

Transcript Prepared by Clerk of the Legislature Transcribers Office

Business and Labor Committee February 2, 2026

Rough Draft

KAUTH: Welcome to the Business and Labor Committee. I'm Senator Kauth from Omaha, represent-- representing the 31st Legislative District. I serve as chair of this committee. The purpose of the public hearing is an information gathering endeavor in which senators on the committee are seeking information about the proposed legislation that they do not know or have not thought about. It allows individuals representing themselves or a group to share their unique perspective on a proposed measure. It also serves as a record about the proposal for future historical and legal purposes. A key component of the process is the ability for senators to engage directly with testifiers to ask questions and elicit clarification on the information provided. The committee will take up the bills in the order posted. If you're planning to testify today, please fill out one of the green testifier sheets for each bill that you are testifying on. These are on the table at the side of the room. Be sure to print clearly and fill it out completely. When it is your turn to come forward to testify, give the testifier sheet to the page or to the committee clerk. If you do not wish to testify but would like to indicate your position on a bill, there are also yellow sign-in sheets at the side table. These sheets will be included as an exhibit in the official hearing record. When you come up to testify please speak clearly into the microphone, tell us your name, and spell your first and last name to ensure we get an accurate record. We will begin each bill hearing today with the introducer's opening statement followed by proponents of the bill, then opponents, and finally by anyone speaking in the neutral capacity. We will finish with a closing statement by the introducer if they wish to give one. We will be using a 3-minute light system for all testifiers. When you begin your testimony, the light on the table will be green. When the yellow light comes on, you have 1 minute remaining and the red light indicates your time has ended. Questions from the committee may follow. Also, committee members may come and go during the hearing. This has nothing to do with the importance of the bills being heard, it's just part of the process, as senators may have bills introduced in other committees. A few final items to facilitate today's hearing. If you have handouts or copies of your testimony, please bring up at least 12 copies and give them to the page. If you do not have enough copies, the page will make sufficient copies for you. Please note that thumb drives, CDs, DVDs, oversized documents, books, lists of signatures, and similar, will not be accepted as exhibits for the record. Please silence or turn off your cell phones. You may see committee members using their electronic devices to access more information. Verbal outbursts or applause are not permitted in

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the hearing room. Such behavior may be cause for you to be asked to leave the hearing. Finally, committee procedures for all committees state that written position comments on a bill to be included in the record must be submitted by 8 a.m. the day of the hearing. The only acceptable method of submission is via the Legislature's website at legislature.nebraska.gov. Written position letters will be included in the official hearing record, but only those testifying in person before the committee will be included on the committee's statement. I'll now have the committee members with us today introduce themselves starting on my right.

F. MEYER: Senator Fred Meyer, District 41, six counties, plus a little more north of Grand Island.

SORRENTINO: Senator Tony Sorrentino, Legislative District 39, Elkhorn and Waterloo.

RAYBOULD: Senator Jane Raybould, Legislative District 28, which is central Lincoln.

KAUTH: And Senator Sorrentino is the vice chair of the committee, and he will take over while I am presenting at the end of this-- these hearings. Also assisting the committee today, to my right is our legal counsel, Thomas Helget, and to my far right is committee clerk, Julie Cash. We have two pages for the committee today, they are Luke Lawton from Omaha, who's a senior at UNL and majoring in business and law, and Maddie Banks from Rochester, Minnesota, who is a sophomore at UNL and majoring in political science. Thank you for your assistance today, guys. All right. And with that, we can begin testimony on LB861. Good afternoon.

SEAN FLOWERDAY: Good afternoon. Once again, good afternoon Chair Kauth and members of the Business and Labor Committee. For the record, my name is Sean Flowerday. That's S-e-a-n F-l-o-w-e-r-d-a-y. I am staff for Senator Bostar who regrets that he cannot be here with you today. I am here before the committee to present LB861, legislation to increase worker safety in the construction industry as well as promote transparency and accountability throughout the inspection process. Construction workers face some of the highest workplace injury and fatality rates of any profession practice in our state. Senator Bostar introduced LB861 in the interest of promoting and improving worker safety in this vital, yet all too often hazardous field of employment. Towards this end, the provisions contained in LB861 aim to make two additions to state building construction regulations with the

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intention of strengthening the integrity and transparency of construction inspections that directly protect workers on job sites throughout our state. First, LB861 seeks to mandate that all inspections required for permitting or approval requirements at the state and municipal levels be conducted by an authorized inspector. Having qualified inspectors conducting oversight on projects would greatly benefit worker safety as proper inspections help prevent structural failures, electrical hazards, fire risks, and unsafe load-bearing conditions before workers are exposed. Second, LB861 promotes transparency and accountability around inspection results by mandating that inspection records for any standing structure in the state be made available to the public upon request. This change is meant to ensure that contractors and owners have a strong incentive to correct deficiencies promptly, improving safety for workers as visibility encourages accountability. These changes will improve efficiency, quality, and access for building inspections mandated by state or municipal entities throughout-- through allowing for virtual inspections conducted by authorized inspectors where appropriate. This will require that all inspections required for permitting or approval requirements at the state and municipal levels be conducted by an authorized inspector. Senator Bostar and I encourage the committee to join his efforts to, to improve worker safety in the construction field by supporting these changes to statute. Thank you for your time and consideration. I'm happy to answer any questions you might have.

KAUTH: Thank you very much. Are there any questions from the committee? Senator Raybould.

RAYBOULD: Yes, thank you, Mr. Flowerday. I just have a couple of questions. I saw that this does have a fiscal note that was mentioned in Buffalo County. So do you anticipate that other counties would be in that same position about hiring a, a specific individual who has the appropriate training to do all those inspections?

SEAN FLOWERDAY: I do not. I was surprised to see that. I can have more conversations with Buffalo County and get back to you on that if you want further follow-up. I was-- I thought that was unusual and I wasn't aware of any other counties that thought that. Lancaster County didn't think that.

RAYBOULD: OK. And then may I ask another one? Yeah, I've been in the construction industry for 36 years and typically in many different jurisdictions that we've operated in we work with some of the local folks that have well-established relationships with the Fire Marshal

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for any and all inspections that are actually an electrical contractor and it might even be the electrical contractor on the job and so they've established their own reputation with the ultimate inspector, maybe it's, you know, the department for the food safety program. I mean, they all trust this individual who has an outstanding reputation. And so how would that impact that type of relationship that's now ongoing all throughout the state of Nebraska?

SEAN FLOWERDAY: Can you restate your question? I don't understand.

RAYBOULD: The question is that there are already a, a number of trusted subcontractors like electrical contractors or plumbing so that--

SEAN FLOWERDAY: They do their own inspections.

RAYBOULD: --that, that do their own inspections that the Fire Marshal or health and safety as part of that county's health department have no reason to doubt them and that they are according to the specifications and that are in total compliance with the codes.

SEAN FLOWERDAY: Right.

RAYBOULD: How is that going to impact their current relationship of, of transacting their own inspections for review that would pass the Fire Marshal and, and health and safety inspections?

SEAN FLOWERDAY: This legislation would, would require that they-- that an authorized contractor or an authorized inspector would be used. That doesn't necessarily preclude a private inspector, although I think it lends itself more naturally to government inspectors.

RAYBOULD: OK. So--

SEAN FLOWERDAY: In fact, I actually anticipate we'll hear something on that later.

RAYBOULD: OK, but it also just says state agency would require an authorized inspector. So what is the, the process that someone can qualify as an authorized inspector?

SEAN FLOWERDAY: I'm not certain, I can get back to you.

RAYBOULD: OK. Thank you.

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KAUTH: Other questions? Senator Sorrentino.

SORRENTINO: Thank you, Chairwoman Kauth. I, I really had the same question as Senator Raybould did. If that was \$230,000 for one county and 93 counties, and I'm sure Lancaster, Sarpy, Douglas would hire more than that. The minimum fiscal note would be \$4 million and if you could just check to see if that math is right. That looks high.

SEAN FLOWERDAY: In my other life, I'm a Lancaster County Commissioner and we didn't think there was any problems.

SORRENTINO: OK. Thank you.

SEAN FLOWERDAY: So we, we didn't submit a fiscal note. It didn't seem like an issue to us.

SORRENTINO: All right, thank you.

KAUTH: Senator Meyer.

F. MEYER: So we already have electrical inspectors under that department and we have fire inspectors under that department, so this is just another layer of requirements for a contractor or I guess to me I--

SEAN FLOWERDAY: I think it stipulates who can be an, an inspector. I don't think it's necessarily another level of inspection. I think it's requirements on who is an inspector.

F. MEYER: Well, those inspectors are already licensed and approved--

SEAN FLOWERDAY: Correct.

F. MEYER: --with their training, so this is another one.

SEAN FLOWERDAY: This is-- but these building inspections and, and construction site inspections already happened.

F. MEYER: So is there-- has there been a, a-- enough incidents across the state to justify this expense for local subdivisions to have to have another employee or two or three or four or five to do that-- actual problems with construction?

SEAN FLOWERDAY: I don't know that I think that we, that we will need additional employees, but I, I do think there have been past issues.

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There are going to be some testifiers behind me that actually work in the construction field that I would anticipate could address that.

F. MEYER: OK. Thank you.

SEAN FLOWERDAY: Yeah.

KAUTH: Seeing no further questions, you'll stay to close or no?

SEAN FLOWERDAY: No, we're good. I mean, I'll be here, though.

KAUTH: You'll, you'll waive?

SEAN FLOWERDAY: Yeah.

KAUTH: OK. First proponent.

SEAN FLOWERDAY: Am I even allowed to close? [INAUDIBLE]

KAUTH: I don't-- I think you just have to wave at us.

SEAN FLOWERDAY: We're good.

KAUTH: Thank you. Go ahead.

ED BLACK: Hi, my name is Ed Black. I am the rep--

KAUTH: Spell your name.

ED BLACK: E-d B-l-a-c-k. I am the rep/vice president of the Local 15 Bricklayers Union. And I'd like to thank the chairperson and members of committee. Thank you for the opportunity to speak today. LB861 is, at its heart, about accountability, public safety, and protecting the integrity of the Nebraska construction industries. Most professionals in this field take great pride in their work. They build the homes, schools, and public facilities that our communities rely on every day. But we also know there are some bad actors, companies whose poor practices compromise the structural integrity of the buildings they touch. And once the integrity is lost, no repair can fully restore it. That risk isn't just theatrical, is real consequences for safety and for taxpayers. Right now, third-party inspectors can only observe and document what they see. They have no authority to stop improper work while it is happening. That means problems are often aren't addressed until it's too late, after concrete has been poured, after walls are closed, and after the damage is already done. LB861 strengthens oversight by ensuring an accurate record can be accessed to identify

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contractors with a history of substandard work. This gives both private builders and public entities the information they need to make, to make responsibly informed decisions about who they hire. We've seen too many cases where out-of-state contractors complete poor quality work and leave Nebraska, leaving local contractors or taxpayers in the case of public projects to pay the price for corrections. LB861 helps prevent these situations by increasing transparency and ensuring that accountability follows the work no matter where the contractor is based. This bill isn't about broadening good professionals, it's about protecting them and protecting the public from the ones who cut corners. LB861 reinforces quality, fairness, and responsibility across the industry. It ensures that the structures built in Nebraska are safe, durable, and worthy of the communities they serve. I urge you to support LB861 and thank you for your time and consideration.

KAUTH: Thank you, Mr. Black. Are there any questions from the committee? Seeing none, thank you for your testimony. Next proponent. Good afternoon.

RON KAMINSKI: Good afternoon, Chairwoman and members of the committee. My name is Ron, last name is Kaminsky, K-a-m-i-n-s-k-i. I am here today as a proponent of LB861 for pretty much three or four different reasons: accountability, public safety, protecting the integrity of our construction industry, and for the safety of individuals that construct projects across our state. I want to thank Senator Bostar for taking the time to introduce this legislation, for considering and holding accountable folks that are doing substandard work here in the state of Nebraska. And I don't want to take up too much of your time, but I urge you guys to support LB861. Thank you.

KAUTH: Thank you very much. Are there any questions from the committee?

F. MEYER: I, I have, I have one, Chairman.

KAUTH: Go ahead.

F. MEYER: So in your view, is this, is this more of a, a-- you looking at residential properties or business properties that's-- as needing more protection?

RON KAMINSKI: I would say more on the business side or by the-- I would say more-- I would say larger projects a little bit. I think

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there are-- in the housing market also, there are some problems there. I don't deal with those as much. We do more commercial construction, sir, but I would imagine that some of those same bad actors also work in, in the residential avenues or areas also but mostly commercial.

F. MEYER: OK. Thank you.

RON KAMINSKI: You're welcome.

KAUTH: Senator Raybould.

RAYBOULD: Thank you, Mr. Kaminski, for coming in.

RON KAMINSKI: Yep.

RAYBOULD: I'm a little puzzled by this, because if you're doing commercial work, there always has to be some sort of inspection going on. And I've encountered projects where you may have enclosed all the electrical conduit, but if they haven't been inspected, I, I know of many inspectors say rip it up. I want to see.

RON KAMINSKI: Yep.

RAYBOULD: Yeah. And so, I, I just-- I haven't heard of a lot of situations where this is ongoing, and could you share, you know, in your experience--

RON KAMINSKI: Well, I, I think--

RAYBOULD: --of what you're seeing?

RON KAMINSKI: --I think all-- I, I think it happens every day. We're just maybe not aware of it based on what type of contractors you use or are familiar with using. But I also think that in this legislation it requires that those records can be accessed so we can identify contractors that are doing substandard work, right? So I think this is beneficial for the state of Nebraska, taxpayers, folks that are making an investment in these projects that they know if there's contractors out there doing shady work.

RAYBOULD: So do you anticipate each municipality or county maintains these records? Who maintains the records for public viewing inspection?

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RON KAMINSKI: Well, most of that stuff is local, is, is saved locally. But I would have to get with Senator Bostar to see exactly how he would like to see that laid out.

RAYBOULD: OK. Thank you.

RON KAMINSKI: Yep.

KAUTH: Seeing no further questions, thank you for your testimony.

RON KAMINSKI: Thank you, ma'am. Appreciate you guys.

KAUTH: Next proponent. Once, going twice. First opponent.

JUSTIN BRADY: Senator Kauth and members of the committee, my name is Justin Brady, J-u-s-t-i-n B-r-a-d-y. I appear before you today as the Registered Lobbyist for the Nebraska Realtors Association, for the Metro Omaha Builders Association, the Home Builders Association of Lincoln, and the Nebraska State Home Builders Association opposed to LB861. We look at it and say that we think this is an unneeded level of registration that's there. There's also some questions, you know, even looking at the language, and I've spoken to Senator Bostar's office on this whole-- we understand an authorized inspector means if it's credentialed by a state agency, county, city. That's what we have today, the whole idea of this, or a third-party inspector, registered or licensed with the state. And when we're-- especially in the rural areas, the builders talk about how limited access they have to inspectors and how long and sometimes they have to wait to get those inspections done. It seems like if we're going to add another level and make the pool smaller on who can do this, it's just going to add to that time that's there. This bill is similar to LB441, which the builders also and realtors opposed, and it's sitting on Select File now, so I don't know where that bill is going or whether or not this bill is needed with that bill already out there. But with that, I'll try to answer any questions.

KAUTH: Thank you very much. Are there any questions? Senator Raybould.

RAYBOULD: Mr. Brady, you said there's a similar bill, LB--

JUSTIN BRADY: LB441, yes.

RAYBOULD: Did Senator Bostar introduce that one too?

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JUSTIN BRADY: Senator Spivey introduced that one. That one was in the Urban-- came through the Urban Affairs Committee.

RAYBOULD: OK. Thank you.

KAUTH: Senator Meyer.

F. MEYER: So I'm, I'm reading the introducer's statement of intent here and sometimes I realize those are maybe not the most accurate in the world, but the last line is: provided the inspected structure remains standing when the request for records is made, so you can have a 100-year-old building that those records have to be maintained?

JUSTIN BRADY: That's how I understand-- yes. Now, if the building falls down you can get rid of the records.

F. MEYER: Well, for 100 years, there could be a lot of termites in there.

JUSTIN BRADY: Yeah.

F. MEYER: I'm just saying, so. OK. Thank you.

KAUTH: Thank you, Senator Meyer. Further questions? Thank you for your testimony.

JUSTIN BRADY: Thank you.

KAUTH: Next opponent. Seeing none, does anyone wish to testify in the neutral? Seeing none, and, Mr. Flowerday, would you like to-- waive. OK, that closes our hearing on LB861. For the record, there was one opponent, zero proponent, and zero neutral submitted online. And LB744. Do we--

_____ : Senator Juarez is on her way.

KAUTH: She is? OK. Does everyone have your green sheets prepped and ready to go? Can someone call her office and check her [INAUDIBLE]? Thank you. Thanks, Maddie. Let's see, next up is Hallstrom. Senator Juarez, you're up.

JUAREZ: I'm sorry. I'm sorry.

KAUTH: That's OK. Good afternoon, Senator Juarez.

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JUAREZ: Good afternoon and good afternoon to the committee. My name is Senator Margo Juarez, M-a-r-g-o J-u-a-r-e-z. Today, I'm introducing LB744 to amend existing legislation to formally recognize and define public safety communications personnel to mean 911 operators, emergency dispatchers, and other employees of the entity to be included as first responders in the state of Nebraska. These dedicated professionals are the first point of contact in any emergency. They are the calm voices on the line, the ones who are highly trained to gather critical information, assess rapidly involving situations, deliver lifesaving instructions while taking immediate action to ensure that help is on the way. Without their accuracy and quick decision-making, our citizens could lose precious seconds. Seconds that can mean the difference between life and death. In crafting this bill, I met with the members of Douglas County Communications and saw firsthand the essential role these individuals play in managing and mitigating emergencies. Their work is demanding, emotionally taxing, and absolutely vital. The language was built on what first responders receive for mental health and critical incident stress management, which is specialized mental health support to mitigate trauma from high stress, dangerous, and cumulative exposures. I want to draw your attention to the fiscal note. This is an estimated cost per person, and there's no way to know the potential claims. If there are amendments to this through the committee process, we request a fiscal note to the counties to see the impact on the 911 dispatchers specifically as well. Based on 2023 data from the Federal Communications Commission, Nebraska has approximately 615 active 911 telecommunication-- telecommunicators funded by 911/E911 fees. This bill is about more than recognition. It is about ensuring that our 911 professionals have the resources, mental health support, and training they need to perform their jobs safely and to build long successful careers. I have provided a handout with mental health statistics for 911 telecommunicators and dispatchers. When we support our 911 professionals, we strengthen the entire emergency response system and reaffirm our commitment to public safety across Nebraska. I'm happy to answer questions and know that there are other experts coming after me.

KAUTH: Thank you. And did you say you had a handout?

JUAREZ: Yeah.

_____ : A testifier does.

JUAREZ: Oh.

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KAUTH: One of the testifiers does. OK.

JUAREZ: Yes.

KAUTH: Thank you. Are there any questions? Senator Raybould.

RAYBOULD: Senator Juarez, thank you for bringing this forward. And, yes, I am curious about the fiscal note. So this only would impact first responders, the 911 operators, emergency dispatchers, and other public safety communication personnel that works for the state of Nebraska. Is that correct? And that wouldn't be a requirement of the, the counties or municipalities?

JUAREZ: No, I think it, it would include them also.

RAYBOULD: OK. But I guess the counties did not provide a, a fiscal impact.

JUAREZ: Is this right? All right, I'm digging for my fiscal note in here. Yeah, I think that it would be, it would be including everyone, not just, you know, state. I guess I didn't realize that there was state versus county even. Excuse me.

RAYBOULD: Well, I, I just see the Department of Administrative Services came up with their own cost, it seems like. They say they have 47 public safety communication personnel, so it's-- it made it seem like in the fiscal note that the state is the only one who provided any numbers.

JUAREZ: I don't know, maybe somebody else behind me will be able to--

RAYBOULD: OK.

JUAREZ: --to help with that.

RAYBOULD: Yes, thank you.

KAUTH: Thank you. Any other questions? Senator Juarez, I do have one. Would this open-- so you're expanding the definition of first responders and widening it significantly, especially if it's covering all the counties, would they-- would this cover the tuition reimbursement for the police and fire and Corrections? Would this also include the 911 operators in getting tuition reimbursement? I'm seeing shaking heads behind you.

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JUAREZ: I don't, I don't think that it's expanding all benefits for the first responders. I remember mentioning that it wasn't going to include all, all employee benefits.

KAUTH: OK. OK. Thank you.

SORRENTINO: Senator Kauth.

KAUTH: Senator Sorrentino.

SORRENTINO: Thank you, Chairwoman Kauth. On your, on your bill, I think it's page 4, line 26(a), when they're talking about for purposes of this section: County correctional officer means a correctional officer employed by a high-population county. So it sounds like the intent is to include county. I just don't know if the fiscal note includes county. I think that's maybe where we're at, which-- because it seems awfully low at \$10,000 to me.

KAUTH: Per person.

JUAREZ: Well,--

SORRENTINO: Later on they talk about county jails and all that.

JUAREZ: Right, but what the fiscal note, you know, the-- all you can do is make an estimate because you're really not going to know who's going to file a claim. So, really, that's why it's just an estimate, because it would be an unknown on who really would come forth and try to file a claim.

SORRENTINO: But I think that, that fiscal note was based upon-- on an average, there were so many workers that would have claimed it. And they said there would only be one workers' compensation annually for public safety communications. I have a feeling we're talking about a lot more than 47 people. Maybe I'm wrong, but that's how they came up with the number one, only \$10,000 claim. I guess that's what we need clarity on is, is the fiscal note based on 47 people or didn't include county?

KAUTH: Senator Sorrentino, any more?

SORRENTINO: No, thank you.

KAUTH: All right. Thank you. Any further questions? Yes, Senator Raybould.

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RAYBOULD: Thank you, Chair. I guess, Senator Juarez, I think our concerns are what are those numbers from the county and municipalities and we're trying to be very sensitive about unfunded mandates, particularly this year with our own budget deficit to, to force more financial obligations onto the cities and counties. It's something that they're unanticipated and so I'm hopeful that maybe some of the testifiers will speak to that from the, from the city and counties on that matter.

JUAREZ: Yeah, and I'm thinking that we had problems getting, getting the numbers also.

RAYBOULD: OK. Thank you.

KAUTH: Any further questions? Will you stay to close?

JUAREZ: Yes.

KAUTH: OK. Thank you. First proponent. Good afternoon and welcome.

ANTHONY STRAWN: Good afternoon. My name is Anthony Strawn, A-n-t-h-o-n-y S-t-r-a-w-n. I am the Business Agent for the International Unit of Operating Engineers Local 571. I represent Douglas County 911 Communications, as well as the Falls City 911 communication employees. Thank you for allowing me to speak in support of LB744, a bill that ensures Nebraska's 911 telecommunications, our emergency dispatchers receive the same protections under the Workers' Compensation Act and Critical Incident Stress Management Act as other first responders. This is not just a matter of fairness, it's a matter of health, safety, and public trust. Why LB744 matters: Dispatchers are the first point of contact in every emergency. They guide CPR over the phone, calm victims during violent crimes, and coordinate lifesaving responsiveness-- responses. Yet, despite their critical role, they're often excluded from protections afforded to other first responders. The mental health crisis among dispatchers recent research paints a stark picture: Global meta-analysis had 17.8% of them having PTSD, 28.2% depression, 17.2% anxiety, 17,8% hazardous drinking; the AHRQ study that is in that packet, 15.5% depression, 12.4% suicidal ideation, 15.5% alcohol abuse, acute stress disorders at 17%. I also included the Florida study to, to point out the hazardous drinking was at 40% for them, and I'm trying to avoid that. These numbers are alarming. They show that dispatchers face mental health risks equal to or greater than many field responders. Yet, without inclusion in workers' compensation and stress management programs, they often

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suffer in silence. What LB744 does. The workers' compensation coverage: dispatchers would finally have access to benefits for job-related trauma, medical care, wage replacement, and disability coverage. Critical incident stress management: early intervention and counseling reduce long-term costs and save lives. LB744 ensures dispatchers can access these proven resources. Why this is good policy. Equity: dispatchers are first responders. They deserve the same protections as firefighters, EMTs, and law enforcement. Public safety: health dispatch-- healthy dispatchers make better decisions under pressure, improving outcome for everyone. Cost efficiency: early mental health care prevents expansive hospitalizations and turnover. In closing, I'd just like to say passing LB744 sends a clear message: Nebraska values every member of the emergency response team. Our dispatchers answer the call for us. Let's answer the call for them. I urge you to vote yes on LB744. Thank you. And I will answer those questions now. They-- we--

KAUTH: Oh--

ANTHONY STRAWN: Oh, go ahead.

KAUTH: Let's, let's let somebody ask you a question.

ANTHONY STRAWN: You got it.

KAUTH: Does anyone have any questions? Senator Raybould.

ANTHONY STRAWN: Yes.

RAYBOULD: Thank you, Mr. Strawn, for your testimony. I appreciate the handout as well. So on that last page, you have states recognizing 911 dispatchers as first responders. You have Alabama, California, Colorado, Texas, North Dakota, Washington, and Missouri. So it seems like that's a, a pretty large pool. And do you know, are they just requiring it for their own state personnel or is it unified across all the counties in these states? And then the last question, do you have any numbers on, you know, the workers' comp claims that are coming through on each one of these states that have passed it?

ANTHONY STRAWN: I do not have numbers on the states, but I do know that it varies from state to state on what they represent and how the states recognize responders because California, they have LA County, so they have a large pool and it's a big county. It's kind of different than Nebraska. So I'm not sure on that, but it, it varies in different forms of, I guess, coverage. Does that make sense?

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RAYBOULD: Yes. And so would, would you have a chance to get us more information because we're just trying to ascertain if there's going to be a fiscal note for the counties and municipalities that is not acknowledged or anticipated and another unfunded mandate towards them and that, that would be helpful in making sure that they are aware if it, if it gets out of committee.

ANTHONY STRAWN: Yes, I will work with Senator Juarez to get all that to you.

RAYBOULD: OK. Thank you so much.

KAUTH: Thank you, Senator Raybould. Any other questions? I have one. So, so you represent the International Union of Operating Engineers.

ANTHONY STRAWN: I do.

KAUTH: Why is this not something that the union would negotiate? Why are you asking the state to weigh in on what is something that could be a request by the union in your negotiations?

ANTHONY STRAWN: That's a fair question. I would say that since we have a first responder bill or the bill passed, I thought that we should treat all first responders the same. The 911 dispatchers are the first, first responders, and this does not include any of the recruitment retention portion of that at all. We understand the fiscal strains on the state right now, and that's why I didn't put it in here.

KAUTH: OK. Do you, do you see where that would lead us to say-- I mean, we start the slow, the slow adding on? That, that is a big concern eventually. OK.

ANTHONY STRAWN: If I may, the, the mental health that they go through is a, a huge concern also, that I think needs to be recognized. I think it'd be good to, to ensure that we keep our 911 dispatchers, you know, healthy and, and give them the tools they need for mental health.

KAUTH: Wouldn't you do that through the job anyway? Why does the state need to weigh in on that?

ANTHONY STRAWN: The resiliency training they don't get.

KAUTH: OK.

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ANTHONY STRAWN: That's the resiliency training that the state gives to firefighters, to Corrections, to police. And that same training could be uniform for the dispatchers. That way they get the same training so they have the same toolbox to work out of when they have a mental health crisis.

KAUTH: OK. All right.

ANTHONY STRAWN: It'll save a lot of money.

KAUTH: Any other questions? Seeing none, thank you--

ANTHONY STRAWN: Thank you.

KAUTH: --for your testimony. Next proponent.

JUSTIN HUBLY: Good afternoon, Senator Kauth, members of the Business and Labor Committee. My name is Justin Hubly, J-u-s-t-i-n H-u-b-l-y. I'm the Executive Director of the Nebraska Association of Public Employees, NAPE/AFSCME Local 61. Our union represents over 8,000 frontline state employees who work for 43 different state code and noncode agencies. They perform more than 400 different jobs in all 93 counties in Nebraska. One of those 400 different jobs is State Patrol Communications Specialist. You would know them as a 911 dispatcher. We represent about 30 folks who work for the Nebraska State Patrol in that capacity. Senator Storer, Senator Wordekemper, Senator Lonowski have a bill to include dispatchers in peer support counseling. That bill was up in Judiciary last week, and you might have heard me say something similar. But I'll echo the concerns for our 911 dispatchers. The stress of that job and support is not much different than what you would normally think as a first responder, a firefighter, a trooper. I always joke, I get lots of phone calls. I know you do, too. I never want to answer the phone, and I like most of the people that are calling me. But our 911 dispatchers are there to answer every single call, and we think that they should be able to access the same trauma resources, especially in workers' comp. Senator Kauth, to your previous question, the reason why this comes here as opposed to through contract negotiations, workers' comp is not a permissive subject of bargaining under state law, so retirement issues have to be passed by the Legislature workers' comp as well. So I'm just here to add our voice to this bill and ask that you support it. Thanks for having me today.

KAUTH: Thank you for that explanation.

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JUSTIN HUBLY: You bet.

KAUTH: I appreciate that. Any questions? Senator Raybould.

RAYBOULD: Thank you, Mr. Hubly. Could you talk a little bit about-- we, we recognize that 911 operators and those that are on the communication front lines really have a stressful job, but what current training do they receive now to help them understand what they're going through? And it seemed like you mentioned the other bill, but.

JUSTIN HUBLY: Yeah, to my understanding, our, our, our State Patrol Communications Specialists do get robust training on, you know, things like resiliency, but my understanding is they don't go through the same training on that as the troopers do, and the way it was described to me is it's pretty-- if the agency is offering it to the troopers, it's just adding another batch of employees that already work for the agency into that training program, is the way that it was described to me. It's not my area of expertise.

RAYBOULD: So I guess on that other fis-- or the other bill, does it have a fiscal note as well or for any additional training?

JUSTIN HUBLY: I don't recall-- I don't think it was a whole lot if, if it was. It was really just opening peer support to those folks as well that's kind of already happening.

RAYBOULD: OK. Basically, they would be included in the training when State Patrol gets trained as well.

JUSTIN HUBLY: Correct. Our view was that they were kind of left out of that definition, they're an important part of emergency response.

RAYBOULD: OK. Thank you.

KAUTH: Thank you. Any other questions? Seeing none, thank you very much. Next proponent. Good afternoon.

MATTHEW HARWELL: Good afternoon, Chairwoman, Vice Chairman, and members of the committee. My name is Matthew Harwell, M-a-t-t-h-e-w, last name is H-a-r-w-e-l-l. I'm here today as the President of the Nebraska Chapter of APCO and NENA. APCO is the Association of Public Safety Communications Officials, and NENA is the National Emergency Number Association. Further, I hope to represent approximately 800 public safety telecommunicators across the state of Nebraska as I

appear before you in support of LB744, the long overdue inclusion of public safety communications personnel and certain provisions of the Nebraska Workers' Compensation Act and the Critical Incident Stress Management Act. Daily, in 911 and public safety telecommunications, our professionals are trusted to provide critical, crucial, and clear lifesaving instructions to our community members while sending the right field responders and ensuring those responders have the most accurate information to address the situation our citizens might be experiencing. I am humbly and respectfully asking you to support them as they are highly trained and ready to answer the call to support citizens and partner responders every moment of every day. Daily, in Nebraska, citizens pick up the phone to call 911. The professional that answers that call is the first, first responder and a chain of others to follow. When seconds count, they rapidly take control of often hectic situations and provide lifesaving instructions. In the same way a field responder is impacted by what they might see or experience at a scene, our public safety communications personnel are impacted by what they hear and more often see as video, images, and other data are received in the emergency communications center of today. For this reason, it is imperative and necessary that LB744 be passed. These professionals live with mental health impacts, diagnose mental and physical harms as a result of the essential work that they do. They are first responders and Nebraska APCO and NENA supports them being defined as such with LB744. The stress, the trauma, the lasting impacts of hearing someone's last breath, the screams of a frantic parent, the despair of a citizen arriving at a horrific scene, the repeated victim calling for help, the radio traffic from a field responder whose life is in peril. These things cannot be unheard. The emergency communications professional doesn't live these experiences at the frequency of our partner responders, we live them at an increased frequency as the first link in the response chain. This bill and your support furthers the original intent to recognize occupational injuries, seeing that the work of our public safety communications personnel is extraordinary and unusual in comparison. They operate in daily situations that result in or contribute to trauma-related injuries, both physical and mental. For this reason and many others, the board of Nebraska APCO and NENA firmly urges and requests your support of LB744 to ensure our public safety communications personnel have access to the compensation and services necessary to address the trauma that comes from our profession. Our state and the communities it is comprised of deserve trained, experienced, and cared for professionals to be there in their worst moments. Without providing for the worst moments of those first

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response professionals, we also continue to minimize the safety of those they are trusted to protect. On behalf of Nebraska APCO/NENA Board, I would like to thank the Business and Labor Committee for the opportunity to speak today, and I'll take any questions.

KAUTH: Thank you. Are there any questions? Seeing none,--

MATTHEW HARWELL: Thank you so much.

KAUTH: --thank you for your testimony. Next proponent.

JOEY ADLER RUANE: Good afternoon, Chairwoman Kauth and members of the Business and Labor Committee. My name is Joey Adler Ruane, J-o-e-y A-d-l-e-r R-u-a-n-e, and I appear in front of you as the Registered Lobbyist for the Nebraska Association of Trial Attorneys. NATA supports LB744, which would add public safety communications personnel into the Nebraska first responders protections. 911 dispatchers are often the first voice someone hears in an emergency and sometimes the last. They may work behind the scenes, but they are dealing with life and death situations every single day. This work is inherently stressful. Dispatchers are exposed to repeated trauma, uncertainty, communication barriers, limited resources, and constant interaction with people in crisis. Over time, that takes a toll. Like other first responders, this kind of environment can lead to post-traumatic stress, anxiety, burnout, and even suicidal ideation. A 2021 NIH study found that emergency communications professionals experience many of the same stressors as law enforcement officers on patrol. The important point here is that this framework already exists to address this in statute. We believe that 911 dispatchers should be included in the framework that currently exists for the first responders under the Workers' Compensation Act and the Critical Incident Stress Management Act. We'd ask the committee to support LB744, and I'd be happy to take any questions you may have.

KAUTH: Thank you very much. Are there any questions? I have one, and I don't remember if you were representing NATA--

JOEY ADLER RUANE: Yes.

KAUTH: --at the time, LB400 which deals with the cancer and firefighters, NATA came out against that, correct?

JOEY ADLER RUANE: No.

KAUTH: You guys came out in support?

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JOEY ADLER RUANE: Yes.

KAUTH: OK. Thank you.

JOEY ADLER RUANE: Yep.

KAUTH: OK.

JOEY ADLER RUANE: Thank you.

KAUTH: Thank you. Next proponent. Seeing none, are there any opponents? Going once, going twice, any neutral? OK, Senator Juarez, would you like to close?

JUAREZ: So thank you. I want to make a couple of clarifications. And I'm sorry that I was given the information and then I went to my hearing in Education and we were talking about TEEOSA and out the brain, then it went. It was just too much detail on top of details. So the fis-- the reason that this appears low on the fiscal note is because the Fiscal Office didn't send the information out to the counties. So that was a mistake that they made. And so we didn't have any more update for the hearing, which, of course, I can get that corrected, but it's not there today. It is what it is for right now. And I also wanted to reiterate that the expansion is for them to get the mental health care. And it doesn't expand any other benefits. It is just for them to get mental health care. So thank you to those who testified and gave insightful information for this bill. This bill is rooted in getting mental health support access to our 911 dispatchers and public safety communications personnel. Thank you for your time and attention to this matter, and I look forward to working with the committee to get this out.

KAUTH: Thank you very much. Are there any further questions for Senator Juarez? Seeing none, thank you. Have a good afternoon.

JUAREZ: Thank you.

KAUTH: That closes our hearing on LB819 [SIC]. There were 12 proponents, zero opponent, and 1 neutral submitted online. And up next, LB819, Senator Hallstrom. Good afternoon, Senator Hallstrom.

HALLSTROM: Oh, I'm going to fall on the chair here. Chairwoman Kauth, members of the Business and Labor Committee, my name is Bob Hallstrom, B-o-b H-a-l-l-s-t-r-o-m. I'm senator for Legislative District 1 and here today to present LB819 for your consideration. In a nutshell,

LB819 seeks to extend the sunset of both the rural workforce housing and middle income workforce housing programs and increase the maximum cost for housing under the rural workforce housing program. I'll give you a little bit of historical background regarding the effectiveness of these programs, specifically the rural workforce housing program, which is set to sunset on July 1, 2027, that would be extended for a period of 10 years. The middle income workforce housing program set to sunset on July 1 of 2029 would be extended similarly to July 1 of 2037. A period of 8 years on par with the provisions proposed for the rural workforce housing program. The bill further increases the maximum cost for owner-occupied housing under the rural workforce housing program from \$325,000 to \$375,000 and for rental housing units from \$250,000 to \$300,000. With regard to the effectiveness of the program, the rural workforce housing program was started in 2017, funded initially, I believe, in 2018 with \$7 million that was excess funds at that time from the Affordable Housing Trust Fund. And those funds were utilized to provide funds to local communities who had a dollar-for-dollar match at that, and in 2020, we had an additional \$10 million appropriation, which was from general funds. I think the program was effective enough and had a return on investment that justified and warranted the Legislature making that type of an investment. And, again, in 2022, an additional \$12.5 million was appropriated. Similar appropriations in 2020 and '22 were made to the middle income workforce housing program. And with regard to the effect, we've got the matching requirements under the rural workforce and middle income workforce housing programs. Those started out at a dollar-for-dollar match. They went to 50 cents on the dollar, 25 cents on dollar currently. Those changes were in a recognition that as some of the smaller communities were trying to take advantage of this, they had a harder time raising a dollar for dollar and a 50 cent on the dollar match. And when you look at the impact, we, we don't have all the figures in for each year that we had those appropriations from the Legislature, but the initial \$7 million investment that we had with matching funds was a total of \$21 million up front, resulted in over \$113 million in housing projects or a 16 to 1 return on the state's investment. And that correlates to over 1,000 units. And when you look at the situation that we have with regard to the housing supply, we've got much greater demand than we do supply. The program has been very effective and very efficient for the state. Most recently when we had the 2022 appropriation from the Legislature, the first tranche of funding that went out, there were 21 communities that participated and the second half of that, there were another 27 communities. So it's been broad-based throughout the state. For those of you that may not

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be familiar with what the heck does rural workforce and what the workforce housing and middle income, middle income is Sarpy, Douglas and Lancaster County and the rural workforce is the rest of the, the rest of the state. And when we look at the Nebraska Omaha Center for Public Affairs Research, they released a report entitled: Housing Availability and Quality in Nebraska. And they talk about the aging homes that we have, particularly in rural Nebraska, and the need to increase the supply of housing, which also addresses the workforce development interests that we have that we need to benefit from the-- for the state. In my testimony, I've indicated how significantly the median cost of housing has risen up to 2025 where it's \$267,254. And I think one of the major ways that we can address the high cost of housing, it's driven by too few houses and too much demand, so the more houses that we can build through using rural housing funds and middle income workforce housing funds, I think the better off that we will be. And with that, I'd close. I have proposed an amendment subsequent to the introduction, and I think Mr. Hoppe and perhaps other witnesses may talk to this in more detail. AM1921, which I have presented to the committee, was brought to me after the bill was introduced. Some of the housing developers interested in the middle income workforce housing program indicated that changes that we just made last year under, I think it was, LB288 made some changes with regard to tying the wagon for valuations to appraised value and that has caused some problems particularly in Lincoln due to the high cost of lots. And so they are interested in moving back to the original determination of the maximum cost that you can have, particularly for remodeled or rehabilitated housing. And so we've made those changes in the proposed amendment as well as after they saw the bill had been introduced to increase the maximum to \$375,000 that they were interested in seeing if we could get that done on the middle income workforce housing side as well. So with that, I'd be happy to address any questions that you may have.

KAUTH: Any questions from the committee? Senator Sorrentino.

SORRENTINO: Thank you, Chairwoman Kauth. Senator Hallstrom, I wonder-- looking to see who we have-- for those senators on this committee that are not on the Revenue Committee where you presented LB1607 [SIC], could you briefly explain the logical nexus between that bill which changes [INAUDIBLE] for the same purpose versus this bill? I think it would be helpful for [INAUDIBLE].

HALLSTROM: Yeah, it was LB1067. We were there late last week before the Revenue Committee. And as I've indicated in my testimony, this

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program, particularly on the rural workforce housing and in the last two tranches of, of funding that was provided from general funds, we found in the last 2 years there is still a significant demand and need for housing funds. I'm usually a free market enterprise type of person but the system isn't working right now and the housing supply issues that I've referenced in my testimony are significant enough that we need to continue to prime the pump in my opinion. And the last 2 years as we're all painfully aware have not been good years to go in and ask for millions of dollars for much of anything and, and housing is one of those issues that we just haven't had the money to do. So I embarked with an interim study resolution to take a look at what we could do separate and apart from having to hitch our wagon to the state appropriations and the documentary stamp tax was what we are looking at under LB1067. It's a, it's a funding source that I had hoped that it would be one that if it's directly related to housing needs, that it would be accepted. We did have some pushback from the realtors, but I think we'll hopefully get that worked out and get the bill moved from, from the Revenue Committee out and have some more discussions so that we've got a continuous and reliable source of funding for that undertaking.

SORRENTINO: Thank you.

KAUTH: Senator Meyer.

F. MEYER: In just a little broader conversation, Bob, you've--

HALLSTROM: Yes.

F. MEYER: --obviously studied rural housing. There's a couple of other ideas out there. One is, I think, State Treasurer Spellerberg has his bill to allow additions to a, a housing fund similar to the college 539 or 529 plans.

HALLSTROM: Yes, sir.

F. MEYER: Another idea that I've, I've heard floated around is possibly using required minimum dispersions from IRA funds. Just say my age, I'm not saying how old I am, really don't need that, if we could use that money to fund say a granddaughter's or grandson's savings account for a house, maybe start when they're in college so that when they have their first job. Is that something you think is viable in addition to these rural workforce housing ideas?

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HALLSTROM: Well, actually, I'm pretty much all about housing. I have a bill from last year, LB254, which was the direct General Fund appropriation asking for \$25 million each of the last year and this year, which, again, because of our budget woes probably is going to stay where it, where it was referred to originally. I also happen to be the primary sponsor of LB938, which is the first-time homebuyers savings account. And that bill would provide for a \$5,000 tax deduction for contributions that are made for specific provisions for down payments or closing costs associated with first-time homebuyers. And so I think that's a good bill as well. Third parties can make contributions. I just happened, I don't know whether this is anything you talked to Senator Andersen about, just happened to talk to him this morning and he raised the same prospect. I think what would need to happen, my bill puts no restrictions on where the-- LB938-- makes no restrictions on where the money can come from. It can come from the individual or the couple as long as they qualify under the definition of a first-time homebuyer. It can come from parents, it can come from grandparents much like the 529 program funding is allowed, but my understanding is under 529, much like the LB938, there are specific uses that qualify, otherwise you lose your tax benefit. And one of the exceptions under the 529 program, as I understand, are if you put it into another retirement plan, but there are situations where you have too much money in your 529, it's overfunded for the expenses that are qualified and the law says you're either going to pay those taxes back or they have provided an exception for retirement type of investment. I suggested to Senator Andersen, the amendment would probably, in my opinion, be needed on the 529 side to say, and a second exception that you can make is that you could funnel excess funds from the 529 plan into the first-time homebuyer savings plan, but I think it would probably take an amendment on that side because my bill, LB938, doesn't, doesn't to say anything about restricting who or where the funds can come from. But the individual that makes the contribution would be entitled to the deduction that we allow under that bill.

F. MEYER: On, on that bill, was there, was there a-- what was the cost of that, if it was tax deductible? Was it--

HALLSTROM: I'm still waiting, I'm still waiting for the fiscal note to be issued, so I don't have-- I, I know there will be, obviously, some costs associated with it. I just don't know what, what the final verdict will be.

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F. MEYER: But it would seem to me that if we can do these types of things without a state appropriation, it's a win-win for everybody, I would assume.

HALLSTROM: Yeah, and, and that's why I looked at the alternative funding source with the documentary stamp tax. And I think, you know, we'll, we'll see where that goes. I think it's, it's a bill that's worthy of consideration. I do know in getting back to LB819, I have talked to the realtors. They're, they're going to come in and, I think, make some negative neutral comments, which we have around here occasionally. But they were kind enough to approach me beforehand. And there are some other things, since we're talking about all kinds of different bills, in addition to LB819 today, there's also a proposal to put all of the housing funds, Affordable Housing Trust Fund, rural workforce housing, middle income workforce housing, under the Department of Economic Development and a separate bill to contract out those administrative duties to NIFA. And I think the realtors are a little bit apprehensive about what that new frontier is going to bring to us. And so they're a little apprehensive about a 10-year extension on the sunset. I'm more than willing and happy to visit with them that if we should maybe only do to '19-- or to 2035 or 5 years each, you know, to balance things up, I'm more than happy to entertain that type of discussion.

F. MEYER: Thank you, Senator.

HALLSTROM: Thank you.

KAUTH: Thank you, Senator Meyer. Yes, Senator Raybould.

RAYBOULD: Thank you, Senator Hallstrom. So are you optimistic that the rural workforce housing and the middle income housing funding will remain intact?

HALLSTROM: Well, it's not that it will remain intact, it's not remaining intact because we can't get a state appropriation, which is why we're looking at the documentary stamp tax. One, one of the issues that I look at is the last tranche of, of funding that we received, there were-- we only had \$12.5 million and the request by communities for housing projects was almost \$30 million. So the demand and the interest is clearly out there. We just lag behind in the money, particularly since we haven't been able to do anything in the last 1 year and this year in the absence of the documentary stamp tax being put in place, we'd go a second year without any additional funding for

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those programs. And, in fact, the, the Governor has proposed under the budget, since there's a-- what they would say is a relatively small amount sitting in the rural and middle income workforce housing fund programs that they're going to sweep all of that to the Affordable Housing Trust Fund, which there you have it.

RAYBOULD: Thank you. That's what it looks like.

KAUTH: Senator Ibach.

IBACH: Thank you, Chair. I'm just highlighting through some of the statutes already contained within the bill. Do you think that-- this is a personal opinion-- do you think that rural community means a municipality in the county with population fewer than 100,000 inhabitants? In my opinion, rural means 250 because that's where I'm from. But is that too broad for to, to really dial down on rural workforce housing?

HALLSTROM: I'm not sure. I, I would think it is. I, I think you look at the differing needs of those communities and the larger the community is, the bigger the project is going to be plus the better ability they have and it's, I think it's proven out in terms of the dollar-for-dollar match that the original communities that came in that, that were making applications were probably bigger in size and some of these are not just communities, they're areas. We've, we've had-- we've got the, I think it's the Northeast Nebraska NeighborhoodWorks [SIC] which I think is a number of counties up in Senator Dover's area and the figures that I saw they had parlayed total funding that they got was like \$18 million and with the revolving loan fund they had parlayed that into, I think it was over \$200 million over time which is a lot of houses to be built. And I think the smaller ones-- I mean, you may, you may find a smaller 250 population community where if they can build two or four units, whether they're rental houses or single-family residents, that that's, that's what they need. That's what fulfills their need because they've got, they've got smaller supply and demand issues to deal with.

IBACH: I like the, the 325 to 375. I think in the most rural communities, you'd be hard pressed to be able to get a contractor to build for much less than that.

HALLSTROM: Yeah, one, one of the other issues besides the housing supply is the labor supply. And I think we found in, in looking at this issue that one of-- another reason besides we've got more demand

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than we do supply is that if you go out in rural Nebraska, you, you have higher labor cost to build in Broken Bow, Sumner, wherever you might be from, versus Omaha or Lincoln or closer, closer by.

IBACH: Yeah, for sure. I appreciate this in conjunction with the doc stamp bill, too, that you brought, so.

HALLSTROM: Thank you.

IBACH: Thank you for paying attention to rural workforce housing. Thank you, Chair.

KAUTH: Don't, don't leave yet.

HALLSTROM: I'm not going anywhere.

KAUTH: So the, the increase in the unit cost, that's what this bill does, it increases the unit cost.

HALLSTROM: The maximum. Yes.

KAUTH: The maximum unit cost by about \$50,000 for each category. It increases the sunset, and I will say that I'm a little concerned about a 10-year sunset being as none of us will be here at that time, so it might be difficult for us-- for the next Legislature to understand.

HALLSTROM: Well, if, if the voters approve 4 more years I could possibly be here.

KAUTH: There you go, there you go. So that, that would just be a concern for me. Why, why are we not stratifying the required match? It says in recognition of smaller communities encountering more difficulties in raising matching funds if the required match has been reduced. Is that for just those smaller communities or is that for everyone?

HALLSTROM: No, we, we could look at that, Senator. I think what's happened over time is, like I intimated, that the larger communities came on board first. They were willing and able to match dollar for dollar and then some. When you look at the \$7 million initially, we're 21, so it was actually closer to a 2 to 1 match where banks and community involvement got, got those funds raised. But what we were seeing was that there was a gap because the smaller communities didn't have the, the, the lifting power to get up there and we dropped it down to 50 cents and there were smaller communities, mid-sized

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communities perhaps, that came on board and then finally the 25 cents brought in the smaller communities. I think what we're finding is even though the statute in mass has said we've gone from \$1 to 50 to 25, that the larger communities are still coming up. Not everybody is just gravitated to say, oh, all we have to do is 25 cents. That's as far as we're going to go. Because the community buy-in recognizes to the extent they have the wherewithal to do so, the more money that they are able to contribute, the more value it gives to their community, the more housing units that result and so forth. So I-- we, we can certainly look at something that would say if you're in a community of A to B, you've got 25 cents and, and, and staircase it in that fashion. I'm not sure we need to, but certainly--

KAUTH: And, and this is just hypothetical, I'm just wondering what will make it-- I mean, because again the smaller communities that have a much tougher time raising the money, what will make it so that there is more of the state money available for them versus-- I mean, if, if the big communities are also having the same limits and the same match?

HALLSTROM: Well, they, they all come in on even footing with regard to the application process.

KAUTH: OK.

HALLSTROM: When they come in and they make their, their application for the funding through the nonprofit organization that, that structures these deals or whatever the case might be, then they're, they're on equal footing with anybody else. It's the merits of their project and, and the need that they have. So I, I don't think the, the award process is looking--

KAUTH: So it's not disadvantaging one over the other?

HALLSTROM: I don't think-- I don't believe so. I don't believe so.

KAUTH: OK. Great. Thank you so much.

HALLSTROM: And, and the proof is in the pudding when we found 48 communities on the last time around that all got money and when we had \$30 million in demand for \$12.5 million in funding we clearly had a lot of communities that had the need but we didn't have the funds to fill that need.

KAUTH: OK. Thank you very much.

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HALLSTROM: Thank you.

KAUTH: Any other questions? Seeing none, will you stay to close?

HALLSTROM: I will stay to close.

KAUTH: Thank you. First proponent.

FRED HOPPE: Senator Kauth, members of the committee, my name is Fred Hoppe, F-r-e-d H-o-p-p-e. I have a company called Hoppe Development. We build workforce and affordable housing across the state. I support this bill and I was a big proponent of the amendment. And what the amendment does is it, it pretty much equalizes in terminology the difference-- the differences now between middle income housing act, which is for the, the metro areas and the rural housing-- workforce housing act, which is for the rural areas. I build primarily, or my company has built quite a bit of, of rural workforce housing. We have done 244 units at an average cost per unit of \$177,000, almost 178. But the amount of assistance from the rural workforce act was, is about 14 and a-- \$14,500 per unit. So if you look at the leverage of funds of the size of the projects we've done, well, we've done \$43 million worth of construction that wouldn't have been done but for the, the middle income act or the workforce-- it's rural workforce act. But the leverage of those funds is about 12 times on a one-to-one state to the fund basis. We've built in seven communities. Well, six, because we've got two projects in one community. In those, almost all are at the request of the community. We, we are as small as Scribner. It's a pretty small town. I think it's about 700. Pender, that's a pretty small town. That's about 700. So the, the, the advantage of this-- these funds are the communities are able to offer to a builder to bring in the housing. The difference between what the residents can amortize or the people that end up in the property can amortize, and the cost of construction. The funds that we've used in workforce are on a revolving basis. So really what normally happens in those is we have a loan from-- and in each one of our situations, the, the community has actually been the proponent of the funds, the lender.

KAUTH: Mr. Hoppe, you have your red light. I'm going to see if anyone has questions. Senator Raybould.

RAYBOULD: Mr. Hoppe, could you finish your train of thought on the, the funding requests from out in the communities and how it's financed?

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FRED HOPPE: Thank you, Senator. I sure can. We usually have a revolving, we get money in these funds on a revolving basis in either a minimal interest basis loan that lasts for a period of time and that really covers the gap financing. So we have in the project, funds that cover the gap difference. Does that answer your question?

RAYBOULD: Yes. Thank you.

SORRENTINO: Are there further-- Senator Meyer.

F. MEYER: Thank you for being here. So that \$178,000 cost you figure, is that for an apartment-- a family-size apartment, three-bedroom apartment, or a stand-alone house?

FRED HOPPE: Our, our demographics of units, we have built 244 and I think 48 of them are single family. Our single family--

F. MEYER: Stand-alone house not apartment.

FRED HOPPE: --are either a stand-alone or duplexes--

F. MEYER: OK, duplexes.

FRED HOPPE: --that could be sold alone.

F. MEYER: OK.

FRED HOPPE: Duplex is on a-- on-- a duplex on a zero lot line--

F. MEYER: OK.

FRED HOPPE: --construction.

F. MEYER: With a common wall?

FRED HOPPE: Yeah, common wall, so you can sell each side of a duplex.

F. MEYER: OK. Thank you.

SORRENTINO: Are there further questions for Mr. Hoppe from the committee? Seeing none, thank you for your testimony. Next oppo-- next proponent. Welcome, Mr. McIntosh.

RYAN McINTOSH: Thank you, Vice Chair Sorrentino, members of the committee. My name is Ryan McIntosh, R-y-a-n M-c-I-n-t-o-s-h, testifying before you today as Registered Lobbyist for the Nebraska

Bankers Association in support of LB819. I'll keep my comments short, mostly because Senator Hallstrom took them and because I need to go down the hallway to Appropriations to testify in opposition to LB1071 and LB1072 on behalf of the Nebraska Bankers Association for the sole fact that those do purport to sweep the Middle Income Workforce Housing and the Rural Workforce Housing Funds. So Senator Hallstrom did mention the University of Nebraska of Omaha Center for Public Affairs Research, a housing report, I, I should have brought a copy of that report today. The housing availability and quality in Nebraska is very fascinating. We had the opportunity to travel with that team across the state this fall, the Nebraska Bankers Association, to provide information to our bankers. That report is, is very-- again, very interesting. It-- the average age of housing in most counties in Nebraska is well over 50 years old. There's a number of counties in Nebraska where the average median housing age is in the '40s, the 1940s. So it is-- when you get into Lancaster, Douglas, Sarpy counties, the percent of homes built since 2000 increases, but it's still just a fraction of the housing stock available. Senator Hallstrom mentioned kind of some of the numbers, but the-- not just new housing but for existing housing, the, the cost has just skyrocketed since 2000 and even since 2020. Housing costs are far out place-- out-- outpacing inflation and making home ownership for many young people impossible. While there are many factors that drive up the cost of new construction, the primary factor driving up the costs of existing homes is absolutely the lack of housing stock. These programs have been so instrumental in increasing housing all across Nebraska and we strongly urge the committee to extend these sunset dates. The Nebraska Bankers Association did bring this legislation to Senator Hallstrom and asked him to introduce it on behalf of our member banks primarily to extend the sunset. We also participated at the invitation of the Public Service Commission this summer in a housing working group where they-- because they regulate manufacturing modular housing, so there were manufactured homebuilders there. And when asked about the cost threshold, Senator Ibach, that you mentioned, they said, well, first, these-- their housing projects all across Nebraska would not be happening without these programs. But, secondly, that with the existing maximum costs, they are bumping up against those with manufactured, not custom luxury homes, but, but manufactured homes. They're bumping against that now. So we did ask that to be included as part of this bill as well. With that, I would be happy to answer any questions.

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KAUTH: Thank you, Mr. McIntosh. Are there any questions? Senator Sorrentino.

SORRENTINO: Thank you, Chairwoman Kauth. Senator Hallstrom, in his testimony, mentioned AM1921, could you discuss that please?

RYAN McINTOSH: Oh, I have not reviewed that amendment yet. Is that-- does that deal with how-- with the-- is that the construction costs for middle income workforce housing?

SORRENTINO: I think so, yes.

RYAN McINTOSH: OK. It-- yeah, it's the same issue that I mentioned with the rural workforce housing. As I mentioned in my testimony we have-- the, the cost of new construction is, is skyrocketing so, unfortunately, we do have to, I believe, go into and, and adjust those upward in order to keep the programs relevant.

SORRENTINO: Thank you.

KAUTH: Go ahead. Senator Ibach.

IBACH: Thank you. I just have one quick question. Do you know--

RYAN McINTOSH: Yes.

IBACH: --when this-- the current bill sunsets?

RYAN McINTOSH: So for-- it's 2035, or excuse me--

IBACH: I've been looking for it and I can't see where it--

RYAN McINTOSH: It's, it's 2027, June 1, 2027 or July 1, 2027 for rural workforce housing and then 2027 for middle income. So rural workforce is--

IBACH: Coming up on it.

RYAN McINTOSH: --is next summer.

IBACH: OK. OK. I was trying to find it in here and couldn't find it.

RYAN McINTOSH: So the urgency in this bill.

IBACH: All right, thank you. Thank you, Chair.

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KAUTH: And I have a question. So the bankers brought this, is it because it helps you guys with securing loans? And, I mean, is that part of your interest in this or is it just because being in the small communities especially, you see the need?

RYAN McINTOSH: Vitality of rural communities is the primary purpose. The Nebraska Bankers Association is who drafted it and supported Senator Matt Williams when he brought the initial program in 2017, it has been a champion for both programs since then. So it really is just vitality of, of rural communities. We have banks that would love to hire people, but in doing so the one house in town might create a housing crisis by doing so.

KAUTH: OK. Any further questions? Thank you very much.

RYAN McINTOSH: Thank you.

KAUTH: Next proponent. I love all the bow ties we're seeing today. Good afternoon.

ZEKE ROUSE: Good afternoon, Chair Kauth and members of the Business and Labor Committee. My name is Zeke Grouse, that's Z-e-k-e R-o-u-s-e, and I serve as a Policy Fellow and Lobbyist at Spark, a nonprofit organization based in Omaha focused on revitalizing disinvested neighborhoods. While the roots are in Omaha, Spark's impact is growing statewide. This year we're hosting three developer academies across Nebraska in Fremont, Norfolk, and, of course, Omaha, to help train and equip local developers across the state. I also lead Spark's Emerging Developers Action Group, a network of over 150 members, most of whom are graduates of Spark's Developer Academy. The handouts you are receiving today come from two of our emerging developers who received Spark loans through the Middle Income Workforce Housing Fund. One is a written testimony, and the other highlights the project made possible by this funding. We also have two other emerging developers from our Developer Academy in the audience. I want to begin by thanking Senator Hallstrom for introducing LB819. These programs are working and, in our experience, they are among the most effective housing investments our state has ever made. Since 2020, Spark has used the Middle Income Workforce Housing Fund to help finance 35 units that are built under construction or approved, representing \$6.97 million in loans approved and \$11.6 million in total project costs. Of course, those numbers will only continue to grow. But the story extends far beyond our organization. According to the Nebraska Department of Economic Development's 2024 report, the statewide impact of these programs is

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striking. For the Rural Workforce Housing Fund 2020 program year, \$10 million in state investment leveraged \$10.7 million in local match, resulting in 196 housing units completed and 372 more in progress. That's 568 homes for Nebraska's working families. The Rural Workforce Housing Fund '22 program year has already supported 75 completed units with 306 more underway, backed by nearly \$14 million in matching funds from local partners. And, of course, on the urban side, the Middle Income Workforce Housing Fund continues to grow. In June 2025, DED announced \$13.5 million and new awards to nine nonprofits, housing developers, including Spark, who together contributed \$6.26 million in local match. That's nearly \$20 million in combined investment directed towards creating homes for middle income families in Douglas, Lancaster, and Sarpy Counties. Unlike traditional grant programs, of course, both the rural workforce and middle workforce are revolving funds, meaning dollars invested once continue to generate new housing again and again. And, of course, behind every statistic is a family, a teacher, a nurse, a small business owner who can now live and work in their community because these programs made their home possible. So on behalf of Spark, I urge the committee to advance LB819 and ensure that the workforce housing funds remain. Thank you again to Senator Hallstrom for his leadership on this issue and thank you to the committee for your time and consideration.

KAUTH: Thank you very much. Are there any questions from the committee? I have one. The handout you had, is Donell here?

ZEKE ROUSE: He's not.

KAUTH: OK. I was just reading it going, you're not Donell.

ZEKE ROUSE: No.

KAUTH: OK. Thank you very much. I appreciate it.

ZEKE ROUSE: Thank you.

KAUTH: Next proponent. Mr. Schrod, how are you?

DEXTER SCHRODT: Doing well. Chairwoman Kauth, members of the committee, I'm excited to be here. This is my first time in this new hearing room, believe it or not. So I like it. Nice digs. My name is Dexter Schrod, D-e-x-t-e-r S-c-h-r-o-d-t. I am president and CEO of the Independent Community Bankers Association, here to testify in support of LB819. For those of you on the Revenue Committee, this is going to sound familiar because I said something similar last week.

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But one of the, the best parts of my job is going around and visiting our member banks across the state. And we have members spread out all over, as you can imagine. And one thing I really started to notice the last couple of years is as you drive into the small communities, you know, you're on the one highway that comes in, you're heading to Main Street to visit the bank, and what do you see on the edge of towns? You start to see housing pop up. Much needed housing in those communities. And that's not to say that doesn't happen with the middle income, but as I explained last week, it's a lot harder to tell in Omaha and Lincoln where the new developments are because you can go in and out in so many different ways, but in the small communities, you really, you really see it. And Senator Kauth, to answer your question, our community bankers are concerned about housing because not only for finding housing for their employees, but they often bank the largest employers in the town. So they're, they are frequently communicating with those employers and what it takes to have those businesses survive in the small towns. And two things always come up, housing, childcare. And I do believe that, that these programs are, as you've heard from the other testifiers, a great return on investment for the state for-- to develop the housing process and it's hard to believe that it's been 10 years already. I actually used to work for former Senator Matt Williams, who was the first one to, to pass the rural workforce housing bill 10 years ago. And it really makes me feel old. I'm not going to lie. But it is worth pointing out, too, that there's only been four, maybe five rounds of funding in those 10 years anyway, because oftentimes there's not state appropriations available. And as you've heard from other testifiers, the requests continually exceed the amount available. So I do think it only makes sense to continue these programs on and whether that be another 10 years or another 6, 8, you know, that's for the Legislature to decide, but I do find it very prudent to, to continue it on and in the sunset dates next year. So I thank you for your time. I urge your support and thank you.

KAUTH: Thank you very much. Are there any questions? Senator Raybould.

RAYBOULD: Thank you for being with us today to testify on this. This is a little bit off track, but do you have concerns about the rural workforce housing and the middle income housing funding being swept into other accounts? How will that impact the work that you are doing or the work that you're seeing out in the communities?

DEXTER SCHRODT: Yeah, thank you for that question, Senator. I do have concerns. There were sweeps last year in the budget proposal in which we were there to oppose those sweeps out of, out of those two funds.

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In this year's budget proposal, it seems that they would like to just wind down the funds and move it all into the Affordable Housing Trust Fund, which, as Mr. McIntosh stated, we will be opposing over in Appropriations this afternoon as well. And it is a concern because the programs are designed to, to help what they're designed to have. And if we shut down those two and sweep it all into the affordable housing, the Affordable Housing Trust Fund has a lot of more restrictions on what you can do with those funds. You know, a lot of the housing out in the rural areas, one thing that gets lost in this is if we build a unit at, say, 350, that might allow somebody to move up, right? And if you're moving up, you're freeing up housing stock elsewhere. But I don't believe going the affordable housing route all the way across the state wouldn't have those same benefits because they're income capped. So if you have a highly skilled employee coming to a town like Hebron where they're a machinist and, you know, they're above those income caps, the Affordable Housing Trust Fund isn't going to help them. So that's why maintaining the rural workforce housing and the middle income is very important.

RAYBOULD: Thank you.

KAUTH: Thank you. Further questions? Seeing none, thanks for being here.

DEXTER SCHRODT: Thank you.

KAUTH: Next proponent. Good afternoon.

CAROL BODEEN: Good afternoon, Chairperson Kauth and members of the Business and Labor Committee. My name is Carol Bodeen, C-a-r-o-l B-o-d-e-e-n. I'm the Director of Policy and Outreach for the Nebraska Housing Developers Association. We are a membership organization with 76 members from across Nebraska. Our mission is to champion affordable housing. Today, my testimony is also representing the Nebraska Economic Developers Association and the Lincoln Chamber of Commerce. I am here in support of Senator Hallstrom's efforts to provide for continuation of our very valuable workforce housing programs. Some of you are aware of his other piece of legislation related to these programs, LB1067, which had a very positive hearing in front of the Revenue Committee last week. LB1067 provides for sustainable funding for these programs through the documentary stamp. And, today, LB819 sets a sunset date of June 30, 2037. I appreciate having the opportunity to speak in front of the Business and Labor Committee. It seems especially appropriate as it has been established that the

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current housing market throughout our state is making it difficult for workers of all income levels to find the appropriate housing for their needs. Investment in Nebraska's housing development is essential. I'm going to skip over a little bit of some things that have already been said by others that have testified. I believe that we've set the groundwork as to what the, the need is across the state. As these housing projects break ground, local contractors, construction workers, businesses benefit from the influx of construction activity. Without these housing options, workers may be forced to either relocate to other areas or choose to take jobs elsewhere. Businesses can't grow without workers, and communities can't prosper without businesses. Communities also can't provide a great quality of life without families in homes. This is why middle income and rural workforce housing programs were created. When combined with a sustainable funding source and a 10-year timeline, a commonsense and consistent plan will be in place to fully tackle this challenge, and the situation will hopefully look much different by 2037. And just to deal with a couple of questions that came up earlier. There's been no new money for housing since 2022. The \$12.5 million transfer to each of those funds came from the Affordable Housing Trust Fund. And just in the legislation last year, the budget legislation, we are set to remove another \$8 million from the Affordable Housing Trust Fund into the General Fund and that's to occur in fiscal year '26-27. So we've been reducing funding for housing in these last years, basically, or, or robbing Peter to pay Paul, as people like to say. And all of those funds in their application cycles have been oversubscribed. There's been much more requests for funding than what is available. And then also just to-- oh, my light is up.

KAUTH: Would you like to finish that last part?

CAROL BODEEN: I would. Thank you so much. And just one other clarification on changing that wording with the amendment that the senator mentioned for the Middle Income Workforce Housing Fund, changing it from appraisal value versus cost to construct, the, the cost of land can vary so much across the-- across communities and, and the cost to develop that land. And so by changing it to a cost to construct, it makes it much easier for the, the builders and the developers to be able to judge those costs and, and not be worried about prices, you know, different things that might come up in the, in the context of the project, so.

KAUTH: Thank you. Are there any questions? Senator Raybould.

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RAYBOULD: Thank you, Ms. Bodeen.

CAROL BODEEN: Yes.

RAYBOULD: Yeah, I remember NIFA, Nebraska Investment Finance Agency, had a, a program for a lot of the senators last year. And it showed that Nebraska, out of all of our Midwest cohorts, was ranked probably the lowest in terms of the contribution towards affordable housing, rural, and middle income. And do you know if, if-- in your studies are-- is Nebraska now going to be really, like, dead last in terms of funding for this type of housing that's needed for economic growth and development?

CAROL BODEEN: Well, I really-- I, I, I don't have the knowledge to be able to say whether we would be dead last. I guess where my concern comes is that we have been sweeping money away from housing during these last 3 years. And when we, we continually, we're kind of like, you know, it is Groundhog Day and we continue to come in front of you all across the board, you know economic development, bankers, you know, everyone is, is talking about the need for some additional investment in housing across Nebraska. So the need is there.

RAYBOULD: Thank you.

KAUTH: Senator Hansen.

HANSEN: Thank you.

CAROL BODEEN: Yes.

HANSEN: I got some questions, and if you can't answer them, maybe some other people can.

CAROL BODEEN: OK.

HANSEN: How much does Habitat Humanity get with this money? Do you know?

CAROL BODEEN: I don't know the exact amounts, but they are-- they have definitely been recipients and have used it in some of their projects in Omaha, for sure.

HANSEN: I just caught news that they're selling the restores. They have a couple of them, I think. And this year, the restores, which is

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basically where they have people volunteer, donate things, or they get suppliers and things. It looks kind of like a Goodwill store.

CAROL BODEEN: Yes.

HANSEN: These are stories that people who have eventually, who have eventually gotten a Habitat home can volunteer. And that's how they get some of the volunteer hours. I know they have a couple of them that they're selling to Thrift World, I believe. So they would no longer be having any Habitat restores and making it much more difficult for people to volunteer. But I have also a concern that Habitat is selling-- almost becoming a housing developer more than a volunteer organization. They recently just acquired land, I think, in Blair and I see other parts that they're building, like, 30 homes at one time. Which I think kind of goes against the whole point of Habitat, which is you get a volunteer, you get the community, you all work together to build one home, one at a time, right? And so if they're acquiring this kind of, you know, funding from Workforce Housing Fund as a nonprofit, they don't seem like much of a nonprofit anymore. Do you have any opinion on that at all?

CAROL BODEEN: Well, I know Habitat is a very valuable partner and we have appreciated the work that they've done. I'm, I'm not an expert as to, you know, how they are structured and what their business policies are, but, but I know that they have been extremely, extremely important in, in helping on the affordable housing side, so.

HANSEN: OK. Well, I'm just curious about the percentage that they get, taking away from maybe a developer in a, in a rural area of Nebraska building one home for one family. They seem like they've deviated quite a bit from that, so maybe somebody else afterwards can answer that one.

CAROL BODEEN: OK.

HANSEN: Thank you.

CAROL BODEEN: Mm-hmm.

KAUTH: Any other questions? I, I just had one. When you talk about the cost to construct, is the lot included in the cost?

CAROL BODEEN: No.

KAUTH: It's not. OK, it's just strictly the buildings in the ground.

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CAROL BODEEN: Yeah, and that's why-- actually, that's why that was changed, gosh, I think it was about 3 years ago maybe, we worked with Senator Vargas on that, just because of we were running into problems because of the differences in the cost of land. And so having it be the actual cost to construct just the house just made it much easier to when it was-- when the projects were being done in different areas of the state, because, you know, the cost of a lot in, in Lincoln can be a lot different than the cost of a lot in, you know, another community and that type of thing, so.

KAUTH: Thank you.

CAROL BODEEN: Mm-hmm.

KAUTH: No further questions. Thank you for your testimony.

CAROL BODEEN: Thank you.

KAUTH: Are there any more proponents? Speak now or forever hold your peace. Good afternoon.

NATE VOLKER: Good afternoon. My name is Nate Volker, that's N-a-t-e V-o-l-k-e-r. I'm the Executive Director of Nebraska Housing Resource, which is a Lincoln-based nonprofit. Thank you to the Business and Labor Committee and Chairwoman Kauth for considering this bill. Because we're Lincoln-based, we've only used the Middle Income Workforce Housing Funds. So we support LB819 and the, the rural side of it. But I'd more specifically like to speak in support of the, the AM1921 amendment. So our organization typically applies for the Middle Income Workforce Housing Funds on behalf of builders in Lincoln. And we loan these funds at below market rates, typically at 2% interest. Once a project is completed, we're able to revolve these funds into future housing projects. So any increase to maximum price limits would be helpful for builders in Lincoln, where these costs sometimes exceed the current statute thresholds. The testifiers before me have kind of hit on the, the lot cost concern of it quite a bit so I'll skip that. But some additional language in the, in the amendment talks about acquisition rehabilitation projects. More specifically, the amendment would reduce the minimum cost that you have for, for these projects. Like right now you have to spend at least 50% of the assessed value to rehabilitate the home if you're using Middle Income Workforce Housing Funds. And this is, this is difficult, like we had a client purchase a home for \$150,000, but it was assessed at \$275,000. So they have to spend an unrealistically high amount to rehabilitate. So, yeah, I

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figured I'd hit on that, and that's the end of my comments. So thank you for consideration, and I'll be open for questions.

KAUTH: Thank you very much. Are there questions from the committee? I have one. So when you're saying that-- what, what would that amount have been if it was a-- they bought it for 150 and it was assessed at 275. So \$125,000 difference. How much would they have had to spend on rehabilitation then?

NATE VOLKER: They would have had to spend, I think, around, it would be like \$137,000. So, yeah, like about the whole cost of the home, so.

KAUTH: OK. All right. Thank you.

NATE VOLKER: Thank you.

KAUTH: Senator Sorrentino.

SORRENTINO: No thank you.

KAUTH: Oh, I saw your hand wave. All right. Thank you very much. Next proponent. How many more proponents do we have? Any opponents for this bill? OK. Looks like you're last. Good afternoon.

JOSEPH A. HIGGINS: Good afternoon. Good afternoon, Senator and fellow committee members. I noticed that Senator McKinney is missing, maybe he knew I was going to speak today. I'm Joseph A. Higgins, J-o-s-e-p-h H-i-g-g-i-n-s. I am a resident of Omaha. I am community advocate, President of the Levi Carter Sherman Neighborhood Association, the business representative on the Inland Port Authority Community Advisory Committee, and founding director of the USS Omaha Action Committee. So I'm heavily involved in civic engagement and the public. I respect the work that the committee does. Committees are tough, let me tell you, especially volunteer ones. Recently, I completed Spark Developer Academy in order to engage in community development. I want to put my money where my mouth is. I talk about all this stuff all the time, and I said, well, maybe I should try it from the inside. And during the pandemic, I applied to Metro Community College. I'm nearing completion of a construction management degree. I'm just waiting for completion of my internship. I am committed to investment in my community. I personally believe that the people of a community are instrumental in inclusive development. Nebraska needs to continue support of the Middle Income Workforce Housing Fund and the Rural Workforce Housing Fund. This type of housing directly supports the retention and expansion of our workforce. Current housing shortages

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need to be alleviated in order to support our growth. Holistic community-based development in disadvantaged areas provides the most affordable and sustainable growth. And affordable workforce housing is key to expanding our workforce. I've listened to the previous testimony, and I support all that. I come from a little different background. I live in a disadvantaged community. I live in the Levi Carter Sherman area by the lake. We don't have roads and sewer in over 200 homes there. The biggest controversy was to talk about the airport business park. I didn't support their plan, but I support development. I feel that part of the solution for economic development in Nebraska is supporting our workforce and affordable housing. We have a brain drain and a labor drain because of housing. I think all the numbers for investment, the 12 time ratio, that's just the start. What is the economic development impact by expanding our housing? What is the benefit-- the community benefit to having affordable housing, not just low-income affordable, but also workforce? We need to retain those citizens. Those are citizen taxpayers. If, if you have any questions or concerns or input I'm available for that. Thank you.

KAUTH: Thank you. You have great timing, too, by the way. Any questions?

JOSEPH A. HIGGINS: I didn't even look at the time.

KAUTH: Very, very well done. Any questions from the committee? Congratulations on your almost construction management degree. Fantastic. Good, good job with that.

JOSEPH A. HIGGINS: Yeah, they're wondering when I'm going to finish.

KAUTH: That's OK, you're doing it. Thank you for testifying.

JOSEPH A. HIGGINS: All right. Thank you.

KAUTH: Any other proponents? Any opponents? Anyone testifying in the neutral?

JUSTIN BRADY: Senator Kauth and members of the committee, my name is Justin Brady, J-u-s-t-i-n B-r-a-d-y, appear before you today as the Registered Lobbyist for the Nebraska Realtors Association in a neutral capacity. And I'm sure a lot of you sit there and say, why be neutral? Well, the realtors have always supported these two programs, the rural workforce and the middle income. We were there with the bankers and Senator Matt Williams at our conference table putting this together in 2017. We have always supported updating it and expanding it when it

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makes sense. If this were under normal circumstances where funding is coming from general funds, the programs are working, I'd be sitting here in a supportive capacity. But things-- there's more, and Senator Hallstrom alluded to that, there's more to it than just this bill. Senator Dover is looking at bringing a bill to increase the reporting requirements. Senator Dover is also working on a bill that would combine these programs into a single program that NIFA would run as opposed to DED. There's the bill that was talked about in Revenue Committee on, you know, whether to raise the doc stamp, which, you know, was a hearing that was-- I'm trying to remember, last week, that the realtors did oppose. They've supported other pieces. And I think their only issue is, is 10 years too long to let this program run before we come back and sit in these chairs and you all have the discussion to say, are all these other changes really working? And that's really why they're only here in a neutral capacity is because of the 10 years and whether that's 5 or something to let people come back and look at all these changes that potentially happen this year and make sure they're working in the right way.

KAUTH: Thank you for your testimony. Are there any questions? Senator Hansen.

HANSEN: Maybe this is a philosophical question. But from the realtor's standpoint, is there any issue with the government giving nonprofits money to build homes and how that might affect the market value and people who aren't nonprofits building a home in competition against them?

JUSTIN BRADY: Well, I guess I heard-- you know, I don't want to say it's specific about Habitat that you were asking, but maybe.

HANSEN: Nah, just in general.

JUSTIN BRADY: And for disclosure, I do represent Habitat, but not here in their position.

HANSEN: Yep.

JUSTIN BRADY: I don't think there's the issue if you partner with nonprofits. You had heard, you know, from Fred Hoppe earlier with a private developer. A lot of those nonprofits go contract with the for-profits to do the projects that they're at. So I don't know that it's seen as a competition with the for-profits. It's seen as a tool that some of them can go use to advance housing.

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HANSEN: OK. Like, my only concern is, like, the nonprofit gets to choose who they want to build their home from as opposed to the, the buyer, right, or the person who wants to build. So I'm not a friend of the nonprofit, you know what I mean. I think it'd be a little bit of market manipulation I think in some, some sense and then we're the ones as politicians determining what is affordable versus the market, right? So I don't know how-- just from your perspective because you, because you represent both, right, here. I think you represent those who might--

JUSTIN BRADY: Builders and--

HANSEN: --those who might affiliate with nonprofits and those who don't, right? And so, you know, if there's any consternation from the people who don't work with nonprofits.

JUSTIN BRADY: I can tell you-- again, representing the Realtors, Metro Omaha Builders, HBAL, which is Home Builders (Association) of Lincoln, and Nebraska State Home Builders. They have never brought up a discussion of saying money going to nonprofits is an issue for them--

HANSEN: OK.

JUSTIN BRADY: --in my discussions.

HANSEN: All right. Thanks.

JUSTIN BRADY: Yes.

KAUTH: Thank you very much. Any further questions? Seeing none, thank you for your testimony. Any more neutral? And, Senator Halstrom, would you like to close?

HALLSTROM: Thank you, Chairman Kauth and members of the committee. Before I get into the serious part of my closing, I just wanted to comment, I couldn't help myself, Mr. Schrodts indicated that having worked for Matt Williams 10 years ago that he was feeling old. I'm not going to reveal my age, but I'll just say wah, wah, wah. This bill, I think of the Field of Dreams: build it and they will come. And I think we've found that to be the case with the investments that the state or the transfers from the Affordable Housing Trust Fund have made and have worked wonders in the state of Nebraska. I'm looking separately for a reliable source of funding and a consistent source of funding so we're not having to go back and knock on the General Fund door in the future. And you know we've talked about-- I went back, we've talked

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about LB254, LB1246, LB938, LB768, and LB1067 today, but obviously my focus for this afternoon is on LB819 and just a couple of, of stories that highlight the significant problems that we have in the state and the good things that have been done. One of the stories has to do with a bank up in Laurel, Nebraska that had two executive positions opened and they only had one house available. And so the two potential individuals that were interested in coming to Laurel were bidding against each other on the same house, which then had the extra problem of driving up the price of that house. So it exacerbates the problem. And you look at-- I, I appreciated the comments from Spark, and I just want to, in response to your question, Senator Kauth, about the differential and the matching funds, and is that going to result? I think-- I, I took down some notes after we changed from \$1 to 50 and from 50 to a quarter, the first tranche of funding, there were \$14 million, even with a 50 cent match instead of \$1, there were \$14 million raised and 12.5 that was the, the funding. So 14 on top of that. So it was more than double. And then we had 10.7 for the \$10 million. So I think the proof is in the pudding that we're having more than a dollar-for-dollar match. It wasn't two for one, it was over one for one. So we've still got more than the dollar-for-dollar match even as we've reduced to 50 cents and 25 cents respectively. And I think just in closing, I, I would take one exception. I'm, I'm more than happy to, to work with the realtors and, Senator Kauth, and your comments. If, if the committee feels more comfortable with something less than 10 years, we can work out the, the mechanics of that. Mr. Brady indicated that the realtors have always been supportive of these two housing programs. LB1067 they were not supportive of, but I'm hopeful that we'll overcome their concerns, address them, and maybe be able to go arm in arm forward and get, get some good things done on housing this year. So with that, I'd be happy to address any questions that you might have.

KAUTH: Thank you, Senator Hallstrom. Sounds like it's on the record now, so. Any questions? Seeing none, this--

HALLSTROM: Thank you.

KAUTH: --closes the hearing on LB819. There were 10 proponent online submissions, zero opponent, and 1 neutral. And next up is LR303CA.

M. CAVANAUGH: Hi. I got lost coming here.

KAUTH: It's in a tucked away spot.

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M. CAVANAUGH: I walk past this every single day to go to my office, did not know.

KAUTH: Did you walk past your brother's office and the, the things taped to his wall?

M. CAVANAUGH: No.

KAUTH: Oh, OK. Just wondered if you had ripped anything off yet?

M. CAVANAUGH: No. Touche. I deserve that. OK. Are we ready?

KAUTH: We are ready.

M. CAVANAUGH: OK. Good afternoon, Chairwoman Kauth and members of the Business and Labor Committee. My name is Senator Machaela Cavanaugh, M-a-c-h-a-e-l-a C-a-v-a-n-a-u-g-h, and I represent Legislative District 6 in west central Omaha. I want to start where I usually start when we talk about work and family in the Legislature. Most Nebraskans are doing everything right, they're working, raising kids, caring for parents, serving in the Guard, running small businesses, and they're still one unexpected medical event away from financial crisis. That's not a personal failure, that's a policy gap. I've introduced paid family and medical leave in many forms over the years: mandatory, voluntary, employer-size thresholds, pilot programs. Every version hits the same roadblock. We can't agree on the details. So Nebraskans continue to lack the protection. LR303CA recognizes that this question is larger than any single policy design. It asks the people of Nebraska to decide whether paid family and medical leave is a value we want to reflect in our constitution and then directs future policymakers to work out the details. LR303CA proposes a constitutional amendment requiring paid family medical leave for Nebraskans phased in over time. Six weeks of paid leave in October-- beginning in October of 2027, up to 12 weeks of paid lead by October of 2028. The resolution does not dictate contribution rates, employer versus employee cost splits, state administrative structure. Those decisions would be left to the future legislatures and governors where they belong, allowing flexibility as Nebraska's economy evolves. This approach is intentional. It avoids locking in a rigid model while ensuring paid leave is a guarantee. Why this matters. Federal FMLA protections protects a job, but not a paycheck. It assumes families can absorb weeks or months without income. Many simply can't. According to a 2025 report from the National Alliance for Caregivers-- Caregiving and AARP, nearly one in four adults is a caregiver. Almost

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half report serious financial harm as a result, depleted savings, increased debt, delayed retirement, even housing instability. 70% of working-age caregivers are employed. More than half say partial wage replacement would make the difference between staying in the workforce or leaving it altogether. We already recognize this reality just unevenly. State employees in Nebraska receive limited paid maternity leave, some large private employers offer paid family leave, but the most-- but most people-- sorry, the people most likely to need it, small business workers, rural workers, self-employed, are the least likely to have access. That's not a level playing field. According to the National Conference of State Legislators [SIC], 23 states offer paid family and medical leave, 13 are mandatory, 10 are voluntary or opt-in. Colorado passed its program by voter referendum in 2020. This isn't radical, it's mainstream workforce policy and increasingly voter-driven. This is not just a family issue, it's a business continuity issue. Paid family medical leave reduces turnover and retaining-- retraining costs keeps experienced workers attached to the labor force, helps small businesses compete with large employers for talent, increases labor force participation, especially among women and caregivers. When workers leave the workforce permanently, businesses lose skills, productivity decline-- productivity declines, and communities shrink. LR303CA does not impose a program today. It asks voters whether Nebraska should commit to keeping people working, businesses staffed and families stable, then gives policymakers the flexibility to implement it responsibly. I respectfully ask that the committee advance LR303CA and allow Nebraskans to decide how to move forward. I thank you for your time. I also-- it's nice to see Senator Fred Meyer again back, back at it, so welcome back. And I'll take any questions.

KAUTH: OK. Thank you. Are there any questions? Senator Hansen.

HANSEN: Maybe more of a procedural question, but if this does pass, are you planning on being a part of the ballot initiative?

M. CAVANAUGH: Oh, god, no.

HANSEN: OK.

M. CAVANAUGH: No. Well, if, if this were to pass, it would go on the ballot. I have no-- I have not worked with anyone at all on, like, creating a campaign to support this. This was much like most things with me, I just had this idea and I thought I'm going to try this, so.

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HANSEN: OK. All right. Thanks.

M. CAVANAUGH: Yeah.

KAUTH: Senator Sorrentino.

SORRENTINO: Thank you, Chairwoman Kauth. Welcome, Senator Cavanaugh. In reading the statement of intent and the resolution summary right now, which are obviously very short, I currently don't see any exceptions to the potential requirement between part time, full time. Is that correct? It just says employees.

M. CAVANAUGH: Correct.

SORRENTINO: OK.

M. CAVANAUGH: And I would be more than happy to work on some tighter language.

SORRENTINO: OK.

M. CAVANAUGH: Something that may be along the lines of what our requirements are for if you qualify for paid or for FMLA because there are, there are employee-employer-size requirements to just qualify for--

SORRENTINO: 20 lives or more.

M. CAVANAUGH: Yeah, something like that. So-- but I am open to any and all options.

SORRENTINO: So including size, employer--

M. CAVANAUGH: Yep.

SORRENTINO: --being allowed before or after PTO, etcetera, or length of service requirement. OK, generally speaking, this-- if this were to pass this committee and this body, would become a, a ballot initiative in the next ballot--

M. CAVANAUGH: Yes.

SORRENTINO: --next election. So I guess this is more of a comment than a question. Those, those ballot initiatives are limited to 100 words or less and this is, obviously, very difficult.

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M. CAVANAUGH: Yeah, it's, it's different when we, when we pass a constitutional amendment in the Legislature. It's not the same as a ballot initiative.

SORRENTINO: It's not quite as limited, if I remember right.

M. CAVANAUGH: Correct.

SORRENTINO: I'm not sure what the wording is. But in the past, when we, we as voters, not we as senators, have voted on these on election day, the one piece that I've always found to be missing, unless I've missed it and I've sadly voted for a long time, there's not what we would look at as a fiscal note.

M. CAVANAUGH: Right.

SORRENTINO: It says here's what we like and I'm sure if I were back in the workforce and I said, hey, would you like 12 weeks, potentially, of paid FMLA, I'd say sure, not thinking that there's a fiscal note. So-- and, and I know that since this is just a, a CA right now, we don't have the requirement for a fiscal note, but I did some thinking since this applies to both the state of Nebraska and private employers, it's virtually impossible to know what it would cost a private sector. It's not estimable. There's-- the cost to the employee-- employer to add staff to cover absentee workers or pay over time to shifts and it could resent-- result in business failures, it could increase the cost to consumers, lots of stuff that I, I can't estimate. But when I look at the state, because it specifically says state also, we currently have about 18,000 employees-- I don't know if that includes part time or not, but full time for sure-- that average pay is somewhere around \$50,000. I'm close, give or take \$1,000. So we're looking at a payroll in the state of Nebraska of about \$900 million, 12 weeks as a percentage of a full year, take 12 divided by 52 you get 0.23, 23% of that payroll is, I'll call it, in jeopardy, so \$208 million. The statistics that I've been able to find is about 6.4% of those who have the availability-- I'm using 12 weeks-- of paid sick leave, about 6.4% actually take it and take all 12 weeks. So we've lowered that \$208 million now down to about \$13 million. So my concern is, if those statistics are right, or they're at least close, they're a good estimate, we'd have annual wages that must be paid either to in overtime to current employees or to contract employees because the work still has to be done at state level. So as we've been talking about for the first month in the Legislature, are we creating unfunded mandates? And there's a \$13 million one, potentially, right there, and

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that doesn't include counties and quasi-governmental units that I couldn't possibly estimate. Could you comment on that, please? And I promise I won't ask any more questions.

M. CAVANAUGH: Comment. OK. Well, I'm, I'm, I'm trying to follow. There was a lot of numbers thrown out there. What, what more specifically would you like me to comment on? The cost--

SORRENTINO: Well, we'll get down to the bottom of my--

M. CAVANAUGH: --or the unfunded mandate?

SORRENTINO: If, if there really is, potentially, \$13 million to be paid to folks who are on medical leave. I am not against medical leave. FMLA was passed in, you won't remember this, but July 1993, you're much younger than I. I was actually a proponent of it and testified at the state and federal level. I'm not against that. That was unpaid leave, though, of course, now we have PTO and most employers have changed their schedule, hey, you can take your vacation. If you have some disability, short-term disability, you can use that. You can use PTO. It doesn't bridge 12 weeks. It usually takes 6 or 7. I'm concerned about the \$13 million, using very reasonable estimates for the state of the current fiscal.

M. CAVANAUGH: Oh, OK. Sure. OK. Sorry. I got it now. Yes, so that is-- that-- for the state that \$13 million would be a lot of money. This intentionally doesn't create the infrastructure because I think that creating what the program itself would look like is, is a bigger issue and a bigger question and this more is the guarantee that the state says we believe that people should have this paid leave. And what the actual structure looks like, it's, it's not going to necessarily end up being paid 100% of your wages. It's not necessarily going to end up being 100% by an employer. It could be an employer-employee matching fund that the state-- the Legislature creates in the future. It could just be an employee fund that is created. But it does sort of put it into the hands of the voters to decide if this is something that we have as a statewide value, then it puts it back to the hands of the Legislature to say, OK, and now how does this look? How does this work? So it's different-- you know, the paid sick leave ballot initiative was much more of the actual nuts and bolts structure. And this is not that, this is kind of taking a different approach than that did. This is saying we should have this, let's see if the voters think that. And then the next step is for the Legislature to say, OK,

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we have this, how should it look? Does that, does that answer your question?

SORRENTINO: It does. It'll, it'll really be for--

M. CAVANAUGH: Future legislatures.

SORRENTINO: 2027 Legislature to figure it out.

M. CAVANAUGH: Yeah, I won't be here.

SORRENTINO: And you won't be here. Thank you.

M. CAVANAUGH: Oh, you're welcome. Term limits.

KAUTH: Senator Raybould.

SORRENTINO: No more questions.

RAYBOULD: Thank you, Senator Cavanaugh. I was reading the legislative resolution, but it doesn't say that the Legislature will be left with the duty of formulating policy, procedures, etcetera.

M. CAVANAUGH: Right, the absence, the absence of the policy in the constitutional amendment is, is the directive for the Legislature. Does that make sense? But I-- again, I am open--

RAYBOULD: I don't know. I, I guess I'm a little bit leery because some of the, not necessarily constitutional amendments but some of the initiatives that have been put down, there's been lack of clarity--

M. CAVANAUGH: Sure.

RAYBOULD: --on that, and then somehow it falls to the Legislature to really fill in those gaps. And then--

M. CAVANAUGH: I think I'd be very open to amending the language to be clearer for sure. I think that's a very reasonable thing to do.

RAYBOULD: Yeah, so I noticed that it, it starts out 6 weeks of paid medical-- family medical leave by 2027, and then it goes to 12 weeks--

M. CAVANAUGH: Yes.

RAYBOULD: --by October 1, 2028.

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M. CAVANAUGH: Yes.

RAYBOULD: Can you-- you mentioned some states, but I didn't quite catch it. Do they-- what are some of the states that offer, you're saying 6 weeks or 12 weeks?

M. CAVANAUGH: I can get you the NCSL report. Oh, actually, we have-- sorry, this is from our own Research Office she's passing out. So it has on the back page, the back two pages a list of all the-- what states have and what they're currently doing. And also the, the timing, I'm, I'm, I'm very much-- this is a conversation I wanted to have and the timing-- the timeline for implementation, I think we can discuss what's, what's reasonable, what's feasible, does it need to be stepped in even further. I, I do have the ultimate goal of getting us on par with the unpaid Family and Medical Leave Act, eventually. Now is 2028 too soon? Possibly. But I'd, I'd be happy to continue having that conversation to see what the right fit is for Nebraska. Is that--

RAYBOULD: Yeah, this, this is, this is helpful.

M. CAVANAUGH: Sorry, I meant to hand that out at the start.

RAYBOULD: Thank you.

KAUTH: Other questions? I have one. So we have paid family medical leave. So what you're saying is the paid family medical leave that people are entitled to by federal law, you want to force employers to pay for.

M. CAVANAUGH: The unpaid.

KAUTH: The unpaid.

M. CAVANAUGH: Not employers, necessarily. I want the state to create a program as to how this works, because it's not consistent. So I used to work at the university and I had, I think, two of my kids while I was there, I don't remember now, but I had paid leave at the university. I had paid sick leave and then I had my paid vacation leave. But I actually didn't have to use my vacation leave because I had so much sick leave accrued because the status, I was a managerial position versus an hourly position. So because of that, I actually had an exorbitant amount of paid sick leave in lieu of short-term disability. And so it basically acts as a short-term disability program. So my employer had that program for me, but didn't have it for the hourly employees. So it would, it would be essentially

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creating a parody across industries as to what this looks like, but it doesn't have to be employer paid. That's the part that I want to--

KAUTH: Who would pay it if the employer is not paying it?

M. CAVANAUGH: Well, it could be the employees pay into a fund, like we have an unemployment insurance fund. That-- that's what some states have done, is they use that model of the unemployment insurance fund and it can be that the employer pays into that fund or it can be that the employee pays into the fund. I, I also want to keep it open because some employers do have short-term and long-term disability that they pay for, for their, for their-- I was going to say patients and clients-- for their employees. And so we wouldn't want to say you have to change what you're doing, because you're already doing it. But if you're not already offering this, then you need to. And it could be, honestly, as simple as saying that all employers have to have the option for short-term and long-term disability insurance because, currently, if your employer doesn't sponsor short-term disability insurance, you can't-- and by sponsor it, I don't mean pay for it, just have a company that they work through-- you cannot get short-term disability insurance in Nebraska as an individual.

KAUTH: So isn't that kind of what drives people to pick certain jobs is the benefit package? And if we start having the government say this is what the benefit must be or has to contain, doesn't that really diminish the competitive nature of it?

M. CAVANAUGH: I think that that is certainly a philosophy of, of what drives people to go for one thing versus another. I think there's lots of different factors that can play into decision-making around accepting a job. And, yes, people do negotiate their benefits, but when we're talking about employees across the spectrum, there are a lot of employees that don't have the opportunity to negotiate any of their benefits. And those are usually our hourly employees who still have to be caregivers to family and children-- parents and children, and so this is to create, again, sort of more of an equal benefit for all. Does that--

KAUTH: Any other questions? And will you stay to close?

M. CAVANAUGH: I'm not sure, because I have another bill to introduce.

KAUTH: Senator Raybould has a question.

RAYBOULD: So thank you for the handout. It explains a lot.

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M. CAVANAUGH: Sorry, I should have handed it out at the beginning.

RAYBOULD: Right, or maybe it would have been helpful to say, like, hey, for example, for Colorado, they split it--

M. CAVANAUGH: Yes.

RAYBOULD: --between employees and employer. And in a number of the other states, it's employees pay 100% as a payroll deduction, so it's not-- and then Colorado has employers with fewer than 10 employees do not pay an employer share. So the question is, how does that get summarized on a resolution for a, a constitutional amendment? You know, I understand what you said before, but there's so many nuances that people-- I mean, as it's written, it would make it seem like, hey, my employer has to pay the whole thing.

M. CAVANAUGH: So, again, I, I think that we can certainly work in collaboration on language changes that would make it clearer what-- that that's not necessarily the case. I will say that I think I have brought every possible iteration or option of paid leave over the last 8 years, except for a constitutional amendment, so I thought, hey, why not, let's go for broke here. But the reality is, is that every time I've brought forward, and prior to me, Senator Sue Crawford brought this legislation, every option that we brought forward was opposed. There was, there was no-- even if it was 100% employee paid, that was opposed, everything was opposed. So in order to get the Legislature to create something, I think that it needs to go to a vote of the people to say we want you to create something. Even if it is 100% employee paid, we want some sort of opportunity for paid family medical leave in Nebraska. And they might say no. The, the state of Nebraska might say this is too much. We're gone too far. We have the sick leave ballot initiative. That's enough. They very well might say that. I don't know. As I said to Senator Hansen, I haven't worked with any ballot initiative committee or anything like that on this and I don't intend to.

RAYBOULD: OK. I just have an observation, as it's currently worded, it doesn't reflect the other options that the 14 states have come up with, that the way it's worded now is the employers offer a paid, 6-week paid. And so-- and that-- you know, you showed me that 42-- 14 states do offer a, a hybrid of programs, but 36 states don't.

M. CAVANAUGH: Right. And I'll, I'll say that-- I'm going to telepath a question for the audience, people who I've never gotten a

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constitutional amendment on the ballot before through this kind of process. So I don't know the nuts and bolts of it, but I know that when, when we put things on the ballot that it, it's worked through with the Secretary of State and sometimes the Attorney General, I believe, has a role. And there can be additional language that is added that's like an explainer, but I'm saying that not knowing if that's actually true. So I'm hoping that somebody behind me will correct me or give us all that information because I don't know the answer to that. But I, I appreciate your questions and concerns because those are exactly why we go through this hearing process because I did not think of that.

RAYBOULD: OK. Thank you.

KAUTH: Good?

M. CAVANAUGH: But, yes, I'm going to see if my other bill I have to introduce, but I will either stay, come back or waive. [INAUDIBLE]

KAUTH: First proponent.

JUSTIN HUBLY: Good afternoon again, Senator Kauth. My name is Justin Hubly, J-u-s-t-in H-u-b-l-y. I'm still the Executive Director of the Nebraska Association of Public Employees, NAPE/AFSCME Local 61. Our union represents over 8,000 frontline state employees who work for more than 43 different code and noncode agencies. And I saw Senator Sorrentino smirk at me earlier. I am a proud graduate of the University of Illinois.

SORRENTINO: [INAUDIBLE]

JUSTIN HUBLY: And I'm wearing-- I, I-- listen, when we leave Lincoln with a win, I wear orange and blue. So appreciate your humor there. Senator Sorrentino, I thought I'd start where you started, because I think your, your thought process was a good one, where you started and maybe just to lay a little groundwork for the committee. Who qualifies for FMLA? You have to work for a qualifying employer, typically more than 50 employees. You have to work more than 1,250 hours in the last 12 consecutive months. So, generally, 60% time or so in order to qualify for it. And you have to have a qualifying condition, a serious health condition of your own or a family member. A family member is a child, a spouse, or a parent. So back to Senator Sorrentino, I really like the thought process that you went through, and so there's \$13 million. One thing I'll say, lost time is, in my mind, a different

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calculation of cost than I actually have to spend that money on something. And what I mean by lost time, is the work still needs to get done. I'll use the state of Nebraska as an example. When the state is fully staffed, and all the FTE are filled, we have budgeted into the staffing level people to be absent, on any given day somebody has the flu, somebody is on vacation. Where we do run into some problems is we are not fully staffed and so at our 24-hour facilities especially, we are going to have to pay overtime if somebody is out because we don't have the bodies to work those shifts, so I think that there is some thought there. This has been an issue. I'm going back to the Sue Crawford days. I've been here talking about this. I've always really liked Connecticut's plan where the employee pays into an unemployment fund, basically it's a FMLA fund. They've been doing it now for about 4 or 5 years and, actually, I have some data on how it works. That's not exactly what this does. This is very simple, it just says the FMLA is paid because it's unpaid under the law. I think it might have been Senator Hansen in the last couple of years that I presented this, you asked me for some data and so I pulled it today at least from a state employee perspective in a small sample. We took about 2,500 calls and emails for assistance from state employees in calendar year 2025. And of those 2,500 calls, I pulled the data this morning, about 230 were about specific FMLA questions. So 8%-ish. You're not that far off if this all, if this all plays out. What I will tell you is it's a super important thing to a lot of folks. I do not work for an FMLA qualifying employer. We have six employees at our union. My dad fell and broke his hip last week and I suddenly became a caregiver, had to take a couple days off work. I happen to have some sick leave. I have never wanted to get back to work faster, all due respect to my dad. I love him, but that is hard work that I am not qualified for. And so I would just tell you that I don't think this is kind of a paid, I get to have time off of work. I'm sure there's always some level of people who do that, but the most of the people that we work with have either had a baby or are facing an unknown health condition that came up very fast that they weren't prepared for. And a lot of folks, when they find out it's, it's an unpaid leave, end up in a tough situation. We're trying to avoid that. So if you ever need data from us or want to chat about this, we'd be happy to work with all of you to find a solution that benefits Nebraskans. Thank you.

KAUTH: Thank you very much. Good timing. Any questions? Seeing none,--

JUSTIN HUBLY: Thank you.

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KAUTH: --thank you. Have a good afternoon. Next proponent.

KATHY POEHLING: Good afternoon. My name is Kathy Poehling, K-a-t-h-y P-o-e-h-l-i-n-g. I'm the President of the Omaha Education Association, and I'm here to testify today in support of LR303CA. There have been several times in my life I've had to use FMLA. And in each case, I have had to take that time. It was unpaid. The first time was when my mom was dying of breast cancer that had metastasized to brain cancer. She could not care for herself and needed someone to care for her because my dad owned a small business and couldn't get away from work. I took 2 weeks of paid sick leave but then went on to be unpaid. This was a huge burden on our new family. In 2010, we adopted our daughter who was a state ward with special needs. I took intermittent FMLA, but, again, I was just starting a new job as a teacher and didn't have any time built up. There were several days I had to take unpaid to go to court, numerous doctor's appointments, and school meetings. As you can imagine, this was difficult for my family of six. Yes, we had my husband's salary, but he's a custodian for OPS and didn't make enough to support our family by himself. In 2018, my aging dad could no longer live alone in his house. So, again, he moved in with me and my husband. I had to take intermittent FMLA. Many of the days were covered by the sick and personal days I had built up, but by the time he died in 2020 my account was depleted. Nebraska needs to focus on families and workers to stay competitive with states that have already modernized their labor laws. This would help keep workers in our state and would take the burden of caring for a loved one off of a family member. Without this resolution, many Nebraskans are only one medical emergency away from poverty. Paid leave reduces the need for public assistance because families have a cushion and are less likely to rely on state-funded social safety nets or food stamps during a crisis. Paid leave ensures that even during a family transition, the household income remains stable, allowing families to continue spending money on groceries and other needed supplies in their local communities. Currently, only large corporations or high-paying white-collar jobs typically offer paid leave. This bill ensures that blue-collar workers, service industry employees, those in rural areas, and even teachers are provided with the same benefit. The days of single-income households are behind us. Most Nebraska families require two incomes to survive. When a child is born or a parent falls ill, Nebraskans shouldn't be forced to choose between their paycheck and their loved ones. Thank you.

KAUTH: Any questions? Senator Raybould.

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RAYBOULD: Thank you, Ms. Poehlling, for coming and testifying and, and how your family was able to get through that. You know, some states offer paid sick leave, but the employees take a deduction for that from their paycheck. Some states offer a hybrid. Do you have some thoughts on what the Omaha Education Association would be willing to work with or accept or--

KATHY POEHLING: So I know last year when we brought the paid FMLA for teachers' bill, we were willing to do a hybrid. I don't think that's unreasonable. I know that in the times I needed it, I needed it and it would have been fine that while I had the income to help pay into it.

RAYBOULD: Thank you.

KATHY POEHLING: Yep.

KAUTH: Thank you. Any other questions?

KATHY POEHLING: Thank you.

KAUTH: Seeing none, thank you. Next proponent. Good afternoon.

JEN DAY: Good afternoon, Chair Kauth and members of the Business and Labor Committee. My name is Jen Day, that's J-e-n D-a-y, and I'm here on behalf of the Women's Fund of Omaha to testify in support of Senator Cavanaugh's LR303CA, which would provide hardworking Nebraskans who want to grow and care for their families the support they need to do so by providing paid family leave. Nebraskans pride ourselves on our image of being hardworking and family first, and Senator Cavanaugh's constitutional amendment allows us to bring this image to fruition. Mandatory paid family leave is a standard in 13 states, with at least 10 other additional states having at least some form of paid leave, including Alabama, Arkansas, and South Carolina. According to a study published by the National Institutes of Health, paid maternity leave led to increases in birth weight, decreases in premature birth, and decreases in infant mortality. It's also linked to decreases in postpartum depression, lower chances of intimate partner violence, and decreased chances of rehospitalization in the first year for both mom and baby. In addition to the benefits of paid maternity leave, more expansive policies, like those potentially included in this constitutional amendment, allow for care of a seriously ill family member. And with the 85-plus population growing rapidly as the boomer generation ages into the need for intensive specialized care, this type of paid leave will become increasingly

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necessary. This is especially true for Nebraska's rural population as 25% of the population in 26 counties is 65 and older and these areas continue to see the closure of nursing facilities. For many, the care they need is hours away or financially out of reach, making policies like Senator Cavanaugh's CA imperative in making sure that aging loved ones are taken care of. Additionally, the return on investment is approximately \$2.57 for every dollar spent on paid leave, according to the National Partnership for Women and Families. It also increases employee talent and-- talent attraction and retention, lowers health care costs and increases employee well-being, all strong incentives for employers. Arkansas Governor Sarah Huckabee Sanders said at the state's bill signing to implement 12 weeks of paid maternity leave in August. As a mom of three kids, I know the difficulties that so many parents have juggling that work-life balance. And so we're hopeful that this will not only help new moms that work for, for the state government, but also help get the state a competitive advantage when we're hiring. LR303CA is smart public policy with health outcome benefits for Nebraska families, financial benefits for employers, and would be an avenue for growth for the local economy. The Women's Fund of Omaha urges you to advance it to General File for debate. And with that, I'm happy to answer any questions.

KAUTH: Thank you. Any questions? Senator Raybould.

RAYBOULD: Thank you, Senator Day, for testifying. I have the same question. In, in your world, what, what type of plan would you propose? I'm just going to tell you, what Senator Cavanaugh handed out, four are all employees paid, nine are a hybrid of mixed-between employee-employer, and one has the employer paid entirely. So in your vision of what's the best plan for Nebraska?

JEN DAY: Sure. I think that there is no one-size-fits-all plan, right? We have various employer sizes, we have various options that I think could be-- I would say I think that the Legislature would-- if-- in, in best advice, create a plan that is flexible depending on the type of employer, the size of employer, income levels, potentially, and things like that, so. As the Women's Fund, we would say any plan is better than nothing.

RAYBOULD: OK. Thank you.

KAUTH: Any other questions? I have one.

JEN DAY: Yes.

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KAUTH: Can you define woman?

JEN DAY: Woman is a gender identity that belongs to anyone who identifies as a woman.

KAUTH: So you're-- the Omaha Women's Fund also treats men who believe they're women as women?

JEN DAY: We treat-- we speak on behalf of transgender women, yes.

KAUTH: OK. Thank you.

JEN DAY: And gender-expansive individuals.

KAUTH: Thank you.

JEN DAY: Mm-hmm.

KAUTH: Any other questions? Seeing none, thank you very much.

JEN DAY: Thank you.

KAUTH: Next proponent. Good afternoon.

ANAHI SALAZAR: Hi. Hello. Good afternoon, Chairperson Kauth and members of the Business and Labor Committee. My name is Anahi Salazar, A-n-a-h-i S-a-l-a-z-a-r, on behalf-- here on behalf of Voices for Children in Nebraska. Voices for Children is a nonpartisan, independent organization that advocates for policies that support child welfare, youth justice, health, and economic stabilities for families. We use data and research to gather policies, as well as community engagement to make informed decisions. At Voices for Children in Nebraska, we work alongside families who are doing everything right and still struggling to stay afloat when life happens. Moments that should be met with care and stability too often become financial crises under our current laws. Because of, because of this, Voices supports LR303CA. A new baby, a family member returning for military service with a critical injury, a serious car accident, a parent beginning to show signs of Alzheimer's, a child diagnosed with leukemia, these are not rare or irresponsible circumstances. These are common human moments in the life of a family. Without paid family and medical leave, these moments can force parents to choose between being there for their children and keeping their jobs or paychecks. Under our current law, these moments can also be a financial crisis. It is important to consider the relationship between caregiving and

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workforce participation in order to ensure that grown-ups can be there for children during life's most treasured, stressful, or critical moments. We support paid family medical leave for Nebraska so families don't have to choose between family and secure employment. Investing in families works for everyone. Investing in families is an investment in Nebraska's workforce and economy. High employee turnover, the loss of institutional knowledge, absenteeism and presenteeism, and temporary hiring are all already affecting businesses' bottom line. A survey found that one in three workers have left at least one job due to caregiving responsibilities and the most experienced and highest paid workers were most likely to be affected. Paid family leave policies do not adversely impact businesses' productivity or profitability. Recent studies have shown that paid leave saves employers from needing to hire replacements and reduces turnover costs, in fact, improving job continuity. I'm going to skip a little bit over all of that because I have the yellow light. But I also wanted to add that as a person that has a growing family in Nebraska, a lot of my peers are looking at states that offer this type of policy to potentially move to because they know that if they want to grow their family, this, this is the type of policy that will help them do so without having to maybe go down to a, a one paycheck household. And so I think these policies would help retain and really help alleviate some of that brain drain that we've been hearing about. So family values are at the heart of Nebraska values, and LB189 would ensure that all Nebraskans can be there for the most important moments in our family's lives and that our children will have the best start to life. Thank you Senator Machaela Cavanaugh for your leadership in this important issue, and thank you committee for your time and attention. And we respectfully urge you to advance LR303CA. Thank you.

KAUTH: Thank you very much. That went really well.

ANAHI SALAZAR: Thank you.

KAUTH: Any questions? Senator Raybould.

RAYBOULD: Thank you, Ms. Salazar, for coming and testifying. Do you work for a nonprofit?

ANAHI SALAZAR: I do, yes.

RAYBOULD: So does your nonprofit offer a paid family leave right now?

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ANAHI SALAZAR: They offer-- yeah, we have 6 weeks of, of paid leave for a new baby, whether that's adoption or birthing, anything like that.

RAYBOULD: So can you tell me how is that structured? Do, do you, as the employee, have to make a contribution? And does the employer match the contribution? I'm just curious, because I know for some nonprofits that it might be a financial lift for them to be able to do that. So I'm kind of curious how.

ANAHI SALAZAR: Yeah, I think because we advocate for policies like this, our nonprofit, our board has been really intentional in providing these policies for their employees. So I, I am not sure if we pay into it. I just know that it is available if the need arises.

RAYBOULD: OK. Thank you.

KAUTH: Thank you. Other questions? I have one. It said that paid family leave policies do not adversely impact business productivity and profitability. So if there's no impact, why wouldn't businesses offer this on their own? Yours is doing that. Why do we need the state to come in and force and mandate everyone to do something that, again, is a-- this is a perk of the business? I'm sure you went to work for your organization partly because of this. And if everybody has to do it, then there's no differentiation.

ANAHI SALAZAR: Yeah, I mean, I, I, I think that speaks to the-- what's the word I'm looking for, like that every business can and has, I guess, the right to, to do these kinds of policies. I know, again, from my experience with peers, they, they have gone towards corporations or private sectors that offer these policies versus public sectors because they, they know the benefits of, of this, whether that's caring for an aging parent and/or having a child. So I think it's well researched. It's the right of every business to, to, to follow it if they like, but I have seen firsthand how much of an impact it makes in making that decision for a person that's looking for employment.

KAUTH: So when-- I mean, the difference between private and public, if it's a public business or a public employer, that's taxpayers' money that is funding that. So now you're asking the taxpayers to fund things in addition to paying for that salary, so. And then you were talking about it would help retain people. There, there are a lot of, of correlations thrown out. Do you have actual data on causation,

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saying that, that these policies will-- we have studies that say they will retain people?

ANAHI SALAZAR: I can definitely, if it's not linked in here, I can forward those to you.

KAUTH: That'd be great. Thank you.

ANAHI SALAZAR: One example would be in like the teaching, I have a lot of friends that are teachers and a handful of them are looking at leaving the profession just because they are either two, two-- a household of two that are both teachers and they can't continue on taking, you know, time off for doctor's appointments or needed appointments with the limited amount of time they have. And so talking about the teacher shortage, I mean, that's-- they don't want to leave, but they also can't afford to stay in that profession.

KAUTH: OK. Thanks. I would appreciate those links. Thank you.

ANAHI SALAZAR: Absolutely.

KAUTH: Any other questions? OK. Seeing none, thank you.

ANAHI SALAZAR: Thanks.

KAUTH: Next proponent. Good afternoon.

JOYCE BECK: Good afternoon, Senator Kauth and members of the Business and Labor Committee. My name is Joyce Beck, J-o-y-c-e B-e-c-k, and I'm here today in support of LR303CA as a volunteer state president on behalf of AARP Nebraska. My husband Jerry was diagnosed with multiple sclerosis in his 40s. Over time, MS took a significant toll on his body and on his mind, affecting his mobility, his cognition, and his ability to swallow. He also suffered a heart attack at age 52 that required quadruple bypass surgery. And later, he battled metastatic prostate cancer, resulting in fractures of his pelvis, his spine, and his hip. After years of increasing pain and disability, Jerry passed away in January, 2021. Because of his declining health, I retired early to take care of him. But my experience is not unique in Nebraska, because in Nebraska about 21% of adults, approximately 312,000 people are family caregivers, and many of them suffer serious financial strain. For example, 80% of caregivers pay out of pocket for their loved one's care, averaging \$7,200 a year, or about 25% of their income; 46% report financial setbacks, such as taking on debt, draining savings, or struggling to afford necessities like food and

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medicine; 62% are also balancing caregiving with part-time and full-time employment. Nearly one in four caregivers has to take on additional debt. And caregivers that were age 50 and older who leave the workforce to care for a parent loses about \$304,000 in a lifetime income and benefits. Paid family medical leave or paid family leave helps caregivers stay connected in the workforce while supporting their loved ones. It also benefits employers by improving employee retention and reducing the high cost of turnover, recruitment, and training. Without these supports, vulnerable citizens may be forced into more expensive levels of care, increasing costs to their families and to the state. Thank you, Senator Cavanaugh, for introducing the resolution and for your leadership in this issue. I appreciate the opportunity to testify today and I respectfully ask for your support in advancing LR303CA to the floor.

KAUTH: Thank you very much. Any questions? Seeing none, thank you for your testimony.

JOYCE BECK: Thank you.

KAUTH: Next proponent. Good afternoon.

RENEE JONES: Good afternoon. I haven't talked all day. I feel like I got to warm my voice up or something. All right, good afternoon, Chairwoman Kauth and members of the Business and Labor Committee. My name is Renee Jones, that's Renee, R-e-n-e-e, Jones, J-o-n-e-s, and I am in my 10th year as a high school English teacher just down the road at Lincoln High and a mother of four. I am here to testify in support of LR303CA. Right now, Nebraska's schools operate on an invisible subsidy. Teachers absorbing impossible costs personally, and we're spending millions replacing teachers who leave instead of investing in keeping them. According to the Nebraska Department of Education's 2025-2026 Teacher Vacancy Survey, we have 490 unfilled teaching positions this school year, and 60% of districts reported no applicants. Not, not enough applicants, no applicants. Teacher prep enrollment is down 33% nationally. We are not in a temporary shortage. We are watching a profession collapse in real time. And here's what nobody wants to admit: We've designed a system that only functions when teachers shoulder impossible personal costs. And we keep demanding that they make these sacrifices while complaining we can't find enough of them. Like many, I've lived this contradiction. I was lucky I timed my fourth child's birth in early June, a summer baby. No maternity leave was needed. I planned everything perfectly. Fast forward to August, in the start of the 2019-2020 school year. Monday,

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teachers are welcomed back for the new school year. Tuesday morning, my 8-week-old daughter was vomiting blood. I left work early and we drove straight to the pediatrician. Wednesday morning, we ran more tests and were admitted to the hospital, where Aurora was diagnosed with pyloric stenosis. She had emergency surgery on Thursday, and Saturday she was discharged. Even though students had not yet arrived, educator absences during this first week required the use of PTO. I had to be ready to welcome students on Monday. So there I was, 8 weeks postpartum in a hospital room with my infant recovering from surgery, laptop open, writing lesson plans. Not because I'm noble, but because I felt trapped. I need this job, the health insurance, the paycheck, but I also need to be mindful to keep enough PTO for when Aurora and her three brothers would inevitably get sick. This system does not ask for dedication. It relies on financial necessity, forcing teachers to work through paid leave meant for family emergencies. This is not a feature. This is exploitation dressed up as commitment. The Learning Policy Institute found that every teacher who leaves costs \$15,000 to \$25,000 to replace. Nebraska loses hundreds of educators annually. This is millions of dollars in turnover already being spent and the consequences compound. When we cannot staff classrooms, students lose continually and fall further behind. The public begins to lose confidence in public schools. College students watch and choose other careers. Each problem just feeds the next. I'm just going to skip ahead here a little bit for time. Paid family medical leave helps subsidize the school every community depends on. These 490 positions that remain open are not just a staffing problem. Thank you for your time. I'll be happy to answer any questions. Sorry.

KAUTH: Thank you. Very nice wrap up. Any questions?

HANSEN: Yeah, I got one.

RENEE JONES: Oh, sure.

HANSEN: I didn't have a chance to look up my Google site.

RENEE JONES: No, you're good.

HANSEN: Maybe you can answer it. The Nebraska Department of Education Teacher Vacancy Service-- Survey, did that-- was that just public education teachers or did that include homeschool private teachers?

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RENEE JONES: That's a great question. I found it on the NDE website, that statistic, and I'm not sure if that encompasses all or just public.

HANSEN: [INAUDIBLE]. Just curious.

RENEE JONES: Yeah. Yeah. Great question, though.

KAUTH: That's what I was going to ask. [INAUDIBLE]

RENEE JONES: Yeah. Yeah. Good question.

KAUTH: OK. Thank you very much.

RENEE JONES: Awesome.

KAUTH: Seeing no further questions, thank you.

RENEE JONES: Awesome. Thank you.

KAUTH: Proponents? Good afternoon.

RITA BENNETT: Good afternoon. Thank you, Senator Kauth, members of the committee for the opportunity to be here today. My name is Rita Bennett, R-i-t-a B-e-n-n-e-t-t, and I'm here today to offer testimony on behalf of the Nebraska State Education Association in support of LR303CA. I'm also speaking as an individual citizen as well as a retired educator. I support this call for a constitutional amendment that requires paid family medical leave in Nebraska. During my career, I worked to lend support to my teaching colleagues, and I became quite familiar with the provisions as well as limitations of the Family Medical Leave Act, otherwise known as FMLA, and particularly looking at its limitations. And it does fall short, as you've already heard. It's unpaid leave. It only covers private employers with 50 or more employees. It only covers those who've worked a certain number of hours, as you heard earlier. Those limitations, as you might guess, do create serious difficulties for many. It means large numbers of people are not eligible for FMLA leave in the first place, leaving them to risk losing their jobs if they require extended family medical leave time. It also means many are forced to go without pay during a time when they might also be faced with astronomical medical bills. Even those who have employer-provided paid sick leave often exhaust that leave time. I'm grateful for the protections provided by FMLA, but I have personally witnessed dozens of teaching colleagues exhausting their paid sick leave time due to their own or a family member's

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medical need. And in many cases, I frequently donated my own sick leave to help colleagues avoid losing pay during a medical crisis. Fortunately, the professional agreement with Lincoln Public Schools permitted us to donate leave time. Without that, I know of many who would have faced real financial hardship without that help. Even so, though, donated leave was not always sufficient to close the gap. There was a limit on how much donated leave they could use, and such programs are uncommon for most public and private sector employees across Nebraska. FMLA allows states to set standards that go above and beyond its provisions, and as you've already heard today, many states have chosen to do so. I do believe it's time for Nebraska to join those 13 other states that have passed legislation that requires paid family and medical leave. We do have the Nebraska Healthy Families and Workplaces Act, but that act, which was implemented in October of '25, but that one-- that is limited to more routine, short-term medical leave needs. So I believe Senator Cavanaugh's proposed constitutional amendment will help provide much greater protection for us and paid family and medical leave, I think, will also help to elevate Nebraska as an attractive place to work and to live and to raise families and also help attract business and industry who rely on the ability to recruit and retain quality employees. Thank you for your consideration. I do encourage you to support LR303CA, and I would be happy to answer any questions you have.

KAUTH: Thank you very much. Any questions? Senator Raybould.

RAYBOULD: Thank you, Ms. Bennett, for testifying. So in your role with the NSEA, have you looked at other states and other public education systems? What do they offer in terms of paid sick leave? Is it a hybrid system or do the employees contribute, an employer, or how does that, how does that work in what you've seen?

RITA BENNETT: Good question. And, and, actually, I'll clarify that I, I don't hold any official position with NSEA.

RAYBOULD: Oh, sorry.

RITA BENNETT: I'm just a volunteer retired teacher and member of the Association. And I haven't personally researched all of them. I have only within limits when we were negotiating contracts with Lincoln Public Schools to maybe look at what other districts were requiring in communities our size, perhaps with respect to leave policies. But other than that, I'm afraid I don't have a, a good picture for you on that.

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RAYBOULD: So does the teachers' union have to negotiate this?

RITA BENNETT: Well, within the negotiated agreement that we have with LP-- that we have with LPS while I was with LPS, that is where we were able to add in years ago with the district, the ability to-- for people to donate leave to one another, for example. And then I believe they extended that to other employee groups. But, again, that, that was a, a pretty big win for us. But, again, it wasn't the district losing out on any funding necessarily because they were already providing that leave. It's just that it got transferred from one person to another.

RAYBOULD: OK. Thank you.

RITA BENNETT: You bet.

KAUTH: Other questions? Thank you for your testimony.

RITA BENNETT: Thank you for allowing me to be here.

KAUTH: Are there any other proponents? Any opponents?

ANSLEY FELLERS: Thank you, Chairwoman Kauth and members of the committee. My name is Ansley Fellers, A-n-s-l-e-y F-e-l-l-e-r-s, and I'm here on behalf of the Nebraska Grocery Industry Association, Nebraska Petroleum Marketers and Convenience Store Association, and the Nebraska Federation of Independent Businesses testifying in opposition to LR303CA, the constitutional amendment to provide paid family leave, medical leave. I just wanted to start, I'll switch this around a little bit and thank Senator Cavanaugh. She mentioned that there were efforts a few years ago to work to model some amount of paid family leave process that looked a little bit more like unemployment, where it was an employer-employee partnership, and those conversations were good. Unfortunately, they fell through, and now we're stuck with what passed on the ballot. I also thought-- I know we could have written a letter today, but it was important to sit down and be in front of the committee, given the stuff that's circulating on the ballot right now as well, which would restrict the Legislature's ability to make any changes to these types of mandates, similar to passing a constitutional amendment. I think the Legislature would be very hard-pressed to make changes to something that's passed as a constitutional amendment. The individuals we represent are mostly independent business owners who understand firsthand the necessity of balancing work with life events and family well-being. Our small

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employers operate in an environment shaped by inflation, labor shortages, and narrow profit margins. Workforce policies must be flexible and responsive. The added pressure of mandatory leave amounts to costs that small and mid-size employers struggle to absorb. These added pressures can lead to outcomes that ultimately hurt workers, fewer hires, reduced hours, increased automation, or even store closures. This is particularly true in rural areas and underserved communities where it's already hard to keep stores open. And grocery stores are essential services as well as major employers. Once again, we thank Senator Cavanaugh, we thank the committee. Thank you for your time, and I'm happy to answer any questions.

KAUTH: That was speed record. Senator Raybould.

RAYBOULD: Thank you, Ms. Fellers, for testifying. I, I did read Senator Machaela's [SIC] language on the resolution, and to me it was just pretty glaring because of what we've gone through with some past initiatives not having very clean, clear, concise language. And so that leads to a lot of misunderstanding and misinformation, but the question, too, is would NGIA sponsor a constitutional amendment that said employees may contribute to this type of paid sick leave? Employees, not employers.

ANSLEY FELLERS: I suppose if we could afford it, and those getting something on the ballot, paying paid circulators is a really expensive endeavor, and I know some folks on this committee have heard us previously testify that there, there really is not the amount of money in the Nebraska business community to combat what gets dropped on the ballot here with the national nexus.

RAYBOULD: Because I know four, four states have the employees only contribute to the fund, not the employers.

ANSLEY FELLERS: You know-- yeah, one thing I would love to share with the committee, and I'll do that electronically, would be a chart. We've got a chart that shows the top 20 fastest growing states in the country. The top 5 have a minimum wage below \$7.25 and no paid sick leave mandate. From there, it kind of varies. Nebraska, I think, was 18. We obviously have both. But, you know, only 4, only 4 of the top 20 growing states have a minimum wage above \$7.25 and a paid sick leave mandate. So, like, it's not as though-- I mean, I think folks like to think that these are things that drive, you know, business opportunities and drive employee opportunities and I don't necessarily think that's the case. So we'll share that with the committee.

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RAYBOULD: OK. Thank you.

KAUTH: Just a comment, not necessarily a question.

ANSLEY FELLERS: Sure.

KAUTH: But when we talk about the employee putting into a fund, isn't that just called a savings account?

ANSLEY FELLERS: Right. Well--

KAUTH: Financial literacy might be more important to teach people how to save for emergencies.

ANSLEY FELLERS: Yeah, absolutely. And one thing when we started this, you know, a lot of unemployment. So unemployment is a good example of where employers are paying into a fund. And to some extent, we thought that it could either employees and employers could pay in or it could work a little bit more like unemployment. But that fund would be there for everyone and it would also follow employees. So you wouldn't lose the paid sick leave you've, you've accrued at one employer. You know, it would kind of follow people around. It made a little bit more sense to the business community. We obviously recognize that folks need time off. We want to be, you know, good employers and do the right thing. It just is really difficult when it's a top down. I thought it was really interesting that there was testimony that says this shouldn't be a one size fits all when that's exactly what we have. And then I think senators get skewered for trying to make it not one size fits all, which is nuts. So, yeah, it was interesting.

KAUTH: Thank you very much.

ANSLEY FELLERS: Thank you.

KAUTH: Any other questions? Seeing-- oh, sorry. Senator Hansen.

HANSEN: Thanks. I know I'm supposed to be nonpartisan, but I notice all the states that have passed this kind of law are all Democrat-run states, not one Republican state. So we'll be one of the first ones. Secondly, I noticed when all these benefits began, it's only been within the last 4, maybe 4 to 6 years. Do you think it's prudent maybe for us to wait to see, like, how that is turning out in all these other states that have just recently implemented it? Because out of the 14 that are on here, all of them I think, except for maybe 1 or 2, have implemented it in the last 4 years.

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ANSLEY FELLERS: Yeah.

HANSEN: Do you think it's-- because I noticed when I heard testimony about people in favor of this, we didn't hear a lot of this is how it's worked in other states and how great it is and, you know, it's saving taxpayers money and businesses money. I think they're saying maybe, maybe data, or they're giving us data of businesses who have implemented it themselves, but not so much mandated to run it. So wouldn't you think it's prudent probably to wait and see how these other states are turning out to see maybe what might work out best?

ANSLEY FELLERS: And the impacts I think not just on-- you know, so affordability is the number one talking point, right, this year and the, the-- right now, Nebraska's cost of living has been pretty affordable. I think when you take the minimum wage up to \$15 an hour and you're forcing all these businesses to provide new amounts of paid sick leave, the delta there is going to shrink. It's going to get less and less affordable and that might not be, to your point, felt immediately.

HANSEN: You're saying eggs might be more expensive? They just came down.

ANSLEY FELLERS: It just right now, I know. That's a-- yeah.

HANSEN: OK. Thanks.

ANSLEY FELLERS: Thank you.

KAUTH: Thank you.

ANSLEY FELLERS: Thank you. Appreciate it.

KAUTH: Any other questions? Seeing none,--

ANSLEY FELLERS: Thank you.

KAUTH: --thank you for your testimony. Any other opposition? Anyone in the neutral? OK, and we have 26 proponents, 6 opponents, and 1 neutral. And that will close our hearing on LR303CA.

SORRENTINO: Senator Kauth, you are free to open on LB1173.

KAUTH: Vice Chairman Sorrentino and members of the Business and Labor Committee, my name is Kathleen Kauth, K-a-t-h-l-e-e-n K-a-u-t-h,

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senator for District 31. I'm here today to introduce LB1173. This bill is brought at the request of the Nebraska Department of Labor. This bill is about protecting Nebraska's workforce and ensuring the Department of Labor can continue delivering the services that businesses and workers rely on. Right now, the department is almost entirely dependent on federal funding. That funding continues to shrink or is not available during prolonged federal shutdowns like the one that happened in October of last year. This directly impacts the department's ability to provide core services to Nebraska workers and employers. LB1173 creates a stable state-based funding stream by allowing the Commissioner of Labor to collect a modest annual fee up to \$250 from employers currently subject to Nebraska's Employment Security Law. The fee will be collected through the existing quarterly combined tax and wage reporting process, so it's simple and efficient. These dollars will go into the Contractor and Professional Employer Organization Registration Cash Fund. LB1173 would amend this cash fund to enable the Commissioner to utilize the funds of labor programs like unemployment insurance, wage and hour enforcement, and workforce development. I want to emphasize that the Governor supports this legislation as well as the department's ongoing efforts to maximize efficiency of available funds. But at some point, doing more with less isn't sustainable. This bill helps ensure the department continues to provide core services for the benefit of employers and workers without being at the mercy of federal uncertainty. Following my introduction, the Commissioner of Labor will provide testimony to answer any questions about the bill and offer additional background about the department, the eligible uses of the proposed fee, as well as expand further on the need for this legislation. I know the department has been in communication with individuals from the business community. The Commissioner has expressed to me her commitment to working with Nebraska businesses to address any concerns they may have, and I look forward to working with the business committee and with this committee to make sure we strike the right balance. LB1173 is about stability, fairness, and keeping Nebraska's workforce strong. This concludes my testimony. I'd be happy to answer any questions you may have.

SORRENTINO: Thank you, Senator Kauth. Are there questions of the committee for Senator Kauth? Seeing none, and I understand you will waive close.

KAUTH: I will.

SORRENTINO: Thank you. Our first proponent, please. Welcome, Ms. Thurber.

KATIE THURBER: Thank you. Vice Chairman Sorrentino and members of the Business and Labor Committee, my name is Katie Thurber, K-a-t-i-e T-h-u-r-b-e-r, Commissioner of Labor. I appear before you today in support of LB1173 and want to thank Senator Kauth for introducing this legislation on behalf of the department. LB1173 gives the Commissioner of Labor authority to require employers covered by Nebraska's Employment Security Law to pay an annual filing fee of up to \$250. This annual fee is remitted as part of the employer's quarterly wage reporting process, which keeps the collection mechanism aligned with existing practices. The revenue from this fee would be directed to the Contractor Business and Professional Employer Registration Cash Fund. This bill also amends the allowable uses of the existing fund to reflect the intended purpose of the new fee. Under the proposal, the fund becomes a broader labor administration fund for department programs, including the Employment Security Law, our existing labor standards programs, such as wage and hour, wage payment and collection, child labor, and others. The fund also allows the Commissioner of Labor to request the Governor authorization to transfer funds for workforce development grants authorized under Section 81-407. The Nebraska Department of Labor is approximately 98% federally funded. In recent years, federal funding for the operation of key programs has declined. The department has worked aggressively to create efficiencies and processes without sacrificing quality and customer service. To that end, for the last 12 months, our unemployment benefit program saw a 16.7% increase in throughput, a 32% increase in quality, and a 12.4% decrease in cost per throughput. Our tax department made similar strides with a 14.8% increase in throughput, a 17.6% increase in quality, and a 7.6 decrease in cost per throughput. We are truly doing more with less, but there is a point at which known costs, such as annual cost of living increases for staff and unpredictable operational demands, outpace even the most efficient systems. Without a more stable funding mechanism, these pressures will begin to have a detrimental effect on services to Nebraska workers and employers. Our federal funding dependency causes significant impacts when federal government shutdowns occur. During the most recent shutdown prior to today, which lasted 43 days, many state labor agencies were forced to implement reductions in force because they could not access federal dollars. We strongly believe in the Nebraska way of stretching every dollar we receive, but if the shutdown continued, we would have been forced to consider similar actions to the detriment of our core programs. In summary, this bill provides a stable funding structure ensuring rising demands do not compromise service delivery. This gives the department a steady yet

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flexible funding structure to support the administration and enforcement of the state's labor laws, unemployment system, and workforce programs. I also want the committee to know, as Senator Kauth touched upon, we have maintained ongoing communication with representatives from the business community about this fee. There is concern about applying the same fee to every employer. We value their perspective and are looking forward to further discussions on creating a stably funded labor system that benefits employers and workers alike. This concludes my testimony, and I'm happy to answer any questions that you may have.

SORRENTINO: Thank you. Are there questions from the committee? Yes, Senator Hansen.

HANSEN: OK. Who are the employers we're talking about?

KATIE THURBER: Everyone who pays into the unemployment system.

HANSEN: Is that everybody?

KATIE THURBER: It's roughly 60-some thousand.

HANSEN: 60,000 employers are going to be paying \$250 every quarter.

KATIE THURBER: No, once a year. We're collecting it through the same quarterly report filing process--

HANSEN: Gotcha. OK. OK.

KATIE THURBER: --but it's only once a year.

HANSEN: OK.

KATIE THURBER: And up to, that would be the cap.

HANSEN: Yeah, and then weren't, weren't you just here last week saying that the, the Nebraska's unemployment insurance program had too much money in it?

KATIE THURBER: That's the trust fund available to pay benefits. We are not legally allowed to use that fund for administration.

HANSEN: You can't transfer?

KATIE THURBER: Correct. It's a federal conformity issue to transfer or I would, would have done that.

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HANSEN: That's a bummer, we've got so much money sitting over here, now we can start charging people for this.

KATIE THURBER: Yes, it, it, it, it is a flaw in the system design. I can tell you, I wasn't alone, a group of labor counterparts met with the federal Ways and Means Committee last fall, I think it was, and discussed the funding issues because it's every state.

HANSEN: OK. And I'm not surprised that the federal government is cutting stuff, I mean, they're going to be doing it all over the place for a while here, so. All right. Thanks.

KATIE THURBER: Yes.

SORRENTINO: Yes, Senator, go-- Senator Raybould, please.

RAYBOULD: Thank you so much for coming to testify, Ms. Thurber. So I'm looking at the fiscal note, and in that little chart, it shows fee of \$50 and the revenue generated. So right now, are we charging a fee?

KATIE THURBER: No, we are not.

RAYBOULD: And so what does that chart with the various--

KATIE THURBER: Well, because the way the legislation is drafted is it's up to \$250. So that's the absolute maximum that we could bring in is just almost \$15 million. And the \$50 fee would bring in just under \$3 million. So it showed a range of what this fee could potentially bring in.

RAYBOULD: And so, with all this, all that additional revenue, it would go towards your administrative expenses and--

KATIE THURBER: A plethora of programs: unemployment, Wagner-Peyser, WIOA, labor-- all of the labor standards programs, and we've specifically made sure to put in a provision for the workforce development grants as well.

RAYBOULD: So what, what fund sources currently for the workforce development grants, they're from the federal dollars that are shrinking and you're--

KATIE THURBER: So right now the way we work is we're about 98% federally funded, and so for the workforce development grants, that actually is funded through the SUIT tax, so that is currently state

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funded. This would just make it one more avenue that could be used for that so that in theory we wouldn't always need as much of the SUIT. The UI Admin is 100% federally funded. That's a formula federal grant. WIOA and Wagner-Peyser are both federal workforce programs that are 100% federally funded. Examples of the Wagner-Peyser uses, Senator Ibach [SIC], that's the funding we're using for the Lexington Tyson response right now. So this would potentially have state funds for some of those types of things as well.

RAYBOULD: So by showing us that, that fee calculation starting at \$50 on an annual basis all the way up to \$250, is that left at your discretion or do you have a, a plan outlined on a progression so that businesses aren't slapped with this fee as, as a retired business owner? I guess I'm retired from the day-to-day operations, but I think from being on Agriculture and Natural Resources we're seeing fees is the-- like the in-hip thing to do now to charge a lot of fees for everything. You know, businesses are getting hit left and right from you name what committee. They're coming up with all these fees structures that should be implemented and I'm, I'm thinking why?

KATIE THURBER: Well, do you want me to start with the why or the other first part of the question?

RAYBOULD: The first part. How do you-- I mean, what are you anticipating requesting for fiscal year 2025, '26, and '27 to '28 and--

KATIE THURBER: I can safely say I'm not 100% certain, and I think that's part of why there will be some opposition testimony that will come in after this is because I, I would agree that just saying it could be up to \$250 but then not knowing what that is creates an uncertainty, and I that's a fair and valid point. As far as the why, I can tell you. So for example, the shutdown that occurred in October started October 1. We're on a federal fiscal year. So that's the start of our fiscal year, so for FY '25-26, we did not receive any of our FY '25 money until December 10 of 2025. So for all of October, November, and part of December, we had no funding to support us. Fortunately, we were in a position where there were some additional funds that were one-time funds that had some remaining dollar amounts, other states had to lay off even their unemployment program. And so that puts us at a big risk without having something available and that was when this legislative idea came up is how can we prevent against that harm of not being able to provide that valuable resource.

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RAYBOULD: OK. Thank you.

KATIE THURBER: Mm-hmm.

SORRENTINO: Senator Meyer.

F. MEYER: So I'm still a little unclear on the \$250, maybe you said it over there where I couldn't hear it over here. So say I'm a contractor with two employees, the first quarter would end April 1, March 31 of my calendar year, fiscal year. So April 15, I would have to add \$250 to my withholding?

KATIE THURBER: Yes, so right now when you file that first quarter, there'd be-- if this passes, then we'd charge the annual filing fee of \$250 and that's due April 30. It's the month following the completion of the quarter.

F. MEYER: So it's just, no matter how many employees, it's \$250.

KATIE THURBER: Yes, and that is something the business community has raised is looking at employee account or wage account or something. I will tell you with how our system works, employee account is a bit of a technical challenge. We're even running into it like on the Healthy Families, I forget the name of the bill, but the sick leave. Counting to 10 or 20 seems easy, but if you're replaced in our system, it doesn't show that you were replaced. It just shows you had-- let's say I worked for you and then I left and you refilled me. I wouldn't know that you refilled me so that would count as two instead of one. So--

F. MEYER: So, yeah, I understand that, that's fine.

KATIE THURBER: That part gets a little technical and messy, but we're not opposed to coming up with something like that and having those conversations because it does seem odd that 2 and 1,000 might be charged the same.

F. MEYER: It's just we're sitting here all afternoon and it seems like I got to pay \$250 here, I got to pay 8 weeks of paid family sick leave, 12 weeks of family sick leave. And I, I build 6 houses a year in my small town Nebraska, which we-- another bill said, well, we need housing in small town Nebraska. Well, where is push comes to shove when all of those costs keep adding to the contractor who's trying to make a living and maybe pay 2 other guys to work for him? I mean, that's, that's the real world, it's not the 1,000 employees. The real world is 2, 3, 4 employees trying to build a couple houses in a small

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town Nebraska and, and make a living themselves, so. Thank you for your testimony.

KATIE THURBER: Yes.

SORRENTINO: Senator Hansen.

HANSEN: Just to remind me, because I can't remember, employers covered by the Nebraska Employment Security Law, are they required to do that or to be covered by, like--

KATIE THURBER: Yes, so it's not optional to be covered by the Employment Security Law. If you meet the requirements, you're covered. And in return what that gets you at the federal level is a tax credit. I can't remember the math but it's, oh, I want to say it's, it's several million if not billion dollars that saves Nebraska employers to have a compliant system. It's the--

HANSEN: That's, that's maybe the rub I have. We're requiring to be a part of this, but then we charge them a filing fee that they're required to do.

KATIE THURBER: Yes.

HANSEN: OK. Thanks.

SORRENTINO: Any further questions?

IBACH: I have one.

SORRENTINO: Thank you for your test-- oh, I'm sorry. Senator Ibach.

IBACH: I just have an observation, too, because I, like Senator Hansen, are trying to do the math for my own operation. How do we sell this to our citizens or our business owners?

KATIE THURBER: Well, here's the thing--

IBACH: Is it, is it insurance? Is it--

KATIE THURBER: When you look at-- it is several programs we're talking about. So let's just choose one. We'll choose unemployment. If you want to choose a different one, let me know. But for unemployment, that's not just individuals that benefit. That's employers that benefit as well. And so that truly is an insurance program. It's not a welfare program. It is an insurance program. We've gone from roughly

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\$15 million in federal funds to under \$14 million in federal funds in our admin award. There's all-- all indications is that that won't go up anytime soon. And so being able to continue that program at the same level of quality starts to become a pretty big challenge. And so I came up with one proposal that would potentially give us a way to fund administratively, that's not to say there aren't better ideas and I'd be open to those ideas, but the bottom line is the funding level to carry out the quality and the quantity of the programs that benefit both employers and employees just isn't there.

IBACH: OK. Thank you.

SORRENTINO: Any further questions? Thank you for your testimony, Ms. Thurber.

KATIE THURBER: Thank you.

SORRENTINO: Next proponent, please. Welcome, Mr. Sedlacek.

RON SEDLACEK: Senator Sorrentino and members of the Business and Labor Committee, good afternoon. For the record, my name is Ron Sedlacek, R-o-n S-e-d-l-a-c-e-k. I'm here on behalf of the Nebraska Chamber of Commerce and the Greater Omaha Chamber of Commerce, testifying in opposition to LB1173. The arguments that we have-- would like to put before you are that-- have already really been expressed by members of the committee. Does a one-size-fit-all \$250 fee, is that, is that fair to someone who has a part-time employee and equally apply to the largest corporations in Nebraska? Secondly, we believe that the SUIT fund that was originally brought to the Legislature, the SUIT being the State Unemployment Insurance Tax, which is an additional tax, was for the idea of keeping the trust fund solvent and then to use interest on that money for workforce development. That money's been swept to some degree and those taxes paid then, there's some left in the trust fund, but a lot is going to other purposes. As a result then now, the proposition is that part of this new money, this new revenue would be used for the, for the same purpose and that'd be in part for workforce development. However, we do recognize that as being valuable. So we kind of split a little bit in our membership in regard to the usage of the fees. If you're in retail or hospitality or restaurant business, you might not be able to take advantage of those programs. If you're-- however, if you're a manufacturer, you may. And so the question becomes, is that a matter of fairness in regard to how that portion of the fees would be allocated? So we've had a little bit of pushback in that regard. Also, there was the, the same question as

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to paying a tax to file a tax, essentially. Is that what's going to be a new precedent for government? Every time you have to have a fee to file, something that's required by government. So we are working with the Department of Labor. We've talked with them about some ideas in working this out. So this is a little bit of a soft opposition in that regard. We do see value in what they're doing, because an enforcement area, everybody-- it applies to everyone. And maybe we ought to be paying something for enforcement for all these various programs, including imposed programs like paid sick leave and enforcement in that regard. But, nonetheless, we do have issues in regard to how that fee might be structured. Perhaps if an employer is not rated yet, maybe they shouldn't be filing a fee in that regard until they do get rated, maybe that will be looking at level of employment or, or income compensation and so forth. And my time's up.

SORRENTINO: Thank you for your testimony, Mr. Sedlacek. To be clear, you are testifying in opposition to LB1773, correct?

RON SEDLACEK: Correct. There was no one in the room-- I'm sorry, I should have waited until you called--

SORRENTINO: That's completely fine.

RON SEDLACEK: --but no one in the room was going to support the legislation so I came up.

SORRENTINO: Are there questions? Senator Raybould.

RAYBOULD: Thank you, Ron, for testifying. I have a question. So when you said some fees were swept, were you referencing the interest was swept?

RON SEDLACEK: Actually, the corpus of the, of the, of SUIT, of the State Unemployment Insurance Fund, if you recall a couple sessions back, that swept took place.

RAYBOULD: OK.

RON SEDLACEK: And Senator Hansen can probably fill you in on all the details.

RAYBOULD: And so that can be used for administrative and other things or it just went to the General Fund?

RON SEDLACEK: It went to the General Fund.

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RAYBOULD: And away from the department?

RON SEDLACEK: Correct.

SORRENTINO: Thank you. Any other questions for Mr. Sedlacek?

RON SEDLACEK: Not, not the entire map.

RAYBOULD: Well, not the entire map, but how gracious.

_____ : I can explain it to you.

RAYBOULD: OK.

SORRENTINO: Further questions from anyone on the committee? Thank you for your testimony.

RON SEDLACEK: Thank you.

SORRENTINO: Are there any other opponents? Welcome back, Ms. Fellers.

ANSLEY FELLERS: Thank you, Chair Sorrentino and members of the committee. My name is Ansley Fellers, A-n-s-l-e-y F-e-l-l-e-r-s, and I'm here on behalf of the Nebraska Grocery Industry Association and the Nebraska Federation of Independent Businesses, testifying in opposition to LB1173. And I don't think I have a lot more to say than Mr. Sedlacek covered. I just want to, you know, mention that we told Senator Kauth, we told the department we'd be willing to work on this. I thought I would just hit again, I thought Senator Meyer mentioned something that's really important to us, which is, you know, the department has been given a lot more to do over the last couple of years with the paid sick leave mandate, and if given the choice between having more for them to do and paying more, and having less for them do and paying less, I think we'd all take the latter. So, yeah, we're just happy to answer any questions. Thank you.

SORRENTINO: Thank you. Questions of Ms. Fellers? Seeing none, thank you for your testimony.

ANSLEY FELLERS: Thank you.

SORRENTINO: Is there anyone who wishes to oppose [SIC] in the nuclear capa-- neutral capacity? Nuclear? Seeing none, we had two online comments, both of them opposing LB1173. That closes our testimony on LB1173 and our hearings for the day.