisions relating to the materiel division of the Department of Administrative Services and procurement of services and personal property; provides changes, and eliminates definitions; eliminates obsolete provisions; harmonize provisions; repeals the original section; and outright repeals several sections. The bill was read for the first time on January 13 of last year and referred to the Government, Military and Veterans Affairs Committee, chaired by Senator Brewer. That committee placed the bill on General File with committee amendments, Mr. President.

KELLY: Speaker Arch, you are recognized to open.

ARCH: Thank you, Mr. President. And good morning, colleagues. It is my pleasure to bring to you today for consideration the first bill of the 2024 session, my priority bill, LB461. It was my personal priority bill last session, but we didn't get to it, so I reprioritized it for this session. I consider this bill to be an example of good government legislation. LB461 is a bill that has been literally years in the making, and I am grateful to have both Senator Machaela Cavanaugh and Senator Tom Brewer, Chairman of the Government Committee, join me as cosponsors of this measure. A public hearing on LB461 was held on February 10 of last year in front of the Government, Military and Veterans Affairs Committee. There was no opposition testimony and there is no fiscal note. So what is LB461? It is a much needed, long overdue update of Nebraska statutes governing procurement purchasing. Our procurement statutes were originally enacted in the 1940s and have not had any significant updating for over 20 years. And why, after all this time, are we seeking to rehaul our procurement statutes? Let me provide you some background. In 2019, the Department of Health and Human Services entered into a contract with Saint Francis Ministries for child welfare case management services in the Eastern Service Area. The Saint Francis bid was 40% below that of the incumbent service provider, and soon the Saint Francis contract was plagued with financial instability and performance deficiencies. The contract would eventually be terminated. During the 2021 session, Senator Machaela Cavanaugh introduced and the body adopted LR29, which created the Eastern Service Area Child Welfare Special Investigative and Oversight Committee, also known as the LR29 Committee. The

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committee was joined by the Health and Human Services Committee, and there were 14 members in total. I served as Chairman of that committee and Senator Wayne was the Vice Chairman. Committee members still serving in the Legislature includes Senator Wayne, Senator Machaela Cavanaugh, Senator Day, Senator Hansen, Senator Walz, Senator Clements, Senator McKinney, Senator Murman, and Senator Sanders. Legal counsel for the committee went through thousands of pages of documents. We conducted surveys, sought judicial input, held numerous listening sessions and hearings, and eventually released a lengthy report on December 15, 2021 with a number of recommendations. That report can be found on the Legislature's website. One of the main goals of the LR29 Committee was to identify the process of decision-making behind DHHS entering into such a flawed contract with Saint Francis. Interestingly, as part of our investigative process-- thank you, Mr. President-- interestingly, as part of our investigative process, we identified two other similar procurement failures in 2007 and 2014: a terminated contract to update the Medicaid Management Information System and a terminated contract to update the state's Medicaid eligibility and enrollment system. Both contracts were awarded to the lowest bidders. Both cost the state millions of dollars before the contracts were ended, and the end product-- software development in these two cases-- was not delivered. With this information, the committee began to suspect a system issue that was producing similar results that crossed several administrations and multiple directors. It became clear that while Saint Francis had significant internal issues that prevented it from properly functioning, it was Nebraska's procurement process that allowed Saint Francis to be awarded the contract in the first place. The primary conclusion of the committee was that the state needed to reform its procurement system to support better decision-making in the future. In response to the LR29 Committee findings, I introduced LB1037 during the 2022 session. The bill, which was passed and signed into law, directed the Department of Administrative Services, DAS, in consultation with the Legislature, to hire a contractor with expertise in procurement to conduct an in-depth analysis of the state's procurement process. On June 17, 2022, DAS enter-- entered into a contract with Ikaso Consulting. Ikaso, who had experience in other states reviewing their procurement processes, reviewed our state statutes, rules, reports, and manuals, and conducted extensive interviews that included procurement stakeholders and legislators. On November 15, 2022, Ikaso issued its final report, which included 33 recommendations-- many focused on internal policies and procedures, but some require statutory changes. To date, of those 33

recommendations, DAS has implemented 23 and is in the process of completing implementation of two more, including the transition to a fully electronic procurement system, which was authorized by the Legislature. One recommendation DAS declined to accept and the, and the remaining recommendations, along with clarifying language identified in DAS, are found in LB461. You have been provided with a handout that identifies the list of recommendations and the current state of implementation. So, specifically now, what does LB461 do? First, it consolidates our procurement statutes into one statutory chapter, Chapter 73, named the State Procurement Act. Currently, our procurement statutes are scattered throughout two different chapters. It establishes responsibility as a standalone factor. It eliminates language that competely-- competitively bid contracts shall be made to the lowest bidder. It allows bids to be evaluated for realism and reasonableness. Price realism and price reasonableness can be grounds to disqualify a bidder. It clarifies the division of responsibility. The State Purchasing Bureau owns and controls all matters relating to policy and process while agencies own and control resulting contracts. During our committee work, it was difficult to identify responsibility for various parts of the decision-making, as this issue had not been clarified. As written in the green copy, it places in-state reciprocity preference with simple preference. However, there is a pending amendment that outright repeals this section of statute, which was the recommendation by Ikaso. It clarifies the mandatory usage of statewide contracts by agencies unless otherwise permitted. It clarifies the definition of cooperative agreements and grant agreements for purposes of contract exceptions. And finally, it requires the proof-of-need analysis to be reoriented to the beginning of the procurement process as opposed to after the solicitation has been made, as is the current practice. For me, the two biggest components of the bill that really get to the heart of the Saint Francis issue are responsibility as a standalone factor and the ability to evaluate the price realism and reasonableness. Regarding the establishment of responsibility as a standalone factor, current language states that competitively bid contracts shall be made to the lowest responsible bidder-- and that is, that is a phrase, "lowest responsible bidder--" automatically favoring the lowest bidder and making the contract evaluation cost-focused. Current law does not give agencies the tool to consider bidder responsibility as a standalone element. And the ability for bids to evalu-- to be evaluated for realism and reasonableness. This bill allows for price realism and price reasonableness to be grounds to disqualify a bidder. Realism. Is the bid realistic? Can the job really be done for that price? And

price reasonableness. Is that bid the going rate or is it too high? While all the recommendations in the report will improve our procurement process, these two provisions are key. Had emphasis been placed on the most responsible bidder as opposed to the lowest responsible-- responsible bidder, it is likely the Saint Francis contract, in addition to the other two failed contracts that I mentioned, would not have been entered into in the first place. Our current statutes automatically put too much weight in favor of the lowest bidder. While we must be responsible stewards of taxpayer dollars, we must also make sure we are entering into contracts with responsible bidders, not just the lowest bidder. Additionally, allowing for the rejection of bids for which the price is not realistic or is not reasonable-- the floor and the ceiling-- will go a long way in protecting the state from entering into contracts at the beginning of the process as opposed to after the contract has become more costly and problematic. In the Saint Francis contract, the bid came in 40% lower than the bid of the previous contractor, PromiseShip--

KELLY: One minute.

ARCH: --who had held the contract for nearly 10 years previously. Had there been the ability to subjectively analyze this bid based on realism, the extremely low bid would have been a huge red flag. As it turned out, the bid was not realistic, and the contract with Saint Francis ultimately ended up being \$3.7 million more than the original bid by PromiseShip. Annually, the state oversees hundreds of contracts worth billions of dollars to carry out our government functions to serve Nebraska. It's been over 20 years since we have updated our procedure-- our procurement procedures. I think Ikaso did a thorough evaluation. The Department of Administrative Services supports this bill and has been very cooperative in implementation. I urge you to vote green on LB461. Thank you, Mr. President.

KELLY: Thank you, Speaker Arch. Mr. Clerk. As the Clerk indicated, there's amendments from the Government Committee. Senator Brewer, you're recognized to speak.

BREWER: Thank you, Mr. President. Speaker Arch's LB461 was heard in the Government Committee last February, the 10th. Three proponents testified: Speaker Arch, Director Jason Jackson from DAS, and a representative from Nebraska Chapter Association of General Contractors. There was no opposition nor was there any neutral testimony. The Government Committee reported the bill out as AM389.

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This bill po-- proposes a lot of changes to our state procurement process. The Speaker developed LB461 to try and improve these procedures. We all want to make sure that we are good stewards of our taxpayer resources. This committee amendment makes just a couple of tweaks to that bill. First, it would repeal the resident bidder preference that actually hurts Nebraska contractors who bid on jobs outside of the state. The original version of LB461 tried to tinker with this resident bidder language. Ultimately, it was decided that we're better just to get rid of it. Second, AM389 adds references to the Nebraska state colleges in several sections, wherein the green copy of the bill talked only about the, the university system. We want to make sure that these improvements in the process apply broadly across state government operations. I want to thank the Speaker for his work on this issue. I recommend your green vote on committee amendment AM389 and green vote on LB461. Thank you, Mr. President.

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

CLERK: Mr. President, I have nothing further in order at this time.

KELLY: Beginning in the queue, Senator Clements, you are recognized to speak.

CLEMENTS: Thank you, Mr. President. I was on the LR29 Committee, which analyzed the Saint Francis situation, and it was disappointing to see how much money we were spending and-- with below standard results. The families who testified with-- in the-- who were in the foster care system had many problems with that vendor. I agree the Saint Francis bid was not sustainable and too much weight was put on low cost versus being the best provider. Their CEO at one point testified that he was sorry that they even made the bid once he realized how much they were in for, how much responsibility they had compared to their resources. The other thing that Speaker Arch mentioned was about Health and Human Services' Medicaid software development. In the Appropriations Committee over two or maybe three years, we kept getting requests to have more funding for this Medicaid vendor software. And I think we may have ended up with \$12 million, something like that, total. And finally, the state terminated the contract because it hasn't-- hadn't ever been working yet. Then the vendor sued the state for the balance of their contract after failing to provide a working product. And I don't recall how that was resolved, but it was amazing that somebody who couldn't provide a working product could sue us for even more money after what we had spent didn't work. So that's why I like seeing that we'll have the ability to accept the best bid rather than the low

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bid. And we've seen that the low bid turns out that they keep adding more and more as it goes along, where it doesn't become the, the cheapest way to go, so. So I am in support of AM389 and LB461. I, I thank Senator Arch for bringing it. And I would yield the rest of my time to Speaker Arch.

KELLY: Speaker Arch, you have 2 minutes and 8 seconds.

ARCH: Thank you, Mr. President. I want to review-- it, it gets a little confusing here, but I want to review some of these key words because, unfortunately, they all begin with the letter R, and it's a little hard to keep straight. But I want to start with "responsiveness." We, we-- I, I talked in my introduction about responsiveness. It is, it is a measure to, to make sure that they adequately responded to the RFP and has met the checklist. So are they responsive in their, in their bid to the RFP? Responsible. A responsible bidder is, is, how is the vendor as a corporate citizen? In other words, what is their track record in other states? Have they done this before? Have they, have they-- had-- have they taken on this size of a project? Are they capable of doing this? And, and what has been the-- what has been-- I mean, this is like, this is like verifying background. This is, this is getting references. How did they, how did they do this in other states? And that is a responsible bidder. As I mentioned, realism is, is the measure--

KELLY: One minute.

ARCH: --the measurement. Can the vendor truly carry out the job for that price? Is it realistic? Is it too low? When we took a look at that, at that issue of a 40% below when both the state and PromiseShip were providing services for approximately the same amount of money per, per child in the child welfare system, that was a big question. But they weren't, according to statute, able to consider that standalone. Reasonable. Is that price reasonable or is the vendor trying to gouge? Is it too high? Is it a reasonable price? So I just wanted to clarify just the definitions of those four key words. Thank you, Mr. President.

KELLY: Thank you, Speaker Arch. Senator Jacobson, you are recognized to speak.

JACOBSON: Thank you, Mr. President. First, I just want to say a special thank-you to Speaker Arch for bringing the bill, for the LR29 Committee for the work they did in the interim, and for the Government

and Military Committee for bringing it to the floor. This is a very, very important bill. All too often we get concerned about tax dollars and how do we get enough tax dollars, but we don't think about how those dollars are being spent. I can tell you that, spending 44 years as a bank CEO, I learned over the years that, when you get into tough times or any time, you need to be mindful of where you're spending the money. Where are those dollars going for? Are you getting that value? All too often what we find in government is people see this as an easy mark. Just add another zero. Just add another 30%. And all of a sudden, it happens. I appreciated working on the Governor's property tax working group this summer. Senator Armendariz pointed out something she found in her role in procurement at the hospital where she works, where it was pointed out that it was a, it was a, a technology bid and she was looking for a lower price. And so they lowered the rate and then told her, well, your rates are already quite a bit lower than what we're bidding for the state. And her question was, well, why isn't the state getting a better deal? Well, they just didn't negotiate as well. Well, the truth is, there's one reason they don't negotiate as well; it's because the handcuffs that we put on them before. This bill does what I think should have been done a long time ago. And I hope every other, every other political subdivision looks at this same thing. This is always not about-- this is not always about the lowest bidder. It's about who can deliver the job, who can do the job, and do we need the job done? And I can tell you in meetings with the Governor, I know his staff is very, very focused on, how can we cut the spending at the state level that we don't need to be spending? I don't mean cutting valuable services. I mean being more efficient, more focused on the dollars that we spend. This is a great bill. I hope all my colleagues join in support of this bill. It's a great way to start this session off, by moving this bill forward. And I would be willing to yield any remainder of my time to Speaker Arch if he wants it. I know I-- [INAUDIBLE] whether he was quite done and where he was at. And he's in a conversation over there, but if he would like the time, I would certainly yield it to him. Thank you, Mr. President.

KELLY: Speaker Arch, 2 minutes, 30 seconds.

ARCH: Thank you, Mr. President. One of the questions that, that has been provided to me has to do with protests. And, and I want to talk, I want to talk a little bit about that because I know that that's been a, a large issue. What happens if a vendor is unhappy with the process? And, and-- I, I will tell you that there were two schools of thoughts on this: one, it ought to go to the courts; two, it ought to

be handled administratively. The Ikaso report, if you read it, strongly recommended not legislating specific protest procedures, and you'll find that on page 60 to 62 of their report. Protest procedures in other states are complex and may actually incentivize larger vendors with financial resources to protest, creating disadvantage to smaller vendors. And complexity can lead to significant delays in the contract execution. So the, the protest procedures have been updated, and, and, and here in general is what this was: under current law, the contracting agency is the first to consider challenges of the contract it was-- it has awarded. And that was, that was specifically an issue within Saint Francis. Who reviews the protest? And in this case, current law, the contracting agency. So DHHS would have been the contracting agency then to review that.

KELLY: One minute.

ARCH: Under new policy, the contracting agency would not be involved in any protest. The first level of protest would go to the administrator of the materiel division, state purchasing. The second would go to the DAS administrator. And if it is a DAS contract or if DAS assisted an agency in the procurement process of a contract, an outside officer would be designated at the beginning of the procurement process. So this was Ikaso's recommendations, that, that we, that we do change our appeal process, the protest. And so that is part of this language. Thank you, Mr. President.

KELLY: Thank you, Speaker Arch. Mr. Clerk for items.

CLERK: Mr. President, I have MO585 through MO591 from Senator Machaela Cavanaugh with notes that she wishes to withdraw.

KELLY: Without objection, they are withdrawn.

CLERK: I have nothing further at this time, Mr. President.

KELLY: Thank you, Mr. Clerk. Continuing in the queue, Senator von Gillern, you're recognized to speak.

von GILLERN: Thank you, Mr. President. I rise this morning in support of LB461 and AM389. And this is, this is very real to me. This is the, the, the world that I lived in, in the construction industry for some 40 years. And I've seen the hard bid in the subjective selection process work and I've seen it fail in different environments. The pros and the cons of both are unique, but I certainly support this change because it does provide the best final outcome for the customer. And

in this case, the customer is the state of Nebraska. And sometimes the best final outcome is not the lowest price. There's an old joke that no one wants to use a parachute that was built by the lowest bidder. So I, I think it certainly is, is looking out for the taxpayers of Nebraska. Now, I have several questions. Would Senator Arch yield to several questions for me, please?

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

ARCH: Yes, I will.

von GILLERN: Senator Arch, first of all, how will this impact contract awards for work that is very easily quantified, such as a highway or a building project?

ARCH: You know, I think, I think it, I think it establishes a-- you know, the, the goal of all of this was to establish a fair process so that all vendors can come and participate in that. Now, the amendment, the amendment that Senator Brewer introduced to this is, is an issue, and that has to do with preferential treatment of in-state bidders. And perhaps you're, you're aware of what that, of what that does. There's a golden rule, I guess is the language that is used. And if, and if we give, if we give preference to in-state bidders, then when those bidders, when those contractors from this state try to go into, for instance, Iowa and bid on a contract, it triggers them to give preferential. And so it was felt best that we eliminate that language altogether, not give pref-- not give required preferential or even made preferential, and allow that, allow that to be a, an even playing field. So I hope that it-- I hope that explains some of that.

von GILLERN: We're good. Yeah. Thank you, Senator Arch. Actually, that answers my second question too. And that was regarding the preferential-- thank you for responding to those questions. I yield the remainder of my time.

KELLY: Thank you, Senator Arch and von Gillern. Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. Good morning, colleagues. I'm very appreciative to Speaker Arch for bringing this bill and making it his priority and for all of the work that has been done on this issue. I first want to acknowledge the historical importance of, of work in this matter. We're very beneficial to have staff that stays with us from office to office. And I don't think that much of this work could

have happened without Tyler Mahood, who I believe now works for Senator Ibach. He worked for Senator Mark Kolterman for many years, and he did a lot of the behind-the-scenes work on the procurement issue. And I just want to acknowledge his hard work and diligence in this endeavor. This has been a labor of love for many of us. And it speaks to how, when the Legislature is functioning, what great things we can accomplish. This came together, the LR29 Committee, out of dedication into looking at the procurement process, starting with the Inspector General's Office of Child Welfare and the collaboration between that office and this body, collaboration between myself and then-Speaker Mike Hilgers and Chair of the Executive Board, Dan Hughes, and now Speaker Arch, who was at the time the Chair of the HHS Committee. A lot went into this work. And I'm grateful to Speaker Arch for his dedication to this issue and his oversight of this. There are still some issues that we need to continue to address with our procurement process, but this is an amazing first step. And I am sorry, colleagues, I just got distracted by the cutest baby in the entire world up at the Clerk's desk. I am going to have to yield my time so I can go get my hands on that baby wean. Thank you very much.

KELLY: Thank you, Senator Cavanaugh. Senator Hansen would like to announce some guests in the north balcony: members of ABATE Nebraska from across the state. Please stand and be recognized by your Nebraska Legislature. Senator Moser, you're recognized to speak.

MOSER: Good morning. And thank you, Mr. President. Good morning, Nebraskans and fellow colleagues. This bill is a bright spot in what the Legislature usually does. Normally, we're worried about raising money and spending it, and we don't spend sometimes enough time analyzing how we spend it. So for the Legislature to look critically at what contracts we enter into and whether we are getting our money's worth is a very important function. And I'm not going to waste a whole lot of time saying anything more than that. But in my 18 years or so in government, I-- in, in my experience, it's been the case that raising the money and having the money in the budget is the most important thing. And then once the budget is there, the work rises to reach the level of the budget or money is spent because it is in the budget and it has to be spent. So I think this is a refreshing perspective moving forward, and I appreciate all the people that worked on this. And hopefully we'll be able to come up with more commonsense ways to look at how we spend money. Thank you.

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

VARGAS: Thank you very much, President. I'll be brief. This is-- one, I want to thank everybody that's worked on this initiative and this bill. I say initiative, and I should probably take that back. This, this is a reaction. I'm glad that we're all really excited, happy, and, and it's a good labor of love. But as Speaker Arch knows, you know, part of the process that we took in doing this felt very, very reactive. And, and part of it is because-- and, and I say this as somebody on the Appropriations Committee, one of the longest sort of tenured individuals on the committee, is I'm-- these contracts when people were telling us that this is-- they go through the bid process, they go through this process, and they try to get-- they move forward with a contract, we should be obviously getting the best possible quality that we, we need and deserve for our constituents and for taxpayers. And this was-- not this administration, but previous administration-- where we fell short from the administration and also from the compliance that's due with these contracts. And so this is making sure that we're improving upon this process is going to be critical. But it's not going to only happen from the legislation. It's also going to happen from the watchful eye of individuals that are going to be here beyond the tenure of, of Speaker Arch and, and those of us that are are going to be gone at the end of this year, term limited out. So as a word of caution, every single contract-- not just the ones that are touching DHHS-- it is incumbent upon us to look at this, make sure we're holding agencies accountable for following through on it in as much as we're also supporting this. And again, thank you to Speaker Arch, Exec Board, all the people that worked on this in the past, Senator Machaela Cavanaugh and others. And I urge your green vote on the amend-- on LB461. Thank you.

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

WALZ: Thank you, Mr. President. First of all, I want to-- thank you to Speaker Arch for bringing this piece of legislation, Senator Machala-- Machaela Cavanaugh for creating the LR, and to the committee, the families, the stakeholders, the state workers, everybody who for-- provided feedback and information during that investigation. I also want to say thank you to the committed people who provided the much needed oversight to protect our kids and our families in foster care and the judicial system. Colleagues, this is such an important issue for our children and our families in Nebraska. And I think it's really, really hard for you to understand just how awful this situation was unless you were actually engaged in hearing the stories and the testimony from the children and the families and the

stakeholders. This was a terrible, terrible, terrible lesson learned about how we as a state would allow the cost of services to come before the care of our children. It's sad, and there were times-- it's sad that there are times that we have to protect our children, but there are times that we have to do that because they are hoping and they are depending on us to do that. I want to thank Senator Jacobson and Senator Moser for their words. The fact that they stood up, being financial people, and said that this is an issue that's more important than money means a lot. This is a situation that should never, ever, ever be forgotten. Legislature after Legislature after Legislature should remember what happened and understand that we are here to protect and oversee and make sure this doesn't happen again. To me, colleagues, this is the single most important piece of legislation that's being brought this year. And I want to thank Sen-- Speaker Arch again for bringing this. Thank you, colleagues.

KELLY: Thank you, Senator Walz. No one else in the queue, Senator Brewer, you are recognized to close on the committee amendment. And waives closing on the committee amendment. Members, the question is the adoption of the committee amendment, AM389, to LB461. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 40 ayes, 0 nays on adoption of the committee amendment.

KELLY: Amendment is adopted. Seeing no one else in the queue, Speaker Arch-- excuse me.

CLERK: Mr., Mr. President, a couple additional items. The next item that is in order is a motion from Senator Steve Erdman to pass over LB461 with a note that he wishes to withdraw. In that case, Mr. President, I have nothing further on the bill.

KELLY: Thank you, Mr. Clerk. Speaker Arch, you're recognized to close on LB461.

ARCH: Thank you, Mr. President. And thank you to my colleagues who I say went through this with, with 14 senators involved in this. This was a very deliberative process that we went through. As I mentioned, thousands of documents-- pages of documents, hearings, interviews, sworn testimony. It was a, it was a very deliberative process, and, and I appreciate everyone that participated with me in that process. So LB461, just, again, the quick bullet points of what it does. It consolidates procurement statutes into one chapter. It establishes responsibility as a standalone factor. It allows bids to be evaluated

for realism and reasonableness. It clarifies the division of responsibility. This was a-- I'll pause there for a second because I, I didn't, I didn't really address that-- this-- when we were going through the, the hearing process, of course the question was, well, who, who's responsible for this decision? And that became a matter of debate. And it was unclear because, in our statutes, it's unclear what exactly is the role of DAS and what exactly is the role of the agency. And so there was, there was part of, of the LB461 language development that, that clarifies that. The State Purchasing Bureau owns and controls all matters relating to procurement policy and process while agencies own and control the resulting contracts. It replaces in-state reciprocity preference, and we now have eliminated that language. It clarifies the mandatory usage of statewide contracts by agencies unless otherwise permitted. It clarifies definition of cooperative agreements and grant agreements for purposes of contract exceptions. And it requires the proof-of-need analysis to be reoriented to the beginning of the procurement process. I want to thank Department of Administrative Services' Director Jackson. He has worked very closely, he and his staff. We've had multiple meetings to make sure that we have now put into place not only in statute, but in the policy manuals that the department uses to manage the vendor purchasing. And we believe we've made a significant step. And so thank you for your support. I would appreciate now a green vote on LB461. Thank you, Mr. President.

KELLY: Thank you, Speaker Arch. Members, the question is the advancement of LB461 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 45 ayes, 0 nays on advancement of the bill, Mr. President.

KELLY: It is advanced. Mr. Clerk, items for the record, please.

CLERK: Thank you, Mr. President. Notice of committee hearings from the Banking, Commerce and Insurance Committee. Additionally, motion to withdraw from Senator Blood to be printed in the Journal: withdraw LR275CA. Additionally, amendments be printed from Senator Blood to LB825 and LB827. I've got nothing further at this time, Mr. President.

KELLY: Mr. Clerk for the next item on the agenda.

CLERK: Mr. President, next item on the agenda: LB16, introduced by Senator Conrad. It's a bill for an act relating to occupational licenses; changes requirements for membership to the State Electrical

Board; provides powers and duties for the State Electrical Board; defines a term; provides for federal preemption; provides for applicability of provisions; requires occupational boards to make a determination regarding an applicant with a criminal conviction; requires occupational boards to issue an occupational license or government certification based on occupational licensure, government certification, private certification, and work experience in another state or in the United States military; provides for jurispru--jurisprudential examinations and appeals from denial of a license; changes provisions relating to preliminary applications by individuals with a criminal conviction; harmonizes provisions; and repeals the original section. The bill was read for the first time on January 5 of la-- of the previous year and referred to the Government, Military and Veterans Affairs Committee. That commil-- that committee placed the bill on General File with committee amendments, Mr. President.

KELLY: Thank you, Mr. Clerk. Senator Conrad, you are recognized to open.

CONRAD: Thank you, Mr. President. Good morning, colleagues. I hope that you each had a restful weekend. And it is good to be joined together again. It is my distinct honor to present LB16 to the Legislature. This measure was originally introduced by our friend, Senator Briese, but when he was appointed to become the Nebraska State Treasurer, I, as a proud cosponsor, agreed to help steward this measure through the Legislature this year. So I definitely want to thank Senator Briese for his leadership on this measure and maybe walk backwards in time just a little bit to give a shout-out to our friend and former colleague, Senator Laura Ebke, who really started Nebraska down a thoughtful, robust path in regards to occupational licensure reform. I'd also like to thank then-Speaker Andrew La-- or, then-Senator Andrew La Grone, who brought forward a similar measure during his time in the Legislature. Senator John McCollister, who carried on the work in during his tenure in the Legislature. And then the-- give a shout-out to the incredible set of diverse cosponsors that have joined me in support of this measure. And I think if you look at the list of cosponsors, if you look at the committee statement, if you look at those from our second house who came forward in support of this measure, I hope that one common thread that you will glean is how this measure, which is about addressing our state's number one challenge in regards to workforce issues, has generated such widespread support across the political spectrum and across the state. This is the exact kind of bill that I think is amongst the most powerful and cool to work on-- when you find that convergence of

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ideologies coming together, perhaps for different reasons, but to achieve the same ends. And so let's get down to the details of what LB16 is. This is a bill that lifts up in a comprehensive manner an opportunity to remove existing barriers to obtaining an occupational license in Nebraska. At its essence, this workforce bill has gone through a number of changes since introduction, and you will hear more about that when my friend Senator Brewer opens on the committee amendment and then later when I have an opportunity to introduce the amendment to the committee amendment. But this is the product of a significant amount-- in fact, years in the making-- of hard work with a diverse set of stakeholders that have come together to address technical issues and substantive issues. And I think that these amendments will reflect our current agreements, strengthen the proposal moving through the process, and should be adopted as well. Colleagues, to be clear, I do not believe that LB16 is the only answer to our workforce challenges in our state, but it does have the potential to make a positive difference in addressing our state's number one challenge by reducing barriers to entry into occupations in Nebraska, particularly for military spouses, for those moving here from other states, and for those who perhaps are starting their career and moving up the rungs of the economic ladder. Additionally, there are key components in this legislation that help to lift up and remove existing barriers for system-impacted Nebraskans so that they have a meaningful opportunity upon reentry for second-chance employment, which fosters our shared public safety goals, as anyone can agree that a good job is one of the best anti-recidivism tools that we have available. So you may remember, during the COVID pandemic, then-Governor Ricketts worked with my friends, Senator Murman and Senator Sanders, to bring forward additional measures to enhance reciprocal licensing, particularly in regards to filling vacancies in health care professions. So this body has already made a commitment through the work of first Senator Ebke in occupational review, then Senator Murman and Senator Sanders in regards to expanding recognition. And what LB16 does is just brings more professions underneath that existing legal and policy framework. Additionally, there are a few exclusions and exemptions that have been carefully negotiated amongst the stakeholders and through the committee process. And I want to lift these up in primarily two distinct kind of areas where you will see an exemption from an otherwise universal recognition. So the first would be related to occupations that are governed by other branches of government. A good example of this would be attorneys who are governed by the Supreme Court. The reason there is an exemption herein for those professions is because of separation

of powers issues. Additionally, you will see significant exemptions when it comes to professions that are primarily governed on the federal level due to federal preemption and federalism issues. So these would be a lot of the prove-- professions in regards to banking and financial services and otherwise that are governed by those components. Additionally, we have worked very, very hard with members of Labor-- special shout-out to my friends at IBEW-- and the leaders at the State Electrical Board to make sure that we can advance our common goal of bringing more people into the profession to become an electrician and have worked very, very carefully and in good faith to find consensus and agreement to make updates to the Electrical Board and to address concerns to ensure a smooth transition so that more Nebraskans-- presently and coming from other states if they move here and become Nebraskans-- have an opportunity to pursue the trades-- in particular, in regards to electrician professions and services. So with that, Mr. President, I would also just like to provide a few additional points as we frame up our debate here. About 20 of our sister states or so have already moved forward with very similar policies like LB16 that provides broad universal recognition. In looking at some of the statistics and research that has been put out there, experts find that Nebraska is in the top half-- and not in a good way-- in terms of overly burdensome workforce licensure and occupational licensure kind of framework. We are currently in the, the highest half of the most burdensome states to work in, and that's something that I think we need to be aware of. Additionally, what the research shows from our sister states that have moved more quickly in terms of implementing universal licensure reform is what they have seen is increased workforce participation, decreased costs to customers--

KELLY: One minute.

CONRAD: --and-- thank you, Mr. President-- and overall economic benefits for their states. Colleagues, ultimately, this is about removing needless red tape from our, our, our statute books. This is about opening up competition. This is about opening up economic freedom and prosperity. And this is about getting government out of the way when it comes to individuals who are seeking an opportunity to work and pursue their dreams. With that, I look forward to an excellent debate today. I'm happy to answer any of your questions. And I urge your favorable consideration of this measure. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. As the Clerk mentioned, there are committee amendments. Senator Brewer, you are recognized to open.

BREWER: Thank you, Mr. President. Senator Tom Briese introduced LB16 to the Government Committee on February 9 of last year. Seven proponents testified in total. And the list is different than you would normally see on bill introductions. The Platte Institute and the Institute for Justice paired up with RISE, ACLU, and the labor unions. So, obviously, with that combination, there was a concern that needed to be addressed. There were many opposition testimony in the green copy bill: Nebraska Medical Association, the massage therapists, and the veterinarians. DAS testified in neutral with some technical concerns. Let me give you the bottom line on this bill. This bill is about making it easier for people to move to Nebraska and to have their work credentials recognized. We have had a labor shortage for a long time in Nebraska. This bill will help us. Allowing people to bring their job skills to our state is vital if we want to grow. Senator Briese's office worked a lot of hard hours with many groups, but especially the Platte Institute, to come up with all the different stakeholders' issues and figuring out the right path ahead. I want to thank my Government Committee and the staff who were involved in these meetings and helped to hammer out this path ahead. It has been a lot of work, but I feel good about where we are now. I believe that the white copy committee amendment resolves a lot of these concerns that were-- that came up during the hearings. Running through those, first one: It rewords lang-- rewards language relating to past surrendering of military credentials and ramification of credentials. It better defines what makes a worker a Nebraska resident. It gives more detail on what specific criminal convictions can cause an individual to lose their credentials and not be recognized. We have mentioned Senator Briese a few times. As you know, he is no longer in the body. He has made the decision to move on to greener pastures in the Treasurer's Office. And we welcome Senator Meyer to replace him. The problem was it left his bill an orphan. And we were blessed that Senator Conrad, who was a cosponsor of LB6, has agreed to adopt it and has done a tremendous amount of work to get this bill ready. Tom Briese and his staff put in a lot of hours in this bill, so, as a stakeholder, I mentioned we appreciate that effort that he has put forward. I understand that Senator Conrad has a few changes in her amendment to the committee amendment. I also support those changes and would recommend a green vote on the committee amendment, AM748, and on the bill itself, LB16. Thank you, Mr. President.

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

CLERK: Mr. President, Senator Conrad would move to amend the standing committee amendments with AM2102. AM2102 to the committee amendments.

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

CONRAD: Thank you, Mr. President. Again, good morning, colleagues. And thank you so much to my friend, Senator Brewer, for his leadership on the Government, Military and Veterans Affairs Committee and in this body writ large and then also for that excellent oping-- opening, which I think details the, the good work of the committee in this regard. So this amendment, AM2102 was, again, carefully negotiated. I think the negotiations started with Senator Briese while he was still a member of the body. And then I and others picked up on that after his appointment to become State Treasurer. And so this really just clarifies and ensures a consistent approach in regards to how we address residency in regards to reciprocal licensure. So that is the substance of the amendment that is before you. And before we turn to additional questions and debate on this measure, I, I had just run out of a little bit of time in regards to my original opening, but the statistics on this measure matter. Looking at how our sister states, these great laboratories of democracy, handle similar issues is always instructive. But I also want to make sure to put a face on why measures like this are important and why they really resonated with me. We heard some of these stories at the committee level, but they were very compelling. We heard stories from people like Mike [PHONETIC], who is a Navy veteran from Bridgeport, Nebraska, who had incredible dedication in service to his country and has served as an electrician for the Seal teams. When he returned back home to Nebraska, he had hoped to go to work as a journeyman electrician and perhaps even someday buy a shop. But the licensure board told him that his experience and training as an electrician would not really count for what he had hoped it would count for. So, in essence, he'd have to start over. LB16 would have helped people like Mike and other veterans and military members and military spouses who have received some of the best training in the world through our military to start their civilian lives without starting from scratch. We also heard from Nick [PHONETIC], who is a native Nebraskan who had completed his education and even a graduate degree in the field of teaching and had significant experience as a coach and a teacher in another state. When he came back to Nebraska for family reasons, he recognized quickly that Nebraska has an ongoing teacher shortage all across the state, and he readily signed up to use his time and talents and passion to help teach and coach kids in Nebraska. And he ran into significant barriers in regards to making that happen. Finally, another good

example of how this measure is important comes to the second-chance employment component. We had heard through representatives from RISE and in previous interim studies on this topic about Alana's [PHONETIC] story and about how she availed herself to education and training during her period of incarceration. And when she had completed her sentence and returned to her community, she found it very difficult to pursue her passions in building a productive career and, in fact, had to move out of state in order to do that. So Mike, Nick, and Alana are just a few of many examples of how a measure like this can help to address workforce needs, second chances, and make a positive difference for our veterans, military members, and spouses and those with past criminal history involvement. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Moving to the queue, Senator Fredrickson, you are recognized to speak.

FREDRICKSON: Thank you, Mr. President. Good morning, colleagues. Good morning, Nebraskans. I stand today in support of LB16 and I believe also in support of AM748 and AM2102. I want to thank our colleague, Senator Conrad, for-- and also our former colleague. I don't want to leave out Senator-- former Senator Tom Briese for being-- for their stewardship and also their commitment to ensuring that Nebraska has a strong workforce and that Nebraska is also a workforce friendly state. And I think that LB16 really is, you know, in the spirit of creating that. I think it's also important that we think about when we're thinking about workforce development, how do we create more and more opportunities, especially for Nebraskans who are new to the state of Nebraska or Nebraskans who might be looking to reenter the workforce? So I appreciate the efforts of LB16 and our colleagues for those goals in mind. One concern that I have had a little bit about the bill has been around this idea of reciprocity and sort of, you know, when you travel to all 50 states throughout our country, there are sometimes different standards for licensure within different states. But the more that I've thought about that, the more conversations I've had related to this, I think we're also-- and I think it's important to remember this-- we're, we're very fortunate to live in a country where we do have high standards for licensure and professional recognition in all 50 states. There are, of course, some variation that occurs, whether that's-- I'm thinking my own profession, for example. I'm a clinical social worker. Social work licensure: there's supervisory requirements in all 50 states. Sometimes those amount of hours varies a little bit. Some people can say other states are more rigorous-- some are more rigorous than others. But I do think we are fortunate to live in a country where professional standards in general across the

board are quite high, and I think the net benefit as a result is, is more positive. I also want to say that I think this bill sends a very clear message of showing folks that Nebraska is welcoming to jumping into the workforce and getting into the workforce, especially folks who might be a spouse or a family member who was relocated to our state. This is an opportunity to get folks more involved in the community, get folks more involved in the economy, and to also help Nebraska live up to all it can be, which is, which is a lot. I do have one question for my colleague and friend from the Fightin' 46, Senator Daniel Conrad. I don't know if she left the floor-- oh, there she is. She's actually in the middle of a conversation, so maybe she's not available. But one question I did have was, we've seen some legislation in the past related to licensure compacts. And I know there's a number of different compacts available versus licensure reciprocity, so. I don't know if she's available with that or not, but I will just kind of float that out there and maybe speak with her off the mic about that. But in general, I support this bill, LB16. And I appreciate Senator Conrad and former Senator Briese for bringing this bill. Thank you, Mr. President.

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

JACOBSON: Thank you, Mr. President. Well, I rise in support of AM2102, AM748, and LB16. I also want to thank everyone involved in bringing this forward. I do know that this is an important bill. We need to get as many people eligible to fill vacancies of jobs throughout the state. This is a smart and really intelligent way to do that. Obviously, like anything else, it's hard to be opposed to making more job-- people available for jobs, but we also need to make sure that we're looking carefully at licensure requirements and also looking at, particularly on the criminal side, that not everyone serves in the state penitentiary because of some crack residue in a pipe. Some do some very bad things and-- including murder and including rape and incest and on down the list of criminal activities that would be banned and would, would not be included in this. I would also tell you that there are people in prison for fraud. And so when it comes to banking industry and the securities industry, this becomes important as well. If someone's been involved in embezzlement and fraud, we certainly do not want to be able to bring them into the industry and allow them the, the opportunity to recommit those particular crimes, particularly today when you start looking at the dollars that are available-- that, that could be involved and the prevalence of fraud that occurs in the industry today due to the, the fraudsters that are

out there. So it's important to note that, on page 7 of the bill, occupations that would be regulated would be the Supreme Court, the, the Department of Banking and Finance, the Board of Engineers and Architects, Board of Geologists, Board of Realtors, and so on. So I am supportive of the bill with the amendments. I think those amendments are very important to make. It's a workable bill that really accomplishes what we intend to accomplish, but yet it provides protections for those industries that we don't get bad actors involved in the industry carte blanche simply because we're trying to do the right thing. So with that, I'll yield the remainder of my time, Mr. President. Thank you.

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

HOLDCROFT: Thank you, Mr. President. And I rise in support of AM2102, AM748, and LB16. And I'd like to focus my comments on the second-chance piece of this legislation. And there's a movie out about this very topic, and some of us-- actually, Platte Institute arranged for a number of us to, to view the film last session in downtown Lincoln. It's called Free to Care. And I'd just like to read the synopsis for that movie. Over 30 years ago, Lisa Creason attempted to rob a Subway cash register. She had no plan, no weapon, and no getaway car. Not a good plan. It was an act of desperation to feed her infant daughter, and it resulted in a criminal record she couldn't escape. Lisa lives in Illinois. While in nursing school, a law passed that prevented her from becoming a nurse, her path out of poverty, her path out of poverty. Lisa refused this future. And she began fighting tooth and nail to overturn the law. Today, because of her determination-- determination, Lisa works as a registered nurse, saving the lives of many and fighting daily to overturn similar laws across the United States. This film is a story of her-- of hope, forgiveness, and the power of a do-it-yourself attitude. So kind of the inspiration for this, this bill. I also, as a member of the Judiciary Committee, had the opportunity during the interim to visit a number of Corrections centers and also a number of parole hearings. And I found that the key to parole is a plan. And that it's something that actually the parole board does I think very well. They-- actually, a couple years before your, your parole eligibility date, they meet with you in a review to start talking about putting together your plan for parole. And when you come before the parole board, if you don't know-- if you don't have a job lined up, if you don't have a place to live, if you don't have a support community, you're probably not going to see parole. And, and so this is a, is an opportunity for-- to, to identify to

people in currently incarcerated of what opportunities they have in the outside so they don't end up putting together a plan and then finding out that they're not eligible for that job because they have a, a conviction. So that's why I'm supporting this bill. And I, I urge your vote-- green vote on LB16. Thank you.

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

LOWE: Thank you, Lieutenant Governor. As Chair of the General Affairs Committee, I need to make sure this will not affect those licenses that we govern. Owners and managers and operators all need to apply to their various agencies: Liquor Commission, the Gambling and Racing Commission. All are regulated. And things can go wrong quickly if we allow those people in. Senator Conrad, would you yield to a question?

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

CONRAD: Yes. Yes, of course.

LOWE: Thank you, Senator Conrad. Will LB16 affect, or AM748 and AM2102, affect those agencies that we need to make sure that the applicants' records reviewed-- we may be able to disqualify them because of their past records?

CONRAD: Thank you so much, Senator Lowe. I really appreciate you giving me a heads-up before-- so that I can give you a cogent answer for the record. But thank you for bringing forward that important question because LB16 and the related amendments that are filed and on the board and for your consideration does not apply, for example, to things like the Liquor Commission or to things like liquor licenses because the key distinction here is that these are business licenses, not individual occupational licenses. So I hope that is helpful to your consideration. And I appreciate the heads-up and appreciate the opportunity to clarify that for the record.

LOWE: Thank you, Senator Conrad. Yeah, these were some of the questions I had in Government, Government and Military. And I believe they were answered there too, but I just wanted to make sure that we had it on the record that, that these were individual occupant licenses. And I would yield the rest of my time to Senator Conrad if she would choose to use it.

KELLY: Senator Conrad, you have 2 minutes, 44 seconds.

CONRAD: Thank you so much to my friend, Senator Lowe. And in response to my friend, Senator Fredrick-- Fredrickson's question-- sorry. I was off the mic visiting with other colleagues. But I appreciate and am grateful for him lifting up how universal recognition works in relation to things like a professional compact. Actually, these approaches are complementary to each other and help to fill in gaps. But let me give you just a quick example. An interstate compact, of course, is a binding agreement among states to recognize occupational licenser-- licensure issued by any state that has enacted that agr-- agreement. However, the compact only applies to member states and sometimes required to trigger or threshold for the number of participating states that need to be a part of the compact to trigger that sort of recognition. Therefore, in many instances-- and I see Senator Blood looking at me because she's been an incredible leader on compact work-- the benefits from the compact may be delayed. And, of course, they do not apply to the broad spectrum of occupations as does universal recognition. And I think Senator Blood may be correcting me on or off the mic, and I will be happy to benefit from her wisdom or correct that on the record if I misspoke. Thank you, Mr. President.

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

HUGHES: Thank you, Mr. President. I rise in support of LB16 and the subsequent amendments and would like to just share a few remarks about our current, current licensing requirements. Most licensing requirements exist at the state level, and every state is different. Not every worker needs an occupational license to do their job, but about 1 in 4 do. States with universal recognition, such as what we're talking about in this proposed bill, try to apply commonsense standards when determining whether to recognize licenses from other states. Scope of practice is the key issue, not the differences in the number of required training hours or the specific title of a license, but whether comparable work can be done under the license. In cases when there is a difference in education requirements, it is reasonable to assume that a year or more of experience will make up for any difference in training between states if the scope of practice is the same. In 2021, the Legislature, Legislature passed two bills with universal recognition components. Univer-- universal recognition for many health care-related occupations, LB390. And in '21, the legislator als-- Legislature also passed LB389, which provides for effective universal recognition for military spouse teachers. LB390, which was introduced by Senator Murman, passed 40-1. And LB389 from Senator Sanders passed 46-1 back in, in 2021. If universal recognition

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can work for these two industries, then I believe it's time for us to support LB16 to bring even more license occupations under the universal recognition umbrella. Nebraska has a critical shortage of workers, and LB16 provides a solution to help address this shortage. I thank you for your consideration and for listening and urge your support. Thank you, Mr. President.

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

DeBOER: Thank you, Mr. President. I've always been a sort of slightly reluctant person on this issue in the past just because I want to make sure that we are not putting ourselves in a position where some other state might have very loose licensing standards and we get a glut of folks from that state. So I was wondering if Senator Conrad would answer a couple of questions.

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

CONRAD: Yes, of course.

DeBOER: Senator Conrad, in a circumstance where some particular profession we license in Nebraska was suddenly getting a glut of folks from another state where the licensing requirements were easier, would there be a method for this body to redress that issue?

CONRAD: Yes. Thank you so much, Senator DeBoer. I really appreciate the question. The simplest response is absolutely yes. This would in no way bind future Legislatures from addressing issues if and when they would arise. But what we do know from our sister states that have moved forward down this path more quickly is that we haven't had those kinds of horror stories pop up to any great degree. And I think at the heart of your question-- which I'm very, very grateful for because I may have glossed over it in my previous comments-- the initial point of occupational licensure is to protect public health, welfare, and safety. And we've moved over the course of decades from a small set of occupations being licensed to advance those policy goals to an explosion of occupational licensure that are arguably more tenuously connected to those goals. But that's why more and more states are taking a moment, reflecting on this explosion of red tape and government bureaucracy, and are saying we need to perhaps take a different path here and dial it back a little bit. But in the states that we do know where they have moved forward with a broader recognition policy like as presented in LB16-- and let me give you a

few examples. Arizonans saw 8,000 new workers come in through recognition. Ohio saw a review and a granting of over 2,000 licenses, yet denied licenses to 50 because they found some sort of health or safety or welfare sort of situation with that applicant. North Carolina saw 18,000 licenses granted and 151 denied. So even under this framework, there is still an opportunity to advance public-- the public interest when it comes to consumer safety.

DeBOER: So there would still be a way that we could-- that a license board should say, OK, someone has a license for whatever profession in-- let's pick on Iowa-- and we would find that they did not, for some reason, meet our requirements, we could still deal with that individual person? Or they would just automatically be licensed?

CONRAD: Well, I was a great example because they're ahead of us when it comes to adopting a policy like this for universal recognition. And that really matters because as you see mobility and border bleed, particularly in the region and with our neighboring states, Nebraska's behind the curve in terms of universal recognition. So when and if there were to be a bad actor that--

KELLY: One minute.

CONRAD: --somehow-- thank you, Mr. President-- circumvented the process, there would still be an opportunity to deal with that through, through other measures. And if future legislators need to address that in some regard, even though those things haven't happened in other states-- as is my understanding-- of course they would be free to do so, and I'd be happy to work with, with any industry professionals or stakeholders on that.

DeBOER: So quick question. I can't remember-- do you have to work for three years or one year in an-- in another state to be licensed? And you can tell me off the microphone too if you--

CONRAD: Sure.

DeBOER: We're going to run out of time.

CONRAD: We might be running short of time, but the short answer-- and you'll appreciate this as a fellow attorney-- it depends in terms of how you utilize the policy framework to achieve recognition. But I'd be happy to, to detail that on the record as well because there, there are different time frames that come into place for different reasons.

KELLY: That your time, Senators. Thank you, Senator DeBoer and Senator Conrad. Senator Kauth, you're recognized to speak.

KAUTH: Thank you, Mr. President. I rise in support of LB16. And I had some questions about AM748 and AM2102 that I spoke with Senator Conrad about. My big concern was, from an employer's perspective, the phrase "shall not be required to disclose." And it goes on to list a few reasons why you wouldn't be required to disclose. So when I talked with Senator Conrad, she had a great explanation for this. So, Senator Conrad, may I ask you a question, please?

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

CONRAD: Yes, absolutely. Thank you, Senator.

KAUTH: Senator Conrad, would you explain what you discussed with me about the "shall not be required to disclose" and how it applies to employers?

CONRAD: Yes, absolutely. And, Senator Kauth, thank you so much for the heads-up so that we can have a focused debate and for addressing these issues thoughtfully. So the first thing that comes to mind in regards to how the criminal history works or how this applies to folks who have been system-involved is, number one, there's nothing in LB16 that changes current law in regards to record, ceiling or otherwise. But what you need to know additionally is that the criminal history for very serious offenses and violent offenses that are specified is already completely off the table when it comes to this measure. Additionally, there is no mandate to hire and there is no prohibition on an individual employer running a background check, for example. So what this says is if I have a system involvement in my past, I still may be able to qualify for an occupational licensure in these different professions. Now, just like any employee that walks into a hiring opportunity, you're not forced to hire me just because I meet the minimum qualifications. You still can run your own rigorous standard in regards to selecting the best employee for you as a private employer or otherwise.

KAUTH: OK. Thank you very much. I appreciate that clarification. I would also like to point out that LB917, which was passed in years past, is a Nebraska employer tax credit for employing convicted felons. Employers can receive up to 10% of the salary of a convicted felon up to \$20,000, which means that's a \$200,000 salary, which is quite a good deal. But this gives an incentive to employers to employ

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people who have been convicted of a crime and who are now trying to get back into life. So I support LB16 and both amendments. I am pleased to see that we are doing this kind of work. Thank you. I yield my time. Senator Conrad, do--

KELLY: 2 minutes and 7 seconds, Senator Conrad.

CONRAD: Thank you. Thank you so much, Senator Kauth. And thank you, Senator Kauth, for your cosponsorship of this measure. That's meaningful and appreciated. And thank you for connecting the dots on that measure that our friend, Senator Wayne, brought forward years ago and was adopted by this committee-- or, by this-- by previous Legislature. I think it is very powerful, cool, and important when we can come together and focus on addressing collateral consequences to criminal system involvement. Many of those collateral consequences have become a significant burden for Nebraskans who are reentering our communities. And the more that we can do to remove barriers, provide opportunities for good jobs, that's going to advance our shared public safety goals. And I, I think that's a great way to connect the dots there. Thank you, Senator.

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

BLOOD: Thank you, Mr. President. Fellow senators, friends all, I stand in support of both amendments and the underlying bill. And, friends, if you are on the HHS Committee or the Education Committee, please listen closely because I am, for the seventh year in a row, going to explain the difference between what we're talking about and interstate compacts and how there is room for every tool in our toolbox-- not either/or, but all. So there has been, as you've heard today, suggested alternatives to interstate compacts that include reciprocity and universality, universes-- I don't know if I said that right-- universality. These try to solve the same issues of workforce shortages, but they do have major shortcomings compared to the compacts. So I want to put that in perspective. I'm not saying that there is something wrong with this bill or any of these bills that remove hurdles, but when you compare the two, there is a difference. Compacts are all tailored to a particular profession, with major stakeholders in each industry having input in their creation. Those industries-- industry leaders work together sometimes for years, and they represent people from all over the United States. And they make sure that when a compact is brought to a legislative body, that it is right. They allow licensed professionals to quickly obtain a

multistate license while still maintaining public welfare and safety with a shared database through background checks. And what they-- what it does is you hold a home state license in a compact state-- so we'll say Colorado in this instance-- and you want to cross state lines and work in Nebraska, which is also a member of that compact state; you are allowed to utilize your home state license without having to obtain a new license here in Nebraska. So although both reciprocity and universality is-- streamlines the licensure process, in some cases it is at the expense of lowering the threshold or baseline requirements for licensure, which is why the health care industry has been such a huge supporter of interstate compacts. So again, not an either/or. There is room for all. And I have answered this question literally hundreds of times with senators over the last seven years. So I hope that, since this is my last year, if more compacts are brought forward, that people remind me pleading with them to please remember this small bit of information I am sharing with you, especially the committees. And I know several of you are on HHS and Education that are still on the floor because I have compacts in front of you. So we don't want to dilute requirements to be licensed in certain industries, especially if they could, could harm consumers and businesses and degrade public safety and welfare. And so do I believe that there is room for all? I do. But I heard today-- and I tried to stand down so we can move forward on these bills, but we need to clarify to let you know that it's not an either/or. Not this instead of compacts-- it's this and compacts. And if we're not willing to listen to the professionals who work so hard on these compacts-- by the way, with the Pentagon, because they, they carve these out for military families first, but they benefit everybody. If we're not willing to listen to the people who are saying this is what we need and we're just going to go off on our merry way and decide that something is better than what they're actually asking us for, we're not striving anymore to be the most military friendly state in the United States, which, when I came into this body, that is all we heard. We need to move forward. We need to work with the Military Families Office of the Pentagon. We need to become the most military friendly state in the United States. And as a result of that, we are a leader in the United States when it comes to interstate compacts. And you all should be proud of it because you and who came before you--

KELLY: One minute.

BLOOD: --did this. So again, I do stand in support of both amendments. I do stand in support of the bill. But I remind you, as we move forward, is not an either/or, but all. Thank you, Mr. President.

KELLY: Thank you, Senator Blood. Seeing no one else in the queue, Senator Conrad, you're recognized to close on AM2102.

CONRAD: Thank you so much, Mr. President. And thank you so much to my colleagues who have asked thoughtful questions, helped to build a clear record, and shared their leadership and expertise on things like how universal recognition complements things like workforce compacts and professional compacts. And I'm, I'm very, very grateful for Senator Blood's leadership in that regard. I was telling her off the mic she's the queen of compacts. And, and I think that the record is clear on that in regards to her fighting hard for military spouses and, and others to streamline our approach to welcoming them to Nebraska and welcoming them to our economy. Colleagues, just another quick point for the record. Since I picked up this measure from Senator Briese, the amendments that he has filed to the bill will not be considered. I triple-checked that with the Clerk's Office. And I-- it's my understanding they were primarily placeholder, protective in general, anyway. But just in case anybody had questions about that, I wanted to be clear in that regard. Finally, in closing-- and I would ask for your positive consideration of AM2102, AM748, and LB16. This is a workforce bill. We have been able to identify significant consensus during our time together and over the interim period on addressing Nebraska's top challenges, which, very diverse stakeholders across the state have been clear, include addressing workforce shortages in Nebraska as among one of the top issues in Nebraska. This will help to address those issues, along with other solutions like job training, child care, housing, and education. But in Nebraska today, nearly 1 in 4 jobs-- or, almost 200, 200 occupations require some sort of state license. Many of Nebraska's licensing requirements are burdensome and arbitrary as compared to our sister states. We need to remove red tape. We need to remove barriers. We need to remove needless, arbitrary, and vague measures that prevent Nebraskans from pursuing their dreams, from seeking a productive and meaningful profession in our economy. And we need to recognize the role of government should not be about picking winners and losers in regards to how somebody performs with their practice, but should be about protecting the public first and only when it comes to occupational licensure reform. It's time to get big government out of the way and it's time to open up economic, economic freedom and prosperity for more Nebraskans and more that we welcome to Nebraska. With that, I would urge your support. And thank you for the thoughtful debate. Thank you, Mr. President.

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KELLY: Thank you, Senator Conrad. Members, the question is the adoption of AM2102. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 39 ayes, 1 nay on adoption of the amendment.

KELLY: AM2102 is adopted. Senator Brewer has previously waived closing on AM748. The question is the adoption of AM748. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 38 ayes, 1 nay on adoption of the committee amendment, Mr. President.

KELLY: The amendment is adopted. Senator Conrad, you are recognized to close on LB16.

CONRAD: Very briefly. Thank you so much, Mr. President. And thank you to my colleagues for their support and, again, for the great debate on this measure. I purposefully wanted to lift this issue as quickly as possible with my personal priority designation because I am committed to keeping my word to finding as many things as we can work on together across the political spectrum to address our state's top challenges. LB16 is an absolutely great example of that work, as evidenced by your vote. I'd also like to thank Speaker Arch for putting this measure on the agenda early. This is by far, in my 10 years, the fastest my priority bill has ever come up. And I'll have to keep that in mind for future designations to pick something maybe that Senator Briese had on his radar early on or something as an instructive guide for success. So, thank you so much, Mr. President. And look forward to the debate.

KELLY: Thank you, Senator Conrad. Members, the question is the advancement of LB16 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 41 ayes, 1 nay, Mr. President, on advancement of the bill.

KELLY: LB16 is advanced to E&R Initial. Mr. Clerk for the next item.

CLERK: Next item on the agenda, Mr. President: LB78, introduced by Senator Day. It's a bill for an act relating to massage therapy; redefines a term; and repeals the original section. The bill was read for the first time on January 5 of last year and referred to the Health and Human Services Committee. That committee placed the bill on General File. There are no committee amendments, Mr. President.

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

DAY: Thank you, Mr. President. Good morning, colleagues. Before I move on to the bill, I would be remiss if I did not mention happy birthday to my mom. Roxanne Thomas [PHONETIC] of La Vista is turning 68 today, so I wanted to make sure that I mentioned that and wish her a very happy birthday. If you're watching, please make sure you remember to reach out to her and wish her a happy 68th birthday today. So LB78 is a bill to bring Nebraska's definition of massage therapy into alignment with state and federal regulations and treat it as a wellness and health care service rather than a cosmetic one. The current definition in Chapter 38 was enacted in 1986; and since then, a number of changes in other areas of statute have made this definition obsolete. Specifically, the state's Uniform Credentialing Act, which recognizes massage therapy as a form of health care. Currently, 21 states, along with numerous private insurers, the VA, Medicare Advantage plans, and HSAs recognize massage therapy as an integral component of health and wellness. These entities have taken steps to incorporate coverage for massage therapy within their comprehensive plans. Furthermore, in practice, we're seeing doctors in Nebraska utilize massage therapy as a health service, such as Dr. Thomas Brooks of UNMC, who notes that massage therapy not only serves as a relief for chronic pain in his patients but also as a way to ease anxiety for patients before major procedures. These observations are consistent with emerging research that consistently shows that massage therapy is an effective way to manage chronic pain. These kinds of examples should resonate at a time when we're trying to find ways to offer alternatives to medication in light of the potential for dependency, especially in chronic pain management medication. As a result of the nationwide opioid epidemic, this kind of emphasis on nonpharmaceutical pain management was recently passed into law with the bipartisan No Pain Act, which was cosponsored by 26 Democratic and 24 Republican senators and focuses on removing barriers to nonopioid pain management at the federal level. This approach was supported by the American Medical Association and the American Academy of Pain Management, both of whom supported the bill. This broad support has carried over to Nebraska, where LB78 advanced from committee unanimously with no opposition testimony, no fiscal note, and-- thanks to Speaker Arch-- a Speaker priority. A lot has changed since 1986 in how the medical community views massage therapy, and this should be reflected in law. Simply put, LB78 brings us up to speed with how Nebraskans utilize massage therapy. And with that, I ask for your green vote on LB78. Thank you.

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

CLERK: Mr. President, as it concerns LB78, Senator Hunt has MO250 through MO257, excluding MO256, and AM1037 with notes that she wishes to withdraw. Additionally, Senator Machaela Cavanaugh offer-- has MO243 through MO246, as well as AM962, AM996, and AM998, all with notes that she would withdraw those as well. In that case, Mr. President, I have nothing further on the bill.

KELLY: Returning to the queue, Senator Hansen, you're recognized to speak.

HANSEN: Thank you, Mr. President. Just-- briefly, just want to mention that this did come in front of HHS, and it did come out of committee 7-0. This is a good bill that really does just-- primarily updates some language. And I won't repeat a lot of what Senator Day said because she summed it up very well, especially with concurrent research and the information that we get about the benefit of massage therapy with chronic pain and long-term health of, of individuals and their ability to maybe not take opiates or pain medication and find alternative treatments. This is a good bill. And I think it will help a lot of people and define massage therapy in an appropriate way. So with that, I would encourage your green vote as well. Thank you, Mr. President.

KELLY: Thank you, Senator Hansen. Seeing no one else in the queue, Senator Day, you're recognized. And waive closing. Members, the question is the advancement of LB78 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 35 ayes, 0 nays, Mr. President, on advancement of the bill.

KELLY: LB78 advances to E&R Initial. Mr. Clerk for items.

CLERK: Thank you, Mr. President. Notice of committee hearing from the General Affairs Committee, as well as the Urban Affairs Committee. Amendments to be printed from Senator Lippincott to LB52A. Notice that the Urban Affairs Committee has selected LB164 as one of its committee priorities. LB164, Urban Affairs Committee priority bill. Name adds: Senator Bostelman name added to LB876; Senator Dover, LB1035; Senator Hardin, LB1301; Dungan, LB1380; and Senator Vargas, LB1406. Notice that the Reference Committee will meet in room 2102 upon noon rec-- upon adjournment today. Reference Committee, meet in room 2102 upon adjournment. Finally, Mr. President, a priority motion: Senator

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Ballard would move to adjourn the body until Tuesday, January 23, 2024 at 9:00 a.m.

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