

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Floor Debate April 13, 2021

**FOLEY:** Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the sixtieth day of the One Hundred Seventh Legislature, First Session. Our chaplain for today is Senator Dorn. Please rise.

**DORN:** Thank you, Lieutenant Governor. Please join me in prayer. Dear Lord, thank you for the beautiful day we are about to enjoy in Nebraska. Thank you for the season of spring as we watch the many things start to grow, farmers planting crops in the fields, the trees, the lawns and many other things greening up, flowers blooming and, yes, the warmer weather. Thank you for the opportunity to gather as a legislative body and serve our constituents, yes, the people of the great state of Nebraska. Thank you for giving us the opportunity to make good, strong, sound decisions, decisions that will improve life for all of the people of Nebraska. In the name of Jesus Christ, amen.

**FOLEY:** Thank you, Senator Dorn. I now recognize Senator Lowe to lead us in the Pledge of Allegiance.

**LOWE:** Please join 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.

**FOLEY:** Thank you, Senator Lowe. I call to order the sixtieth day of the One Hundred Seventh Legislature, First Session. Senators please record your presence. Roll call. Mr. Clerk, please record.

**CLERK:** I have a quorum present, Mr. President.

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

**CLERK:** I have no corrections.

**FOLEY:** Thank you, sir. Any message, reports, or announcements?

**CLERK:** Senator Arch would like to print an amendment to LB428. And I have a new study-- or a new resolution, Senator Brewer, that will be laid over. That's all that I have.

**FOLEY:** Thank you, sir. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign the following three legislative resolutions: LR80, LR81, and LR82. Members, we'll now proceed to the first item on the agenda, Select File budget bills, LB379. Mr. Clerk.

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**CLERK:** Senator McKinney, with respect to LB379, I have E&R amendments pending.

**FOLEY:** Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move that the E&R amendments to LB379 be adopted.

**FOLEY:** Senator Machaela Cavanaugh, you've-- your light is on. I'm going to get the E&R amendments adopted first, then we'll come to you. All those in favor of adopting the E&R amendments say aye. Those opposed say nay. The E&R amendments are adopted. Mr. Clerk. Senator-- Senator Cavanaugh, you're recognized.

**M. CAVANAUGH:** Thank you, Mr. Lieutenant Governor. Good morning, colleagues. I hope everyone had a lovely evening. I see my light is still on. I was going to put myself back in the queue, but the light's still on.

**FOLEY:** You want to remain in the queue?

**M. CAVANAUGH:** Yes, I do. Thank you.

**FOLEY:** Fine.

**M. CAVANAUGH:** So, OK, so we're on the budget today. And I have said numerous times, I hope that we have a robust conversation about the budget and that everyone gets engaged and that it's not just me talking, but if it is just me talking, that's cool too. So LB379, we adopted the AM392 last week: For the purpose of this act and any other legislative bill passed by the One Hundredth [SIC] Legislature, the First or Second Session, which appropriates funds, FY19-20 means the period of July 1, 2019, through July 30, 2020, and FY2020-21 means the period of July 1, 2020, through June 30, 2021; FY2021-22 means the period July 1, 2021, through June 30, 2022; July-- FY2022-23 means the period July 1, 2022, through June 30, 2023. For those at home, this is just the introduction to the bill. I'm gonna skip the dates and go to the appropriation language. There are hereby appropriated, for FY2019-20 and FY2020-21, the sums set forth in this act to each agency for each program from the respective funds for the general operations of state government, postsecondary education, capital construction, and state aid, except as otherwise appropriated. Unexpended Balances and Certified En-- Encumbrances: All General Funds appropriations existing on June 30, 2019, in excess of expended and certified en-- encumbrances amounts are hereby lapsed unless otherwise provided. All cash fund and revolving fund appropriations existing on June 30, 2019,

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in excess of expended and certified encumbrance amounts are hereby lapsed unless otherwise expressly provided. All certified encumbrances amounts on June 30, 2019, and June 30, 2020, are hereby reappropriated for 2019-20 and FY2020-21, respectively, which amounts shall be in addition to the amount shown in this act. Just occurred to me that this is something that the Clerk of the Legislature does very skillfully and very quickly. I do not have that skill, but just wanted to acknowledge the Clerk's amazing ability to share our bills with us into the record on the regular. And I'm going to continue reading this bill this morning because I was informed yesterday that some people had some heartburn over my words that I was saying on the mike and there was concern over maybe that we should do something about that and make a motion against me. So I don't want anybody to have to make a motion against me, so I'm going to remain germane on LB379 and just read the bill. OK. Reappropriation of Balances, FY19-20 to FY 2020-21: In addition to the appropriations set forth in this act, there are hereby appropriated all unexpended appropriation balances existing on June 30, 2020, for--

**FOLEY:** One minute.

**M. CAVANAUGH:** One minute? Thank you-- for FY2020-21 to the respective agencies, programs, and funds listed in this act, except as otherwise provided in this act. Nebraska Accounting System Manual Definitions: The definitions contained in the Nebraska Accounting System Manual, and any amendments thereto, on file with the Clerk of the Legislature are hereby adopted by the Legislature as the definitions for this act, except as provided in this-- Section 28 of this act. Drawing and Paying Warrants: The Director of Administrative Services shall draw warrants upon fund-- the proper fund in the State Treasury for the amount not to exceed the appropriation set forth in this act upon presentation of proper documentation. The State Treasurer shall pay the warrants out of the appropriated funds. Hmm. Paying the-- paying warrants--

**FOLEY:** Senator Cavanaugh, you may continue on your second opportunity.

**M. CAVANAUGH:** Oh, thank you. I'm just intrigued by this drawing and paying warrants piece. Yeah, if you can just stay here for one second.

\_\_\_\_\_: Yes, Miss.

**M. CAVANAUGH:** OK. Thank you. So agency-- the State Treasurer-- so we're \$3,379,472. So I'm just trying to-- as I said yesterday, I'm not as good at multitasking as Senator Chambers was or is. I'm sure he still is good at multitasking. LB379-- anybody know what Monday's date

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is? I don't either. April-- ooh, taxes are due in two days, everybody. We should talk again about income taxes and property tax credit fund, so we'll just-- I'm going to put this, a motion here to move this conversation until that day, because I do think that we should be talking about the taxes so that everyone knows how to do it, because it's clear as mud. OK, back to the issue at hand: There is included in the appropriation for this program for FY2020-21 an-- \$3,379,472 General Funds, which shall only be used to reimburse counties for the lost value in the 2020 property tax year due to the assessment of centrally assessed personal property prior to the implementation of Laws 2020, LB1107-- ooh, interesting. So this bill is giving money back to counties because of LB1107, \$3.3 million-- love to dig into that a little bit more. OK, Agency No. 13, State Department of Education, Program No. 25, Education Administration and Support Cash Fund: \$886,480. OK. Salary limit-- this is Professional Practices Commi-- State Department of Education Program No. 614, Professional Practices Commission, salary limit: \$1,088. Very curious what the salary limit for-- of \$1,088 is about, but OK. Homestead Exemption, Department of Revenue, it's-- the program is \$2 million. There is included in appropriations to this program for FY2021 \$2 million General Funds for state aid, which shall only be used for such purpose. OK. The Liquor Control Commission, General Fund: \$3,632,597. The unexpended General Fund appropriation balance existing on June 30, 2020-- 2021, is hereby reappropriated. State Racing Commission, General Fund: \$475,000. The unexpected General Fund appropriation balance existing on June 30, 2021, is hereby reappropriated. So what that means, for those following along at home, is that if-- if that money that's currently allocated for those are not used by June 30, then they are brought back into the General Fund and not expended. Agency No. 65, Department of Administrative Services, Program No. 594, State Insurance: \$150,000, Section 4 [SIC] Laws 2019--

**FOLEY:** One minute.

**M. CAVANAUGH:** LB-- thank you-- LB294, section 93, is amended to read: Section 93, Agency No. 25, Department of Health and Human Services, Program No. 28 [SIC], Behavioral Health Aid, General Funds, so in FY2019 it's \$75,388,670; and in FY2020 it is \$71,995,000-- 541,000 [SIC]. And I am interested in reading, digging into this a little bit more, because we are lowering the funds for behavioral health aid in 2020 to 2021. The unexpended General Fund appropriation balance existing on June 30, 2020, less \$2 million, is thereby reappropriated. There is included in the--

**FOLEY:** That's time, Senator.

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**M. CAVANAUGH:** Thank you.

**FOLEY:** Thank you, Senator Cavanaugh. Mr. Clerk.

**CLERK:** Mr. President, Senator Cavanaugh would move to bracket the bill until April 15.

**FOLEY:** Senator Cavanaugh, you have ten minutes to open on your bracket motion.

**M. CAVANAUGH:** Thank you, Mr. Lieutenant Governor. Just going to take a sip of my beverage here. OK, I'm going to continue reading this. But I am looking at the schedule here and after this we have LB381, to appropriate salaries for members of the Legislature, and I am interested in digging in on this one. I had a philosophical conversation yesterday with somebody about this. So for those at home, our salaries are in the State Constitution. And in order for us to get a raise, we would have to pass a bill to put it on the ballot for the citizens of Nebraska to vote on, which I think is, you know, appropriate for the citizens of Nebraska to vote on our salaries. But my question is, and perhaps Senator Groene will want to dig in on this with me, what if we don't appropriate the money or we appropriate a different amount? What happens then? So stay tuned for LB381. That conversation is to come. OK, back to LB379, so we left off at the Department of Health and Human Services, Behavioral Health Aid. There is included in the appropriation to this program, for FY2019-2020, \$75,388,670 General Funds; \$14,599,660 cash funds, and \$10,504,971 federal funds estimated for state aid, which will only be used for such purpose. There is included in the appropriation to this program, for FY2020-2021, \$71,995,541, sorry, General Funds, \$13,799,660 cash funds, and \$10,504,971 federal funds estimated for state aid, which shall only be used for such purpose. And I always find it fascinating when it's like millions of dollars and then one, like \$971; didn't round down to \$70 or didn't round up to \$80, just \$71. There is included in the amount shown as Cash Fund aid in this program \$6,500,000 cash funds for FY '19-20, 2019 and 2020, and \$6,500,000 Cash Funds for 2020-2021 for the Nebraska Health Care Cash Fund to be used for community-based mental health and substance abuse services, including intermediate-level residential mental health services. It is the intent of the Legislature that these funds shall be distributed to each of the six behavioral health regions based upon a formula determined by the Department of Health and Human Services. Now this looks like an opportunity here. This fund that we're talking about, Agency 25, Program 38, Behavioral Health Aid, that this could be an opportunity for amending the budget. When we were talking on Friday about the prison and-- and looking at different models of what we

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could do for prison reform and different models of what we could do to reduce our prison population, and this right here, on page 4 of LB379, AM392, we have an opportunity, one that I don't anticipate anyone here is going to take, but we have an opportunity to have a conversation about how we could fund behavioral health services more and not build a prison. But as very few people are paying attention this morning, I doubt that that conversation will happen at this point. OK, so there is included in the amount shown as Cash Fund aid in this program, \$2,599,660 Cash Fund for FY 2019-2020 and \$2,599,660 Cash Funds for 2020-21 for the Nebraska Health Care Cash Fund to be used for rates paid to providers for mental health and substance abuse-- again, an opportunity to include provider rates or increase provider rates. There is included in the amount shown as a Cash Fund aid in this program \$1,500,000 Cash Funds for FY2019-2020 and \$1,500,000 Cash Funds for at FY2020-21 for the Nebraska Health Care Cash Fund to be used for the cost of maintenance and treatment of persons in emergency protective custody under the Nebraska Mental Health Commitment Act. I would like to also pause and say that I would love that the next time that the Clerk is reading the bills into the record, for him to add his own commentary as well. That would be very fascinating. OK. And we are on to Agency 25, program-- Agency 25, for the people of Nebraska, is the Department of Health and Human Services. Every agency has a number and that is the DHHS's numbers. Program No. 424, Developmental Disability Aid, now we're talking. OK, so Developmental Disability Aid, General Fund, \$150,880,903 in FY2019-2020 and \$144,893,404 for FY2020-21. I don't know how many people caught that, but our General Funds went down by \$6 million for this biennium. The unexpended General Funds-- Fund appropriation balance existing on June 30, 2020, less \$2.4 million, is hereby reappropriated. There is included in the appropriation to this program, for FY2019-2020, \$150,088,000-- 88-- yeah-- \$150,880,903 General Funds and \$6,312,000 Cash Funds for state aid, which shall only be used for such purpose. There is included in the appropriation for this program-- FY2020-21, \$144,893,404 General Funds and \$6,312,000 Cash Funds for state aid, which will only be used for such purpose. Mr. Lieutenant Governor, how much time do I have?

**FOLEY:** 2:45.

**M. CAVANAUGH:** Thank you. There is included in the amount shown as Cash Fund aid in this program for FY2019-20 \$5 million Cash Funds for-- Cash Funds and for FY2020-21 \$5 million Cash Funds for the Nebraska Health Care Cash Fund to be used for services for persons with developmental disabilities (1) who were on the waiting list for such period-- services prior to July 1, 2020, and began receiving such services on or after such date and who are on the waiting list for

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such services on or after July 1, 2019, beginning with those who have been on the waiting lists for the greatest length of time the past year. So this is interesting. How did we spend less? How did we spend less? We have people on the waiting list that we could be spending this money on. Why are we reappropriating money? What happened here that-- that we clawed back \$2.4 million? How-- how did we spend less on developmental disabilities? Bueller? Bueller? No? OK, well, so we have a waiting list, but we're not even spending the money that we've already appropriated.

**FOLEY:** One minute.

**M. CAVANAUGH:** That just is mind-boggling. OK. The unexpended General Fund appropriation balance existing on June 30, 2020, less than [SIC] \$1,900,000, is hereby reappropriated. Oh, you said one minute, so that means I'm probably-- there's probably nobody in the queue. Is there anybody in the queue?

**FOLEY:** There is not.

**M. CAVANAUGH:** OK, now there is. Yay. OK, so-- OK, there is included in the amount shown as aid for this program \$653,759 General Funds for FY2019-2020 and \$653,759 General Funds for FY2020- 21, which shall only be used for the following purposes.

**FOLEY:** Senator Cavanaugh, 5:00.

**M. CAVANAUGH:** Thank you. Oh, here we go. It's because they can only be used for the following purposes. Well, let's see what those purposes are: reimbursement for the provision of pap smears, that's important; colonoscopy, great; cervical biopsy; cryotherapy; loop electrosurgical excision procedure, or otherwise known as LEEP, and other such treatments and procedures as may be developed for the follow up of abnormal pap smears. Did I-- oh, I'm sorry, like this is-- this is very specific to reproductive health. That's because I-- I missed-- I didn't read at the top. I apologize, everyone. We've moved on to Program 514, Health Aid, OK, makes much more sense then. OK-- pap smears, the diagnosis and treatment of sexually transmitted diseases including, but not limited to, chlamydia, gonorrhea, HPV-- in parentheses it says genital warts and herpes-- and associated laboratory and equipment costs and staff training costs relating to the use of colonoscopy equipment. None of the General Funds provided under this program shall be used to perform or facilitate the performance of abortion or to counsel or refer for abortion-- clear as day. You know what I would like to see added in that intent language is that, when we're talking about the training costs, that all

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training should include cultural competency and diversity and inclusion training. That should just be like everywhere in our medical space and-- OK. There is included in the amount shown as aid for this program for FY2019-2020 \$200,000 Cash Fund from the Nebraska Health Care Cash Fund for the Poison Control Center at the University of Nebraska Medical Center, which shall only be used by the Medical Center for the Poison Control Center. There is included in the amounts shown as aid for this program for FY2020-21 \$200,000 Cash Funds from the Nebraska Health Care Cash Fund for the Poison Control Center at the University of Nebraska Medical Center, which shall only be used by the Medical Center for the Poison Control Center. So now, if former Senator Sara Howard were here, and since she's not I would be remiss in not pointing out that, why are we using \$200,000 of the Health Care Cash Fund for the Poison Control Center? I would ask somebody to yield to a question, but I think I learned yesterday that that's only for people you like, not just your colleagues. We don't yield to questions for-- for me. So when I would be asking somebody to yield to a question, I'm going to pause and let the people at home know that normally I would ask my colleagues to yield to a question, but my colleagues have decided that I don't deserve the same collegiality, is the word I think they use, as they deserve with one another or that they think that they deserve from me, so I won't be asking them to yield to questions. I will just talk about it and hope that I can figure it out on my own, which is fine. I'm mostly bright. OK. There is included in the amount shown as aid for this program for FY2019-2020 \$1,100,000 General Funds for evidence-based early intervention home visitation programs. There is included in the amounts shown as aid for this program for FY2020-21 \$1,100,000 General Funds for evidence-based early intervention home visitation programs. There is included in the-- this is very repetitive. Oh, I guess it's-- sorry. There is included in the amounts shown as aid for this program for FY 2019-2020 up to \$100,000 General Funds to contract with the University of Nebraska Medical Center for the Nebraska Perinatal Quality Improvement Collaborative.

**FOLEY:** One minute.

**M. CAVANAUGH:** Yes, thank you. So that right there, I had a bill last year for the Perinatal Quality Improvement Collaborative. They saw a loss in federal funds and asked for us to make up the difference. They really should be funded at \$200,000 a year. If we really care about improving health outcomes for babies, newborns coming into the world, that is where we should be investing our money, but I know it would just be a bridge too far to amend the budget to make it \$200,000 instead of \$100,000. That would be outrageous, so I'm not going to--

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not going to do that. I wouldn't want to have healthy babies born into the state of Nebraska. That just-- sorry. For the record, that is sarcasm. I forget sometimes that--

**FOLEY:** Senator Cavanaugh, you're recognized for your third opportunity.

**M. CAVANAUGH:** Is this my close then?

**FOLEY:** No.

**M. CAVANAUGH:** Oh, OK.

**FOLEY:** You-- this is your third and then you have a-- still have a close.

**M. CAVANAUGH:** Great. Thank you. OK, so the interesting thing is, and I am-- I am guilty of this as well, is that I hadn't read this bill, LB379. I had not looked at it. I looked at sort of the overall thing. Oh, it's the reappropriations of funds that weren't-- were unspent and so, yeah, we'll just move that along. But as I am sitting here reading it, it is chock full of information about how we govern with our pocketbook, like why do we spend \$200,000 of the Health Care Cash Fund on poison control? Why is that not out of the General Fund? Why do we only spend \$100,000 on the Perinatal Quality Improvement Collaborative? So many people here say that Nebraska is a pro-life state, but we are only funding the Perinatal Quality Improvement Collaborative with \$100,000. That is not pro-life. That is not pro-baby. That is not pro-pregnancy. The Perinatal Quality Improvement Collaborative has been an amazing entity in maternal and infant health and they've done it on a shoestring budget, and we should be putting our money where our mouth is and investing in that collaborative. There is included in the amount shown as aid for this program for FY2019-2020 \$289,416 General Funds to contract for services for implementation of a statewide drug disposal project. There is included in the amount shown as aid for this program-- for the next year as well. OK, there is included in the amount shown as aid for this program for FY2019-2020 \$292,000 General Funds for tuition reimbursement for emergency medical service responders' initial and ongoing training. And this is where I would like it to say, again, that they have a cultural competency and diversity and equity train-- included in that training. We-- I mean, we could really make a difference here. There is included in the amount shown as aid for this program for FY-- oh, that's same thing again, sorry, Agency 46, Department of Correctional Services, Program No. 200, Operations. Ooh. For those following along, we are on page 8 of AM392, LB379. We are

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now talking about operations of Corrections. Yay. OK, so the unexpended General Fund appropriation balance existing on June 30, 2019, is hereby reappropriated. Inclusion in the salary limitations provided in this section is \$4,338,270 for FY2019 and 2020, for revolving fund salaries for program classifications 390 and 563. So I don't know what those program classifications are. I would have to get my laptop open and go to the state budget request and look through the programs. It is possible if you want to learn, and it is possible for the people of Nebraska to look it up as well. You can go to the Governor-- to the state website and go to the Governor's budget request page, and then you can look up things by agency. Agency 46 is the Department of Corrections, and then you can look up the program numbers. And so this is salaries for programs 390 and 563. I don't know what those programs are, but-- oh, wait.

**FOLEY:** One minute.

**M. CAVANAUGH:** I do know what those programs are because they are listed here. The Department of Administrative Services shall monitor the appropriations and expenditures for this program according to the following program classifications. OK, so we've got them listed. So 390 is federal surplus property. I don't-- I guess that's-- still don't know what that is. And 563 is correctional industries, so, interesting. I'm just going to pause there and I can go to my closing if there's no one else in the queue.

**FOLEY:** Thank you, Senator Cavanaugh. You're now recognized for your closing.

**M. CAVANAUGH:** Thank you. OK, so I am going to give this body the opportunity to be better than yesterday. I am going to sit down and call of the house and request a roll call vote, regular order, and we'll see if everyone wants to actually be collegial or not. So I-- with that, I would like a call the house and I yield the remainder of my time.

**FOLEY:** Thank you, Senator Cavanaugh. There's been a request to place the house under call. The question is, shall the House go under call? All those in favor say aye-- excuse me, vote aye; those opposed vote nay. Record, please.

**CLERK:** 14 ayes-- excuse me, 14 ayes, 8 nays, Mr. President, to place the house under call.

**FOLEY:** The house is under call. All senators please check in. The house is under call. Please check in. The house is under call.

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Senators please return to the Chamber and check in. All unexcused members are now present. The question before the body is whether or not to bracket the bill until April 15, 2021. A roll call vote in regular order has been requested. Mr. Clerk.

**CLERK:** Senator Aguilar voting no. Senator Albrecht voting no. Senator Arch voting no. Senator Blood voting no. Senator Bostar. Senator Bostelman voting no. Senator Brandt voting no. Senator Brewer voting no. Senator Briese voting no. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh voting yes. Senator Clements voting no. Senator Day voting no. Senator DeBoer. Senator Dorn voting no. Senator Erdman not voting. Senator Flood voting no. Senator Friesen voting no. Senator Geist. Senator Gragert voting no. Senator Groene voting no. Senator Halloran voting no. Senator Ben Hansen voting no. Senator Matt Hansen. Senator Hilgers voting no. Senator Hilkemann voting no. Senator Hughes voting no. Senator Hunt. Senator Kolterman voting no. Senator Lathrop voting no. Senator Lindstrom voting no. Senator Linehan voting no. Senator Lowe voting no. Senator McCollister voting no. Senator McDonnell voting no. Senator McKinney voting no. Senator Morfeld voting no. Senator Moser voting no. Senator Murman voting no. Senator Pahls voting no. Senator Pansing Brooks voting no. Senator Sanders voting no. Senator Slama voting no. Senator Stinner voting no. Senator Vargas voting no. Senator Walz voting no. Senator Wayne voting no. Senator Williams voting no. Senator Wishart voting no. 1 aye, 43 nays, Mr. President.

**FOLEY:** The motion is not successful. I raise the call. Anything further on the bill, Mr. Clerk?

**CLERK:** Nothing further, Mr. President.

**FOLEY:** Senator McKinney for a motion. Senator McKinney, Select File motion, please.

**McKINNEY:** Mr. President, I move that LB379 be advanced to E&R for engrossing.

**FOLEY:** The motion is to advance the bill. Record vote has been requested. All senators please vote aye or no, based on your opinion. Thank you. Have you all voted? Record, please.

**CLERK:** Voting aye: Senators Aguilar, Albrecht, Arch, Blood, Bostelman, Brandt, Brewer, Briese, John Cavanaugh, Clements, Day, Dorn, Erdman, Flood, Friesen, Gragert, Halloran, Ben Hansen, Hilgers, Hilkemann, Hughes, Kolterman, Lathrop, Lindstrom, Linehan, Lowe, McDonnell, McKinney, Morfeld, Moser, Murman, Pahls-- Pahls, Pansing Brooks,

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Sanders, Slama, Stinner, Vargas, Walz, Wayne, Williams, Wishart. 40-- Senator McCollister voting yes. 42 ayes, 0 nays on the advancement, Mr. President.

**FOLEY:** LB379 advances. Next bill, LB381, Mr. Clerk.

**CLERK:** Mr. President, Senator McKinney, LB381, I have no amendments to the bill, Senator.

**FOLEY:** Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move that LB381 be advanced to E&R for engrossing.

**FOLEY:** That is a debatable motion. Senator Machaela Cavanaugh, you're recognized.

**M. CAVANAUGH:** Thank you, Mr. Lieutenant Governor. OK, this is the salaries. And I'm looking to see if Senator Groene is on the floor and available to talk on this. So our salaries are set in the constitution and what I find fascinating is, what happens if we don't appropriate the money; or what happens if we appropriate less or more? I think that this is a fascinating issue because it is in the constitution and because it is in the constitution, why do we have to appropriate it? Why-- why is that a thing, like what happens if this bill doesn't pass, if this bill just fails on Select? I would love to talk about that. But instead-- oh, I'm trying to find it in here. Shoot. My apologies, folks. I thought I had a copy of that one in here, and so I'll have to pull it up on my computer. Just one moment. I was trying to go old school with my paper copies because I really like to have paper copies of things, which I know I'm trying to be better about being digital, but I'm just not quite there yet. OK, introduced-- this is a short one, great, so I can go back to read LB379 after this. OK. There is hereby appropriated \$632,982 from the General Fund for FY2021-22 and \$632,982 from the General Fund for 2022-23 to the Legislative Council for Program 1, for the payment of salaries for members of the Nebraska Legislature, and the payments to be made as provided by Chapter 30-- 68, article 6. Total expenditures for permanent and temporary salaries and per diems from funds appropriated in this section shall not exceed \$588,000 for FY2021-22 or \$588,000 for FY2022-23. This act becomes oper-- operative on July 1, 2020. Since an emergency exists, this act takes effect when passed and approved according to law. Since an emergency exists, huh, that's interesting. I wonder why our salaries are effective immediately because an emergency exists. OK. So if anyone wants to do me a solid, they could talk for five minutes because I do want to pull up an

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article to share with you all, but I also know that nobody wants to do me a solid, so-- all right, so back to-- also, nobody wants to talk about our salaries and the constitutionality of it, so, OK, going to LB379, I hope-- I hope the body will forgive me for moving away from LB381 in my comments. I'd hate to be inappropriate. I was on page 8 of LB379. OK.

**FOLEY:** One minute.

**M. CAVANAUGH:** Thank you. OK, so skipping ahead, State Department of Education, Program 158, Education Aid, this is on page 11. Oh, this reminds me, when we get to the mainline budget, there is an appropriation to increase the textbook-- textbook loan program. I think it's like \$485,000. I might not-- it's 400 and something. I think it's 85. I-- it could be 65. But we are appropriating an additional \$1 million to the textbook loan program. I couldn't find anything about why that amount was necessary because that is an exorbitant amount. But over what we had been funding, it's not like we're doubling it. It's-- we're tripling the fund. So I--

**FOLEY:** Senator Cavanaugh, you're recognized for your second opportunity--

**M. CAVANAUGH:** Thank you.

**FOLEY:** --5:00.

**M. CAVANAUGH:** Thank you. OK, so that is-- that-- that's a lot. And as I spoke on the last bill that nobody listened to, our perinatal collaborative is funded at \$100,000 and needs to be funded at \$200,000. And so this is, again, like why this is so important for people to read and consider. Why are we giving a million dollars more, tripling the budget for the textbook loan program, but we can't give a hundred thousand dollars to the perinatal collaborative when we say that we value life and this is the-- the institution that does the work that improves outcomes in maternal and infant health in Nebraska. Very, very important program. Not saying the textbook program isn't important, but does it need to be tripled? Does its budget need to be tripled? And if it does, why does it need to be tripled? Why are we pouring a million dollars more into a program that we previously were putting less than \$500,000 in and now we're putting almost \$1.5 million in? Why are we doing that? Again, questions I would ask members of the Appropriations Committee, but it's clear that I shouldn't ask people to yield to question, so. And then on page 10 of LB379, at line 28, it starts the Department of Transportation, slashes "Roads," so there was a move a few years ago, some- a little history.

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It used to be called the Department of Roads, and that was not really inclusive enough of what the department did. And so there was a move to change it to the Department of Transportation. And if I really wanted to rock the boat, I would introduce a bill to change it to the Department of Infrastructure. I know. That would be-- whoa, like if you think, people at home, that I'm dropping bombs now, if I introduced a bill to change the Department of Transportation to the Department of Infrastructure, people would go bananas, be bananas flying everywhere. But I do think that that would open us up to making-- having a department that is focused really singularly on investment in infrastructure in the state, which includes more than roads, and I think it would be a great opportunity for us as a state to show that we are progressing forward in building up our state and its infrastructure. But we don't have a Department of Infrastructure, so infrastructure things just kind of fall to different departments in ad hoc sort of ways. But if we had a Department of Infrastructure, that would really help even deflate the size of government because we would have a-- a central entity for that. But we seem to like to inflate the size of government. So, OK, back to State Education Aid. How much time do I have left? Mr. Lieutenant Governor, how much time do I have left?

**FOLEY:** 1:25.

**M. CAVANAUGH:** OK. All right. The unexpended General Fund appropriation balance existing on June 30, 2020, less \$319,400 is hereby reappropriated. There is included in the appropriation to this program for FY2019-2020 \$1 million-- oh, no, not \$1 million-- \$1,292,913,588 General Funds and \$3,790,938 Cash Funds and \$323,174,115 federal funds estimated for state aid which only shall be used for such purpose. There-- oh, and then it's repeated for the next year. There is included in the amount shown for FY2019-2020 \$1 million-- \$1,036,237,760 General Funds which are hereby appropriated to the Tax Equity and Education Opportunities Fund, which is-- which fund is hereby appropriated to provide state aid to public school districts pursuant to the Tax Equity and Education Opportunities Support Act. There is included in the shown amount-- and it goes on there. So-- so that's TEEOSA, which--

**FOLEY:** That's time, Senator.

**M. CAVANAUGH:** Thank you.

**FOLEY:** Items for the record, please.

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**CLERK:** A few items, Mr. President, thank you. A new A bill, LB271A by Senator Morfeld. It appropriates funds to implement LB271. Reference report regarding gubernatorial appointee. Senator Kolterman, an amendment to LB1-- to LB17 to be printed. Enrollment and Review reports LB616, LB58, LB63, LB466, and L181 to Select File, some having Enrollment and Review amendments. Mr. President, returning to the budget bill, LB381, Senator Cavanaugh would move to bracket the bill.

**FOLEY:** Senator Machaela Cavanaugh, you're recognized for 10:00.

**M. CAVANAUGH:** Thank you, Mr. President. Am I able to yield my time?

**FOLEY:** You may.

**M. CAVANAUGH:** To-- I mean to another senator.

**FOLEY:** You may.

**M. CAVANAUGH:** OK. Senator Cavanaugh, can I yield my time to you?

**FOLEY:** Senator John Cavanaugh, 9:45.

**J. CAVANAUGH:** Oh, well, that was more than I was going to talk. I appreciate it. I pushed my button when you asked for somebody to give you five minutes to find the article you were talking about. So, well, I pushed my button because I thought maybe it'd be nice to have somebody else talk for a little bit. And I know it's not that big a change of pace to have me talk instead of Senator Machaela Cavanaugh, but on LB381 is to allocate our salaries. And kind of-- I was sitting here thinking about things I would want to talk about. And one of the reasons we get paid the big bucks, the \$12,000, is we're responsible for all of the budget of the state of Nebraska; we're responsible ultimately for the policy of the state of Nebraska. And I was thinking about that in context of what I wanted to talk about this morning at some point, that we haven't talked about here on the mike, is what's going on in Minnesota. If you haven't noticed, on Sunday, there was a traffic stop that ended in the death of another young black man named Daunte Wright. And it's a tragedy and it makes my heart hurt. And I feel for his family and for the family of many people. And I do-- I feel for the officer as well. And the thing I rose to speak about today is the fact that there's been a characterization of what happened there as an accident. And when I was in high school, I took a defensive driving class and I remember distinctly-- the only thing that stuck with me from that defensive driving class was crashes aren't accidents. They would drill that into us because they wanted you to be conscious of your role in what happens and how an accident

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is taking away responsibility. And we are attempting to minimize the responsibility of actors in these situations, and we're attempting to minimize our own responsibility as it pertains to these sorts of situations. And so the reason this is related to what we get paid is because we get paid-- we are here. We're elected to take responsibility, to take the actions. And our society is at a crisis right now. There's a trial going on in Minne-- Minnesota over an officer killing George Floyd, and this happened right in the-- in the context of that. And it's easy to say it's-- those officers are bad actors, those are bad apples, and we need to make some sort of change, but-- which I agree with. We do need to make changes. We need to have better training. But the officer in this particular instance was a 26-year veteran who claims that they grabbed the wrong weapon at a traffic stop and shot this young man. I don't know how much more training you can have than 26 years on the force. So training is not the only answer, but it's-- it is one answer. Ultimately, the responsibility falls on policymakers to change our approach to how we do these things. And in this context, if you watch the-- the-- the body camera, the cruiser camera, in this case, this is a traffic stop which is either for expired tags or a-- a-- is-- is smell, one of those, whatever it's called, a-- a car freshener hanging from the rearview mirror. There are three officers, one on the passenger side, one on the driver's side, and one following up onto the passenger side, for this traffic stop. All of those officers are armed with firearms and tasers. The question is, why? Why does a traffic stop take three armed, trained professionals to stop someone and cite them for a-- a minor traffic infraction? Which in the state of Nebraska, admittedly, a tag-- a-- expired tags could be a jailable offense. I've talked about that before. I'd like to change that too. So there's a couple of problems here. One, why are we having armed people respond, whose training is-- is to use force in situations that are essentially administrative? A ticket for expired tags is an administrative action where we're trying to make sure that people are getting their license plates on time, paying their taxes, and-- and are following the rules that we all agreed to, to pay for the roads. So why does that require three armed individuals? We need to take a second look at how we do that because, in this instance, this-- this accident would not have happened if they were not armed, if they were not armed with a firearm, if they had nonlethal force for track-- traffic infractions. There is a conversation starting in our country now about making that kind of determination, whether or not we always need an armed-with-a-firearm person to respond to every incident. I would be interested to see the number of these accidents that have happened. There's been a couple conversations. I know-- I think KETV did a story last night where they talked about this happens about once a year

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where an officer mistakenly uses a firearm instead of their taser. That would not happen if they did not have a firearm in that situation. So I just want to circle back to what I started talking about in this situation. This is a responsibility of the people in this body to evaluate these questions going forward. We're going to talk about prisons again today. Going forward, we're going to have to-- we are responsible for the actions that we take in that situation. Why are our prisons at such a high, high overcrowding? We are responsible for that and we need to take our share of responsibility. When these sorts of tragedies happen, it's lawmakers who are also responsible, not just the officers who are taking that action. They are-- they share their responsibility, but we as a society need to start thinking about what it is that we are doing. What-- in what response to what stimulus are these officers acting? They're acting in a capacity that we ask them to act. They are-- they are responding with violence and force because we ask them to do that. And so why are we doing that? Why are we responding with violence and force in every situation? And that's the-- that's the thing we need to talk about. We need to talk about when is it appropriate, why are we doing this, does it accomplish the goals that we set out to accomplish, is it making our society safer, is it making the roads safer, is it getting the taxes paid in this particular situation? Why are we doing this? So if we want to talk about whether we deserve more money or not or if we shouldn't get paid at all, that is a fair question for-- for this particular issue. But as long as we're here, as long as we're doing the people's work, as long as we're getting paid the \$12,000 for it, we have an obligation and a responsibility to have that conversation, to ask these questions, to avoid this from happening again. It happens all the time and it could happen more. There was an incident in west Omaha in January where a off-duty police officer shot at a car leaving a Home Depot because the person shoplifted and ran out and hopped in the car. But for the grace of God, that was not this situation. Why are we shooting at cars? This is not the movies. This is not action-- action movies where you shoot out the tires. We need to be-- we are asking officers to do the wrong thing and they are obliging us and then, when they do, we all act shocked. And so I think long term, we need to take a longer look at why we're-- we are asking these things and really what we get out of it. How much time do I have, Mr. Lieutenant Governor?

**FOLEY:** 1:35.

**J. CAVANAUGH:** 1:35?

**FOLEY:** Then you're next in the queue for another five.

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**J. CAVANAUGH:** I think I might step out of the queue at that point. I hope Senator Machaela Cavanaugh has found the article she was looking for. But I-- I know a lot of people are probably annoyed at the length of the conversations we're having these days. But I'm sitting here trying to take the opportunity to read a couple of other articles and to find out a couple other things. But I just think, when you have a little extra time, maybe focus your conversation, focus your thoughts about how we can be proactive and solve some of these problems, because we are just cyclically getting the same results over and over again. That's why the prisons are so crowded. That's why we continue to have these shocking incidences.

**FOLEY:** One minute.

**J. CAVANAUGH:** And it will not stop unless everyone starts to take their pers-- their portion of personal responsibility. So that's what I'm asking everybody to do. When you're thinking about our salaries on LB381, think about what our broader obligation is to the state of Nebraska, to each other, and to society at-large. How do we get policy that will actually effect the change and the positive outcomes that we want? Thank you, Mr. Lieutenant Governor. I'm going to yield my time and step out of the queue.

**FOLEY:** Thank you, Senator John Cavanaugh. Senator Machaela Cavanaugh.

**M. CAVANAUGH:** Thank you, Senator Cavanaugh. I was able to get a glass of water, in addition to finding the article which is being distributed now to the body. It is an editorial that was in the Omaha World-Herald by the editorial staff today. It is: The investigation into Saint Francis mess must go [SIC] on track. Which implies that it is currently not on track. I am not going to belabor it at all. You all can read it or not read it. You can throw it in the trash, do whatever you like. I just wanted to make it readily available to you. I think it very clearly outlines the problems with the committee as it is right now. And with that, I am going to continue. So I have-- Mr. Lieutenant Governor, I have this time to speak and then?

**FOLEY:** One more and then a close.

**M. CAVANAUGH:** And then a close, OK. So here's where we're at, colleagues. I'm here for it. I'm going to keep talking until there's a shift. And if there's no shift, then I will just keep talking, keep making motions, keep reading the bills, and that'll be that. I mean, this is the budget. Today is the day you have an opportunity to show your constituents that you're engaged or not. OK, so I actually think I might skip from the money that we're reappropriating back into-- let

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me see what's on the schedule here. OK, so we're on salaries for members of the Legislature and then salaries for constitutional officers and then provide for-- change in provisions related to transfer of funds and funding for university, state college facilities, create-- change permitted use of funds, and create a grant program. That's LB48-- LB384. So since apparently it is offensive to some of my colleagues for me to share the Saint Francis Ministries depositions that I have because it might not be germane enough, I am going to read the budget. Hopefully, even if I'm reading the budget that's not the current budget bill, that will be germane enough for you all. But if not, please come talk to me or make a motion. OK, so I am going to now start looking at LB384 and that is university, college facilities, state colleges, and grant program. The State Treasurer shall transfer an-- 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 on December 1, 2021, or as soon as thereafter and administratively possible. 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 this section-- and that's for the next year. It's the same language, just the next year. OK, so here is-- here's the interesting thing, again, not for the body but for those following at home, is that I have a question about this. I am wondering if this is a new appropriation, if this is just a continuation, and what it's going to be used for. And normally I would ask someone on the Appropriations Committee to yield to a question. That's-- that's our normal process, but we no longer honor our normal process here because people don't like me. So we don't-- we don't do what we normally do because people in this body don't like me. It's very professional. OK. The State Treasurer shall transfer the remaining balance in the University Building Renewal Assess--

**FOLEY:** Senator Cavanaugh.

**M. CAVANAUGH:** Time?

**FOLEY:** That's time. You may now either speak to the motion or close on the motion, your choice.

**M. CAVANAUGH:** I will close on the motion.

**FOLEY:** Please proceed.

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**M. CAVANAUGH:** Thank you. OK. The State Treasurer shall-- oh. The State Treasurer shall transfer the remaining balances in the University Building Renewal Assessment Fund to the General Fund on or before December 31, 2021, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services. The State Treasurer shall transfer the remaining balances in the State College Building Renewal Assessment Fund to the General Fund on or before December 31, 2021, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services. The State Treasurer shall transfer \$10,000 from the General Fund to the Hall of Fame Trust Fund on or before July 15, 2021, on such date as directed by the budget administrator of the budget division of the Department of Administrative Services. I am very curious what the Hall of Fame Trust Fund is. It's not something-- I read about it when I was reading the budget summary last week and I just haven't had the time-- I know-- I know it seems crazy. I don't seem busy, but I haven't had the time to dig into what the Hall of Fame Trust Fund does, but I would be interested in learning more about that. OK, so then that-- OK, whoa, my mistake. I don't need to ask an Appropriations member. I just realized that everything I was reading is underlined, and when it's underlined versus not underlined, that means that it is new language, so that is a new appropriation, I believe. If anybody wants to correct me, they're welcome to do so. I welcome the conversation. OK, on page 2 of LB384-- how much time do I have left?

**FOLEY:** 2:55.

**M. CAVANAUGH:** OK. The Nebraska Bingo Act, the Nebraska County and City Lottery Act, the Nebraska Lottery and Raffle Act, the Nebraska Pickle Card Lottery Act, then-- the Nebraska Small Lottery and Raffle Act and Section 9-701 shall be administrate-- administered and enforced by the Charitable Gaming Division of the Department of Revenue, which division is hereby created. The Department of Revenue shall make annual reports to the Governor, Legislature, Auditor of Public Accounts, and Attorney General on all tax revenue received, expenses incurred, and other activities related-- relating to the administration and enforcement of such acts. The report submitted to the Legislature shall be submitted electronically. The Charitable Gaming Operations Fund is hereby created. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act. I wonder what that means. So we've got a Charitable Gaming Operations Fund and it goes into the Nebraska Capital Expansion Act and the Nebraska State Funds Investment

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Act. I need a highlighter. I need a highlighter so that I can make sure that I go back and look this up because I want my constituents to know that I am paying attention and that I'm not just going to appropriate money to funds and acts that I don't know what they are. Forty percent of the taxes collected pursuant to Sections 9-239, 9-344, and 9-429 and 9-648 shall be available to the Charitable Gaming Division for administrating and enforcing the acts listed in subsection (1) of this section and providing administrative support for the Nebraska Commission on Problem Gambling. The remaining 60 percent shall be transferred--

**FOLEY:** One minute.

**M. CAVANAUGH:** Thank you. You know what? I am going to withdraw my motion. Thank you.

**FOLEY:** The bracket motion has been withdrawn. Mr. Clerk.

**CLERK:** Mr. President, Senator Machaela Cavanaugh would move to bracket the bill until April 20.

**FOLEY:** Senator Machaela Cavanaugh, ten minutes to open on your bracket motion.

**M. CAVANAUGH:** Thank you very much. So I realize that April 15 is only two days away and people are probably working on getting their taxes done, so we'll move this till next week, April 20. I gave up on May 4. That was apparently too far away for you all. OK, so let's see here, where was I? OK. The remaining 60 percent shall be transferred to the General Fund. Any portion of the 40 percent not used by the division in the administration and enforcement of such acts and section shall be distributed as provided in this subsection beginning July 1, 2019, through July 30, 2023. OK, so that's a change from 2021 to 2023. On before the last day of the month of each calendar quarter, Treasurer shall transfer \$100,000 from the Charitable Gaming Operations Fund to the Compulsive Gambler Assistance Fund-- interesting. We always-- we always transfer the money to the Compulsive Gamblers Assistance Fund. I'm just curious why in this particular appropriation we're changing it. We're moving it forward an additional two years, and I'm sure there's a reason for that. I just don't know what it is. Date changes are important. Hmm. Well, that's going to stick with me-- figure that one out. OK. Any money remaining in the Charitable Gaming Operations Fund after the transfer pursuant to subdivision (b) of this subsection not used by the Charitable Gaming Division in its administration and enforcement duties pursuant to this section may be transferred to the General Fund and the Compulsive Gamblers Assistance Fund at the

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direction of the Legislature. The Tax Commissioner shall employ investigators who shall be vested in-- vested with the authority and power of a law enforcement officer to carry out the laws of this state administered by the Tax Commissioner or the Department of Revenue, and to enforce Sections 28-1101 to 28-1117 relating to possession of a gambling device. Ooh, now this is interesting. Now we're getting somewhere. OK, I know you all aren't listening to me, but if you look at LB384, which is on the agenda, AM396-- I am now talking to the actual people that work in this body-- page 3, we start talking about gambling and gambling devices, so you might want to take a look at that if you have a gambling bill, might be of interest to you. OK, I'm going to skip all that since pe--other people in the body can look at that and decide if-- if it's all as it should be. OK, so now we are on page 4 and this is: The following activities are eligible for assistance from the Affordable Housing Trust Fund. And I see when we get to page 5 that we have added an item to that. But I'm going to go through what all the items are because there's quite a few things that are in the Affordable Housing Trust Fund, and this is an opportunity for people that are interested in learning more about affordable housing and how we handle it. This is an opportunity for you all to learn what we're funding. OK, so page 4, LB384, AM9-- AM396, and it is: The following activities are eligible for assistance from the Affordable Housing Trust Fund: (1) new construction, rehabilitation, or acquisition of housing to assist low-income and very low-income families; (2) matching funds for new construction, rehabilitation, or acquisition of housing units to assist low-income and very low-income families; (3) technical assistance, design, and finance services and consultation for eligible nonprofit community or neighborhood-based organizations involved in certain-- in the creation of affordable housing-- I'm-- am I still on my opening?

**FOLEY:** You are.

**M. CAVANAUGH:** OK. How much time?

**FOLEY:** About five minutes.

**M. CAVANAUGH:** Thank you. OK-- matching funds for operating costs for housing assistance groups or organizations when such grant or loan will substantially increase the recipient's ability to produce affordable housing; mortgage insurance guarantees for eligible projects; acquisition of housing units for the purpose of preservation of housing to assist low-income or very low-income families; projects making affordable housing more accessible to families with elderly members and members who have disabilities; projects providing housing in areas determined by the Department of Economic Development to be of

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critical importance for the continued economic development and economic well-being of the community and where, as determined by the department, a shortage of affordable housing units exists; infrastructure projects necessary for the development of affordable housing; down payment and closing cost assistance; demolition of existing vacant, condemned, or obsolete housing or industrial buildings or infrastructure; housing education programs developed in conjunction with affordable housing projects. The education programs must be directed toward: preparation-- preparing potential homebuyers to purchase affordable housing and postpurchase education; target audience eligible to utilize the services of housing assistance groups or organizations; and developers interested in the rehabilitation, acquisition, or construction of affordable housing. Additional things that-- that was a subset of-- of number (12). Now I'm on number (13): support for efforts to improve home-- to improve program bene-- programs benefiting homeless youth; vocational training in the housing and construction trades industry by nonprofit groups. And number (15) is the newest item: weatherization and solar or other energy improvements to make utilities for housing more affordable. Gonna take just a sip of water. OK. So I am not sure how one goes about applying for these various entities, and I wish that I did so that I could explain that now, share that information with the public. But maybe if anybody is reporting on the budget today, they will do a story-- story on affordable housing and the Affordable Housing Trust and how individuals, individual citizens in Nebraska, can benefit from the housing trust, because that is a complicated thing to do and it would be great if we were making sure that we are utilizing this to benefit the pe-- the most people and the most in need. OK. The Water Sustainability Fund is created in the Department of Natural Resources. The fund shall be used in accordance with the provisions established in Laws 2014, LB1098, and for the cost directly related to the administration of the fund, except that transfers may be made from the fund as provided in this section. OK, so this is something that I would like some senators who are more informed on the Water Sustainability Fund to speak to. If they're going to be at their desk, I might ask them to yield to a question in a minute. OK. The fund shall consist of money transferred to the fund by the Legislature, other funds as appropriated by the Legislature, and money donated as gifts, bequests, or other con-- contributions from public or private entities. Funds made available by any department or agency of the United States may also be credited to the fund if so directed by such department or agency. Any money in the fund available for investment shall be--

**FOLEY:** One minute.

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**M. CAVANAUGH:** Thank you-- invested by the State Investment Officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act. Investment earnings from investment of the money in the fund shall be created [SIC] to the fund. OK, so the Water Sustainability Fund, and I might have this incorrect. I think that there's a board that governs this fund. And maybe somebody who's more knowledgeable than I can speak to the issues that are happening with that fund at this moment in time. And since I am not as well-versed, I am going to hit pause on that conversation and let others speak to it. OK. It is 10:26. We're on 381. OK, all right. The State Treasurer shall transfer-- sorry, I'm on page--

**FOLEY:** That's time, Senator, but you are next in the queue. You may continue.

**M. CAVANAUGH:** OK, and this is my first time?

**FOLEY:** This will be your second time, actually. You-- you opened and this will be your second time.

**M. CAVANAUGH:** Oh, OK. And then I have one more time and then a close?

**FOLEY:** That's correct.

**M. CAVANAUGH:** OK, great. Thank you. OK. So we are on page 6, LB384, AM396. OK. The State Treasurer shall transfer \$175,000 from the Water Sustainability Fund to the Department of Natural Resources Cash Fund on or before June 30, 2021, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services. The State Treasurer shall transfer \$425,000 from the Water Sustainability Fund to the Department of Natural Resources Cash Fund on or before June 30, 2021, on such a date and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services. I'm sorry. I started reading fast. I-- I can slow down. The State Treasurer shall transfer \$500,000 from the Water Sustainability Fund to the General Fund on or before June 30, 2021, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services. This next part is underlined, which means that it is new language. The State Treasurer shall transfer \$475,000 from the Water Sustainability Fund to the Department of Natural Resources Cash Fund on or before June 30, 2022, on such dates, in such amounts as directed by the budget administrator. The department shall transfer \$475,000 from the Water Sustainability Fund to the Department of Natural Resources Cash Fund on or before June 30. OK, so this year-- in-- yeah, this year, we're--

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we're transferring-- wait. OK. In-- we're transferring \$425,000 this year and then we're transferring an additional \$500,000 this year and then we're transferring \$475,000 next year and \$475,000 in 2023. Why are we doing two transfers this year? No, we're doing three transfers this year. We are transferring, on line 7, page 6 of LB384, AM396, we are transferring \$175,000 from the fund to Natural Resources this year. And then we are transferring an additional \$425,000 from the fund to Natural Resources this year. And then we are transferring \$500,000 from the fund to Natural Resources this year. Why are we-- why are we transferring a million dollars this year and why is it done over three-- three blocks and there's no designation? I-- I guess we'll have time to answer that when we get to LB384, but that's like-- OK. I am-- when we get to LB384, I am going to ask somebody from Appropriations to yield to a question about this. It is page 6 on LB38-- on LB384.

**FOLEY:** One minute.

**M. CAVANAUGH:** In three different increments we are transferring a million dollars from the Water Fund to-- the Water Sustainability Fund to Natural Resources, and there's no explanation as to a program number or what the intention is of that. So you've been given notice, Appropriations Committee, that I will be asking that question when we get to that bill. OK, page 7 of LB384, AM396, OK, the Behavioral Health Service Fund is created. The fund shall be administered by the division and shall contain cash funds appropriated by the Legislature or otherwise received by the department for provisions of behavioral health services from any other public or private source and directed by the Legislature to credit-- for credit to the fund. The--

**FOLEY:** That's time, Senator. You may continue on your third opportunity.

**M. CAVANAUGH:** Thank you. The fund shall be used to encourage and facilitate the statewide development and provision of community-based behavioral health services, including, but not limited to, the provision of grants, loans and other assistance for such purposes and reimbursement to providers of services. Monies transferred to the fund under Section 76-903 shall be used for housing-related assistance for very low-income adults with serious mental illness, except that if the division determines that all housing-related assistance obligations under this subsection have been fully satisfied, the division may distribute any excess up to 20 percent of such money to regional behavioral health authorities for-- percent of such money to regional behavioral-- behavioral health authorities for acquisition or rehabilitation of housing to assist such persons. The division shall

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manage and distribute such funds based upon a formula established by the division in consultation with regional behavioral health authorities and the department in a manner consistent with and reasonably calculated to promote the purposes of the public behavioral health system enumerated in Section 71-803. The division shall contract with each regional behavioral health authority for the provision of such assistance. Each regional behavioral health authority may contract with qualifying public, private, or nonprofit entities for the provision of such assistance. For purposes of this subsection, adult with serious mental illness means a person 18 years of age or older who has-- at any time during the immediate preceding 12 months has had a diagnosable mental, behavioral, or emotional disorder of sufficient duration to meet diagnostic criteria identified in the most recent edition of the Diagnostic and Statistical Manual of Mental Health Disorder-- Mental Disorders, and which has resulted in functional impairment that substantially interferes with or limits one or more major life function. Serious mental illness does not include DSM V codes, substance abuse disorders, or developmental disabilities, unless such condition exists concurrently with a diagnosis-- diagnosable serious mental illness. That right there is a little problematic. We don't allow for dual diagnosis. Page 8, LB384, AM396, lines-- I mean, starting really at the top, but lines 6 through 8, that's where we don't allow for dual diagnosis. Housing-related assistance includes rental payments, utility payments, security and utility deposits, landlord risk mitigation payments, and other related costs and payments. And landlord risk mitigation payment means a payment provided to a landlord who leases or rents property to a very low-income adult with a serious mental illness which may be used to pay for excessive damage to the rental property, any lost rent, any legal fees incurred by the landlord in excess of the security deposit, or any other expenses incurred by the landlord as a result of leasing or renting the property to such individual. Now, sorry, I'm gonna have to take a sip of water here. How much time do I have?

**FOLEY:** 1:30.

**M. CAVANAUGH:** OK. And then my close?

**FOLEY:** Correct.

**M. CAVANAUGH:** OK. OK. So I think that this is a worthwhile thing to do. If-- if-- if landlords are taking on the risk of having somebody who is mentally ill, they-- they need housing and they're taking on that risk, having funds available to help make that more feasible for landlords is really important. But what I would like to see is a study and a report on if landlords are abusing that system and what is the

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process that landlords go through to get those dollars. I don't want to assume that landlords are bad, but there might be some bad actors in there, and what are we doing to ensure that those bad actors don't ruin it for everyone? I mean, these are state dollars. We got to make sure that the bad actors aren't abusing the system because we do know-- I mean, it's rare, but there are some lum-- landlords who are just slumlords. What are we doing to protect not only the tenants but state dollars?

**FOLEY:** Senator Cavanaugh--

**M. CAVANAUGH:** And I don't see any lang--

**FOLEY:** Senator Cavanaugh, you're recognized for your closing.

**M. CAVANAUGH:** Oh, thank you. I don't see any language here that safeguards these dollars-- one moment-- and I think we need to be taking a serious look at this. Now I haven't been able to draft an amendment, but I think that this is an opportunity for us to do so. I mean, is anyone else concerned about these bad actors gaming the system? What if they go and find tenants that they know they can then claim this money for? What-- I mean, what stops them from just taking us to the cleaners, as it were? I actually don't know the origin of that saying. But I just would really like to make sure that we have a study and a report to ensure that these dollars are not being abused and that this program is not being abused by bad actors or unintended consequences. Heavens to Betsy, unintended consequences-- we all should be concerned about the unintended consequences of this. What if this is a get-rich-quick scheme? I-- now I'm-- now I'm worried. I've just gotten myself worried about the unintended consequences and the bad actors. I mean, these aren't poor people. These are landlords, so maybe I should be less worried because they're not poor, but they did get wealthy somehow and maybe it's because of unintended consequences and bad actors. Goodness. How much time do I have?

**FOLEY:** 2:50.

**M. CAVANAUGH:** Thank you. OK, well, I'm going to move on from that because I think we all can agree that we need to do better in safeguarding against unintended consequences and bad actors in the landlord risk-mitigation program, so I look forward to that happening soon. OK. The Nebraska Health Care Cash Fund is created. So in Statute 71-7611 Nebraska Health Care Cash Fund is created. The State Treasurer shall transfer \$60,300,000 on or before July 15, 2014, \$60,350,000 on or before July 15, 2015, \$60,350,000 on or before July 15, 2016, \$60,700,000 on or before July 15, 2017, \$500,000 on or before May 15,

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2018, \$61-- \$61,600,000 on or before July 15, 2018-- not sure why there was a \$500,000 dollar distribution in May of 2018, but there you go-- and then \$61 million-- \$62 million on or before July 15, 2019, \$61,450,000 on or before July 15, 2020, and \$51 million-- ooh, we lost \$10 million, folks-- \$51 million on or before every July 15 thereafter-- the Nebraska Medicaid Intergovernmental Trust Fund and the Nebraska Tobacco Settlement Trust Fund to the Nebraska Health Care Cash Fund, except that such amount shall be reduced by the amount of the unobligated balance in the Nebraska Health Care Cash Fund at the time the transfer was made. How much time do I have left?

**FOLEY:** One minute.

**M. CAVANAUGH:** OK. The State Investment Officer shall advise the State Treasurer on the amounts to the transfer from the Nebraska Medicaid Intergovernmental Trust Fund until the fund balance is depleted, and from the Nebraska Tobacco Settlement Fund thereafter, in order to sustain such transfer in perpetuity. I really want to dig in as to why we are cutting \$10 million from that transfer, and so I will pull my motion. Thank you.

**FOLEY:** The motion is withdrawn. Senator Pansing Brooks, you're recognized.

**PANSING BROOKS:** Thank you, Mr. Lieutenant Governor. I was just trying to ask some questions of Senator Cavanaugh. Senator Cavanaugh, you're-- you're going through the budget and this part of the budget, what-- what are your questions on that? Because I think that you asked if-- if people would engage. I think there are people that would answer it better than I, but what are some of your questions?

**FOLEY:** Senator Cavanaugh, would you yield, please?

**M. CAVANAUGH:** Yes. Thank you, Senator Pansing Brooks. Well, I was-- there-- there's-- on page 6 of the budget, LB38-- LB384, there's a million dollars being transferred to the Water Sustainability Fund and without explanation as to why or what that's being used for, and so I would love an answer to that. And we can talk about it when we get to LB384, but, yeah, we could get to it now. We could get to it at any time, but there just seems to be an-- a disinterest from the Appropriations Committee to engage in the conversation, so I'm just asking the questions into the ether. But I appreciate you standing up and reiterating the questions.

**PANSING BROOKS:** OK, thank you, Senator Cavanaugh. Would Senator Stinner be willing to answer a question?

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**FOLEY:** Senator Stinner, would you yield, please?

**STINNER:** Yes, I will.

**PANSING BROOKS:** Thank you. Senator Stinner, did you hear the question about the million dollars in the water fund?

**STINNER:** I'm sorry, I can't hear very well. Would you repeat that?

**PANSING BROOKS:** Oh, OK, sorry. The-- there was a question about what the million dollars in the water fund was for, and so I was just wondering if you could speak to that.

**STINNER:** Well, there's a transfer of \$11 million, I believe, for water sustainability, and it dates back to past legislation to talk about making sure our water supply and water flow is sustainable. So projects are then-- I think there's a task force that deals or a commission that deals with projects as it relates to water sustainability and water quality, and these are funds that go to that purpose.

**PANSING BROOKS:** OK, thank you, Senator Stinner. Senator Cavanaugh, did that answer your question?

**M. CAVANAUGH:** Well, not really why we're increasing it by a million dollars or why we're doing a million dollars when-- over three transfers on the same date.

**PANSING BROOKS:** OK, thank you. Senator Stinner, do you know why we're increasing it by a million?

**STINNER:** We are increasing it, I think, back to the amount it originally was, because we lowered that number during the time where we had revenue shortfalls.

**PANSING BROOKS:** OK. Thank you, Senator Stinner. I have no further questions at this point. Thank you, Mr. Lieutenant--

**FOLEY:** Thank you, Senator Pansing Brooks. Mr. Clerk.

**CLERK:** Senator Cavanaugh would move to bracket the bill, Mr. President.

**FOLEY:** Senator Cavanaugh, 10:00 to open on your motion.

**M. CAVANAUGH:** Thank you, Mr. Lieutenant Governor. Thank you, Senator Pansing Brooks, for facilitating some conversation today. It's

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appreciated. And if I ever have time, not on the mike-- I know it's time of my own making. But if I ever do have the time, not on the mike, I am going to try and figure out why we're cutting \$10 million from the Health Care Cash Fund. So for background information, the Health Care Cash Fund was created. I read all the dates of the transfers. It was created out of the tobacco tax or the tobacco settlement. And legislators at that time had the foresight and thinking to create the Health Care Cash Fund for that. And so the money out of the tobacco settlement money, the master settlement that comes to states, we in Nebraska put it into a Health Care Cash Fund, and it is used for specific purposes, including, apparently, poison control. There-- oh, I answered my question. The \$10 million is going into the general budget to offset things that we were funding in the Health Care Cash Fund. I'm looking to Senator Dorn and he is nodding yes. Thank you, Senator Dorn. He's on the Appropriations Committee. Yes, there we go. I got there eventually. There was a lot of talk about that, so, phew, take that off my to-do list. OK. The State Treasurer shall transfer \$10 million from the Nebraska Medicaid Intergovernmental Trust Fund to the General Fund on June 28, 2018, and June 20, 2019. And I actually-- I'm going to pause here for a moment to talk about some things that I have tried to do with the Health Care Cash Fund. So the Health Care Cash Fund is funded with the tobacco settlement money. And my first year in the Legislature, I introduced a bill that was a tobacco tax increase, and then I introduced it again this year. And both years I have been unable to get it out of the committee. There has been numerous polling around the issue across the state and 85 percent of Nebraskans agree with increasing the tobacco tax. And if we increase the tobacco tax through my legislation, that money would go directly into the Health Care Cash Fund and it would fund programs that are impacted-- that people who smoke and have health issues related to smoking would-- the-- the programs would impact them the most. Additionally, this year, I tried something different. I tried to create a Maternal Health Cash Fund out of those dollars. So what the Maternal Health Cash Fund would do is it would create a pool of money to do some of the things that are nationally recommended to improve health outcomes in maternal and infant health, like Medicaid coverage postpartum to a year. We have an issue with maternal mortality and morbidity, and it has been shown that if you extend Medicaid coverage to 12 months instead of 3 months postpartum, and any woman who-- person who has been dealing with a newborn knows that at 3 months you're still dealing with postpartum much further after that. At three months, if you are choosing to nurse your baby, you're probably at that point just about figuring it out and not blaming yourself constantly for not being able to feed your child, which you shouldn't do. You should not blame yourself, women, if--

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if-- if you're having struggles breastfeeding. It is very common and it's OK. But expanding Medicaid postpartum to a year is a really important thing. Another important thing is coverage of doula services for women in the delivery room. And doulas in Nebraska are not licensed and have not asked to seek licensure. And because they are not licensed, we can't get Medicaid reimbursement. But we could get a waiver to allow us to get Medicaid reimbursement and we could-- or we could use state dollars to do that. So there are-- we are leaving things on the table when it comes to maternal and infant health. And I know, because I am the one talking about it, that it will be viewed as a partisan or progressive issue. It should not be. When we are talking about the lives of mothers and babies, it should be an issue that we all care about equally and should be working together to find solutions. I put forth bills to help us find solutions to things, and this body ignores them. OK. The State Treasurer shall transfer \$10 million from the Nebraska Medicaid Intergovernmental Trust Fund to the General Fund on January 28, 2018, and June-- or, sorry, June, not January, 28, 2018, and June 28, 2019. Except as otherwise provided in subsection (6) of this section, it is the intent of the Legislature that no additional programs are funded through the Nebraska Health Care Cash Fund until funding for all programs within the appropriation from the fund during FY '12-- 2012-2013 are restored to their 2013-- 2012-2013 levels. OK, so try and unpack that a little bit. So no additional programs are going to be funded through Health Care Cash Fund until we restore funding. That-- that is probably a historical question that I'm sure some of our senators who have served in the body previously and have returned could shed light on, if they so choose, as to I'm-- my presumption here is that when we were having a budget crisis, we-- we started using the Health Care Cash Fund as sort of an ad hoc, rainy-day fund, and it was to remain that way until-- until we could fund things back at the right level. And so it would be great to see more things taken out of the Health Care Cash Fund. There is even an appropriation to the General Fund from the master settlement dollars that we get in the state-- or not the master settlement, I'm sorry, the tobacco tax dollars that go into the Health Care Cash Fund. A portion of them go into the General Fund. I apologize. I misspoke. So since we have so much money on the floor and in the budget, it's probably a good time for us to reevaluate the Health Care Cash Fund and to remove more of its obligated funds and put them in the General Fund and also stop funding the General Fund with tobacco tax. If you don't like-- if you don't want to increase tobacco tax because you don't believe in taxes, then why are we funding the General Fund with tobacco tax? Feels like a valid question. How much time do I have?

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**FOLEY:** 2:00.

**M. CAVANAUGH:** Two minutes, OK, and we are LB381. OK. Oh, I need to get in the queue. OK, so we are on LB384-- well, we're-- the bill we're on is LB381, which is salaries for members of the Legislature. It also includes the reimbursement for our per diem and gas mileage, which is pretty much the only way most of us can survive doing this, is that we get reimbursed our gas mileage. Otherwise, I mean, I am drinking water right now, but I think that would be the only thing I'd be having all of the time. So, OK, now-- sorry, I've got-- OK. Oh, great. I was wondering about the Hall of Fame Trust Fund. Apparently, if I wonder out loud, we'll get to it. Page 10, line 24: 72-729.01, there is hereby created the Hall of Fame Trust Fund to be administered by the Nebraska Hall of Fame Commission for the purpose of creation, design, size, configuration, and placement of busts or other appropriate objects as authorized in Section 72-729. Deposits to such fund shall include money received from public donation and from funds appropriated specifically for such purpose by the Legislature. It is the intent of the Legislature that \$10,000 be transferred from the General Fund to the Hall of Fame Trust Fund annually, beginning in fiscal year 2021-2022. Any money in the fund available for investment shall be invested by the State Investment Officer pursuant to the Nebraska Capital Expansion Act and the Nebraska--

**FOLEY:** That's time, Senator. You may continue on your second opportunity.

**M. CAVANAUGH:** Thank you-- and the Nebraska State Funds Investment Act. So still doesn't say what-- what they're going to use it for, if it's-- well, I'm curious. And also this is a-- so it's for creating, you know, busts or other-- we've got some out in the hallway here. This would be interesting, and I-- I can look up that statute later, 79 dash-- or 72-729.01 to see-- again, for people at home, If you want to look things up, you can go on to the Legislature's website, nebraskalegislature.gov, and you can type in on the side. There's bills-- there's bill and law search and you can type in the number and then you can get to the statute and you can read about it. And so if you go to 72-729.01, you can look up the Hall of Fame Trust Fund and see what the intention-- intention language is there and-- and then kind of dig into it from there and just be interested to see how those dollar-- monies have been used in the past and how they're going to be used in the future. OK. Oh, I need a-- OK, page 11, line 5, Section 13, Section 81-1220 Revised Statutes Cu-- Cu-- Cumulative Supplement 2020 is amended to read: 81-1220 (1)(a) The Nebraska Film Office Fund is created. The fund shall be administered by the Department of

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Economic Development and used for grants for Nebraska-based films as provided in this section. The fund shall consist of funds transferred-- it's slashing out the word "appropriated"-- by the Legislature, gifts, grants, and bequests. It is the intent of the Legislature to transfer the unexpended and unobligated balance in the Nebraska Film Office Fund on June 30, 2025, to the General Fund. Any money in the Nebraska Film Office Fund available for investment shall be invested by the State Investment Officer pursuant to Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act. The department shall administer a grant program for Nebraska-based films and shall require applications to be submitted to the department prior to beginning production. To be eligible for a grant under the program, the applicant shall verify that the film is to be produced in Nebraska, the film tells a Nebraska story, and at least 50 percent of the workforce for film production will be composed of Nebraska residents for the duration of the production, except as otherwise provided in subdivision (c) of this section. Subdivision (c): The department may lower the 50 percent requirement in subdivision (b) (iii) of this subsection, but shall not waive the requirement. The applicant shall apply to the department to lower the requirement and provide a certification that the requirement is an unreasonable impediment to the production of the film. The department shall notify the applicant of the decision under this subdivision. The department shall review each application to determine whether the film qualifies for a grant under this section and shall not award a grant that exceeds 25 percent of the projected cost of the film. So 50 percent of the workforce for the film will be composed of Nebraska residents. So just a concern here-- I think it's reasonable to allow them to apply for a-- to waive the 50 percent requirement but there's--

**FOLEY:** One minute.

**M. CAVANAUGH:** One minute? Thank you. But there's no-- there's no stipulation for-- like they could waive it to be 1 percent, so I-- I suppose that would come in some guidance documents and some rules and regulations documents. So, OK, is this my opening or my time is--

**FOLEY:** This is your second opportunity. You've got one more and then the close.

**M. CAVANAUGH:** OK. Well, our next bill is the salaries for constitutional officers, so I think that I am going to pause for now. And I would request a call of the house and a roll call vote, regular order, on my bracket motion to move this conversation to next week. Thank you.

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**FOLEY:** There's been a request to place the House under call. The question is, shall the house go under call? Those in favor vote aye; those opposed vote nay. Record, please.

**ASSISTANT CLERK:** 13 ayes, 6 nays to place the house under call.

**FOLEY:** House is under call. All members please return to the Chamber and check in. The house is under call. Senator Cavanaugh, you asked for a roll call vote, is that correct? Thank you. All members please return to the Chamber and check in. The house is under call. Senator Moser, if you can check in. Senators Hughes, Hilkemann, Groene, Friesen, and Gragert, please return and check in. Senator Cavanaugh, we're lacking Senator Hughes. We can either wait or proceed. We'll proceed to a roll call vote. The question before the body is whether or not to bracket the bill until April 21 of 2021. Mr. Clerk.

**CLERK:** Senator Aguilar voting no. Senator Albrecht voting no. Senator Arch voting no. Senator Blood voting no. Senator Bostar voting no. Senator Bostelman voting no. Senator Brandt voting no. Senator Brewer voting no. Senator Briese voting no. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh voting yes. Senator Clements voting no. Senator Day. Senator DeBoer voting no. Senator Dorn voting no. Senator Erdman not voting. Senator Flood voting no. Senator Friesen voting no. Senator Geist voting no. Senator Gragert voting no. Senator Groene voting no. Senator Halloran voting no. Senator Ben Hansen. Senator Matt Hansen voting no. Senator Hilgers voting no. Senator Hilkemann voting no. Senator Hughes. Senator Hunt. Senator Kolterman voting no. Senator Lathrop voting no. Senator Lindstrom voting no. Senator Linehan voting no. Senator Lowe voting no. Senator McCollister voting no. Senator McDonnell voting no. Senator McKinney voting no. Senator Morfeld voting no. Senator Moser voting no. Senator Murman voting no. Senator Pahls voting no. Senator Pansing Brooks voting no. Senator Sanders voting no. Senator Slama voting no. Senator Stinner voting no. Senator Vargas voting no. Senator Walz voting no. Senator Wayne not voting. Senator Williams voting no. Senator Wishart voting no. Senator Hughes voting no. 1 ayes, 43 nays, Mr. President, on the motion.

**FOLEY:** The motion to bracket the bill is not adopted. Mr. Clerk, is there anything further on the bill?

**CLERK:** Not-- not at this time, Mr. President.

**FOLEY:** Senator-- Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move that LB381 be advanced to E&R for engrossing.

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**FOLEY:** Members, you heard the motion to advance the bill. Those in favor say aye. Record vote has been requested. Please vote aye or vote nay. Have you all voted? Record, please.

**CLERK:** Voting aye: Senators Aguilar, Albrecht, Arch, Blood, Bostar, Bostelman, Brandt, Brewer, Briese, Cavanaugh, Cavanaugh, Clements, DeBoer, Dorn, Erdman, Flood, Friesen, Geist, Gragert, Halloran, Matt Hansen, Hilgers, Hilkemann, Hughes, Kolterman, Lindstrom, Linehan, Lowe, McCollister, McDonnell, McKinney, Morfeld, Moser, Murman, Pahls, Pansing Brooks, Sanders, Slama, Stinner, Vargas, Walz, Williams, Wishart. Senator Lathrop voting yes. Senator Groene voting yes-- voting yes. 45 ayes, 0 nays, Mr. President, on the advancement of the bill.

**FOLEY:** LB381 advances. Speaker Hilgers, you're recognized.

**HILGERS:** Thank you, Mr. President. Good morning, colleagues. A brief scheduling update for today. As I mentioned yesterday, these-- we've kept these budget bills together. We're going to continue to get as far as we can today. And so in order to make sure that we make the most use of our time during this day, we're going to-- we're only going to recess until 1:00. And even though I've said in the past I-- I only like going to 7:00, 7:30. or 8:00 if possible, I don't think we do our best work after that, we will be prepared-- I-- I hope everyone's prepared to go to 11:59 tonight if we have to. So scheduling, we're going to have only a one-hour recess and then we're going to go till 11:59 if need be. Thank you, Mr. President.

**FOLEY:** Thank you, Mr. Speaker. I raise the call. Next bill, please.

**CLERK:** LB381, Senator, I have no amendments-- LB382, excuse me, I have no amendments to the bill.

**FOLEY:** Senator McKinney.

**McKINNEY:** Mr. President, I move that LB382 be advanced to E&R for engrossing.

**FOLEY:** Members, you've heard the motion to advance the bill. Those in favor say aye. Those opposed say nay. LB382 advances. Next bill, please.

**CLERK:** Mr. President, LB384. I have E&R amendments first of all, Senator.

**FOLEY:** Senator-- Senator McKinney for a motion.

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**McKINNEY:** Mr. President, I move that the E&R amendments to LB384 be adopted.

**FOLEY:** Thank you, Senator McKinney. Senator-- Senator Cavanaugh, your light is on-- well, we'll pass over that. The motion is to adopt the E&R amendments. Those in favor say aye. Those opposed say nay. The E&R amendments are adopted. Mr. Clerk.

**CLERK:** Mr. President, Senator Stinner would offer AM937.

**FOLEY:** Senator Stinner, you're recognized on your amendment.

**STINNER:** Thank you, Mr. President. With your consent, I'd like to request to move to AM937, and I believe that's what we're on. Is that correct?

**CLERK:** Yes, sir.

**STINNER:** Thank you. AM937 exempts the dollar shift from the Health Care Cash Fund to the General Fund from the statutory county under behavioral health aid. Section 71-808 requires that the county shall provide \$1 of assistance to behavioral health regions for each \$3 provided by the General Funds. When it was proposed to shift \$2 million-- 9-- \$599,500-- or \$660 from the Health Care Cash Fund to the General Fund, the committee was not aware of this provision and the intent was not to increase the cost for the counties. This amendment would exempt the 2.6 from the 1 and 3 match. I would urge your green vote, colleagues, on AM937 and LB384.

**FOLEY:** Is there any discussion on the amendment? Senator Machaela Cavanaugh.

**M. CAVANAUGH:** Thank you, Mr. Lieutenant Governor. And I just pulled up this amendment and I'm trying to catch up on it quickly. I assume that others would be doing the same as this is the budget and this is a new amendment. So this is the behavioral health authority and just looking through it to see. So, OK, for purposes of calculating the amount of county matching funds under this subsection, the amount of General Funds shall exclude and then it strikes some things and include-- and then puts in place an amount equal to \$2,599,666 [SIC] from the General Fund each year beginning on July 1, 2021. Any General Funds transferred from regional centers for provisions of community-based health services after July 1, 2004, and funds received by a regional behavioral health authority for provisions of behavioral health services to children under Section 71-826. I need to grab my glasses. OK, sorry about that, getting a little fuzzy; probably should get my

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eyes checked, to be honest, but, OK, so-- and the language that struck-- strikes is: Any General Funds transferred from regional centers for the provisions of community-based behavioral health services after July 1, 2004, and funds received by the regional behavioral health authority for the provision of behavioral health services to children under Section 71-826 shall be excluded from any calculation of counting-- county matching funds under this subsection. That's the struck language. Now I'm-- I'm going to do something a little bit risky here, and I'm-- I'm going to talk about something else for a minute. So I have all of the floor speeches from that first day, January 6, of everyone's speech for-- for their leadership positions. And I thought it would be good to reflect upon the words of our leaders in this body to see if we are-- let's take our pulse. Are we upholding the values you espoused on day one? And I am just going in the order that they are here so we will start with Speaker Hilgers. Thank you, Mr. President. Good morning, colleagues. It is an honor to be here again with you. It's great to see so many familiar faces, old friends who've served with over the last several years. And it's really an exciting day for me to be able to serve with so many new faces today. I think I saw Senator McKinney. Welcome to the Legislature, Senator Bostar, Senator Day, Senator Sanders, and a very special welcome to Senator John Cavanaugh, the younger, who makes history today as one of two siblings for the first time to serve together in the Nebraska Legislature. Congratulations to your family. And we welcome you to the Nebraska Legislature's family. And a very special welcome to a few Senators who have been here before. It's not their first rodeo: Senator Aguilar, Senator Pahls, and Senator Mike Flood, one of many Mikes here in the body today. Welcome back to the Legislature. Today I am beyond excited to serve with the three of you and to see what we can do over the next two years together. Colleagues, I rise this morning to put my name into nomination and ask for your vote to be Speaker of the One Hundred Seventh Legislature. Now, the rule says that when you're to do this, you're supposed to do it-- what you're supposed to do is tell the body what you expect of me, what you may expect of me if I happen to be elected Speaker. Well, and that's exactly what I will do in a minute. But I think there's a threshold question that should be asked. The answer to which I think gives context to my commitment to you if I'm elected Speaker. And that question is, what should Nebraska expect of us? What should Nebraska expect of the One Hundred Seventh Legislature? Because the truth is, colleagues, the face-- we face incredible challenges here. We are in the middle of a worldwide pandemic, a pandemic that has taken too-- taken far too many lives of Nebraskans, that has led to economic devastation for family visit-- family and business-- businesses, disrupted industries. It has also taken away something that is

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fundamentally human, our ability to be around one another, the ability to attend a wedding, to go to dinner together, to socialize, to see our family, to see loved ones, and to go to a football game, go to funerals. On top of that challenge, we have a lot of other challenges, some of which we know about. We know this year, for instance, we are going to approach a budget--

**FOLEY:** That's time, Senator, but you're next in the queue. You may continue.

**M. CAVANAUGH:** Thank you. My light is still on. I was going to hit it again. We know the budget, which we're at today. We need to pass a budget. We need to make decisions as to the priorities of that budget. We also know we're going to talk about Corrections. But if you take a wider lens, there are a whole number of other challenges that we face this Legislature, and I'll name just a few. How do we regrow and reignite greater Nebraska? How do we create better jobs and higher paying jobs in north Omaha? How do we make Nebraska a more attractive place for young people to stay and raise their family? And in the midst of all those challenges and others I didn't reference, we-- we also are in a unique political environment, one that's changed over the last several years. The political-- political discourse outside these walls doesn't tend to focus on policy. It tends on destroying people; doesn't tend to focus on building up. It tends to focus on tearing down. It's not focused on thoughtful consideration of arguments, but reaction. So in the midst of all these challenges, what would Nebraska expect of us? Well, I will tell you. I know that why they would expect of us-- I know that what they would expect of us is that we would meet those challenges head on. I know that because that is what generations of leaders before us and generations of legislative leaders have done before us. This isn't the first time there's been a pandemic. Previous generations went through two world wars, a Great Depression, a recession and natural disasters, floods, tornadoes. Not only did those generations meet the challenge, at times they did something even more inspiring. They raised their eyes to the horizon and envisioned something that didn't previously exist and they made it reality. Think about the world in which there's no Lake McConaughy. Think about a world in which there's no Mahoney State Park, no Henry Doorly Zoo, no excellent network of public schools. Think about a world in which there's no-- there's no worldwide industry-leading, world-leading agricultural industry here in Nebraska that feeds the globe. All of those things came from leaders not only in the body, many of whom were outside of-- outside of around the state, outside of the Legislature, who were committed to making a dream a reality. So I think that Nebraskans would not just expect of

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us that real-- to meet these challenges, but I think they would expect of us that we do what previous generations have done and put our eye on the horizon and imagine something new and different. And you know what? They have every right to expect us to do that. We have everything we need to do that. The state is filled with amazing people, hardworking, empathetic, civic-oriented, community-minded people. The state has everything we need to be successful, we have everything we need to be successful here. I know we have 49 committed public servants who are not here for the money, who are here to make a difference for their community. And we have something else that no one else in any other state in this country has. We have a special tool that's been given to us by Nebraskans. And I got to tell you, they expect us to use it. And that is this place. It's the Unicameral. You know, if you look at the Nebraska Constitution, the very branch-- the very first branch of government that was formed that is listed is not the executive branch. It's not the judiciary. It's the Legislature. And there's a very good reason--

**FOLEY:** One minute.

**M. CAVANAUGH:** --for that, colleagues. Am I next in the queue?

**FOLEY:** You're next in the queue and that will be your third when it comes up.

**M. CAVANAUGH:** Thank you. There's a very good reason for that, colleagues. There's only one body in the state, only one in which the voices of Nebraskans from every corner of this state can be heard. Think about it. Each one of us has-- have thousands of personal interactions with people in our community, if not tens of thousands. We know their hopes. We know their dreams. We know their anxieties. We know where we can help them, where we should get out of the way. We know all of that. And here when this place works right, when this place works right, it's the only place you can get people from Venango talking about the people, the concerns of people in north Omaha and putting those together in a way to create solutions that benefit the entire state. When this per--

**FOLEY:** Senator Cavanaugh, you're now on your third opportunity.

**M. CAVANAUGH:** Thank you. When this place works right, there is nothing like it in the country. And there's another reason why this place is special. Unlike every other Legislature that I'm aware of in the country, this is not only-- this is not a place where you, where just a couple people, majority leader, minority whip, a few small, small set of leaders get to decide what bills are introduced, what gets

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amended and what gets passed. When this place works right, every single one of us, smallest legislative body in the country, has a say. And it makes a lot of sense to me because that's the only way that the voices of each part of our communities will be heard here. So if it's true, and I think that it is, that Nebraska-- Nebraskans expect us not just to tackle the challenges, not just to imagine a better future, but to use the tool that has been given to us, if that is what they expect of us, then I think that answers the question of what you should expect from me. Because if I am elected your Speaker, I will do everything possible-- possibly-- everything I possibly can within my power to make sure this place runs right. Now, there are a lot of ingredients that go into that, and I'll touch on a few. One is process. In order to get the best out of us and the best out of this institution, we need to have good process. You can envision a whole number of ways that process can break down. I sure can. It could break down if you have rules that are applied arbitrarily, rules that are applied because of a person's personality, rules that are applied unfairly or inconsistently. When that happens, people withdraw from the process. They don't have trust in the process. They are cynical about the process. You cannot have as good a process as we want to have with that kind of approach. If you have a process that encourages or incentivizes ambushes on legislative or legislative surprises, that breeds distrust, it tears away from the fabric between senators. And I'll tell you, if you have a process that doesn't allow, doesn't fully allow one of the most powerful tools that we have as a body, the ability to debate on the floor, if you don't have a process that fully allows that, then you are not using this tool at its best. Because if you're cutting off debate, then you can't hear the voices of Valentine, you can't hear the voices of Columbus, you can't hear the voices of northwest Lincoln where I represent. So those are part of the process and how the process can break down. So I commit to you I will do everything in my power to have a strong process. I will be fair. I will apply rules equally, similar situations are treated the same, doesn't matter who you are, it is the situation. I will do everything in my power to eliminate surprises, everything in my power to provide fair notice. And I will tell you, colleagues, if I'm elected Speaker, we will have full and fair debate. We will have the opportunity to work through the issues on the floor. You have my commitment. Now the other part of this is not just process. It's culture. And here are just a few things I want to say. How much time do I have?

**FOLEY:** 1:20.

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**M. CAVANAUGH:** I don't want to cut that off, so I will come back to that on my next opportunity. Thank you. I will yield the remainder of my time.

**FOLEY:** Thank you, Senator Cavanaugh. Senator Stinner, you're recognized to close on your amendment. He waives closing. The question before the body is adoption of AM937. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

**CLERK:** 38 ayes, 0 nays, Mr. President, on the adoption of Senator Stinner's amendment.

**FOLEY:** AM937 has been adopted. Anything further on the bill, Mr. Clerk?

**CLERK:** Mr. President, there is. Senator Wayne had offered AM962-- I'm sorry, AM939. He wants to withdraw that. The next amendment is Senator Wayne, AM962.

**FOLEY:** Senator Wayne, you're recognized to open on AM962.

**WAYNE:** Thank you, Mr. President. And, colleagues, we talked a lot last week about whether or not we should build a prison, whether or not-- thank you, Mr. President. I don't know if I said that. And through that discussion, my office is having discussions with Senator Stinner and Senator Wishart, and I initially wanted to propose the idea of moving all the construction funds to a prison contingent-- overcrowding contingency fund. And the idea was it would free up the ability for this body to, if they wanted to do programming, that they could, because if you remember, if it's in the construction fund, it's limited. Well, through conversations with Senator Wishart and Senator Stinner, Chairman Stinner, we have this amendment which-- which essentially matches the idea of, as we're moving down the idea of design, that-- of a potential prison, we'll also put money aside for potential programming and/or other things. And so it's a \$15 million allocation out of the allocation of the construction funds, which the second amendment Senator Wishart will bring up will help clarify that on the next bill, but it allows for a broader purpose besides just brick and mortar. It allows for us to have conversations around what kind of-- type of programming we want to have. It does have a section in there where we will do a study, around \$200,000, on how we classify inmates, which goes back to the programming. So I think this is overall a good compromise. I'm still against the prison and I will be talking the next budget-- next bill still a little bit about being against the prison. But this is a step in the right direction that I think we built consensus around, making sure we have multiple pathways

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going as we talk about what to do with the prison population and the overcrowding of our prison system. And with that, I would ask you to vote green; or if you want to push your button to ask questions, you can, but I would ask you to vote green on AM962. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Wayne. Debate is now open on the amendment. Senator Machaela Cavanaugh.

**M. CAVANAUGH:** Thank you, Mr. Lieutenant Governor. I support Senator Wayne's AM962, and I'm going to continue where I left off. I am, for those that are just joining us, I am reading the floor speeches of our leadership, all of our leadership from the first day when we elected them into the leadership positions. And I am continuing with Speaker Hilgers' remarks. Now, the other parts of this is not just process, it's culture. I apologize. I need to-- it's culture, and here are just a few things I want to say. The first is it is undoubtedly true, I think, that term limits has impacted this place. The institutional knowledge, the culture from the past has, if it's not gone, it's seriously, seriously eroded. And I view anything that might be lost also as an opportunity to create something new. And so you have my commitment over the next two years to do my part in creating a culture, not just for the One Hundred Seventh Legislature, not one that meets just the needs of today, but one that is intentionally-- that we intentionally work to pass down from the next generation of legislators, Legislatures and legislators so that when we are gone, this culture will endure. Now, there's a few elements that I personally commit to and I expect. I think the body will rise to the occasion on these things as well. But I control what I can control, and that's me. The first is I-- I will never personalize a dispute. I haven't done it in four years. I'm not going to do it in the next two years. When we're down here, there might be a sharp elb-- there might be sharp elbows when we're talking issues. And that's what you will get from me. And I guarantee there's going to be times where I get knocked down, there's going to be an issue and this is going to happen-- all of us. There's going to be an issue where I lose. There are going to be multiple issues where I lose. And you have my commitment, no matter how hard that debate is, the very next issue, I'm going to dust off my jeans and get right back up and work with whoever it is I need to work with on the next issue, no matter if they're on the other side. You have my commitment. You also have my commitment to do something that I think is foundational to a good process with a group like ours, which is build relationships through listening. Any strong relationship requires good communication. And it requires, I think, above all, the ability to listen and understand the

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people with whom you're talking to. The best relationships, relationships in my life are the ones where I've gotten to know the other person deeply, not because I want to talk at them or I just want them to agree with me. It's because I take the time to try to understand them. And that adds not just value to the process, because I think that I truly-- I'm truly listening and there's a level of trust. They will-- they will be honest and candid with me and they'll be honest and candid with the body and let us know when we're going astray and they'll know they will be heard. And it makes me a better person, so I will listen, might not always agree. You might not always be able to convince me, but I will do my very best not only to listen, but understand everyone's point of view. I also think a good speaker needs to have humility and strength. I don't need any credit to be here. It is an honor of a lifetime to serve in this Legislature. I didn't want any credit. It's the body deserves all the credit for the successes that we have. And you can point any failures--

**FOLEY:** One minute.

**M. CAVANAUGH:** --at me. One minute? OK. You can point any failures at me, but ultimately, I think a good Speaker knows that the work of this body, when it happens the right way, it happens because not a one person, not a couple of people, 49 people are working together. Those voices of those communities are heard. And I will step back and let the process play out. I also think a good Speaker needs to have the wisdom to understand when to step back and when to also step forward and when strength is needed to help get coalition together. And I hope and pray that I have wisdom to make that, the right decision when the time comes. And the last thing I'll say, colleagues, is that something I think is incredibly important, even though it's the last thing I'm going to say. This is very serious work. We represent constituents that have real serious issues. This is an important place to be. Being a senator is serious. Being Speaker would certainly be serious.

**FOLEY:** That's time, Senator.

**M. CAVANAUGH:** Thank you.

**FOLEY:** Thank you, Senator Cavanaugh. Senator Stinner.

**STINNER:** Thank you, Mr. President. Members of the Legislature, I strongly support this Wayne amendment and thank Senator Wayne for the idea and his cooperation. As long as these dollars that we've allocated, those \$115 million, were allocated to capital construction budget, then that is the only place that they could be spent, for brick and mortar, for related-- related building projects. So by doing

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this, this is a much better balanced approach. We pulled \$15 million away from the 115. Now we'll still have 100 sitting in the capital construction budget that-- that can replace the 96 beds, that can take a look at Omaha, can do the facilities study, and provide some planning and design money. So that's still in place. But this is a better balanced approach because I think it sends a message to all Nebraskans that prison overcrowding is not just about building, OK? It's-- it's about programs and programming. And CJI is coming in. I think there's something-- ideas that both Senator Lathrop and Senator Wayne have sponsored in community programming. Those are ideas that could be funded from this. And again, we're going to have an amendment offered by Senator Wishart, I believe, that actually starts to spend some of those dollars for accreditation. So this is something that I think is, it sends the right message to Nebraska. I think it's-- it's a good, balanced approach to the prison overcrowding. And the other side of-- that I like is that it's an allocation out of the construction fund, so this \$15 million does not jump in front of any priority bills that are sitting out there and I think that's an important part of this thing. And I know Senator Lathrop would like some time to-- to talk about CJI, so I will offer my time to Senator Lathrop.

**FOLEY:** Thank you, Senator Stinner. Senator Lathrop, 2:50.

**LATHROP:** Thank you, Mr. President, colleagues. Thank you, Senator Stinner, for the time. I am, like Senator Stinner, in full support of AM962. I also appreciate the idea coming from Senator Wayne. I think that this amendment demonstrates our commitment to a solution that is not just building more beds and building a new prison. That's very important. This will provide us with a resource to tap into when we have developed, which I hope this body does, or at least the task force can develop, a way forward and a roadmap for the Department of Corrections going forward. You'll see in the amendment there is a reference to a study, some of the-- an authorization for a study. That was something that we worked out this morning. The Nebraska Center for Justice, which is found at UNO, will do a study on our classification system. We are blessed to have those folks at UNO and the Nebraska Center for Justice. They-- they are an important partner with the Department of Corrections. They also do some studies for us in the Legislature. Those of us on Judiciary Committee have come to appreciate their work. This is also a great opportunity, and I'm glad it's in this amendment. The work that they will do will look at not only our classification system, but it will also look at how that classification system can be worked into sort of the logistics of an inmate that comes in the front door and until the time they leave,

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making the process more efficient, making sure that they get programming in a timely manner and that they are in a position to be moved to community corrections in a more timely manner. This is the kind of work that the state of Pennsylvania did. It resulted in assisting in addressing the overcrowding in Pennsylvania, and so I'm very excited about that prospect, as well as the idea of having money set aside for nonconstruction solutions that hopefully we will all be talking about in the next session. With that, I appreciate your time and attention.

**FOLEY:** Thank you, Senator Lathrop. Senator Wishart, you're recognized.

**WISHART:** Thank you, Mr. President. I rise in strong support of AM962 and the underlying bill. And again I want to thank Senator Wayne and Chairman Stinner and Lathrop for their work this morning on putting this together. I think this makes our budget better, and I appreciate the feedback that we received last week that seemed to entail this body is kind of where I am on this, which is that we really need to seriously look at prison reform options. And what I'm excited about with this budget is that in times that are good, where we have dollars available, we're setting them aside, one in capital construction to be able to address overcrowding with the type of building that we would need to do from the decisions that come out of CJI; and now with Senator Wayne's amendment, we're also setting aside funds for programming to help us address those needs. This is smart budgeting because we are preparing for a future where our Legislature will come ready to tackle overcrowding and criminal justice reform and we have been smart enough to set aside funds to make sure we're capable of doing that. And with that, I'll yield my time to Senator Patty Pansing Brooks.

**FOLEY:** Thank you, Senator Wishart. Senator Pansing Brooks, 3:30.

**PANSING BROOKS:** Thank you, Senator Wishart. Thank you, Mr. Lieutenant Governor. I just wanted to stand up and-- and give my support as well, both to Senator Wayne's amendment, AM962, as well as the underlying bill, L-- LB384. I'm very grateful, again, to the Appropriations Committee for all of their work and also Senator Wayne and Senator Lathrop for what he's been doing as well. But it's-- it's really important to be able to look at the number of different issues that we are looking at as we-- as we go forward. I know that there is a lot of consternation about, you know, whether we're heading forward on the prison. But we have a lot of information that needs to come out prior to any kind of decision about a prison. And one of them that's highly important is this classification tool. In-- in 2019, there was a study of the tool that was just partially done that evaluated the impact of

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the new classifications tool. And with a random selection of 500 inmates, they found that-- an excellent accuracy rating of over 84 percent. So 84 percent of the time, they were correct on how they classified the inmates. But then we found out that staff were often required to override the classification tool's recommendation in over 40 percent of the assessments that were completed. So, of course, part of that is overriding because of a lack of programming; part of it is overriding because of a lack of space and correct space. So clearly, things are not working as-- as we have them right now. And we need to look at the-- at the CJI information that's coming in. We need to look at this classification information. I'm very grateful that the Appropriations Committee has decided to go ahead and-- and fund that-- that ongoing study. We-- we also need to look at staffing and figuring out what is the best use for our state dollars. And I just hope that everybody understands that there are a lot of issues that need to be-- to come into place there. As we've mentioned before, Utah found an incredible savings in prison, in-- in building--

**FOLEY:** One minute.

**PANSING BROOKS:** --and trying to dete--- determine-- One minute? Thank you-- in trying to det-- that Utah came to an incredible decision and saved a lot of money for their state in determining which beds to build. So I want to thank everybody for coming together on this, and there's a lot of good, hopeful information that's going to be coming forward soon. Thank you, Mr. Lieutenant Governor.

**FOLEY:** Thank you, Senator Pansing Brooks. Senator Machaela Cavanaugh.

**M. CAVANAUGH:** Thank you, Mr. Lieutenant Governor. I didn't mark my place, apologize. OK. So continuing with Speaker Hilgers' first day remarks: I know everyone here does, but I think oftentimes that in doing so, we sometimes forget, especially in this political environment, we forget, I think, an important part of the human condition, which is joy. We know, you know, we think about empathy and hard work and doing the right thing, determination for our, for communities. And we all, I know we all have those. But sometimes it's easy to forget about the unbelievable blessing it is for all of us to be here. And I'll tell you, I won't-- I won't commit to you that I'll be smiling every day. In fact, I'm sure that I won't every day, but I will enjoy every minute of it for the next two years is going to fly by. I will enjoy the people. I will enjoy the process. And you have commitment, my commitment to do the best I can to try and inject a little bit of spirit of joy into what we're doing. This is important work, but it is such a blessing for us all to be together for the next two years. Colleagues, you have my commitment to do everything I can

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to make this place run right. If it-- if it runs right, it will be-- it will unleash the creative energies and talents of every one of you who speak for thousands of others in your communities. And if we do not-- we do that and keep our eyes on the horizon and maybe use a little imagination and try to make the imaginary real and tackle the challenges the way I know Nebraskans expect that we will, then I think we'll join a long list and a long line of pioneers and be new pioneers using our own creative, practical solutions to make our state a better place. I'd be deeply honored to be your Speaker and I ask for your vote. Next is Senator Hughes, Chairman of Appropriations [SIC]. He was running for Appropriations Chair [SIC]. Thank you, Mr. President. Good morning, colleagues. Welcome to the new members of the Legislature. Looking forward to working with you and developing our relationships. And welcome back to the returning colleagues and friends that I have served the last couple of years. I rise this morning to place my name in nomination for Chair of the Executive Committee. I've had the privilege of serving on the Executive Board for the last six years, my entire tenure within the Legislature. I've had the opportunity to see how important the-- the Executive Committee or the Executive Board is to the function of this body. I've gained a lot of experience during that time, some good, some I've had to learn lessons a couple of times, but I did learn it. I've spent the last four years as Chairman of the Natural Resources Committee, and that's been a valuable learning ground for me as to how to handle a committee, how to make sure that my committee members are informed, they know where we're meeting, when we're meeting, what the task ahead of us is. But it's also about keeping the entire body informed. As Chairman of the Executive Board, it is the board of the entire body, and I will commit to you that that will be my job to make sure that you are informed what the Executive Board is doing. A lot of you don't know a lot of about what the Executive Board does. Probably most that you know about or hear about is referencing because we do some of the challenges once in a while in deciding where your bills go. And I take that responsibility very seriously because our committee system is the people's house. We need to make sure that each bill that we introduce as senators gets a fair hearing in the proper committee to make sure that the voices of our constituents, the citizens of the state of Nebraska, are heard. The Executive Board does some other things. We appoint special committees, which may-- which many of you have served on, and I take that very seriously, as well as I know the entire board will. But probably more importantly is the Exec--

**FOLEY:** One minute.

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**M. CAVANAUGH:** --the Executive Committee and hopefully me as your chairman of that committee, makes sure that the Legislature works, keeping the trains running on time, making sure that we have the correct personnel in the correct spots to get the job done. Quite frankly, it is our job, and mine specifically as Executive Board member and hopefully as chairman, to protect the institution. We cannot lose faith of the people in Nebraska of our government. And this is the highest profile institution of state government there is. And it's extremely important that we do our job professionally in a timely fashion so that we maintain that trust with the citizens of the state of Nebraska. I know several of you have heard me say it before, but some of the best advice I've ever been given, especially about making a speech, if you want to be seen, stand up. If you want to be heard, speak up. If you want to be appreciated, shut up. I would appreciate your vote for Chairman of the Executive Board. Thank you, Mr. President. I'm assuming that I'm almost out of time, so I will yield the remainder of my time. Is that my third time speaking?

**FOLEY:** You have another one.

**M. CAVANAUGH:** I'm sorry?

**FOLEY:** You have more.

**M. CAVANAUGH:** One more?

**FOLEY:** One more.

**M. CAVANAUGH:** Thank you.

**FOLEY:** Thank you, Senator Cavanaugh. Senator Vargas.

**VARGAS:** Thank you very much. I rise in support of this amendment. I just wanted to be able to chime in here for a couple simple reasons. One, we talk about all the programming that we wanted to be able to accomplish through bills and through other avenues. And largely, when we're talking about the General Fund competing, there are a lot of competing interests. This sends a very clear message that we're not going to be touching the funds that are currently part of the construction funds in-- in all of them, but we will be utilizing a component of that--those funds for future potential overcrowding programming. And there's clearly overcrowding, but this contingency fund will provide that. I do want to thank Senator Wayne and Senator Wishart, Senator Stinner and Senator Lathrop and others that have worked on this amendment, because I think it provides the necessary contingency fund for the future. And also, we're all on some level of

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blast here to put forward initiatives this next year that can get enough consensus, that could potentially utilize this fund to help reduce overcrowding, and, again, none of this will happen until after-- after the study is done. But I think it's a-- it's a worthwhile compromise that makes sure that we have the investment set aside so we can invest in these programs in the future. So with that, I yield the remainder of my time back. But please support AM962 and the underlying amendment [SIC] LB384. Thank you.

**FOLEY:** Thank you, Senator Vargas. Senator Groene. Is Senator Groene on the floor? We'll move on. Senator Machaela Cavanaugh. Senator Groene, you're recognized.

**GROENE:** Sorry, Senator Vargas. You're not batting 1,000 anymore. You used to take your five minutes. [LAUGH] Thank you, Mr. President. I have some questions, Senator Stinner, I visited with you a little earlier. Could you answer a question?

**FOLEY:** Senator Stinner, would you yield, please?

**STINNER:** Yes, I will.

**GROENE:** The \$15 million, where's it coming from?

**STINNER:** The \$15 million is part of the allocation that we-- we were intending to set up in the construction fund. Instead of \$115 million, it's now \$100 million in the construction fund and--

**GROENE:** So-- so you will--

**STINNER:** --15 to this.

**GROENE:** So you will bring-- be bringing an amendment on LB380 to change that from 115 to 100?

**STINNER:** Yes.

**GROENE:** There will be another amendment.

**STINNER:** Yes, sir.

**GROENE:** All right. All right. Anyway, thank you. I just wondered where it came from. I really have a real concern, the vagueness. It is intended to legislate that these funds remain in the Prison Overcrowding Contingency Fund till sufficient details are provided to the Legislature regarding plans to reduce prison overcrowding. Now I-- what do I read into that? The executive branch brings the-- provides

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the Legislature, the Judiciary Committee. Who brings the details to the Legislature? Except that the funds may be used for purposes of a study to-- of inmate classification within the Department of Correctional Services-- I'm trying to figure out where the \$15 million gets spent. Is it in the judiciary system? Do we-- do we keep coming back that we-- that we look at the classifications of felonies and we keep changing the-- now we're going to give them a free pass? Or is it going to be from pro-- I mean they can go on probation after one month of service on a five-year term. That's what we did in the past. That was exaggeration. Or do we just get rid of felonies completely, certain ones about drug possession and stuff, and that's how we-- we do the-- I don't-- I'm-- I'm not against this thing, but what are we talking about, overcrowding? The-- fi-- is the-- what if results come back from the Governor-- I'm assuming the Governor-- who says, we just build a new prison, that's how we solve the overcrowding? This is very vague. I-- I have no idea, as an elected official, what I'm voting for. And-- and then they're going to do a study with UNO about overcrowding? Anyway, I don't like the-- well, I appreciate what Senator Wayne's trying to do. We need to keep people out of prison. They just don't need to do the crime. You got to somehow get people to quit doing the crimes. But anyway, so if somebody can tell me who-- Well, maybe Senator Lathrop could answer a question, if he's here. He was a second ago.

**FOLEY:** Senator Lathrop, would you yield, please?

**LATHROP:** Yes.

**GROENE:** Who, in your mind's eye, are we talking about when we say sufficient details are provided to the Legislature regarding plans? Who is doing the providing?

**LATHROP:** OK. So by the way, I'm next in the queue and I'm going to try to answer some--

**GROENE:** All right.

**LATHROP:** --of the things that you've talked about, Senator Groene, so that we can try to give you some [INAUDIBLE]

**GROENE:** Alright. Well, we can wait, because I'm-- I can just give you--

**LATHROP:** OK.

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**GROENE:** In fact, I'm done. You-- you understand I'm-- I'm looking at vagueness here. I-- I really don't have nothing to talk about-- if I should be talking about sentence lengths--

**FOLEY:** One minute.

**GROENE:** --for different felonies or if I should be talking about building an overcrowded-- building a prison or we're throwing this-- there's a lot of answers to overcrowding. So I'm going to let you-- I'm going to yield the rest of my time to Senator Lathrop and-- and you can take it from there. Thank you.

**FOLEY:** Senator Lathrop, you have about 40 seconds of his time and then five minutes of your own.

**LATHROP:** OK, thank you. And thank you, Senator Groene, for those questions. Let me try to answer it this way and so that you and everybody else kind of understands where this is going after we leave here with the budget in place. We will have CJI come in and they are going to do a deep dive into our data. We will have a task force that will take the information they provide as they distill through our data and offer a menu of ideas. They are not going to tell us what to do. That may very well include the number of beds that we need to build, for example; it may include building more community corrections beds; it may include dealing in a different way with people that violate-- violate parole. Senator Wayne's amendment doesn't require that we reduce sentences but just that we have a plan. And when is that plan going to come together and what's it going to involve? We will-- UNO and the folks at the institute will be doing a study on our classification system, Senator Groene. The-- the study and the classification we're talking about is, at what classification level is an inmate? Are they at a maximum, which is a higher risk to reoffend while in-- incarcerated and be a problem while they're incarcerated? Are they at a medium, a minimum, or community corrections level? So it will study that process and how to move them through more smoothly so that we don't have people spending more time waiting to get into a program that then delays their ability to go into community corrections, a lower, cheaper level-- level of custody, or precludes them from getting parole at the earliest opportunity that such an inmate would be entitled to parole. So that's one thing that's going on. The other thing that we have going on in this process is going to be to do a facilities study. So we have one done in 2014. You probably heard me talk about this, the Dewberry report. There was one done in 2006, another one done in 2014. That looks at everybody in the population, in the various levels of custody, maximum, medium, minimum, community corrections, as well as our need for mental health

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treatment and substance abuse beds, and then tell us how are we doing in relationship to our population, do we need any more of a particular type of bed, which should inform what we build, if anything. The other thing that will be going on is an evaluation of the State Penitentiary, what's its useful life, is it in fact-- at the end of life, will it have a purpose; if we were to build another pen-- a penitentiary replacement, what would we do with the Pen? Those are the things that we're going to try to answer. And then the CJI process involves a task force. That task force is going to try to look at all of these different variables and say, how can we in Nebraska maintain public safety, reduce recidivism, have better outcomes, and do it in a money-saving way, not letting people out who have been-- committed serious offenses-- pe-- people need to be punished for their crimes-- but also looking at whether-- since 93 percent of these prisoners will one day be released, how do we make sure that they're ready to reenter society, be productive citizens, and not reoffend? That's the goal. That's what the task force will do. And I would expect sometime in November and December, when the work is done to try to assemble some policy approach long term to corrections, that we will have in place some consensus about how are we going to address overcrowding. It's at that point that we should be in a position to check the box, if you will, on the condition that's found in Senator Wayne's amendment. I think it's a holistic approach. I think the-- the-- I-- I am especially grateful that the Appropriations Committee is now engaged. This is not simply the effort of the Judiciary Committee, but the Appropriations Committee is engaged, the Judiciary Committee is engaged, and there are people in this body who are engaged in the issue--

**FOLEY:** One minute.

**LATHROP:** --that don't serve on either one of those committees. I think we have an opportunity, with the way the budget has been put together and bringing an CJI, to really develop a long-term approach to how are we going to deal with the Department of Corrections, a huge, hugely expensive item in our budget going forward. And we need to make sure that our taxpayer dollars are invested in the right places, that we have the outcomes we want, that we preserve public safety, while at the same time looking to determine whether we're spending our dollars wisely when it comes to-- so that whole arena of crime and punishment, so I don't think we're going to have any trouble identifying that. And, Senator Groene, it may be, at the end of the day, we don't change anything and we build. I-- I personally don't expect that to be the outcome. I expect it to be some-- some of both. And we will be able to approach it informed and with confidence, and that's why I greatly

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appreciate how the budget has been put together. I think this is an-- an important amendment in that process. It demonstrates that our solution-- and we are setting aside money not just for brick and mortar, not just for a new facility, but for those ideas that will come out of this, including things like Senator Wayne's bill that would establish--

**FOLEY:** That's time, Senator.

**LATHROP:** --a sort of a satellite project for--

**FOLEY:** That's time, Senator.

**LATHROP:** --a community corrections facility. Did you say time?

**FOLEY:** That's time.

**LATHROP:** Yeah, thank you.

**FOLEY:** Thank you, Senator Lathrop. Senator Groene.

**GROENE:** Thank you. I'm not going to take full five minutes. I just want to throw out something that I've been here long enough that I remember the last time-- CSG, was it? I think that's the term, Council of State Governments-- that at that time, Senator Seiler had-- had the Judiciary Chair. And I was a freshman and, by golly, they came out with this LB605 and they did all these studies with L-- CSG and it was going to solve prison overcrowding. We changed all of the-- the fines-- or, I mean, the-- the lengths of criminal incarceration. And we-- we started all these community-- community help for the parolees and it was going to solve overcrowding. So when I hear the word C-- Council of State Governments again, I start wondering, what did I remember or learn from the time that Senator Seiler did it and this body did it, because we're talking about building a prison and it's escalated quicker and faster as-- than we expected. I remember all the charts, how it was going to drop incarcerations at the state level if we passed LB605. All I do know about LB605, it filled my county jail because it pushed a lot of the-- under six months, I believe, had to stay in the county jails. Now we're building onto the county jail that I was part of on a jail building committee by the county commissioners that we built a jail for Lincoln County. Now, less than seven or eight years later, we're building on. So just a little lesson from history, but I've heard this promise before that we're going to solve overcrowding. The only answer I've heard was let's just legalize all drugs that is actually-- because that would empty the prisons quite a bit, but it would make going out after dark kind of dangerous in the

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state of Nebraska. So anyway, just a little reminder and I will leave it at that. Thank you, Mr. President, from hearing me out.

**FOLEY:** Thank you, Senator Groene. Senator Albrecht.

**ALBRECHT:** Thank you, President Foley. You know, I rise in opposition of AM962 and I say this because, to just stand up during a budget hearing and, you know, make changes to the tune of \$15 million-- I would like to ask Chairman Stinner with the Appropriations a quick question.

**FOLEY:** Senator Stinner, would you yield, please?

**STINNER:** Yes, I will.

**ALBRECHT:** So who actually came before you and asked you to put \$15 million aside? Who came--

**STINNER:** This was a bill that actually allocated a full \$115 million to this contingency fund. And I felt very strong that we have two things going on here. One is the building part that means that there needed to be allocations to that, but certainly to broaden it out so that we could take care of programming and some of the other ideas that are not brick and mortar related, because if those dollars remain in the brick-and-mortar side of things, it gives you no flexibility whatsoever to do some of these other reform type of things that will come out of CJI. There's a bill certainly by-- originally by Senator Lathrop, now by Senator Wayne, for 3.2 on community programming. It needs to be modified and worked. I get that. But there are solutions out there that we can't take care of in terms of the 115. So when I took a look at the idea of this, it really looked like a better approach would be a balanced approach to provide some funding for certainly non-brick-and-mortar ideas and still have the allocation for the brick-and-mortar side of things.

**ALBRECHT:** OK, so in this amount of money, would you say there was a hearing on both, both the brick and mortar and the programming, before your Appropriations Committee?

**STINNER:** No, and there-- there is no appropriation in this. This money is being sequestered in a fund. I think if you understand how we do things around here, a bill has to be presented and then obviously that bill has a-- has a program assigned to it that-- and it has to go through the committee process. The committee comes up and prioritizes it, or the individual does, and those dollars then could be allocated. Now those requests could come from the Governor's side; it could come

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from the Legislature; it could come some-- from outside the Legislature, but that's the process. So the 15 is really a being sequestered until some of these ideas go through the legislative process and then become law, and then you can utilize these dollars.

**ALBRECHT:** OK, so-- so next year or the following year, if these programs come up and we think that, based on the company that's going to come in and-- and start giving us suggestions, they would still have to have a hearing before they could ask for any of those funds to be--

**STINNER:** Yes. And it just--

**ALBRECHT:** allocated?

**STINNER:** --has to have a program assigned to it. Now, if there's an existing program that we want to increase, that's another kettle of fish, but certainly these dollars are just being sequestered. There's no allocation and no appropriation. There's a process that we always go through that would-- would allow those dollars to go out toward those types of programs, so you do have that-- that check and balance associated with it. Yes.

**ALBRECHT:** OK, thank you. I yield the rest of my time to you, sir.

**FOLEY:** Thank you, Senator Albrecht and Senator Stinner. Senator Wayne, you're recognized to close on AM962.

**WAYNE:** Thank you, Mr. President. I hope there's enough people in the body to move this forward or I will do a call of the house. I do understand Senator Albrecht's concerns. The issue was when the committee voted on this for me, and what was read in the papers was this was about prison overcrowding. And from talking to the Fiscal Office and talking to Senator-- or Chair-- Chairman Stinner and Senator Wishart, by putting it in the construction fund, we locked it into just construction. This allows us to have prison overcrowding in a broader sense. We're matching it almost dollar for dollar for what the Governor is doing, as far as the site plan and the building for the actual prison, with programming dollars. This is what everybody on the mike kept talking about on both sides of the aisle, saying we have to explore this option. All this does is explore this option. So we're running two parallel tracks at the same time while we're getting a study done. So I would ask for you to vote green on the underlying amendment. This wasn't just a thought-up, pop-up idea that happened just on the floor. This was something the committee had already voted to, but I raised some concerns about limiting to just the

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construction, which is what my community contin-- continue to talk about, which this floor has said we shouldn't just limit. So this bill is about what the floor asked for, and that's why I asked you to vote green on the underlying bill. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Wayne. Senator Wayne, did I hear you say something about a call of the house?

**WAYNE:** Let's try it without first.

**FOLEY:** OK, very good. The question before the body is the adoption of AM962. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please .

**CLERK:** 28 ayes, 0 nays on the amendment.

**FOLEY:** AM962 has been adopted. Anything further, Mr. Clerk?

**CLERK:** Nothing further.

**FOLEY:** Senator McKinney.

**McKINNEY:** Mr. President, I move that LB384 be advanced to E&R for engrossing.

**FOLEY:** The motion is to advance the bill. Those in favor say aye. Those opposed say nay. LB384 advances. Items for the record, please.

**CLERK:** Mr. President, Business and Labor Committee reports LB290 to General File, LB450 to General File with amendments. New A bill, LB664A, by Senator Groene, it appropriates funds to implement LB664. Senator Bostelman presents LR20-- LR92. That'll be laid over. Revenue Committee will have an Executive Session at noon today in Room 1524, Revenue at noon. Priority. Senator Hunt would move to recess the body until 1:00 p.m., 1:00 p.m.

**FOLEY:** Motion is to recess till 1:00 p.m. Those in favor say aye. Those opposed say nay. We are in recess till 1:00 p.m.

[RECESS]

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

**CLERK:** I have a quorum present, Mr. President.

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**HILGERS:** Thank you, Mr. Clerk. Do you have any items from the record?

**CLERK:** One item, the General Affairs Committee reports LB73 to General File. That's all that I have.

**HILGERS:** Thank you, Mr. Clerk. We'll proceed to the first item on the afternoon's agenda.

**CLERK:** LB385, next bill, Senator McKinney. I have Enrollment and Review amendments, Senator.

**HILGERS:** Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move that the E&R amendment to LB385 be adopted.

**HILGERS:** Colleagues, you've heard the motion. All those in favor say aye. Opposed say nay. The E&R amendments are adopted.

**CLERK:** I have nothing further on that bill, Senator.

**HILGERS:** Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move that LB385 be advanced to E&R for engrossing.

**HILGERS:** Colleagues, you've heard the motion. All those in favor say aye. Opposed say nay. LB385 advances. Next bill, Mr. Clerk.

**CLERK:** Mr. President, LB380. I have E&Rs first of all, Senator.

**HILGERS:** Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move that the E&R amendments to LB380 be adopted.

**HILGERS:** Colleagues, you've heard the motion. All those in favor say aye. Opposed say nay. The E&R amendments are adopted.

**CLERK:** Mr. President, the first amendment, Senator Stinner, AM946.

**HILGERS:** Senator Stinner, you're recognized to open on AM946.

**STINNER:** Thank you, Mr. President, members of the Legislature. AM946 makes a number of post hoc changes and corrections to the initial committee proposal. Those changes are as follows: Section 1 corrects a federal funds appropriation amount under the Department of Insurance Program 69 Enforcement of Standards. The federal funds appropriation

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inadvertently omitted the aid amounts and included only operations. Amounts have been updated to include both. Section 2 changes the submittal date for the cost analysis of capital improvements at the YRTC Treatment Center in Kearney from December 15 to December 1. Section 3 increases Medicaid federal funds for the Developmental Disability rate increase. When General Funds are added to the DD Program 424, there is an accompanying increase in Medicaid Federal Funds Program 348. This was done for other issues, but for the provider, rate increases had been inadvertently omitted, which should read \$5,641,087 for fiscal year '22 and \$10,084,833 for fiscal year '23. Section 4 corrects an aid earmark in DHHS for Program 348 Medicaid Assistance. Section 5 corrects an aid earmark in DHHS Program 502 Public Health. Section 6 adds a salary limit that has been inadvertently omitted from the DHHS Program 621. Section 7 corrects an error in the Water Sustainability Fund appropriation. The committee transferred money from the Water Sustainability Fund to the Natural Resource Cash Fund to fund a Platte River study and stream gauging issues. The transfer was to be from the fund balance and not affect the appropriation to the Program 313 Water Sustainability Fund. In drafting the appropriation, it was inadvertently reduced and this amendment restores that original appropriation. Section 8 reappropriates the unexpended fund balance of the Nebraska Career Scholarship funds to state colleges and the University of Nebraska. This program was initiated in 2021, and due to timing of implementation, it will have some unexpected-- unexpended funds at the close of the fiscal year. Reappropriation of these unexpended amounts had not previously been included in the committee proposal. Section 7 reappropriates the unexpected [SIC] cash fund balance of the Children's Commission. Section 10 adds a \$10,000 per year cash appropriations for the Nebraska Hemp Commission. There has been no request as the agency and commission had not yet been appointed, although the Governor had included this amount in his recommendations. The committee had not been-- had not identified this initiative, so no funds had been included in the original committee proposal. Section 11 deletes reference to salary limit for the Commission on Public Advocacy Program 455 DNA Testing because no salary limit is needed. Section 12 supplements the cash fund of the Commission on Public Advocacy, which is \$520,000 General Funds transfer. Over the past year, there has been a significant lower revenue from the indigent defense fee and declining cash fund balance. A bill that was to increase the fee was to be added to another bill, but it was not able to be done. This transfer will subsidize their cash fund until the issues can be addressed next session. Colleagues, I would urge your green vote on AM946 and LB380. Thank you, Mr. President.

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**HILGERS:** Thank you, Senator Stinner. Debate is now open on AM946. Senator Linehan, you are recognized.

**LINEHAN:** Thank you, Mr. Speaker. And I am in support of both the amendment and the underlying bill. I just want to take a few minutes and have a conversation about some of the emails and news articles I've seen over the last week regarding state funding for education. So I would ask if Senator Wishart would yield to some questions.

**HILGERS:** Senator Wishart, would you yield?

**WISHART:** Yes, I'd be happy to.

**LINEHAN:** So, Senator Wishart, I shared with you, there was a story in the Lincoln Journal paper, Lincoln Journal Star, I'm sorry, on Sunday about Lincoln Public Schools financing. And I think you have a copy of it, right?

**WISHART:** Yes.

**LINEHAN:** So at the top of the second page, it talks about how-- well, I'll just read it. It still leaves Lincoln Public Schools with substantially less money to fund the district before state aid plummeted. Has state aid plummeted since you've been in the Legislature?

**WISHART:** No, our Appropriations Committee has always been diligent to fund-- to fully fund the formula.

**LINEHAN:** So what, what happened with Lincoln was there-- the way the formula-- there's-- the formula TEEOSA is complicated, but three things about it are fairly simple. It-- it's a dollar times your valuation minus your needs is your equalization aid. So when your valuations go up, which everybody in agriculture knows this all too well, what happens to your state aid when your valuations go up?

**WISHART:** Yeah, so what we have seen is that sometimes because of Lincoln's valuations increasing, then we have less funding in TEEOSA from the state aid that would go to support Lincoln Public Schools.

**LINEHAN:** Because that's the way the TEEOSA--

**WISHART:** Yes.

**LINEHAN:** And that Lincoln Public Schools, from what I remember from the last two years, are very fond of the TEEOSA formula.

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**WISHART:** Right.

**LINEHAN:** At least they had no interest in changing. Then I also have a letter here from, which I shared with you, the Nebraska Association of Public School Foundations. And in their second to the last paragraph, it states: when the, when the state aid leaves public school funding formula short. Again, do we-- have we left the funding formula short?

**WISHART:** Not since I've been in office. I do not believe so.

**LINEHAN:** And then the next line is, almost insulting actually: when the state does not participate in the cost of education. Do you know just kind of in round figures how much the state in this budget has appropriated to K-12 education?

**WISHART:** Ooh, I'd have to get back to you, but it is a significant portion of our budget.

**LINEHAN:** It's well over a billion dollars, is it not?

**WISHART:** Yes.

**LINEHAN:** Thank you. And then we have the Nebraska Education Collaboration, they have on their website, it's on the page-- it's two pages here at the bottom of the second page, their top bullet says: Restore public education funding that was recently cut by lawmakers. Again, have we made any recent cuts to education funding?

**WISHART:** No, we stayed true to the TEEOSA formula as it currently stands in policy.

**LINEHAN:** Thank you, Senator Wishart. And then just one last question, and I'd ask if Senator Groene was available for a question.

**HILGERS:** Senator Groene, would you yield?

**GROENE:** Yes.

**LINEHAN:** OK, Senator Groene-- how much time do I have left?

**HILGERS:** 1:30.

**LINEHAN:** OK, so I'm going to read this short-- it's also from the Nebraska Education Collaboration, which is all the school groups. We agree there is a revenue problem, particularly with school funding. The state is not providing its fair, appropriate share. The primary reason for property taxes are high in Nebraska, basically because we

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do not provide enough state aid. Did we work last year, Senator Groene, to provide 513,000,000 million dollars more in state aid to public schools?

**GROENE:** Yes, we did. In LB1106, we corrected that error--

**HILGERS:** One minute.

**GROENE:** --and the teachers union fought us vigorously behind the scenes because they disagreed. They wanted to keep the property taxes and the state aid.

**LINEHAN:** Thank you. But state aid collaboration, just so I can tell you who is on here. Nebraska Council of School Administrators, did they support more state aid? Last year, did they support LB1106, School Administrators?

**GROENE:** No.

**LINEHAN:** Association of School Boards?

**GROENE:** No.

**LINEHAN:** State Education Association?

**GROENE:** No.

**LINEHAN:** STANCE?

**GROENE:** No.

**LINEHAN:** NRCSA?

**GROENE:** Originally they did, but they got their arm twisted and they changed their mind.

**LINEHAN:** GNSA?

**GROENE:** No.

**LINEHAN:** So none of those groups that make up this coalition supported 513,000,000 million dollars more in state aid for schools last year in LB1106?

**GROENE:** Yes, it's, it's kind of, kind of indigenous [SIC], "ingenous" to tell us that we didn't fund state aid and berate us when we tried last year.

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**LINEHAN:** Thank you, Senator Groene. Thank you, Mr. Speaker.

**HILGERS:** Thank you, Senator Groene, Senator Wishart, and Senator Linehan. Senator Wayne, you're recognized.

**WAYNE:** Thank you, Mr. President. I'm, I'm torn on this amendment because there's one section that I just don't agree with and that has to do with the Public Advocacy Commission. And maybe this is just a Douglas County thing. But-- so I'm looking at the budget and I'm looking at what we, what we spend and what we're asking to increase this to like \$500,000. And I'm just not in favor of it. Their caseloads are five to six cases per person, while in Douglas County they often have 100-- or 50 to 100 cases per person. The cost per case just seems outrageous. And actually in Omaha, what happened was an attorney tried to bill for the Public Advocacy Commission to pay for it and they rejected it, saying they can't pay for it. So here's what happens in most counties and I hope people are listening. In most counties or actually in all counties across the state, attorneys are often appointed. If there's a conflict with your local public defender or there maybe just isn't enough attorneys in rural Nebraska, they appoint an attorney. That attorney charges anywhere from \$40 to \$50 to \$100 an hour. But that attorney-- that, that fee is actually set by the county. The county sets the fee for how much they're going to pay for attorney services. And this group doesn't-- I mean, they do defend in a lot of places, but they don't defend everywhere across the state or on a consistent basis. And I, I have some huge concerns about giving additional dollars to this agency. Now I know why the agency wants it, because they're actually funded by a, a court cost. They're funded by a court cost, and that court cost has went down and that-- and so they're trying to offset this here. But, but I just-- I mean, when I look at Douglas County's public defender budget, which is I believe salaries only is about two, three million, and I think it went up to like six million for like all, all intents and purposes, all staffs and everything. They got like 45 attorneys and their average salary is \$64,000 to \$70,000. The Public Commission average salary is around \$90,000. That-- that's a very high paid attorney for doing public defender work. So I got a lot of questions that-- it's Select File, so obviously I can't bring it up on Select File and try to work out something. But there-- there's just some fundamental issues that I have with, with this, this part of the, the committee. I don't have a really issue with anything else on the amendment. But this issue right here is an issue that are probably make me vote no because, I mean, the average attorney caseload is 69 in, in, in Douglas County and they represent about 20 to 30 percent of that 69 is, is felonies. And the average felony case per load is capped at 20 with 2 attorneys on the

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case. I mean, it just seems like it's not a very well-ran operation for the dollars that we get. So we will spend a little bit of time, I'm not going to give a whole lot of time talking on it, but I just-- something about this just doesn't sit well with me. They don't-- if we were to give this money to the local counties, they could hire their own attorneys at a, at a cheaper rate and save taxpayers money. So we'll have a little bit more conversation about this. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Wayne. Senator Erdman, you're recognized.

**ERDMAN:** Thank you, Mr. Speaker, and good afternoon. I listened to the conversation from Senator Linehan between her and Senator Groene and Senator Wishart. I appreciate Senator Linehan pointing out what she did. One of the issues that I asked the Department of Education when they came into the Appropriations Committee is what did you do with the \$346 million in CARE's money that you received? And I didn't get an answer. But I think it's appropriate that we find out exactly what they did with that money because you see in the next round they're to get another \$575 million. So if you add that together, it's over \$900 million dollars. And as Senator Linehan had alluded to, they get just over a billion in TEEOSA formula funding. And so we're going to give them another \$925 million extra. And they're whining about how much money we've taken from them, but they don't pay any attention to us when we ask them, tell us what you did with the money that you currently have, the COVID money, and what are you going to do with the new money that you do get? That's pretty arrogant that they would come and tell us that we're underfunding them when they have hundreds of millions of dollars that they didn't have before. I'd ask Senator Groene how I take \$300 million out of a TEEOSA to reconcile the \$346 million they've already gotten. I haven't figured out how to do that yet, but it doesn't make any sense to me that you would come and begin to be concerned about the TEEOSA formula, in your opinion, is not fully funded and you don't say a word about the \$900 million you're going to get or the \$346 you've already gotten. We have an issue. And I think Senator Linehan brought it to your attention today, and I appreciate her comments. Thank you.

**HILGERS:** Thank you, Senator Erdman. Senator Morfeld, you're recognized.

**MORFELD:** Thank you, Mr. President. Colleagues, I want to discuss a little bit about Senator Wayne's concerns that he has on this portion of the bill with the Commission on Public Advocacy. I, I, I do not share his feelings on this. And I want to go through it just a little bit here. The reason why we included this is because we were not

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able-- or excuse me, the reason why the Appropriations Committee included this was because we were not able to get the fee increase bill that I have introduced for the last two times in this body to the floor for a lot of different reasons, as we all know. And in addition, after hearing people's thoughts on the court fees, which is currently how this Commission is funded, after hearing people's thoughts on the court fees on the floor, we realized that maybe we need to look at some alternative ways of funding this agency. Now, I think it's important to step back. Why does the Commission on Public Advocacy exist? The Commission on Public Advocacy exists because a bunch of counties in our state, the vast majority of counties in our state, cannot handle the defense of serious-- of people that are charged with serious crimes. In fact, some counties, many counties in our state would go bankrupt if there was not this type of service that was provided by the state for the counties, for the defense, because defense costs for some of these serious capital crimes can go into the hundreds of thousands of dollars if a county has to contract with a private attorney. So, yes, the average attorney in this office makes \$90,000 a year, which I will tell you for an attorney of that type of experience is not a lot of money. And do I think that public defenders in other counties, such as Douglas County, should make \$65 to \$70,000 or more than \$65 to \$70,000 a year on average? Absolutely. It's probably tough to keep qual-- quality attorneys in some cases. But the bottom line is that this Commission was created in the 1990s, in 1995, to provide property tax relief to counties that are obligated to provide indigent criminal defense services to lessen the impact on county property taxpayers of the cost of high-profile, first-degree murder cases and other high-profile cases. Now, if we want to talk about caseload standards and all that, we can have that conversation, I think that's another bill for another day. The reason why this appropriation is being provided is if we do not provide for this appropriation and do not increase the fee, which it does not look like we're doing this year, this office will have to lay off attorneys. And if they have to lay off attorneys, that means that your counties are going to have to start paying for the defense of these high-profile crimes. Why do you have to pay for it? Because it's required to pay for it in the constitution. There's no option. You don't get to decide. So what's going to happen is, is we don't appropriate this, they'll have to lay off a few attorneys and then your counties are going to be left with the bill. If Senator Wayne has concerns about caseloads, about how much the attorneys are paid in the office on average, then that's fine. I think that's another bill for another day. This is an appropriation to keep the office open and to keep it running in the meantime. I've committed to sit down with Senator Stinner, Senator Wishart, and others on the Appropriation Committee to

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find out a long-term solution. The Commission on Public Advocacy has always been funded by the fees. The court fees have been down, which is why you've been seeing a lot of people trying to increase court fees. The court fees have been down because filings are down. People are using different types of alternative dispute resolution instead of going to court. I'm not saying that's a bad thing. It's probably a good thing that people are using alternative dispute resolution. It's a bad thing, though, for these agencies like this one that are--

**HILGERS:** One minute.

**MORFELD:** --fully funded by fees. So I am committed to working with the Legislature to finding out a better way, a more sustainable way of funding this agency rather than increasing fees. That being said, we need the time to do that. It was not readily apparent to me and others that the body would be so opposed to fees because we increased many of them last year and the year before. But it is now. So I'm committed to working with all of you and the Appropriations Committee to finding a more sustainable long-term solution. But in the meantime, we need this appropriation to be able to get the agency through the year so that they don't have to lay off attorneys and so that they can continue to represent indigent folks that have committed serious crimes that otherwise your county will have to foot the bill for. That's the purpose of this. And if we want to have a discussion about caseloads and standards and all that, I'm happy to work with Senator Wayne on that next session. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Morfeld. Senator Matt Hansen, you're recognized.

**M. HANSEN:** Thank you, Mr. President. Talking-- listening to the debate on the Stinner amendment, I think I'm going to be in support. I think a momentary General Fund input to help out cash-based agencies when court costs dropped seemed appropriate. So I'm in support of that. What I originally clicked on my light was we had some discussion already by a number of senators about taxes and I think kind of highlighting some of the tax debate coming up for next week. I appreciated it that we're kind of getting some early thoughts on the record and I would-- thought to jump up and share mine. You know, throughout past debates in my time here, it's also-- it's often framed as the schools are the opponents, the schools are the opponents of some of these tax bills and tax proposals. I would like to remind you, at the end of the day, it's senators on this floor who are opponents and including myself on some bills that I think would have drastically harmed Lincoln Public Schools. Because while I am a state senator for the whole state, my district is largely Lincoln and Lincoln-based. I

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have one precinct in Waverly, but largely Lincoln-based. And at the end of the day, I am their representatives and I cannot issue or support a concept without some trade-offs that I think just across the board would harm Lincoln Public Schools. And I value their perspective and I value their input. So to say the schools are just opposing something, I don't think is accurate because they don't get to vote in this body. We senators do. And if there's a bill that doesn't gain the support of senators from a certain number of school districts, that must mean that there's some provision that often unites people to, to not, not think that's desirable or at-- or, or helpful to our districts. Because at the end of the day, you know, we all are representatives of certain constituencies. And just as I wouldn't expect you to vote on something that you thought would harm your district, please don't expect me to vote on something that I think I would harm-- that would harm my district. With that, looking forward to revenue week coming up. I know there's lots of bills to study and lots of things to get ready for. So happy to carry that debate over to that day. With that, again, rise in support of the Stinner amendment. I think a momentary increase in help for the Commission of Public Advocacy makes sense. Thank you, Mr. President.

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

**J. CAVANAUGH:** Thank you, Mr. Speaker. I also rise in support of AM946. As you all know, I was a public defender for seven years and I worked in this very office that we're talking about. And I appreciate the talking about the importance of this work. It's near and dear to my heart. The reason I'm in support of AM946 is I like funding the programs like the Commission on Public Advocacy through General Funds. We had the conversation. Senator Morfeld pointed out that there was not an appetite for increasing court fees on the floor. That was partly me. I, I have no appetite for increasing court fees. I, I think we should pay for things the Commission on Public Advocacy through General Funds because we should fund the essential functions of the state through our General Funds, and we should bear the weight and consideration of that and not put it off onto these other places, so we-- it's out of sight, out of mind. So I think that's an important consideration, we're talking about how to fund these things. The reason this is a worthwhile program and the numbers are kind of confusing. I just thought I could shed a little light on that. So as a public defender, you have a very large caseload and those cases range from, you know, a Class III misdemeanor all the way up to a Class I felony. So, you know, basically 30 days in jail, up to life in prison. And that caseload can-- people have lots of different levels of that

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caseload. And actually this reminded me of a funny story. Senator Wayne, you might not remember this, but my very first motion to suppress I was-- had one client and you were court-appointed counsel and the cocounsel on the other client. And that was a motion to suppress on a traffic stop, search, and find a gun. And ultimately, Senator Wayne and I prevailed on that motion to suppress, if you recall, and, and won that case. So that's just a funny aside that I just remembered right now. But when you look at the salaries here, I was in my seven years in the public defender's office right around that average salary. I had done a couple of homicide cases. I'd done, in that case was a gun case that is a pretty serious felony, carries a serious amount of time. But when you get to the people who are doing caseloads in the public defender's office of the level that the Commission on Public Advocacy is doing, which is exclusively homicides, exclusively serious sex assaults, those people are getting paid a higher amount and they will have a cocounsel and the-- of people like me who were a little, a little bit further down. And it's a great system for mentorship and building up people and getting them to that position. But the Commission on Public Advocacy has-- takes those most serious level cases with more that are-- when you get to-- the higher you go up the ladder, the complexity compounds. And so the amount of time invested in a homicide trial is more than ten times the amount of energy invested in a, say, a Class IV possession trial. Obviously, there's still a lot of work to be done on every level to ensure that people's rights are preserved. But there are just more complexity with DNA, with expert testimony, and depositions, more depositions, more witnesses. So I think that the, the bang for your buck is, is there with the Commission on Public Advocacy. I think it's an important program. I think that it-- it's-- is a good way to do this because of the consideration. We're lucky in Douglas County, in Lancaster County, Sarpy County, I know we have good public defender offices that can handle these cases. Other places have either contract public defenders or a solo who-- it would just completely derail the office for the entire year if they weren't able to lean on this resource. And it would be a--

**HILGERS:** One minute.

**J. CAVANAUGH:** --financial burden to those counties. I just wanted to say that-- so I'm in favor of this for many reasons. But really, this paying for indigent defense is a good bang for your buck in the sense that it preserves our democracy, it preserves our justice system. It ensures that everybody has their rights protected and preserved. And I know a lot of people say don't do the crime, if you can't do the time. But the whole nature of our criminal justice system is to ensure that

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people's rights are preserved so that innocent people have their rights preserved. And we do that and we preserve the rights of everyone to ensure that everyone gets an equal opportunity and having the rights preserved. So I'm in favor of this bill. I think that it is a pretty good resolution and I appreciate the Appropriations Committee taking this consideration and bringing this amendment this time. And thank you, Mr. Speaker.

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

**WAYNE:** Thank you, Mr. President. And, colleagues, I made a huge mistake. I made the mistake of actually thinking we should not create a law firm through public funds. But I'm going to support this bill because there's a bigger issue. The issue is I like the idea of not passing a bill through the process and adding it to the budget. So I am going to vote green because we can now just pass things in the budget to solve the problem when we couldn't do a bill. I like that idea. But next year I will be bringing a bill to get rid of the Public Advocacy Commission. And I think it's better to start a fund to refund the counties the money they spend on appointing outside counsels. That they should be able to apply and get reimbursed from the state directly to the counties for the hours that they hire local counsels to be appointed to these types of cases rather than create a public law firm. So I am going to vote green. You have my word, I will vote green. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Wayne. Seeing no one in the queue, Senator Stinner, you're recognized to close. Senator Stinner waives closing. The question before the body is the adoption of AM946. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

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

**HILGERS:** The amendment is adopted. Next amendment, Mr. Clerk.

**CLERK:** Mr. President, next amendment, Senator Groene, AM961.

**HILGERS:** Senator Groene, you're recognized to open on AM961.

**GROENE:** Thank you, Mr. President. What my amendment does is takes the funding for the public health districts back to the original amount that was in the preliminary budget and also in the Governor's budget, reduce the amount in LB380 as amended by \$1.5 million the first year biennium and \$3 million the second year. My rationale is-- there

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should be a handout coming to you. This isn't a debate if you like public health districts or not, this is about funding and this is about fiscal responsibility. We-- in the CARES Act, what I've been able to discover so far in the last 12-- from March to March, the public health districts that we have received \$48,212,000 for personal protection equipment, disinfectant wipes, hand sanitizers, and infrared thermometers, local public health departments to further distribute in their areas of responsibility. Another \$16.6 million in reimbursements for direct and indirect costs as related to COVID-19 pandemic. That was, that was open funding. We did-- at the end of the, the, the COVID session, we gave them \$2 million direct allocation in LB108. That was into their general funds to do what they wished. They are adequately funded. They are adequately funded. And we don't even have in this number CARES Act 3, which hasn't been defined yet, how much money they're going to get to the public health districts, which is going to be-- dwarf what I just read to you because the CARES Act 3 is twice as big as the original CARES Act. Also, we need to have a debate about the public health districts and the power they've acquired-- were given to them by, by irresponsible elected officials who didn't take-- want to take responsibility, so they dumped it on-- major decisions about our constitutional liberties and rights, about where do we want-- at the end of the day, the part that, that these districts play in our lives? We haven't had that debate. I know there was a dispute in the committee about adding this and it's not a public record, but I know of three senators-- Senator Stinner, Erdman, and Clements did not vote to add this to their budget. The Governor did not agree to it. Here's what should happen. Here's what should happen. Let's find out how much CARES money is coming in CARES Act 3. Let's find out what it's intended for. They have plenty of money right now. Their, their bank accounts are not empty. Let's see in the biennium, second year. If we need to adjust the budget, we can do it. Let's keep this money in the cash fund and then come back and let's have some time to figure out what we want our health districts to do and how big we want them and how powerful we want them. With money comes power. With money comes power. More employees, more dictates. Here's the other thing-- another one, Medicaid expansion. How necessary is public health districts in the future? A lot of the services they provided were for the indigent who didn't have healthcare. In the future, they will. Nothing in this bill, nothing in Senator Vargas' original LB585 says what it's for. It's just here's more money. We're so used to throwing money at you from the COVID thing that here's the money. What's it for? Senator Stinner, would you ask-- take a question?

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

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**STINNER:** Yes, I will.

**GROENE:** I know you have a huge amount of item-- line items here in this bill so remembering all the details on any of them is not easy, but do you remember what the purpose was? What was the, what was the reason brought to the committee why we needed to give this extra \$4.5 million?

**STINNER:** I believe that the reasoning was, is that, yes, they do get CARES money and they have associated costs with it and by bringing-- that they still needed to have their base brought up to a level to where they-- the committee felt the need--

**GROENE:** Thank you.

**STINNER:** --that they had needs for--

**GROENE:** Thank-- we-- didn't we in the previous year, in the interim in, I call it the COVID session, short session, did we not add \$2 million to their budget and then you, your committee and the Governor, continued that \$2 million into this biennium?

**STINNER:** I believe we added something, whether it was \$2 million or had earmarked \$2 million in the emergency fund to--

**GROENE:** Thank you.

**STINNER:** --that could be used.

**GROENE:** Thank you. And here-- I don't have all the facts yet. We don't know yet with your research and how much money was given directly to the, the public health departments, directly from the federal government through HHS to them, that never was in the package given at the discretion of the Governor. So it's not the time to be throwing money at it when the Governor didn't ask for it, the original committee preliminary budget did not have it in it. This is \$4.5 million. I can remember a time here just less than two years ago when \$4.5 million was-- we would have all been licking our chops if that much was left on the floor for us to spend. This is not good government. That's as simple as I can say it. You do not throw money at things because you feel that they did a good job or you feel that more money would be helpful. There's no rationale here for it at all, none given. Let's just throw some money at it because I feel they did a good job and I feel we need them in the future. Remember, they didn't do everything. Hospitals did testing, clinics did testing. I got my own tests done by a local doctor. They did not save the

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country. They were an option for people to get testing. They were an option, but the part is they started dictating our constitutional rights, so I have a concern on that. Unelected bureaucrats, some of them didn't want the power, but mayors gave it to them here in Lincoln. Thank God our Governor didn't. He held back the reins somewhat. You cannot point out-- I hope somebody does-- don't tell me some individual story, how they saved somebody or did what we pay them to do. You tell me why this money is necessary and why it was lay-- it was the very last thing added to the budget, I understand, from the-- that came through requests from senators. Explain it to me. I want to know why it was added besides it makes you feel good and you think these folks did such a wonderful job. They better have; \$100 million for a state with only 1.9 million people and millions and millions more coming from COVID 3 and millions that I haven't been accounted for yet that came directly from the federal government to HHS to be distributed to them? I'm just counting for what came through the Governor and through us. It's a huge amount of money and I believe they're all saints. I'm sure that no money was misspent or used inappropriately because nobody works for a public health department that has any alternative motives. But I'd like to see some accountability-- counting on that money. I'd like to see the State Auditor take a look where all that money went. But no, instead of that, we didn't ask for accountability, we gave them \$4.5 million more on top of what we don't know is coming. This money belongs in the general-- in the cash fund and the reserve fund so that in the interim, after COVID is settled-- it should be settled by next year-- if it isn't, we're in real trouble. Where does that money need to be spent? We might be just glad to have that \$4.5 million--

**HILGERS:** One minute.

**GROENE:** --to pay the wages and state employees because this huge influx of COVID money has affected our budget, had affected our revenues in the posit-- I don't know if you-- I don't call it positive. You get addicted to money. You get them addicted to spending. Thank you and I would appreciate a green vote on AM961. It's common sense and let's look at it next year. Let the Appropriations Committee look at it next year and see if there's more money needed after we see the COVID-- CARES Act effect on it. Thank you.

**HILGERS:** Thank you, Senator Groene and Senator Stinner. Senator Vargas, you're recognized.

**VARGAS:** Thank you very much. Colleagues, I stand in opposition to AM961 and I'll give my points. I do appreciate Senator Groene for bringing up his points. First, quite simply, our public health

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departments across our state have been on the front lines of ensuring that information, resources, and also acting as a hub amidst this pandemic is happening. They are public servants that have been standing up to try to slow the spread of this virus and try to ensure that we are bouncing back, not just people, to make sure we're bouncing back economically, socially, as a community. For those of you to have a relationship with your county health department, you will know that they are and have been taking on a Herculean effort. This was brought because CARES Act funding is one-time funding. There are many things that have received one-time funding. That one-time funding is not meant to sustain or improve infrastructure. But across this country, we only spend anywhere between 1 to 2 percent of all health funding on preventative public health. It is largely one of the reasons why we had a slower response. Public health infrastructure is critical to ensuring that the next time something happens, and it's not just a pandemic or a virus, that our public health departments are reacting and are prepared to do so. One-time funds do not provide the resources necessary to ensure we're building up infrastructure. They provide the resources like Senator Groene stated and those resources are one time. This last Sunday, I was at a vaccine clinic in north Omaha, north Omaha, at Omaha North High and when I walked in from an 8 a.m. to 8 p.m., the volunteers there, one of them was the chief epidemiologist in Douglas County Health Department. Another person led the STD/STI prevention. Another person led the lead poisoning prevention. Another person was a risk assessor that works in lead poisoning prevention. Somebody else worked in asbestos education. And the list goes on and on. These people were there on a weekend on their job that they're normally supposed to react to other, other public health problems in our community and are doing this and have been doing it for months, disregarding those other things. Public health exists to prevent things from happening, not reacting like when we're-- we have primary care physicians. That's why this infrastructure is so important. That's why this funding is important. And bear in mind, the funding is actually meant for improving infrastructure across Nebraska, not just even in our own backyard or my own backyard. The \$1.5 million in this next year is distributed equally among all the public health regions equally. And then the money after that is half equally, half equitably based on population. This actually stands to benefit more of rural Nebraska and the rest of outside the metropolitan areas. We have relied on our public health departments to be a hub of information in a way that they were never fully prepared for and improving their base is sending the message that we understand that the next time around, we're not going to just be fully reliant on federal funding. We are going to invest to make sure that we become better.

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**HILGERS:** One minute.

**VARGAS:** That's what this is about. And I want you to think any time you jumped on a call, any time you jumped on a Zoom or had a constituent and somehow-- or even in the media, public health departments were targeted as a source of information or a source of credit to trying to get something out and trying to improve our situation. And they've been held under extreme level of scrutiny when the majority of them, with the exception of Lancaster, don't have the authority to put in their own DHMs. They were just making sure that they are being public servants in a community, responding to the needs of the community, and they've been, been making sure they're-- been doing that with fewer long-term resources. As a business, we would not be able to grow our business or our community organization would not be able to grow a community organization or a nonprofit or any other public entity with one-time funding.

**HILGERS:** Time, Senator.

**VARGAS:** Thank you.

**HILGERS:** Thank you, Senator Vargas. Senator Morfeld, you're recognized.

**MORFELD:** Thank you, Mr. President. Colleagues, I rise in opposition to AM961 for a few different reasons. First, quite frankly, our public health system across the state has been underfunded for decades. And the fact of the matter is, is that they've done an incredible job in incredibly tough circumstances, despite not having the infrastructure in place for something like this. And quite frankly, this is the exact kind of thing that happens that reminds us why investing in this types of infrastructure is so important. This is exhibit A on why we invest in public health infrastructure across the state. The CARES Act dollars that Senator Groene was referring to are based on covering COVID-related needs. I don't think I have to tell everybody on this floor that there's a lot of other things that the public health departments do other than COVID-related things. This is important to ensure that we have strong infrastructure in our public health departments long after COVID is gone. And if there was ever a reason to do that, the events of this last year should make it readily apparent. Yes, there is a lot of CARES Act dollars that are going into public health departments, but it's to address an unprecedented pandemic and the direct costs associated with that. It does not address the fundamental problems that we have and the underfunding that we have of the public health infrastructure in our state that existed long before COVID. So colleagues, this is an important aspect

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of the budget. It's an aspect of the budget that we should probably be steadily increasing for many years to come because we don't know when the next pandemic is going to be. We don't know when the next public health crisis is going to be. And I just want to rise today to talk about the importance of this, that it's not just about COVID and the pandemic. It's about making sure that we have long-term sustainability and strength in our public health system. And I also want to thank all of the public health directors, all of their staff, all of the volunteers that have worked relentlessly and tirelessly over the last few year-- or over the last year and many years before that. They're working nonstop and quite frankly, they're not only dealing with the pandemic, but they're also fulfilling all of their other duties other than those related to the pandemic at the same time. And yes, did they sign up for it? Is it their job? Absolutely. But that doesn't mean that they don't deserve our appreciation. It doesn't mean that we should just take it for granted, as Senator Groene alluded to, and it doesn't mean that we shouldn't continue providing additional funding for their critical work, which has only been exemplified by a major global pandemic. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Morfeld. Senator Erdman, you're recognized.

**ERDMAN:** Thank you, Mr. Speaker, and good afternoon again. I stand in support of Senator Groene's amendment. As I begin to look at the information that he sent out, as well as before COVID, it appeared to be the most important thing that we talked about when I was on the public health board is how to stop people from smoking. So this was an issue for them to deal with, that they had something of significance. They made a lot of decisions as a public health organization on taking away personal liberties and freedoms. I'm not sure a lot of that was based on science, but more or less opinions, and so we have increased spending or appropriations to public health over the last several years. What concerns me about continuing to increase the base is at some point in the future, we may find ourselves in a situation that we were in back in 2017 when we had a revenue shortfall. And when you continue to increase the base and then you wind up having an issue like we had then, you'll have to make some cuts and those will be very difficult to make once you've raised the base to the significance we have. As I have said on the floor before, that's what happened in Kansas back in 2008 and 2009. They had raised the base on education from the revenue they received from the federal government. Then when the base dropped back to what it was, then they accused the governor of cutting spending to education. And so one-time spending for COVID expenses with COVID money makes sense to me, but to raise the base and

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continue going forward raising the base so that we have an obligation that we may not be able to meet is prob-- is a problem. And so Senator Groene, I think rightfully so, said that they're getting the funding they need and I believe adopting Senator Groene's AM961 to the main budget, LB380, would make sense. Thank you.

**HILGERS:** Thank you, Senator Erdman. Senator Kolterman, you're recognized.

**KOLTERMAN:** Good afternoon, colleagues. Thank you, Mr. President. I rise in opposition to AM961. I sit on Appropriations and I had the opportunity to listen to the healthcare providers that came in from these different organizations. I'm very familiar with an organization called Four Corners Health. They're out of York, Nebraska, but they incorporate four different counties: Butler County, Seward County, Polk County, and, and York County. Our local health department mission statement states it's there to promote health, prevent disease, protect the environment, improve the health of our communities. Our local health department includes efforts with health surveillance, public health, nursing services, medication assistance, emergency preparedness, planning for pandemic preparedness, just to name a few. In addition to that, it's staffed by many volunteers. They do immunization clinics. I first got familiar with Four Corners Public Health when I was running for the Legislature. I didn't really understand what they did, but like many of us, you go to county fairs and you sit in a booth at the county fair and you meet the constituents as they go by, just happened to be right next to me in two of those counties was my public health department. I got to know what they did. I asked a lot of questions. Since then, I've been involved with them and talked to them on many occasions, so when they came this year and asking that we increase their budget, especially in light of the fact that we've got the COVID situation, I was very supportive of that idea. And even when, when we couldn't give them what we thought we could give them and we went back for a second look, I was very supportive of increasing it a little bit more. And yeah, it was one of the last bills that we took up. I would agree with that. You know, I've got five hospitals in my district or four hospitals in my district and one hospital in Butler County: Annie Jeffery's, Butler County Hospital, which is in Senator Bostelman's district; Memorial Health Care Systems in Seward; York Public Hospital in York; and then in, in, in Senator Friesen's backyard, but it's in my district, we have Henderson Health Care Services. All of these organizations have representation on the board of directors of our local public health department. They all work hand in hand with our local health department. In fact, when they came to testify at the committee,

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several of the administrators came and talked about how important it was. I also had a very familiar acquaintance with the one up in Fremont, Nebraska, as well as the one in-- up in northeast Nebraska. I, I can't remember the name of it, but Gina Uhing is the person that manages that. They just do a tremendous service, but, but they've, they've done that without much support from us as a state. And again, since this came to us in the, in the, the darkest hours of our pandemic, it, it made us stop and think and realize just how much they do do. One other thing, Senator Groene brought up the question about the CARES Act moneys. Well, those-- it's my understanding that those costs are all cost-based reimbursed so they don't get paid until they prove that they've utilized it and, and they are audited by Deloitte on an annual basis. And all the departments submit audits to the state of Nebraska on an annual basis. So Senator Groene, if you're concerned that the money is being wasted, go look at the audits--

**HILGERS:** One minute.

**KOLTERMAN:** --that's, that's done by our state. So I would hope that we could get behind this effort. It's not like we're giving them a tremendous amount of money. It is, it is not-- it's not insignificant, but at the same time, it's going across the whole state. And when you spread that kind of money across the whole state and look at what good they're doing and, and the future that they can help us with, we don't know what's in store in the future for pandemics. I will tell you this, they've been asked to do a lot more than they ever thought they'd be doing. I think we need to get behind them. I, I oppose AM961 and support LB380 and hope we can get that advanced today. Thank you.

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

**FRIESEN:** Thank you, Mr. President. I stand in support of AM961. I think, too, that the CARES Act money that's floating around and, and all of the federal dollars that have been dumped into us, we do not truly have a handle even on how much of that is left, how much of that is sitting in different organizations that received it and, and actually what the actual needs might be down the road. So I stand in support of this. I think, you know, it's-- once this settles out and the CARES Act money is spent and gone and we can look at this budget next year and make a more educated decision probably on what they need. But right now, I, I feel that the, the federal government has dumped enough money into us that we don't need to budget for that this year and so I'll be supporting AM961. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Friesen. Senator Blood, you're recognized.

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**BLOOD:** Thank you, Mr. President. Fellow senators, friends all, I strong in-- I stand in strong opposition to Senator Groene's AM961, but in full support of the underlying bill. I started, friends, by looking at the history of how these LPHNs came to be. And if you look in state statute, back in 2001, the Nebraska Legislature realized the importance of these local health departments and I believe there's 15, 16 here in Nebraska. Specifically looking at State Statute 71-1629 and 71-1635 where they created multi-county health departments. Then I wanted to know how they've been doing. I want to take the pandemic out of it because it makes me so irritated that we are politicizing the CARES funding and using that as a foundation to not give these health departments the money that is needed. If you look at their annual reports, you will note that they have been severely underfunded when it comes to the money that we've contributed. As senators, you guys get those reports. I think it's every two years that they're required-- or every year we get the report from them, but it usually covers, like, a, a 12 to 14-month period. Then I wanted to know outside of the pandemic, what role do they play in our communities? And Senator Kolterman touched down a little bit on it and Senator Vargas touched down on it a little bit, but I'm going to tell you what it says in their annual report: monitor health status to identify, identify, and solve community health problems; diagnose and investigate health problems and health hazards in the community; inform, educate, and empower people about health issues; mobilize community partnerships and action to identify and solve, solve health problems; develop policies and plans that support individual and community health efforts; enforce laws and regulations that protect health and ensure safety; link people to needed personal health services and ensure the provision of healthcare when otherwise unavailable, rural Nebraska; assure competent public and personal healthcare workforce; evaluate effectiveness, accessibility, and quality of personal and population-based health services-- in other words, they measure what they treasure because they try and be really responsible with the moneys that are given to them-- research for new insights and innovative solutions to health problems. This is their job when there's not a pandemic, so this is one of the reasons I'm disappointed when I see an amendment like this and I start hearing the reasoning behind this amendment. I'm going to talk about Sarpy, fastest-growing county in Nebraska, and our health department, who I work with, by the way, as the volunteer that runs our farmer's market, among other things. Our local health department has sacrificed and, and faced a lot this last year. When the pandemic is over, our health department and others are going to have to pick up the pieces and reestablish the services that they were providing before the pandemic, reestablish the programs, reestablish the operations that need to be

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done to serve our community, all things that had to come to a halt during the pandemic. And what happened when it came to a halt? They also lost staff, highly qualified staff whose areas of expertise were about those programs. So not only have we lost the programs, but we've lost the talent and it's going to take us a while to pick that back up. This funding is for long-term survival of these departments. It's not an either/or thing. Funding for the pandemic was for the pandemic.

**HILGERS:** One minute.

**BLOOD:** This funding is for the betterment and longevity of these important health departments. If we can't see the difference and we want to play politics because of the CARES funding, I think we need to take a step back and realize why we voted in, in the first place to have these health departments. Look at those reports. They've been underfunded. We need to step up to the plate and assure that this continues. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Blood. Senator Matt Hansen, you're recognized.

**M. HANSEN:** Thank you, Mr. President, and good afternoon, colleagues. I do rise in opposition to Senator Groene's amendment, but in continued support of the budget. And I think my opposition to Groene-- Senator Groene's amendment is kind of the counterpoint to his introduction. As I understand it, the rationale, as I heard in his opening, was that-- some vague criticisms that the public health departments reacted too strongly to the pandemic and some allegations of corruption with no specific examples or any sort of factual basis, so basically kind of just making stuff off the cuff is all-- as far as I can tell. I know for many of you in this body, the pandemic was not something you took seriously, viewed seriously, reacted to seriously. I get that. I understand that and kind of the epitome of hey, it's a free country. But it is kind of a slap in the face for all of those people who worked hard, who put themselves in harm's way, who, you know, were not able to see their families because they were quarantining because they worked in a health role-- a healthcare role and got exposed and on and on and on and on, to just kind of get up and accuse them of some sort of graft with no actual basis, no actual incident, that's, that's below the level of debate we need to be having on this floor. If you want to bring some, some charts and show expenses versus needs and, you know, we're overappropriating, sure, we can have that debate. But if you're just going to be I don't like that health departments reacted to a health crisis, I don't, I don't know what the purpose is other than maybe scoring some cheap political points at the expense of frontline healthcare workers and others who put-- literally put their

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lives on the line and many of whom who did put their lives on the line and died from a pandemic that many of us took seriously and did change the course of our lives. I've been thinking about this-- Senator Erdman commented on it yesterday-- that I started now taking off my mask when I speak on the microphone. And I have and part of the reason I did that is I kind of, I guess, fell into some of the mocking and negging of not being able to be heard or my-- portions of the debate don't matter because I'm wearing a mask and therefore I can't hear him. And I know some of you struggle with hearing and so I'm not criticizing actual, actual difficulty hearing because I don't believe that that is genuine, genuine and you seem to be able to hear other people when they speak quietly or softly. But the reason I've been taking off my mask is in part because of all the work our healthcare industry, our healthcare providers have done, is that I'm now vaccinated. I got vaccinated as part of the educator group based on my other job and I am at the point where I now feel that I am comfortable with the risk existing in this place where so many of you don't take the pandemic seriously still and aren't open about what precautions you're taking that I feel that for the point of being able to be clearly heard on the microphone, it's worth it. And that I'm comfortable with my risk to-- this is the one time Senator Gragert is not in his seat that I give a speech all session, but I'm comfortable to the risk I present to people around me and I'm comfortable with the risk that I present to the body. So if you want to allege that the public health departments are overfunded, show some data, show some tables on this is what they spent, this is what they have, use that data. Don't just, oh, they overreacted to the pandemic and that's probably for personal gain. That's way below the candor and quality of debate we need on this floor, especially while we're still at a height of a pandemic, especially when we see other places and states and things having a revival, a spike in COVID cases because of issues with, with vaccine hesitancy or healthcare or people understanding what is actual appropriate public health.

**HILGERS:** One minute.

**M. HANSEN:** Thank you, Mr. President. So for that, I stand in strong opposition to the Groene amendment, both on policy and on principle. And with that, I will continue supporting the budget. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Hansen. Senator Aguilar, you're recognized.

**AGUILAR:** Thank you, Mr. President. Members, I rise in strong opposition to AM961. I'm going to talk-- speak directly to Central

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District Health Department in Grand Island. They've done a yeoman's job of reacting to this virus. They've set up remote sites, testing, and vaccine distribution not only out within the community, but also in the public schools and the private schools and to our largest employers throughout Grand Island. They set up these sites to do what they had to do to get the vaccine out as quickly as possible. And as far as the decisions they made, well, I'd say those decisions were based on expert training, expert training. I'd rather have them making those decisions than some politician. One and a half million dollars is not that much money split between all the health departments. They all have to rebuild their infrastructure that have taken a beating from this virus. The pandemic is not over by any means. They're still finding new strains out there today, so we need to support these people. They are the frontline workers. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Aguilar. Senator Vargas, you're recognized.

**VARGAS:** Thank you very much. I want to thank people for adding to this conversation. There's a couple of things that I wanted to make sure to respond to because, well, it's important that we correct the record on a couple of different items. So the first is in regards to how the CARES Act funding is actually being accounting for. So first, the CARES Act funding for the public health departments are cost-based reimbursed. They're also audited by Deloitte. In addition, all departments submit audits to the state annually into the, the public health department at the state. There is clear accounting principles to account for all spending. In this last year, any of the funding that was provided directly from our state public health department because of they had CARES Act funding, in terms of resources, was accounted for. So any issues that may be brought up that there's money that's not being accounted for is not warranted and there are safeguards in place, as there should be. What we're talking about is long-term infrastructure development here. Nobody wants to be in the situation that we've been in this past year and a half. I see this as very, very pragmatic and that's the reason why I think it's important. If we were to adopt this amendment, we'd be rolling back our long-term infrastructure development in a time where it's needed more than ever. When we consider our own risk assessments that you might do in, in times of emergency, that's what our public health departments have been doing during this time, assessing risk and, and assessing what they need in the long term to be able to make sure that they can respond to the emerging needs. As Chair of the Planning Committee, I can point to you on some of the long-term statistics here. Our state is actually continuing to become a more impoverished state in certain

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different sectors. Our urban and rural communities' poverty rates has increased over the last five years. Health concerns, preventative health concerns have increased over the last several years. The percent of people that are working and don't have some aspect of health coverage or aren't seeking that out is also continuing to increase. And as a result, that means that the preventative needs that our public health departments provide, which you may not always see, but I see in my own backyard or that I hear from the other senators from across the state, are clear. I don't see this solely as an investment because that would make the assessment that we're in a good place and we need to be in a better place. I see this as a place where we need to address a crumbling infrastructure and across the country, we do need to make sure we're investing in our public health infrastructure. And if you pull out the numbers and we're talking about this next year, the 1.5 across all the public health districts, we're not talking about 1.5 to each one. We're talking about tens or hundreds of thousands to each one that will be able to cover additional staff or additional resources that will be necessary to make sure we're reacting and bouncing back to all public health concerns. These resources are not needed a year from now. They're needed now. This are-- these are the actual pressure points we need to consider, which is when we are pushed to the brink-- and these departments have been pushed to the brink. Every time this year that there has been an issue, we have had briefings or conversations with many different people, our infectious disease experts, people at UNMC--

**HUGHES:** One minute.

**VARGAS:** --and our public health departments. This is not feel-good. This is an accurate evaluation of what is a need across our communities and investing in that so next time around-- increasing public health concerns in STD or STI prevention, cancer prevention, heart disease, lead poisoning prevention, asbestos, the list continue-- goes on and in this instance, pandemic preparation, that's why it's necessary, that's why it's pragmatic, and I do applaud the public health departments for being mindful of that growing need. It's not something that was done on a whim. And colleagues, I ask you to stand in opposition to AM961. I do respect Senator Groene. I understand the argument he's trying to make.

**HUGHES:** Time, Senator.

**VARGAS:** But based on all the information, I don't think it's the most pragmatic and sound argument that we need for our state--

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**HUGHES:** Time, Senator.

**VARGAS:** --when we're talking about investing in infrastructure. Thank you.

**HUGHES:** Senator Groene, you're recognized.

**GROENE:** Thank you, Mr. President. Let's look at the timeline. Prior to the COVID outbreak, their budgets were \$15,267,000 between general fund, cash fund. We upped to \$2 million during the COVID session. Was there a hiccup? There wasn't. Remember, the tests weren't available right away. The big, the big push was get a test, get a test, get a test. There was no test that was reliable until maybe January, February of the year. Meanwhile, the COVID money didn't even come in until the summer. So when the test came out, we were ready. We armed up. America does that. We didn't have a standing army of, of public health workers. We didn't need them. We had the sit-- in place. You can cheerlead a government entity all you want. They did their job. I got my test when I was exposed through a testing site by Great Plains Regional Health Care. They covered most of the tests in my area. They took care of the patients. What I seen from the public health was dictates about where you could meet, who you could associate with. Yes, they did testing. They did tracing. By the way, like it or not, one of the biggest reasons people would not get tested was because of the tracing. Once they got tested positive, they knew their small business would be shut down. They would-- their, their place they worked would be shut down. Like it or not, they did not go get tested. It was a negative. I'm not saying I'm for this or not, Senator Hansen. Listen well. Senator Hansen, to your point, I just answered your first question. I complimented the private healthcare system. I did not attack those professionals. Read what you want into what I said. I did not attack the people who work at the health-- public healthcare. It's a government entity. People happen to work there. We-- our duty is does this entity need to exist, how much funding, should we decide to expand the funding? Don't get into the personal stuff. As far as your point about show the graphs, show the audits, they don't exist, Senator Hansen. Senator Vargas didn't have them at his hearing. They don't exist. There is no graphs yet. There is no audit for the last year when all the money got pumped in. That's-- auditors don't work on the go. They wait for the year to end and then they audit and it takes them a while to do it. We are giving them \$4.5 million on feel-good. They need it. They're nice people. That's what I heard from Senator Vargas. He wants a standing army of public healthcare people in case the next pandemic comes in 50 years. The system worked. It was in place. It was running on \$15 million plus fees. And when it happened--

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the testing was available, it happened. When the tracing was necessary, it happened. There was no delay. There's no crumbling infrastructure. I wonder where that one came from. Show me a crumbling infrastructure in the public health departments. You know, one of the biggest things they do? It's about the only place you can get a TB. You guys hear me cough? I have this chronic cough. Had it checked out, it had nothing to do with COVID. It's one of the reasons I don't wear a mask, for health reasons. I don't have to tell you that, Senator Hansen.

**HUGHES:** One minute.

**GROENE:** But it was TB. They-- my doctor sent me to the public health to get a TB test. They do a service for the indigent. By the way, the word I stumbled over while I answering Senator Linehan's question was disingenuous. And I say a lot of this bill is disingenuous. It's feel-good. Let's throw money at stuff. There's no rational reason to do this. No evidence-based reason to do it. There is no audit. There is no charts. And yes, I need to know where that money-- Senator Friesen made a good point. How much is sitting in their accounts yet? We don't know that. We don't need a standing army of everything. We can't afford it. We're already broke, this country. The system worked in Nebraska and it was a very well-designed. It was ready to gear up when necessary. Individuals individually donated their time. Nurses who were laid off in surgery went to work for the public health department in my area.

**HUGHES:** Time--

**GROENE:** It worked--

**HUGHES:** --time, Senator.

**GROENE:** --without an extra \$4.5 million.

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

**STINNER:** Thank you, Mr. President. Members of the Legislature, I'm going to stand and try to correct the record before I start getting hate mail from western Nebraska. Yes, it is a true story that I did vote against this increase, but to fully disclose why I voted against it and actually had a meltdown was I have a predetermined number. Once we get to that number, it's, it's pretty much over as far as allocation of dollars. So this went about \$1.5 million over where I had intended to be. So yes, I-- it was a pretty impressive rant, meltdown. Senator Clements followed me, but he's got to practice his

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rant a little bit. But I do want to say I, I-- we did start to, to fund some of the increases. I think over a 20-year period of time, they've had one increase, which is just this last year. We did earmark \$2 million in this emergency fund would go to, if needed, go to help public health. There are 19 districts and so when you start to do the math, the first part of this \$1.5 million was divided amongst the 19 districts. So \$1.5 million divided by 19, that's what they get. And then the second increase of \$1.5 million was based on population. So that's how that bill is structured. It does provide a base increase and I understand that. And yes, they got COVID money, CARES money as well as coronavirus money, but they do have increase in cost. And I just want to give a shout out to western Nebraska. Kim Engal, who is our director, has done an outstanding job not only handling COVID, but before this as well. I've sat in on a lot of their meetings. I think I understand some of the initiatives that they had and some of the goals that they've set for our area. And I will tell you, if they kept score, the Panhandle actually led the state of Nebraska in getting shots in arms, so shout out to those people. But I wanted to correct the record that my reaction was to an overall number and therefore, I'll yield my time back to the Chair. Thank you.

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

**WILLIAMS:** Thank you, Mr. President, and good afternoon, colleagues. And I stand in full support of the public health departments and therefore in opposition to Senator Groene's amendment. Like many of us in here, I didn't know a whole lot about the public health departments until I started running for the Legislature and had the opportunity to be invited to attend a number of meetings, spend time with the commissioners that are appointed from the various counties that show up on a volunteer basis and provide a board of director leadership along with other interested citizens doing all those kind of things. And that's when I became aware of all the things that public health is charged with and does for us in our state. Emergency response: they're certainly there when we have those kinds of, of disasters, be they medical or otherwise, working with our hospitals. The five critical access hospitals in my legislative district are all served by either Two Rivers Public Health or Loup Basin Public Health. That is of, of great help to them. They have prevented target violence programs that are helpful both in a couple of the larger communities, Lexington and Kearney in Two Rivers' area, that are very helpful in looking at that concerning behavior and, and preventing that violence before it takes its toll. Disease surveillance and investigations is part of what they do. All of those kind of things, chronic disease prevention, lifestyle

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changes, and over the last few years, a dental program that takes dental hygienists into a number of the long-term care facilities. And that's a program that was very successful, but funding became problematic and had to be discontinued because of lack of, of funding for those kind of things. As Senator Stinner mentioned, over the last 20 years, there's only been one modest increase from state funding that's gone to the public health departments in our state. I'd like to give a real personal shout out to Jeremy Eschliman and his team at Two Rivers. They have not only stepped up, but exceeded all expectations with their work with COVID. In several of the communities which are in my district, they were willing to participate in, in weekly educational meetings during the height of COVID, helping people, helping businesses, helping our doctors, helping our hospitals, helping our churches, helping our community leaders put together plans to flatten the curve and to protect and, and make, make it a safer place to live. So I think it is, is vitally important that we recognize that we have not kept up with the funding needs. Yes, there may be some extra CARES money that's going to help in some cases, but overall, these people have served us well and it is critically important that they are there to serve us in the future. With that, I encourage your red vote on Senator Groene's amendment and then, of course, a green vote on the underlying mainline budget. Thank you, Mr. President.

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

**ALBRECHT:** Thank you, President Hughes. And members, I stand in favor of AM961 and I say that because as a former county commissioner of Sarpy County, one of the fastest-growing counties in the state at the time, that was the county board's position in funding and taking care of the health departments. Now, in a time of a pandemic and a crisis, our state came swooping in and I was with our health departments in the very beginning. We have one health department that takes care of four counties, two of mine, two of Senator Gragert's, and I have one county that stands alone. So if we're rewarding good behavior, I-- as a fiscal conservative, I can't see us doing that. Again, I put a call in to both of my departments to ask them. Obviously, they had word from top down to contact your senators. One did and said, you know, they would like that money so that they could do other things with it. So if we're actually doing this so that they can fund their departments for other things, that's something they should be taking to their county board, not to the state. Now, when it comes to COVID dollars, one of my other ones said we are OK. The Feds have given us plenty of money. We as a state brought in the, the, the guard to test

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everybody at the Tyson food plant with 4,300 employees. You know, when we didn't have the testing, we didn't really know who was infected and who wasn't. We, the state of Nebraska, sent in the National Guard in three days to, to test all of them. So I'm just saying that it's one thing when you look at a budget and know all the asks that we have. And truly, if the ask is needed for these health departments, they do need to go to their counties and let them know of their desire. But unfortunately, some counties treat health departments and libraries and cemeteries the same way that they would treat others that they don't want to fund. But we have-- we are funding. We are there for them. The Governor, I know, was on the phone talking to them every week. What are your needs? The biggest need was finding people to help them make the phone calls to everybody when they were infected. But this is not for us to just haphazardly say, you know, they've done such a great job, let's reward them. You know, this is-- you know, we have to verify that they need the funds and what do you need the funds for? What do you need in your department that you don't have related to the COVID pandemic, not related to any health thing that you want to bring up to help your community? That's not what we're here for. That's not what our budget is for. It is-- we're talking about COVID and the pandemic. How about let's talk about the community colleges that got so much money that you could give whoever you needed to a scholarship. Here's all the money. Find somebody to give it to. Oh, but the colleges, they didn't know who to give the money to, so they had to return it. So if you have an overabundance of something, you want to return it where-- I mean, that's the problem. We're, we're just-- we're not taking a step back and realizing that these health departments, you know, if they, if they are in dire need, I asked them. I said if-- you let me know how much has our state provided for you, how much has the federal government provided for you, and are you in dire straits? And if so, why, and what do you need? So I just stand today as a fiscal conservative saying that this is the budget we're talking about. We don't just grab a few dollars here and a few dollars there and, and decide to give it to somebody because they've done a good job.

**HUGHES:** One minute.

**ALBRECHT:** They have done an excellent job in my district, I can tell you that. They're working hard, but the biggest problem they had in the very beginning was finding help, finding help to make those phone calls. The PPEs were coming in. The, the emergency managers were distributing to the fire stations and to the police officers and to the hospitals, anyone that needed supplies. Things were fine. But I feel like, you know, something like this, we need to take a look at

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it. Let's take a look next year. If it's really something that's needed, show me your needs, but I don't feel it's right just to, to write a check because it feels good. Thank you.

**HUGHES:** Thank you, Senator Albrecht. Seeing no one else in the queue, Senator Groene, you're welcome to close on AM961.

**GROENE:** Thank you, Mr. President. What you heard here was a lot of praise for public health departments and the people who work there. Senator Aguilar said how great a job they did. Senator Vargas said how great a job they did. A lot of folks did. That isn't the question here. I expect people do their-- a good job when they work in a government entity or anywhere. That's just what we do in America. The question here, is additional funding necessary for a public service that we as a state helps fund? I had forgotten that that-- what Senator Albrecht said. They received funds from the county. They charge for fees. When I got my TB test, I paid for it. I talked to an individual recently and I said where'd you get your vaccination shot, at Hy-Vee? In North Platte, you can get it at Walgreens. You can get it at the hospital. There's multiple places. The public health is one avenue where what happened during the COVID infection helped. They got a lot of press and because they kept the body count, they kept the infection count. They kept those and we got a body count every year. It reminding me of being a young man and listening to Walter Cronkite on the body count in Vietnam every day to try to get support for that war. But they are a public entity and our duty is, is this money necessary? You can praise them all you want. You can praise the public schools. You can praise the highway patrol. You can praise everybody you want, but that shouldn't relate in to let's throw money at it. This is a throw money at it because I heard no rational reason for it. Senator Vargas was honest. He wants to expand. He's got another bill out there that might as well get rid of the elected officials. They're going to make all decisions for us, expands their duties. I can understand him seeking funding for that bill if it would pass. The vote here is should we be fiscally conservative? Should we account for the public's money? Should we wait and see if it's necessary? Is it necessary to fund them? Can we wait to the interim and find out what CARES Act 3 is for? There might be a big chunk of that to make them whole, to replace things that were used up and their supplies and to help hire extra people for the future. That might-- we don't know that. Right now, they're whole. They're financially sound going into this year, so if you want to vote-- this is the vote. Do you want to throw them a party? Do you want to throw some extra money and thank them for what they did or do you want to be fiscally sound with our tax dollars? That's what this vote is about. Or there's one other

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option: you want them to expand what they do. Take away more of the duties away from free private healthcare. That's your choice here. There's no fact-based evidence, as Senator Hansen said, charts, audits. There's none of that there. It wasn't presented at the hearing. It was a last minute hearing and there's no evidence here of why they split it up. Senator Vargas originally wanted to give \$1.5 million or \$1.4 million to each one and then the rest per capita. The, the committee decided they'd give \$1.5 million or \$3 million split it up between 19 and then \$1.5, \$1.5 million. Well, my gosh, we should have had charts.

**HILGERS:** One minute.

**GROENE:** We should have had numbers to make that decision. It's not just a snap decision. We're talking about people's tax dollars here. So anyway, I appreciate a vote, a green vote on AM961. It's good physic [SIC] management. Let's put that \$4.5 million back into the reserves because we've got things coming down the road, folks. Odds are it's not another pandemic. It's going to be a financial crisis once the printing press is shut off in Washington and I'm trying to look down their road. Thank you and I appreciate a green vote on AM961 and a green vote on LB380.

**HUGHES:** Thank you, Senator Groene. Colleagues, the question before us is the advancement of AM961 to LB380. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**ASSISTANT CLERK:** 10 ayes, 23 nays on the adoption of the amendment.

**HUGHES:** The amendment is not adopted. Returning to debate on LB380.

**ASSISTANT CLERK:** Mr. President, next amendment to the bill from Senator Wishart, AM963.

**HUGHES:** Senator Wishart, you're welcome to open on AM963.

**WISHART:** Thank you, Mr. President. Colleagues, this is the second part of the work that we have done this morning with Senator Wayne's amendments that we all voted green on earlier to establish a Prison Overcrowding Contingency Fund at \$15 million that will be utilized after our CJI work. This also funds the \$200,000 for the classification study of inmates so that we are prepared next year to roll up our sleeves and address prison overcrowding and reform. I'll just walk you quickly through this technical amendment. Part one and two of the amendment changes the cash fund appropriation that allows for us to fund the \$200,000 classification study through the

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University of Omaha, their justice center. Part three of the amendment provides that the department can use those cash funds for this study. Part four adds the Prison Overcrowding Contingency Fund to the list of cash funds within the Department of Corrections. And part five reduces the transfer to the Nebraska Capital Construction Fund. As you will remember from our previous debate, we originally had \$115 million that we have sequestered there in preparation for discussions around prison overcrowding after CJI. We've reduced that from \$115 million to \$100 million so that we could transfer the \$15 million over to this Prison Overcrowding Contingency Fund. Again, colleagues, this is us doing our due diligence as an Appropriations Committee and then as a legislative body to set money aside so that, again, we are able to work on legislation that will help us address prison reform and overcrowding next year. I would encourage you to vote green. Thank you.

**HUGHES:** Thank you, Senator Wishart. Discussion is now open on AM963. Seeing no one in the queue-- excuse me. Senator McCollister, you're recognized.

**McCOLLISTER:** Thank you, Mr. President. Good afternoon, colleagues. I support AM963 and the bill, LB380. This is a thoughtful approach as we move forward on our Corrections system. More than 30 states have embarked upon a similar course of action and found reforms to be a part of the action plan that they, they ultimately embrace. Yes, at some point we will need to build another, another prison, but how we do that completely depends on the plan that we establish in this, this next year. We need to engage in a thoughtful approach and come up with the right answers. And given the number of people that are engaged in this issue, I think we'll come up with a good outcome. Thank you, Mr. President.

**HUGHES:** Thank you, Senator McCollister. Seeing no one else in the queue, Senator Wishart, you're welcome to close on AM963. Senator Wishart close-- waives closing. Colleagues, the question before us is the advancement of AM963. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**ASSISTANT CLERK:** 34 ayes, 1 nay on the adoption of AM963.

**HUGHES:** AM963 is adopted. Mr. Clerk.

**ASSISTANT CLERK:** Mr. President, next amendment from Senator McKinney, AM967.

**HUGHES:** Senator McKinney, you're welcome to open on AM967.

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**McKINNEY:** Thank you, Mr. President. The intent of this amendment is to help guarantee that the funding levels for small businesses are consistent with the appropriation into the Business Investment Act [SIC]. The Business Investment Act [SIC] is under Program 603 for business development and operations. It, it doesn't give a lot to small business, but it does give some and I just want to make sure, as we are increasing the appropriation to the Business Innovation Act, that we're also taking care of our small businesses. In the past, funds were distributed to the Midlands Latino Community Development Corp, Nebraska Enterprise Fund, and the Rural Investment Corporation. The language that I have in this amendment, it says it is the intent of the Legislature that the amount appropriated as state aid for the Business Innovation Act, at least 20 percent, is used for small business investment program pursuant to Section 81-12,162. I think it's-- it is something simple that we could do for our small businesses as we go forward to make sure that we protect them as we continue to do things in the Legislature, and that's my amendment and thank you. I'm open to any questions as well.

**HUGHES:** Thank you, Senator McKinney. Colleagues, debate is now open on AM967. Senator Groene, you're recognized.

**GROENE:** Thank you. I-- the reason I voted red is I firmly believe we need to build a new prison. I voted green on Senator Wayne's amendment. So important, I guess, we lower our, our expectations of a reserve fund and bring up the \$15 million, but the prison is still important or-- in whatever shape it takes. I want to make a comment on LB380. I haven't looked at Senator McKinney's AM967. What he said made sense. I'm a big proponent of small businesses and I don't care what color or nationality you are. If you got an incentive to be an entrepreneur, you, you-- if we would give help to corporations, we ought to do it to small businesses. But on-- Senator Linehan caught me off base. I wanted to explain to the public on TEEOSA, if you look like-- it says state aid education, it's only 0.8 percent over the two-year average. Sounds like we're underfunding, the state is. We are not underfunding public education, folks, on a statewide basis. The reality is it shifted. What happened to agriculture has happened in the cities. Home valuations have gone up the way that formula is set up, which we tried to fix in LB1106 last year. It shifts the funding for the schools to the property taxpayer. And actually a school ends up with more money, more money to spend, the more they can rely on property taxes because they get a tax. In the formula, property is figured at one levy, \$1 million levy that they get a tax on that valuation, a \$1.05. So they're really better off getting more money through property tax, an extra 5 percent than they would state aid.

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But overall as Nebraska taxpayers, we keep climbing the ladder. Wasn't that long ago, 20 years or so ago, we were rated 27th or 28th in funding of our public schools. We're up in the teens now. The way that formula is set up now, it is designed to escalate, to escalate well past needs or inflation. We tried to fix that a year ago. I got one more year, maybe I'll try something next year. But anyway, we are-- no way taxpayers in Nebraska have to apologize how we fund our public schools. This Legislature should apologize to the property taxpayers that we continue to allow it to shift to them. It's evident here. It says we-- next year, state aid to schools dropped \$7.6 million. Sounds like, oh, my gosh, we're not funding schools. I'll guarantee you the property taxpayer made, made up for that in a multiple amount to those public schools. It looks like we gave them \$24 million the next year. I'd, I'd like to know why that variance is so high. I-- probably has something to do with COVID and the, and the student count, but we do not underfund our public schools. We do deny access to different forms of education to our children, which is not forgivable as far as I'm concerned, that this body has not expanded those opportunities for children, but we'll address that later in the session. But anyway, I wanted to explain my red vote. We need to build. We need to house the failure of a public education system, the children we failed that end up in crime and end up in the State Pen. I agree with Senator Wayne's amendment. I voted red. We got money laying around. I found that out with the last amendment. Let's spend it. Let's have a party. Thank you, Mr. President.

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

**WISHART:** Thank you, Mr. President. I rise in support of AM967 and the underlying bill. This was-- the BIA fund is a fund that myself and Senator Stinner especially have worked diligently to increase the funding. And encapsulated in this are a bunch of small programs that help grow our entrepreneurial and startup ecosystem as well as small businesses. Senator McKinney wanted to ensure that moving forward as we grow this fund, currently-- it's called the Small Business Investment Program-- currently that is funded at 20 percent of the total funds that we put in the BIA fund and he just wanted intent language to tell the Department of Economic Development that as we grow this fund up to ultimately \$15 million, that we continue to fund that certain portion that, that goes to small businesses at 20 percent. So I support this and encourage you to vote green. Thank you.

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

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**M. HANSEN:** Hi. Thank you, Mr. President. I originally had more I was going to say earlier, but I realized and some people talked to me about how many amendments we still had pending in the budget, so I agreed to kind of minimize and turn off my light earlier to make sure we, at minimum, got through Senator Wishart's and I know we've got some more after this. The one thing I guess I just wanted to say to kind of put a cap on the discussion that I was involved in and sparked on earlier, there was some reference in terms of the next public health crisis or what the next crisis will be. I would just like to really reaffirm and remind everyone we're not through this crisis yet. Yes, we're in a great spot. Like, yes, vaccine rollout, all sorts of things are going well, but that doesn't mean it's over. That doesn't mean it's solved. That doesn't mean it's done. That doesn't mean we can just pretend like it never happened. This is going to be something that is really shaping us as a society, our state, our state budget, all sorts of things for years to come. And treating it with the level of sincerity and the level of thoughtfulness it deserves is going to be important to me for the remainder of the session. And with that, I do support Senator McKinney's amendment. And with that, I'll conclude my remarks. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Hansen. Seeing no one else in the queue, Senator McKinney, you're welcome to close on AM967.

**McKINNEY:** I would just say AM967 is a good, you know, amendment to, you know, protect our small, small businesses going forward as we continue to increase funding in the Business Innovation Act and I ask for your green vote. Thank you.

**HUGHES:** Thank you, Senator McKinney. Colleagues, the question before us is the advancement of AM967 to LB380. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**ASSISTANT CLERK:** 38 ayes, 0 nays on the adoption of the amendment.

**HUGHES:** AM967 is adopted. Next item.

**ASSISTANT CLERK:** Mr. President, next amendment from Senator Arch, AM968.

**HUGHES:** Senator Arch, you're welcome to open on AM968.

**ARCH:** Thank you very much. I, I want to draw your attention to page 50 of the budget book where it discusses child welfare. As we were reading through that, I thought that there may be just an oversight that we need to clarify here. What, what in essence it says is that

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the 2 percent increase for provider rates for, for child welfare applies to all the state except for the Eastern Service Area and that's because the Eastern Service Area, as we know well, is under contract, private contract with Saint Francis Ministries. So, so when we, when we do the 2 percent rate increase, there is a chance-- there was a, there was a chance that the providers within Douglas and Sarpy Counties that are doing-- the childcare providers would not receive a 2 percent increase. So thinking about that, I felt it was necessary to put this amendment on LB380. I've had the discussions with Senator Stinner as well to put some intent language in there so that we can communicate with Saint Francis that this is the intent of the Legislature. So you, you can read the, you can read the language yourself, but it calls, it calls for, of course, what is in the budget now, this 2 percent increase across the state, excluding the Eastern Service Area. And then it reads, "and that a two-percent increase in child welfare provider rates within the eastern service area be funded by the existing child welfare case management contract for that area." The recent contract that has been signed with Saint Francis, the newer, newer contract, the two-year-- the 25-month contract anticipated about \$750,000 impact the first year, about \$1.5 million the second year, but it is intent language only. We don't reach into the contract and mandate, but we wanted to express that to the-- to Saint Francis Ministries that they would, that they would do this. I think, again, level playing field, fairness to those providers within Douglas and, Sarpy County that while the rest of the state receives that 2 percent, that they also receive the 2 percent through the contract with Saint Francis. So with that, I will close and, and answer any questions you might have.

**HUGHES:** Thank you, Senator Arch. Debate is now open on AM968. Senator Clements, you're recognized.

**CLEMENTS:** Thank you, Mr. President. I just wanted to support this amendment. I think it is true that we did exclude the Eastern Service Area, but I do hope that the contractor or their manager-- managed care agency there will do that on their own. But I wanted to comment about the 2 percent. It's 2 percent the first year and another 2 percent in the second year, so the way I see it, it is probably 4 percent in the-- eventually that they'll be getting. It's not just 2 percent one time. It's 2 percent fiscal '22, another 2 percent fiscal '23 and we did this across the board with many different providers of Medicaid, nursing homes, behavioral health. All of the different providers that do state services are getting 2 percent in the first year and another 2 percent the second year. And I would hope that in this Eastern Service Area, those providers are made whole and kept

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even with other parts of the state. So I support AM968 and LB380.  
Thank you, Mr. President.

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

**DORN:** Thank you, Chairman. Would Senator Arch yield to a question?

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

**ARCH:** Yes, I will.

**DORN:** Well, thank you. Thank you for bringing this amendment and when Senator Clements got up and spoke, I just-- more for clarification than anything else, I believe you said, if I heard you right, that in the new contract, the one that was just signed recently, the extension, that this money was, I call it, appropriated in that contract and now we're just putting language in there to make sure that that will be used?

**ARCH:** No, technically not. So let me try to explain that. So the contract was signed. It's a maximum contract. In other words, DHHS is paying expenses as they go along. Right now, Saint Francis-- and, and this has been brought to the attention of the floor-- Saint Francis is not meeting their current ratio of case managers to kids and so they, they have vacant positions. There are open positions. So DHHS pays cost as submitted, so if, if Saint Francis is not, is not spending all of that, they're not paid that and so, so what I'm saying is that this is intent language. Now on a two-year contract, if I were contracting-- if I were Saint Francis contracting, I would build in certain rate increases for providers during that period of time. I don't know what rate increases were built into the contract that, that was signed by DHHS, but I'm assuming there are some of that. This is only child welfare here that we're, we're talking about in, in this, in this contract, so at any rate, that's, that's, that's my thinking behind this.

**DORN:** Well, thank you. I appreciate that clarification. I yield my time.

**HUGHES:** Thank you, Senators Dorn and Arch. Senator Wishart, you're recognized.

**WISHART:** Thank you, Mr. President. Colleagues, I did-- I'll probably support this because I, I agree with the underlying goal of Senator Arch, Chairman Arch, but I, I did want to clarify the record. Our contract with Saint Francis is a cost-based contract and so if the

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cost of doing services goes up for Saint Francis, that means the state is obligated to pay more. So if we do more-- move forward with AM968, this is not cost-neutral. It means that next year, we will very likely have to come in with a deficit appropriation to basically backfill the dollars that we will-- that are-- we are contractually obligated to fund for childcare services. That's my understanding in talking with our fiscal experts on this issue. Nevertheless, these are providers. I think we should try to treat them equally to other providers in the state and so I do plan on supporting AM968, but wanted to be really clear with everybody here that voting for this legislation, we will end up spending dollars in, in needing to, to fund this in a deficit request next year. Thank you.

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

**GROENE:** I just have to ask the question. Senator Stinner, could you take a question?

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

**STINNER:** Yes, I will.

**GROENE:** Can we pass a bill that has an A bill without an A bill?

**STINNER:** Say that again, Senator. I've got 70-year-old ears.

**GROENE:** Senator Wishart said there's an appropriations to this.

**STINNER:** This isn't-- your-- this is, this is intent language to encourage Saint Francis to pay the same amount to their providers under their contract as it is for what we're doing for regular providers. So there is no appropriation with it.

**GROENE:** So--

**STINNER:** But there is an intent language to tell Saint Francis we gave providers that aren't, aren't associated with the Omaha, that contract, now we're going to-- we intend for you, Saint Francis, to pay those providers a 2 percent increase.

**GROENE:** So then we have an A bill?

**STINNER:** There's no appropriation.

**GROENE:** So we have an A bill in arrears basically that will come up later--

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**STINNER:** No, this is--

**GROENE:** --if they follow the intent.

**STINNER:** --this, this is, this is Saint Francis under their contractual relationship with the state of Nebraska. That doesn't change, OK? We're telling--

**GROENE:** All right, so it comes out of their pot of the money, their pot of money. It's a pot of money they get as a contract.

**STINNER:** Out of Saint-- out of Saint Francis, yes, there is--

**GROENE:** We can't force them to do it, but they-- we can--

**STINNER:** But we can sure intend, right?

**GROENE:** All right. Thank you. That was a good explanation and thank you, Senator Arch, for putting the pressure on them to do what they're-- you know, we like to make sure that all children are created the same in HHS and in the courtroom, I hope. Thank you.

**HUGHES:** Thank you, Senator Groene and Senator Stinner. Seeing no one else in the queue, Senator Arch, you're welcome to close on AM968.

**ARCH:** Thank you. I don't want to belabor the point, but to Senator Wishart, she's, she is correct in if, if they also spend all the dollars that are in that contract, if, if as a result of having vacant positions or which, as I said in my opening, I don't know-- I'm assuming that they built provider rate increases into that contract as well. It's a two-year contract. No rate increases. Saint Francis is able to pay less than what the rest of the state is paid, but they can't pay more than what the rest of the state is paid. So in their negotiations with the, with the providers, they are free to pay less than what the state pays, but not more. And so we're saying state is going up 2 percent. We would, we would intend for you to go up 2 percent as well. And within those dollars, with empty positions, vacant positions, with other factors and perhaps even budgeted increase for provider rates, I believe that they won't be coming back in for an additional appropriation next year. I would, I would hope not. Thank you very much.

**HUGHES:** Thank you, Senator Arch. Colleagues, the question before us is the advancement of AM968 to LB380. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

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

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**HUGHES:** The amendment is adopted. Next item.

**ASSISTANT CLERK:** Mr. President, next amendment from Senator Wayne, AM938.

**HUGHES:** Senator Wayne, you're welcome to open on AM938.

**WAYNE:** OK, I'm looking up which amendment this is because I have a couple of them. Thank you, Mr. President. I didn't know we were going to be moving this quick. I do apologize to my colleagues, but don't worry, colleagues, we won't stay here that long. AM830-- AM938? Oh, this so much fun. Oh, yeah, the--

**HUGHES:** AM938.

**WAYNE:** I'll withdraw this one.

**HUGHES:** Without objection, it's withdrawn. Mr. Clerk.

**ASSISTANT CLERK:** In that case, Mr. President, Senator Wayne, AM957.

**HUGHES:** Senator Wayne, you're open-- welcome to open on AM957.

**WAYNE:** Oh, this is property tax credit. I just wanted to have a conversation about equity and how the property tax credit fund favors ag and I would wonder if Senator Briese would yield to a question.

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

**BRIESE:** Yes.

**WAYNE:** Senator Briese, can you tell me how the property tax credit fund favors ag?

**BRIESE:** Well, number one, it's based on valuation and not taxes paid and so there is some disparity between your property tax burden and the amount of credit that you receive through the program. But how it, how it benefits ag, ag is value-- is based on the valuations and residential and commercial property are valued at 100 percent of their value that they're taxed on, and ag property is valued at 120 percent of the value that it is taxed on and the property tax credit fund is distributed according to the valuations and therefore, ag gets a little bit of a bonus there with that.

**WAYNE:** And so--

**BRIESE:** I think it's 20, 20 percent.

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**WAYNE:** --so I just want to put this in layman's terms. So if the property is valued at \$100 and in urban, it would be anywhere from \$95-- \$90 to \$100, and in ag it would be, be anywhere from maybe \$60 to \$70 and we both pay that \$90, \$95 or urban-- I mean, rural pays that \$60 or \$70, but we both get back \$100, so you get a windfall of \$30 or \$40.

**BRIESE:** I, I hate to call it a windfall, but again, there is some benefit to the way ag is valued in calculating the disbursement of the property tax credit. And I'm not sure I followed your example exactly there, but yes, there is some benefit that ag land shares.

**WAYNE:** And this is, this is why Senator Briese and I get along so well because we're just kind of straight shooters. It is what it is. Now, I'm not going to-- this, this amendment causes to take it back down to 27-- \$275 million. It was \$313 million, so we're taking down that increase to back to where it was. I, I really want to take this to a vote, but my real point, while we have everybody's attention, is there are discrepancies and there are inequalities in our budget throughout our budget. And what I am-- hopefully this summer-- I don't know--- I hate LRs. I hate interim studies, but I really would like to see a breakdown on taxes and budget spent and how that is truly dispersed between urban and rural because I want to try to find more balance. And this goes back to the conversation of how, how I had to schedule something after Senator Groene's-- or I begged the Speaker and he allowed me to because we're afraid to maybe give urban too much. But we already have a windfall of tunes of hundreds of millions going to ag. And I can get upset and, and spend hour after hour, but the reality is at some point, we got to start doing best for everybody across the state and this is just one example. And the reason this example is so important is because when we talk about funding schools, Senator Friesen, in rural Nebraska and small schools, there is a pot of money right here we can do that and we can truly offset local property taxes by putting a requirement-- them to lower the levy. I know that sounds crazy. I know a lot of these education organizations are going to be saying no, no, we don't want any kind of restrictions, but we got to start thinking big about TEEOSA. We got to think big about how we fix it to make sure that from a state's perspective, no matter where that child is, we are treating them equitable, not equally, just equitable. So I do understand from a "sparsity" perspective there should be extra funding for small schools in rural Nebraska, but just as important, I do think, for many of our towns across the state, we should have a poverty allowance that makes sure that poverty kids-- and especially if at a building level, they have more than 51 percent pov-- poverty, study after study shows it

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fundamentally changes that school dynamic. So there should be extra dollars for that, but no matter where they're at in the state, we should be treating that child equitable, not equally, equitable. And this is just one example when we say, well, it's too hard to change, it's too big, it's too that. There is money right here that can solve that problem and truly fix our property tax issue, and truly fix our property tax issue. And this is just one. We need to have better funding to counties. We need to have better funding to cities. There are a lot of things that we can do, but this is a complete windfall that we're going to stand up and justify, we're going to stand up and support-- we were going to increase this by a tune of a little over \$25 mill-- or actually \$30 million that we know is creating a divide between urban and rural. And only through my four years of conversation has Senator Briese been the only one consistently to say, yes, it favors ag, but I'm still going to stand by it because that's what I believe. Everybody else I talked to kind of dances around the issue. It's the only thing we got. I don't know how complicated it would be to change it. Because I originally tried to move this exact amount-- let me tell you how complicated it is, colleagues. I originally tried to move the increase to the LB1107 fund, but guess what I found out? There is no real LB1107 property tax credit fund. It's actually based off of the cash reserves to trigger something to send out something. And I couldn't actually move it to a fund, so last year we kept-- the bill that I literally got ran over and they backed the bus up on and rammed me over again a couple more times, that bill. That bill we talked about created a new property tax credit fund, we actually didn't create it. We created a mechanism, a formula. So when I tried to move this \$30 million for two days with Bill Drafting to the property tax credit fund, it didn't exist. And I'm arguing with the Bill Drafting and saying no, no, no, they passed a bill, like, over me, like, 50 times, bumped up-- like, the bus just kept going over and over and they kept saying we created a property tax credit fund that was more equitable. We didn't. So I couldn't even move the \$30 million dollars into a more equitable fund. And I'm not mad at it because I think it was genius the way the formula works, but how do we keep that formula in a better way to keep growing? I don't know because there's not an actual fund. So maybe we should start looking at this property tax credit fund that we know is inequitable and start figuring out what to do with those dollars in it. And by the way, I realize people actually watch this at home. There are a lot of people outside of the state who collect this check, never even stepped foot in this state. In fact, I think now that Bill Gates bought property, he's going to get a check. We know Ted Turner is the largest collector of this. There are going to be people who don't even contribute to our schools, who don't contribute to the economy at all in Nebraska

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collecting this check and we're OK with it. We're all OK with it. What might be a better solution is that we give home extension to everybody. Home-- and we just "Homestead" everybody. At least have to live here, at least are actually contributing to the economy. Am I making any sense or are we just going to-- again, I understand to do this on a budget would be kind of crazy to say let's blow up the property tax credit, but on Select-- and I don't need Stinner yelling at me in linebacker. It's a whole complication of why we probably shouldn't pass this right now. But my point is we have to start thinking about these issues and I hope over this summer a group of us can get together and really say this kind of is not fair. Let's figure out how to be fair. And in return, in education funding, we have to figure out how to be more fair. And in everything else we do, we have to figure out-- you know, Senator McKinney, I'm, I'm going to tell them this great idea you had. We have all this money on the floor and I'm trying to figure out how to do it, but we can't and I-- Senator McKinney came up with a great idea to-- let's create shark tank legislature, that we take the money on the floor of \$100 million and we just divide it by each senator and put \$200 million for your own project-- \$2 million each in your own project.

**HUGHES:** One minute.

**WAYNE:** I still haven't figured out how to draft this-- I've been talking to Bill Drafting-- but then that, that makes us work together because there could be a project worth, like, \$10 million and we all sit down and figure out well, these five senators are going to put their \$2 million in. And then everybody can walk back during an election year and be, like, I brought \$2 million for this project in my district. This is a great idea. I am trying to figure out how to draft it and make sure it's constitutional to do it, but that's-- the constitution kind of gets in the way when you draft things like that. But I see Senator Briese's light is on, so I'm going to let, I'm going to let Senator Briese talk and if anybody else wants to have a quick conversation about this fund, I, I think it would be stimulating. Thank you.

**HUGHES:** Thank you, Senators Briese and Senator Wayne. Senator Briese, you're next in the queue.

**BRIESE:** Thank you, Mr. President. Good afternoon, colleagues. I don't, I don't want to talk very long on this. I think Senator Wayne indicated that he might pull this here before long and, and I agree with a lot of what Senator Wayne said, in particular, maybe his first statement. You know, we need to work on doing what's best for everyone, but shortly after that, he lost me. He said something about

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a windfall-- property tax credit fund is a windfall. No, it's not a windfall. There's no perfect system out there and the property tracks-- excuse me, the property tax credit fund is not a perfect system and there are inequities in how we do anything, in my view. And in particular, we can talk about state aid to public education. I think I pointed out the other day a school down the road from me gets \$85 a student from the state. OPS I think gets \$5,500 a student. And if you want to talk about windfalls and inequities, we can have a conversation about that. But, yeah, we have to move, move forward working on a system that works for everyone and we have to work together, move the state together the best we can. And, you know, and if I was really worried about inequities in this budget, I guess I'd be filibustering the budget because of the way the state aid formula sends most of the money to Senator Wayne's area, Senator Wayne's districts, and doesn't really send anything out my way. But no, we, we need to work together on this, work for a solution. I look forward to further conversations with Senator Wayne regarding this, but property tax credit fund needs to be left alone and we need to add to it from my perspective. Thank you, Mr. President.

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

**FRIESEN:** Thank you, Mr. President. I hope Senator Wayne is listening. So the first tier of property tax credit relief fund and, and a lot of you were not here when we had the fight over how ag gets it's-- whatever you want to call it-- a windfall. Actually, we get-- \$109 million out of the \$275 million goes to ag, 40 percent of it. And yes, there is a, a formula that was designed specifically to do what it does and it does send a little bit more to ag and it is based on valuation. And I will agree to some extent that it is not the fairest way to send out the money. And that's why the refundable tax credit was created in order to send it out on how much you pay to your schools versus just the valuation, so that way those \$1.05 schools out there that-- the ag guys and everyone else who has to pay into those schools gets more of the relief back rather than those that are paying 50 cents or 60 cents levy. So the, the LB1107 property tax relief is a more fair and equitable way to distribute the money. But again, you-- to say that out-of-state landowners don't contribute, I take exception to that also because they do pay property taxes and they don't have kids here in school and they are charged a high rate of property tax, which then we have to pay a higher rent for. So yes, out-of-state landowners do get a, a, a rebate on their property taxes just like we do, but they also pay into the system and don't contribute any kids to the system. I think if you look at all of our tax credits, whether they're the incentive programs, the Imagine Act, the Advantage Act, I

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think a lot of those tax credits probably go to out-of-state corporations. I don't think they're just limited to somebody that stays here in Nebraska. So I do think there's a lot of misinformation floating around and I would be glad to have that conversation if people want to continue this, but it, it does boil down to-- and the fact that I have supported-- in the end, if we can equitably fund K-12, these two property tax relief funds should go away. I don't-- I'm not married to them. I just think we have to find a better way of distributing the money. And so far, we haven't come across a better proposition yet, but I wouldn't stop anyone from working on it. In my six years here, going on the seventh year, I've tried numerous ways of, of working with the TEEOSA formula to come up with a more equitable distribution. I'll be trying it again this year with LB454. And I think again, it goes back to what is the state's responsibility to fund the K-12? And if I recall correctly, we're about number 48 out of the states in how we fund K-12. We do a real good job of funding higher education, but we're a little lacking in K-12. And if we can come up with a better distribution model-- and I'm sure going to look at it-- and again, there's ideas out there, but they've always run into the 33-vote cloture rule around here. So again, we, we can talk about this property tax-- the two relief funds that are out there. And again, back in the day, there was an agreement reached on this floor when we were talking about some other tax credits that balanced out more into the urban areas and the agreement was that ag would get funded at 120 percent. Now, if I recall back in the day, it was supposed to be at 130 and through some shenanigans pulled on the floor, it ended up at 120. So again, these two funds--

**HILGERS:** One minute.

**FRIESEN:** --are they both equal? No. The first tier one, the property tax credit relief fund is not as-- distributed as fair and equitably as the second one, but I, I think it does serve its purpose. It serves a purpose in some areas of the state where they've had high tax increases in the grasslands and things like that and so I think it does serve a purpose. And don't, don't forget that we as ag guys always pay 100 percent of value taxes on our houses and all of our buildings and infrastructure. So with that, thank you, Mr. President.

**HILGERS:** Thank you, Senator Friesen. Senator Groene, you're recognized.

**GROENE:** Thank you, Mr. President. When you bring up taxes and schools and property tax, I can't help but stand up. Thanks a lot, Senator Wayne. But anyway, Senator Wayne, here's the other side of that coin-- a couple of them. The new tax credit that Senator Linehan and Briese

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worked on vastly favors urban because-- here's the other side of it-- farmers are at 75 percent, urban is at 100 percent, so that tax credit against your, your income taxes favors urban and favor-- I'm talking about North Platte too, city of North Platte. And there's a whole bunch of scenarios here and there's-- trying to solve the-- look at everybody and all the tax policy together, you can't say that. There's more to rural Nebraska than ag. The vast majority of my people, 25,000 out of 39,000 or-- I'd say it's 35,000 out of 40,000 live in the city and have jobs. And I always looked at LB1107 and those incentive things like the Advantage Act and now the new one was hey, it favored urban. It all went to the big project, Facebook. So when I brought LB40, the rail bill, I was not dealing with ag there, I was dealing about the guy who gets a paycheck, works by the hour and my-- and our rural Nebraska needed just-- incentives for jobs as urban got, so-- and yours-- bill that followed. I'm sure you looked because when Groene tries to not spend money, it's a no vote, but when I join the gang and spend money, I'm more welcome, which I appreciate on LB40, I really do, Appropriations Committee. But anyway, so there-- you got to look at the big picture and, and compartmentalize here. Rural Nebraska was not treated fairly in our business incentive programs in the past. On property funding of our schools, rural Nebraska is not treated fairly, but I'm not going to support any bill that throws money at something either. It's got to be some practical-- and like Senator Linehan earlier, I'm, I'm still frustrated about LB1106. It solved the problems. It was well thought out, it went into detail, it was good government, and instead we come up with another credit just so we can get LB1107 passed. Oh, I could name names, who, who was with this and then changed, but we had 33 votes and we wouldn't be talking about any of this. And I can point fingers at the ag too. The cattlemen, they venomously fought any, any attempt to use the property tax credit fund to help fund equalization and, and correcting the funding of our public schools. Because as you said, Senator Wayne, as far as ag goes, they come out smelling like a rose. They got huge, huge tax bases in those, in those grassland areas with very few kids. And really they get a big percentage of their taxes rebated, so they fought us. They wanted-- we got too many individuals in this state that want, want it all. I'll never forget-- if you want to solve this problem, you kind of hinted on it. Let's give of rid all these incentive-- federal government has figured it out. Let's send out stimulus checks. Boy, everybody seems to like them. Let's quit this credits, it's confusing. Let's just send a check to everybody the way the federal government is starting to do it. You know, I at one time-- a few years back, I was in one of them special groups. And at that time the Speaker said, all right, what can we do? And I said well, let's bring in a constitutional amendment to change the Nebraska Constitution and we

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can go in debt and then, referring to what Senator Wayne said, then we can all do what Washington does. The tax cutters can cut taxes and the spenders can spend--

**HILGERS:** One minute.

**GROENE:** --and we just go further and further in debt. Maybe that's what we need to do in Nebraska. We can build a prison. We can also give all these programs because why do we mess around balancing a budget? Let's just send out stimulus checks and we'll all be loved and you'll let me cut taxes. Then I'll let you spend and we just go in debt. That's what Washington does. That's what I'm hearing here, but let's quit all these gimmicks of credits and stuff and let's just write people a stimulus check every, every year and make them feel good. Maybe we'll all get reelected. Damn them term limits, though, huh? Anyway, thank you.

**HILGERS:** Thank you, Senator Groene. Senator Clements, you're recognized.

**CLEMENTS:** Thank you, Mr. President. I'm standing in opposition of AM957. I wanted to give some explanation as to where those appropriations came from. If you look on page 67 in the budget book, it shows the calculation of the property tax amounts going forward and what we did, we just talked about provider rates going up 2 percent per year and so we-- the state paid providers-- is going to pay additional 2 percent for the next two years. And so we justified this increase by increasing the property tax credit amount per \$100,000 by 2 percent per year, starting with the 200-- 2019 value. And so it was-- the taxpayers are going to pay the providers the 2 percent increase and the taxpayers are going to get back a 2 percent increase in property tax credit. So we're trying in the Appropriations Committee to be fair to the people who receive the tax and those who pay the tax. And the new amounts, you'll-- you can see on page 67, regarding out-of-state landowners in my area, dry land property tax is about \$67 per acre. And the property tax credit that we currently get is \$5.37 an acre, so it's a very small amount. So if you say you're sending a check out of state, they're sending us a check for \$67 in my school district and we're sending them back \$5. And if you'd like to send me \$67, I'll be glad to give you \$5 any time. And so I just want to mainly explain what the thinking was in the Appropriations Committee. I think it was very fairly done that providers receive a 2 percent per year increase and the property taxpayers are going to get a 2 percent increase on the credit. So please vote red on AM957 and vote green on LB380. Thank you, Mr. President.

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**HILGERS:** Thank you, Senator Clements. Senator Erdman, you're recognized.

**ERDMAN:** Thank you, Mr. Speaker, and good afternoon. I listened to Senator Wayne's comments about the shark tank and I spoke to him on the phone and I said we already have that. And he asked what I meant and I said we have the Appropriations Committee. So, so, Senator Wayne, we already have a shark tank. You come in and make your pitch and then we decide what we'll do. But one of the things I want you to keep in mind-- and we seldom hear this-- every one of those buildings and the houses that are on these farms are paying 100 percent in valuation, just as the people in town. Just as the urban people, every house the farmer lives in pays their valuation at 100 percent. They get no break on that. Not one of those students that goes to school lives on the ag land, they live in a house, and so they make a contribution by their 100 percent valuation. So we've been talking a lot about the real solution and I knew sooner or later we'd come to realize that the current tax system we have is broken. We have a tax system that was put in place 54 years ago and it has been broken ever since it was put in place. So what we do is we give TIF financing, we give tax incentives, we do all these things and we do those for one specific reason, because our taxes are too high. That's why we do it. So we try to incentivize businesses to come to our state because they know we're, like, the third or fourth or fifth-highest property tax state in the nation. We're number one or two or three in all taxes collected, so we got to figure out a way to entice people to come here. So the solution, the solution is and will be the consumption tax. And when I get a chance in a week or two, whenever that is presented here on the floor of the Legislature, you will begin to see and understand it is the real solution because LB1107, the property tax credit fund, and all those things we currently do are nibbling around the edges. We've never decided to fix the problem and the consumption tax fixes the problem. The problem with the property tax credit fund, it goes to those who spend the tax dollars. LB1107 attempted to fix that by giving an income tax credit to those who pay the taxes. The property tax credit often goes to the school, the city, the county, and all those people who spend tax dollars. There's no requirement when they receive that credit that they lower their tax asking, none. So over the last several years, property taxes have been going up \$200-plus million every year and we have given property tax credit back at \$275 million and it's barely keeping up with breaking even. And so we have a taxing problem here in the state and I'm telling you and, and advising you to listen carefully next week or week after when we do the consumption tax because it will solve all these issues. And Senator Wayne, we won't have to have a meeting the

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next summer to fix the tax problem because we will have fixed it.  
Thank you.

**HILGERS:** Thank you, Senator Erdman. Senator Moser, you're recognized.

**MOSER:** Thank you, Mr. Speaker. I oppose Senator Wayne's amendment, AM957. I think that the proposition that he bases his amendment on is that these farmers should be paying \$80 an acre in tax and I think that's a wrong assumption. Over the years, the state has reduced or not funded K-12 education equitably in some cases or enough in most ways and so the schools have responded by raising property taxes. And the farm ground in my district is some of the most fertile farm ground in the state and the per-acre property tax is between \$80 and \$100 an acre. So you go to Google Earth and look at Nebraska, circle in on Columbus-- that's where I hang out-- and look at all the little squares. And then you look where the little green circles are in those squares, OK? Each one of those little circles is 160 acres. Four of those little circles is a square mile and each one of those square miles pays around-- if they pay \$80, the lower figure, \$51,000 in property tax. Now, why is it a farmer's responsibility to contribute \$51,000 to support the schools, the county, the-- all the expenses that, that go into that property tax? It-- you know, in town, your property tax average is probably 2 percent throughout the, the state. Out in the country, the city portion drops off and there are some ESU and Central Community College and all those other smaller levies that add up. It's around 1.6, 1.7 percent of value and farmers have to pay that whether they make a profit or not. If they have a bad year and they brown out, they can't grow anything, the county doesn't give them any slack. If they don't pay the tax, after a number of years, they'll put their farm on the tax roll sale and, and he'll have-- the farmer will have to redeem it or lose it. It's not-- you're taking that money away from them against their will and to give them a small credit back is entirely, entirely appropriate. There's-- it's not a, it's not a contribution or an entitlement. It's a lessening of the tightening of the noose on trying to make money farming. So there is a benefit, as Senator Briese said, to the ag land, but the house pays 100 percent, the machinery pays 100 percent. Of course, they can't depreciate the machinery over time so that, that will go down over seven to ten years. But it does go to credit commercial buildings. I get a small credit on my house and on my buildings, you know, even though, you know, I, I run a retail store out of it, so it's not all for ag.

**HILGERS:** One minute.

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**MOSER:** It just-- it-- when we start talking about charity, when we try to lessen the tax load on somebody, it, it raises the hair on the back of my neck. Thank you, Mr. Speaker.

**HILGERS:** Thank you, Senator Moser. Senator Linehan, you're recognized.

**LINEHAN:** Thank you, Mr., thank you, Mr. Speaker. Senator Moser just hit on this, but I wanted to make sure that we didn't leave a group of property taxpayers out of the conversation here this afternoon. We are all very familiar with agriculture. We're familiar with residential. There's also commercial property that Senator Moser just mentioned and they don't get an extra bump like ag does. And I'm not saying-- I'm not going to get into what's fair or unfair. We have inequity spread all through our tax system, all through our school finance system. It is a train wreck. But one of the things that I wanted to respond to is they don't live here and I think there's confusion. Senator Clements mentioned this. They might not live here, but they pay the property taxes whether they live here or not, so I don't know how you could charge them property taxes and then treat them differently. I think that would be unconstitutional. The other thing that I think few people understand, if I own property in Nebraska and I rent that property out, whether it's a farm or commercial building or a house, and I make money in Nebraska, I pay Nebraska income taxes. So I don't think we want to be chasing, you know, non-Nebraskans, making them pay more taxes than Nebraskans. Here we've got a situation where you've got a property owner. I have family. They own property in Nebraska. They don't live in Nebraska for many of the reasons my other friends don't live in Nebraska anymore. But they pay property taxes, they pay income taxes, and they're using none of the services. So actually, it's a pretty good deal if you can pay taxes here and use no services. Now obviously, the commercial building would use some services, streets and whatever, and the farmers, but I don't think we want to beat up on nonresidents because I do think they pay their fair share in taxes. On the school funding, I'm going to go back to-- and any of you can access this, the Nebraska Education Collaboration, on their website. And again, this is the Nebraska Council of School Administrators, Nebraska Association of School Boards, Nebraska State Education Association, Schools Taking Action for Children's Education, which is STANCE, the Greater Nebraska Schools Association, GNSA, NRCSA, Nebraska Rural Community Schools Association, the Educational Service Units Coordinating Council, and Stand for Schools. And at the bottom of their wish list, I guess is what you would call it-- it's what they call an Invest in Nebraska and what they would like-- their third bullet point-- and I can provide copies for anybody that wants it-- it says provide additional budget and tax levy authority for

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school districts and increase state aid funding for educational service unit core services. So what they really want, guys, is more tax levy authority and anybody that was involved in LB1106 last year knows that's true. Again, as Senator Groene has talked about-- and then maybe both of us should be quiet and move on-- but \$513 million on the table last year in new school aid and schools said no. So I don't-- does not make me happy when I read that-- read the problem is we won't provide any more funding. We did. We tried really, really hard. And one of the excuses was we wouldn't have enough money to pay for it. And lo and behold, we get to this year and we've-- we could have-- it was over three years, we could have done it all this year. It could have been \$513 million in new state aid funding for our public schools.

**HILGERS:** One minute.

**LINEHAN:** It could have all been done this year. So I, I think the Legislature-- I think we should be insulted when they turn around and say that it's our fault. It's not. We had an answer to this. We had 25 to 28 votes. They said no. Thank you, Mr. Speaker.

**HILGERS:** Thank you, Senator Linehan. Senator Pahls, you're recognized.

**PAHLS:** Thank you, Mr. President. Thank you, Senator Wayne. I'm sitting over here listening to you and I know this is not the time to go in deep discussion on this because of we're working on the budget, but I started looking up some figures. I must not be reading these right because I'm just going to just pull up some of the figures that I have in front of me dealing with property tax. Now, I realize the more people live in the community, there's more property tax being paid, but I looked up Douglas County, over \$150 million in property tax. Then I looked at one of my friend's, I think he lives in Madison County, their property tax is \$15 million. And then I looked at Gage County, their property tax is \$12 million. Then I looked at Platte. Their property taxes are a little under \$12 million, so as I go down through all the taxes because-- I'm doing this throughout the state because I'm looking for balance. We all live in the state of Nebraska, but we do need to start taking a look at where the taxes are coming from and how, how they are being redistributed because I hear that education is the big money eater, so we have to see why certain area-- parts of the state requires more money than others and to be fair about it. But I-- as I look down, I'll just flip over to Arthur County, \$607,000 is their property tax. I-- the bottom ten counties all pay less than \$1 million in property tax, so I think we ought to start looking at the total ballgame. I understand farming is a-- my family is-- has a background of farming. I understand that's a tough

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life and it has its ups and downs, so I do get that. But in the larger cities, you have students who live in that town. They have their ups and downs because you have a collection of more people with more needs. So instead of ranting on each other, I think we ought to just take a look at maybe this consumption tax is the answer. I, I told you-- I said I would vote it out of committee. I didn't know what I'd do with it on the floor, but at least it's something to talk about. But as we go down for the next-- because I'm going to start talking now on, on the different kinds of taxes and, and where they come from. I'm going to talk about all taxes and I-- one thing I promised-- when I was running, one of the questions they asked is Pahls, are you going to come back and start trying to do with-- do away with tax exemptions? I says no, but I'm going to enlighten people on tax exemptions. We need to take a look at it because it's part of the whole ballgame. If I started quoting all the tax exemptions-- I assure you, which I will-- and all the state, you know, the income tax, all that, I'm going to do that. I'm going to be known as the tax whatever. But I'm going to-- that's-- those are going to be just like we've had some filibustering of the-- reading certain things. I'm going to be reading this information because I think the public needs to know this. They have to know the total ballgame and we'll see why certain areas of the state need-- may need help. And some areas of the state may be a little better off, but I can assure you unless I'm reading these figures wrong and I could be--

**HILGERS:** One minute.

**PAHLS:** --thank you-- I could be reading them wrong, but it is amazing because so many times when we talk about property tax, we think that's just ag property tax. Well, as I look at Douglas County, which there's not very much-- I would, I would say there's very little farmland there. There is, there is some, but \$150 million property tax. So the big property tax collector in the state of Nebraska is Douglas County if you're just going countywise. So stay tuned, trying to clarify some of the issues. That's what I see as my goal. That's one reason why I came back. I-- my goal is to make this a better place and to balance it out instead of having certain groups of people try to control issues. I think 49 of us ought to do it instead of a handful. That's my perception. Thank you.

**HILGERS:** Thank you, Senator Pahls. Senator Matt Hansen, you're recognized.

**M. HANSEN:** Thank you, Mr. President, and good afternoon, colleagues. I've been appreciating this debate and I appreciate Senator Wayne stimulating it. I think we're kind of seeing and setting some of the

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tone for the future. As I understand, we have a revenue week or revenue weeks coming up soon. And what I-- originally prompted me to turn on my light was the sentiment that come up-- came up a couple of times. I know I'm not quoting anybody directly, but the sentiment of why should-- basically why should ag land support schools? Like, that fundamental question was raised is why should ag land support schools or more specifically, why should some source of tax support something that they don't get a direct benefit of? And fundamentally, I want remind everyone that's because we live in a society. We live in a situation where that is true and that is true for all of us. You know, I pay sales tax, I pay income tax in the state of Nebraska, and I'm about to vote for a budget that has all sorts of programs that I will never directly benefit from, that I'll never access, I'll never benefit from or certainly not in this year. And the reason because that is because we are trying to come together, provide for some sort of, you know, collective benefit. And that is why occasionally or often, rather, you are asked to, through your tax dollars, support a service you don't directly benefit from because that's something we as a community view as necessary. And I just kind of wanted to take a step back and remind everybody that that's, that's always the case. That's not a special thing about property taxes supporting schools. There are all sorts of things that, you know, sales tax dollars, income tax dollars, all sorts of tax support that you never get the direct benefit of, but it's because we view-- through, through us, the Legislature, through our county boards, through our school boards, what have you, through our mayors and city councils, that that is the best outcome or at least the negotiated outcome or, you know, what got 51 plus 1 percent of the votes outcome. But it is kind of a representation of us as a society trying to come together. I'm all in favor and have, you know, have been engaged in terms of trying to have an equitable tax plan. Certainly don't want taxes to be high, certainly don't want taxes to be higher than they need to be and have supported bills in the past. But at the same time, it's sometimes difficult for, for me to engage in a tax bill once others are targeting from the position of, you know, why should we even be supporting schools in the first place? And I understand people kind of bringing the point or the rhetorical point. I understand we're not necessarily even on a tax bill right now. I understand Senator Wayne's going to remove this amendment. But if that's where we're operating from, I think that kind of shows sometimes the gulf that we need to overcome in order to get your goals across while, you know, meeting my goals and vice versa. So I just wanted to raise and make sure to share that point and share that point. So with that, thank you, Mr. President.

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**HILGERS:** Thank you, Senator Hansen. Seeing no one else in the queue, Senator Wayne, you're recognized to close.

**WAYNE:** Welcome to "Senate Shark Tank". Oh, it just has a really good ring to it. So I know what happened. I know what happened. People-- the rural senators got together and said they didn't want me to spend a whole lot of time talking about prisons today, so they were all going to push their button and they, and they convinced Senator Linehan to jump in too. And you guys are going to talk because, you know, I made a deal with Stinner that I wasn't going to spend too much time on the budget and you ate up all my time. I-- that was probably the best move I've seen by rural senators since I've been here. That was a really good move. So now I have to close this and not spend a lot of time on prisons to keep my end of the bargain up. And you guys ate up an hour of my time, so I am really thankful because I had a lot of literature to read. But I'll end with this. I do, I do appreciate the conversation and I think these are the conversations we should be having as a body. And I do think we have to go beyond K-12. I think we have to go K-14. We have to wrap our community colleges in because if you don't know, at least in my area, 30 to 40 percent of the people who attend community colleges end up taking one, if not more remedial courses, so we're paying for it twice. We should at least include them in the equation. I hope we do come together on TEEOSA and figure out something. And to Senator Moser, the scenarios you gave are everybody who pays taxes. There are some years I have a good year, some years I have a bad year. Some years that somebody loses their job and they own a home, they-- everybody still has to pay those property taxes. That's not unique to rural, but I do understand the struggle of rural. So thank you, everyone, for taking up my time talking about prisons. I do know if I'm going to filibuster a bill, I just got to bring up property taxes and rural property taxes and you guys will help me filibuster a bill. I appreciate it. With that, I will remove my-- I withdraw my amendment.

**HILGERS:** The amendment is withdrawn. Mr. Clerk.

**ASSISTANT CLERK:** Mr. President, next amendment, Senator Wayne, AM940.

**HILGERS:** Senator Wayne, you're recognized to open on AM940.

**WAYNE:** Thank you, Mr. President. And this is the best amendment I've seen in a long time, primarily because the Bill Drafters say remove Flood's amendment. I've never seen that before in Bill Drafting. Usually they just strike lines and I was, like, that's so awesome. I'm hanging it in my office. I've never seen that done before. But actually, if nobody's in the queue, I'm going to withdraw this, but

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let me finish why I did this. I do believe about talking about things that are germane and so I wanted to make sure that I pointed out I passed out two articles. One was just a Facebook post by Rose, Rose Theater of Omaha. And the other one was a article that was pretty lengthy, written by a African-American executive director in arts. And what made me think about this is we are giving more money to the Art Council-- Nebraska Arts Council, not the one referenced in this, in this article-- and the board is not very diverse. And when we don't have diversity in the room-- and I don't mean just race, I don't mean just gender. I mean any way we can think about things in the room-- if we don't have diversity in the room, things that are in this article happen. And sometimes it's intentional, maybe what's in the article, what happened in Omaha, but this was around CARES dollars and things that benefit the whole society. So I do think it's important and I wanted to raise your attention to this and the fact that the Rose Theater stepped up and acknowledged it was wrong, how it happened and they are withdrawing from this organization sends a positive note to the community that maybe we are moving in the right direction. But I do think it's important for those who think that's just the 1970s, 1960s. Here goes a real life issue that happened recently in the arts. And if nobody else is in the queue-- I don't see anybody-- I'll withdraw that amendment.

**HILGERS:** The amendment--

**WAYNE:** I saw you, Flood, touch your light.

**HILGERS:** The amendment is withdrawn. Mr. Clerk for an amendment.

**ASSISTANT CLERK:** Mr. President, Senator Machaela Cavanaugh offers AM952.

**HILGERS:** Senator Machaela Cavanaugh, you are recognized to open on AM952.

**M. CAVANAUGH:** Thank you, Mr. Speaker. Good afternoon, colleagues. AM952 is a response to the amendment that I put forward on LB380 last week to fully fund the DD waitlist. There was concern expressed in this body that fully funding it immediately would be problematic for providers and, and so this amendment would step it-- the funding up to fully fund it over a three-year period. So the first year would bring the funding up to what my initial appropriation request was back in January, so we would be adding an additional \$15,986,858 from General Funds to the DD waitlist, and that would cover 836 individuals and that would include 131 children that are currently on the waitlist. So over the course of three years, we would be able to fully fund the DD

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waitlist. And to be honest, if we were to do this, we might find that once the department starts reaching out to those that are on the waitlist, that some no longer need the services or can be removed from the waitlist, so those numbers could potentially go down in the future. But right now, our waitlist is almost to 3,000 and this, in the first two years, would take care of 1,841 individuals and nearly 400-- 300 children. So I'm not going to speak on this any further. I just ask that you all consider this. I know it has been discussed whether or not we add changes to the appropriation, but it's been made clear by the Flood amendment. Right after I had this amendment the other day, 27 senators agreed that we can make changes to the Appropriations mainline budget and I hope you will join me in this important endeavor. Thank you.

**HILGERS:** Thank you, Senator Cavanaugh. Debate is now open on AM952. Seeing no one in the queue, Senator Cavanaugh, you're recognized to close. Senator Cavanaugh waives closing. The question before the body is the adoption of AM952. All those in favor of 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 of aye; all those opposed vote nay. Please record, Mr. Clerk.

**ASSISTANT CLERK:** 16, 16 ayes, 8 nays to place the house under call.

**HILGERS:** The house is under call. All unexcused senators, please return to the floor. All unauthorized personnel, please leave the floor. The house is under call. Senator Vargas, please check in. Senator Cavanaugh, we're waiting on Senator DeBoer. We had a vote open-- all, all members are now accounted for. We had a vote open before the call of the house, so would you like to accept call-ins or a roll call? Call-ins have been accepted. Mr. Clerk.

**ASSISTANT CLERK:** Senator Pansing Brooks, voting yes. Senator Wayne, voting yes. Senator Morfeld, voting yes. Senator Matt Hansen, voting yes. Senator Bostar, voting yes. Senator Ben Hansen, voting yes. Senator Walz, voting yes. Senator Flood, voting no. Senator Aguilar, voting no. Senator Sanders, voting no. Senator McCollister, voting no. Senator Kolterman, voting no. Senator Hilkemann, voting no. Senator Dorn, voting no. Senator Halloran, voting no. Senator Lathrop, voting yes. Senator Williams, voting no.

**HILGERS:** A roll call vote in regular order has been requested. The question is the adoption of AM952. Mr. Clerk, please call the roll.

**ASSISTANT CLERK:** Senator Aguilar, voting no. Senator Albrecht, voting no. Senator Arch, not voting. Senator Blood, voting yes. Senator

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Bostar, voting yes. Senator Bostelman, not voting. Senator Brandt, not voting. Senator Brewer, voting no. Senator Briese, voting no. Senator John Cavanaugh, voting yes. Senator Machaela Cavanaugh, voting yes. Senator Clements, voting no. Senator Day. Senator DeBoer, voting yes. Senator Dorn, voting no. Senator Erdman, voting no. Senator Flood, voting no. Senator Friesen, voting no. Senator Geist, not voting. Senator Gragert, voting no. Senator Groene, voting yes. Senator Halloran, voting no. Senator Ben Hansen, voting yes. Senator Matt Hansen, voting yes. Senator Hilgers, not voting. Senator Hilkemann, not voting. Senator Hughes, voting no. Senator Hunt. Senator Kolterman, voting no. Senator Lathrop, voting yes. Senator Lindstrom. Senator Linehan, voting no. Senator Lowe, voting no. Senator McCollister, voting no. Senator McDonnell, not voting. Senator McKinney, voting yes. Senator Morfeld, voting yes. Senator Moser, voting no. Senator Murman, not voting. Senator Pahls, voting yes. Senator Pansing Brooks, voting yes. Senator Sanders, not voting. Senator Slama, voting no. Senator Stinner, voting no. Senator Vargas, not voting. Senator Walz, voting yes. Senator Wayne, voting yes. Senator Williams, voting no. Senator Wishart, not voting. The vote is 15 ayes, 20 nays, Mr. President.

**HILGERS:** The amendment is not adopted. I raise the call.

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

**HILGERS:** Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move that LB380 be advanced to E&R for engrossing.

**HILGERS:** Colleagues, you've heard the motion. All those in favor say aye. Opposed say nay. LB380 advances. Next bill, Mr. Clerk.

**ASSISTANT CLERK:** Mr. President, LB383. There's an amendment from Senator Wayne, FA21, with a note he wishes to withdraw.

**HILGERS:** The floor amendment is withdrawn.

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

**HILGERS:** Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move that LB383 be advanced to E&R for engrossing.

**HILGERS:** Colleagues, you've heard the motion. All those in favor say aye. Opposed say nay. LB383 advances. Next bill.

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**ASSISTANT CLERK:** Mr. President, next bill, LB666. Senator McKinney, I have nothing on the bill.

**HILGERS:** Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move that LB666 be advanced to E&R for engrossing.

**HILGERS:** Colleagues, you've heard the motion. All those in favor say aye. Opposed say nay. LB666 advances. Next bill.

**ASSISTANT CLERK:** Next bill, Mr. President, LB386. I have no amendments on the bill, Mr.-- Senator McKinney.

**HILGERS:** Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move that LB386 be advanced to E&R for engrossing.

**HILGERS:** Colleagues, you heard the motion. All those in favor say aye. Opposed say nay. LB386 advances. Next bill.

**ASSISTANT CLERK:** LB386A. I have no amendments, Senator McKinney.

**HILGERS:** Senator McKinney for a motion.

**McKINNEY:** Mr. President, I move that LB386A be advanced to E&R for engrossing.

**HILGERS:** Colleagues, you've heard the motion. All those in favor say aye. Opposed say nay. LB386A advances. Mr. Clerk for items.

**ASSISTANT CLERK:** Mr. President, your Committee on Enrollment and Review reports LB379, LB381, and LB382 as correctly engrossed. Those will be placed on Final Reading. LR94, introduced by Senator Clements, that will be laid over. LR93, introduced by Senator Aguilar, that will be laid over as well. Your Committee on Revenue, chaired by Senator Linehan, refers LB523, LB69, LB222, LB412, LB479, LB272, LB625, and LB681 to General File. Finally, Mr. President, Senator Halloran would move to adjourn the body until Wednesday, April 14, 2021, at 9:00 a.m.

**HILGERS:** Colleagues, you've heard the motion. All those in favor say aye. Opposed say nay. We are adjourned.