

Transcript Prepared by Clerk of the Legislature Transcribers Office
Executive Board February 12, 2026
Rough Draft

HANSEN: All right. Good afternoon and welcome to the Executive Board. My name is Senator Ben Hansen and I represent the 16th Legislative District in, in Washington, Burt, Cuming, and parts of Stanton Counties, and I serve as Chair of the Executive Board. I would like to invite the members of the committee to introduce themselves starting at my right with Senator Clements.

CLEMENTS: Rob Clements, District 2.

McKINNEY: Terrell McKinney, District 11.

BALLARD: Beau Ballard, District 21.

BOSTAR: Eliot Bostar, District 29.

DORN: Myron Dorn, District 30.

FREDRICKSON: John Fredrickson, District 20.

JACOBSON: Mike Jacobson, District 42.

HANSEN: Also assisting the committee is our legal counsel Benson Wallace, our committee clerk Natalie Schunk, and our committee, committee page Joel. A few notes about our policy and procedures, please turn off or silence your cell phones. We'll be hearing two bills and we'll be taking them in the order listed outside of the hearing room. On the table near the door to the hearing room, you'll find green testifier sheets. If you are planning to testify today, please fill one out and hand it to the page when you come up to testify. This will help us keep an accurate record of the hearing. If you are not testifying at the microphone but want to go on record as having a position on a bill being heard today, there are yellow sign-in sheets at the entrance where you may leave your name and other pertinent information. Also, I would note if you are not testifying but have an online position comment to submit, the Legislature's policy is that all comments for the record must be received by the committee by 8 a.m. the day of the hearing. Any handouts submitted by testifiers will also be included as part of the record as exhibits. We would ask if you do have any handouts that you please bring 12 copies and give them to the page. We will use a light system for testifying. Each testifier will have 3 minutes to testify. When you begin, the light will be green. When the light turns yellow, that means you have 1 minute left. When the light turns red, it is time to end your testimony and we will ask that you wrap up your final thoughts. When

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Rough Draft

you come up to testify, please begin by stating your name clearly into the microphone and then please spell both your first and last name. The hearing will begin with each introducer giving an opening statement. We will then hear from supporters of the bill, then from those in opposition, followed by those speaking in a neutral capacity. The introducer of the bill will then be given the opportunity to make closing statements if they wish to do so. On a side note, the reading of testimony that is not your own is not allowed unless previously approved, and we do have a strict no-prop policy in this committee. So with that, we'll begin the hearing on LB1049, and you are more than welcome to open.

TYLER MAHOOD: Good afternoon, Chairman Hansen and members of the Executive Board. My name is Tyler Mahood, that is spelled T-y-l-e-r M-a-h-o-o-d, and I am Senator Ibach's legislative aide. She apologizes she cannot attend today so I am here in her place, and on behalf of Senator Ibach I bring LB1049 for your consideration. A year ago the Executive Board held a hearing on Senator Riepe's LB366, a bill known as the REINS Act. LB366 would have given the Legislature a second chance to oversee regulations promulgated by the executive branch under new legislation requiring, requiring an economic analysis for major regulations that could impose high costs on individuals and businesses in Nebraska. That bill, however, had a significant fiscal note as it would have created a new office. LB366 remains in committee and it is her understanding that the sponsor has decided not to pursue any changes to make it more palatable during the session. That being said, Senator Ibach believes it's worthwhile to make the Legislature more aware of the potential broader economic consequences of the legislation that passes, not just the cost of regulations to the government. Last fall, the senator attended a workshop sponsored by the Pacific Legal Foundation, which you will hear from shortly. In conversations emerged from-- that emerged from that workshop, she concluded that rather than waiting for a bill to be passed into law, then for regulations to be promulgated, then for those regulations to be analyzed for major regulation status, and then for the result to be sent to the Legislature for approval, as Senator Riepe's bill would have done, something that could occur after many of those who voted on the original legislation were no longer in the Legislature. A more proactive approach might make sense. That proactive approach was adopted, which-- that was adopted is based upon the current fiscal note process. You will find this approach in Section 1 of LB1049. This approach would require the Fiscal Office to provide, along with the fiscal note, an economic impact report for any bill introduced that

anticipates regulatory action. As with all fiscal notes, we anticipate that this will be a best guess, not a detailed analysis or a final award. But as you will hear from the Platte Institute's intern in a few minutes and from one of our other testifiers, this process could be likely completed in minutes by the same people who provide fiscal agency fiscal notes-- who provide agency fiscal notes using standard AI tools. This additional element in the fiscal note would not-- would be required for only those bills that would anticipate regulatory action. The advantage of this approach is that it informs legislators of the potential impact-- of the potential economic cost before a bill even leaves committee. It may be that the Legislature determines that the bill is critical to the state and-- state's health and safety and that the costs are warranted. But she thinks it's important when the Legislature passes any new legislation that we go into it with our eyes open and consider the cost of what we are doing for Nebraska's individuals and business community. The final element of this bill is found in subsection (5) of Section 2. The Secretary of State is the keeper of records of all rules and regulations promulgated by the state and approved by the Governor. The added requirement in LB1049 would require the Secretary of State to compile a single report of all regulations promulgated during that year, indexed by agencies, and submitted to the Clerk of the Legislature. All of this information can already be found by individuals who scour the rules and regulations docket on the Secretary of State's website. But it is our hope that through an annual report submitted to the Clerk of the Legislature, it will provide another data point for legislators seeking to understand how legislation passed by this body affects the citizens of the state. Now, since she's not here, I will also be emailing you a copy of the opening for your records. But with that, I will close and allow others working in this field to provide you with more information on this bill. Thank you.

HANSEN: All right. Well, I know a lot of us had some very difficult questions for you, but since we can't ask you, sorry.

TYLER MAHOOD: I'm sorry.

HANSEN: All right. We'll take our first testifier in support of LB1049.

LAURA EBKE: Good afternoon, Chairman Hansen and members of the Executive Board. My name is Laura Ebke, L-a-u-r-a E-b-k-e, and I am a senior policy fellow at the Platte Institute. I want to thank Senator Ibach for introducing LB1049 and Mr. Mahood for presenting it on her

behalf today. I'm sorry that she couldn't be here. As you know, the Platte Institute has been actively working for some years to identify ways to reduce barriers to individual and business opportunity in our state. From occupational licensing reform to our broader work in regulatory reform, we believe that excessive regulation stifles growth and opportunity. Too often, legislators pass well-intentioned laws without fully understanding the potential impact of regulatory action on businesses and individuals. This bill seeks to help legislators better understand the consequences of laws for their constituents. As the fiscal notes help, help us to understand the cost of legislation to the government, these economic analyzes would do the same for nongovernment-- the nongovernment sector. As with fiscal notes, the economic analyzes would be best guesses that could, that could, ultimately, result in higher or lower costs, but it does provide us with a starting point that I think is important. With modern technology, the time necessary for these analyzes is minimal and doesn't necessarily require any special expertise. In a few minutes, you'll hear from the Platte Institute's college intern. He ran a couple of current bills, some I think were introduced by some of you all, through an AI-generated analysis to give, give us an idea about their regulatory costs to those regulated. I focused on Section 1 of the bill so far, and I understand that there may be a concern with the fiscal note for, for this portion of the bill. Those coming behind me will be able to address the practical costs of conducting the analysis, but I would especially ask you to consider this: the analyzes could be done using free technology as part of the, as part of the request of the agencies. The requests are for estimated numbers, not hard and fast commitments. And subsection (4) of Section 1 specifically asks that state agencies cooperate with the Legislative Fiscal Office. So that said, if that is indeed a sticking point for moving this bill, we do have some alternative ideas that we're, we're happy to work with the committee on. Some that would be less substantive in terms of an amendment that would help us get started on the right path, at least, to providing better information to legislators. Just a comment about Section 2 of the bill, that asks the Secretary of State using the data that's already collected under his authority to provide a simple report at the end of the calendar year to the Clerk of the Legislature concerning rules and regulations adopted or amended during the previous year. We, again, believe that this provides another easily accessible and concise data point for legislators to look at. And so if you have any questions, I guess I'm first up, I'll be happy to answer any if you have, have any.

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HANSEN: All right, thank you. Are there questions from the committee?
Speaker Arch.

ARCH: Thank you. And thank you for your, your testimony today. I, I
have two questions.

LAURA EBKE: OK.

ARCH: Did you happen to take a look-- well, look, they're kind of--
they go together.

LAURA EBKE: OK.

ARCH: How is it determined what bills-- it says a bill that would
require an agency to take regulatory action if the bill becomes law.
How-- what has to be in the bill for you-- for this to qualify?

LAURA EBKE: I think-- we don't have specific wording on that,
obviously, but I think typically what you're going to see is if the
agency reports in its fiscal note that they need extra-- you know,
they're going to need extra bodies to, to, to do anything, that that
would be a requirement. Anything that, that calls upon the agency to
actually regulate, that that would require. I ran an AI, I just did a
search of all the bills that have been introduced this year just to
see if I could get some sort of a rough number. It looked to me like
about a third of the bills that were introduced this year would
probably have some sort of a regulatory component.

ARCH: OK, that-- and that was my second question. Did you happen to do
that for, for instance, a full year of 2025?

LAURA EBKE: I did it for all of the 2026 bills.

ARCH: 2026.

LAURA EBKE: I didn't do 2025.

ARCH: About a, about a third--

LAURA EBKE: About a third would require some sort of regulatory note.
Yeah.

ARCH: Based on-- I mean, you, obviously, had some criteria for what
bill would qualify or require this. So it's more than just-- it isn't
necessary, it isn't necessary to have in the bill the language, and

Transcript Prepared by Clerk of the Legislature Transcribers Office
Executive Board February 12, 2026
Rough Draft

the agency is hereby authorized to promulgate rules and regulations. It isn't as clean as that. There would be other bills that would qualify as well.

LAURA EBKE: Right.

ARCH: Thank you.

LAURA EBKE: Mm-hmm.

HANSEN: Any other questions? All right. Seeing none, thank you.

LAURA EBKE: Thank you.

HANSEN: We'll take our next testifier in support of LB1049. Welcome.

EMILY AMIN: Welcome. Well, thank you. Good afternoon, members of the committee. And thank you so much for the opportunity to testify today. My name is Emily Amin, that's E-m-i-l-y A-m-i-n, and I serve as State Policy Council at Pacific Legal Foundation. PLF is a nonprofit public interest law firm that defends Americans' individual liberties when they're threatened by government overreach and abuse. As part of this work, we strive to protect the separation of powers, both in courts and legislators across the country. When the legislator passes a bill that requires an agency to adopt or change a rule, the economic effects of that action are often not fully reflected in a traditional fiscal note. Those regulations can affect businesses, property owners, home builders, and working families in significant ways. But when the legislator votes on a bill, they typically receive only that fiscal note showing the impact on state spending and not these broader economic consequences. LB1049 would fill this gap. It is important to note that this bill does not block regulations or reduce agency authority. It also does not create new approval hurdles. It simply ensures that before statutory authority is granted that will lead to regulatory action, the economic consequences are clearly analyzed and presented. And Nebraska would not be alone in this. As of now, a majority of states, 28, require a cost-benefit analysis for rulemaking. This bill would also improve transparency going forward by requiring the Secretary of State to submit an annual agency-indexed report detailing how many new and amended rules were adopted each year. From this, the legislator will have a clearer picture of regulatory activity across state government and be able to determine whether delegated authority is being exercised as intended and to make

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Executive Board February 12, 2026
Rough Draft

adjustments if it is not. For these reasons, PLF respectfully urges your support of LB1049. Thank you.

HANSEN: Thank you. Any questions from the committee? Seeing none, thank you. Next testifier in support. Welcome.

JAKOB MYERS: Thank you. Good afternoon, members of the committee. My name is Jakob Myers, that is spelled J-a-k-o-b M-y-e-r-s. I'm currently serving as the staff intern for the Platte Institute, and I'm here to speak on behalf of LB1049, specifically discussing the process that I got to partake in when analyzing and demonstrating the usefulness of this bill. As has already been mentioned by my colleague, the benefit of this bill comes in the form of using specific AI tools to analyze the economic impact of certain bills. So I'd love for you to take, take a peek at the pamphlet that's been handed out that demonstrates, first, a template that was put into different AI models, and then several bills that I took and used that template for. The basic pieces of the template that you'll see are four main questions that try to measure who this bill might impact and what-- how to quantify such an impact. Then I point you to the third, fourth, and fifth page of the packet where you can see three different bills, LB861, LB771, and LB719, that I took and put through several AI models. Simple, basic, large-language models such as ChatGPT, Claude, Grok, and Gemini to get a picture of what the impact may be. Now, as you can see, this is fairly rudimentary and basic analysis of such bills. However, the impact of this is to show that this can be done by pretty much any individual, such as myself, to show the impact that a bill might have on the economy. I think this is an excellent example of why the fiscal impact of this bill is minimal and rather the process of actually running economic analyzes on bills that might have a regulatory impact is fairly simple. With that said, I'd love to answer any questions if there are any.

HANSEN: Any questions? Senator Fredrickson.

FREDRICKSON: Thank you, Chair Hansen. Thank you for being here and for your testimony.

JAKOB MYERS: Yes, sir.

FREDRICKSON: So-- and thank you for putting this together. So, you know, one question I have, and I don't know, I, I feel like I'm not that old, but when I look at AI, it always makes me feel a bit older and older, because it evolves so much.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Executive Board February 12, 2026
Rough Draft

JAKOB MYERS: Certainly.

FREDRICKSON: Can you speak a bit more to the idea of utilizing AI for these types of analyzes versus using a, a human, right, like someone who's training physical analysts and sort of-- and, and to sort of, maybe, go a bit further with that, you know, I would imagine, and I'm willing to be wrong here, but I would imagine a lot of the algorithms used in AI are global use versus like we might have a fiscal analyst who has a real expertise on, on the state, kind of local impacts. Can you, maybe, shed some light on that, please?

JAKOB MYERS: Yeah, I'd love to share a little bit on, on the exact process that I went through when putting this in. Overall speaking, one of the, the major benefits of using AI systems, I believe the, the AI system that I reported in the handout is ChatGBT. As I mentioned, I used several others just to cross-check the answers I was receiving is simply the time used. I would say on average to produce the numbers that you see in front of you was less than 10 minutes per bill. This goes to show the efficiency of analyzing these bills through using AI models. Now, one of the benefits of AI models is you can go broadly and just ask everything at once. However, you can also go step by step, and that's very specific questions, and then ask where did you source these numbers and this information? That was something that I did through a bunch of different bills through this template analysis. So the benefit of that is rather than getting super broad answers, you most certainly can step and ask further questions, asking it to source its information. But I believe the large benefit of, of using this approach is simply the time used.

FREDRICKSON: Understood. Thank you.

HANSEN: Senator Jacobson.

JACOBSON: I'm a little-- still kind of a little perplexed on what we're trying to accomplish here. I, I know you're-- in your [INAUDIBLE], you mentioned LB719, and, and I didn't hardly recognize the bill. It's my bill, I don't hardly recognize it when I read it here.

JAKOB MYERS: Certainly.

JACOBSON: And, and it seems like this kind of missed the point of the bill. The bill was pretty simple, which was simply to allow for rail parks to be able to utilize the matching funds that were available to

go off the land that they owned and be able to put needed infrastructure. So pretty important bill or a rail park is kind of worthless. I don't-- I'm not sure what I'm supposed to glean from this other than there's a \$250 estimated initial cost. I don't know where that comes from. This is just giving authorization for the, the, the, the rail park operators to be able to do this action. There's no cost to really do that and, yet, we found one. So part of what I look at here is the distrust of how good the AI models are to really give us important useful information. And I'm not sure, at the end of the day, what we're supposed to do in real time bringing bills to the floor, getting fiscal notes as best we can, and maybe they can be used through some of this. But I, I, I guess this particular example makes me distrustful of what we're trying to accomplish because this seems to come to the wrong conclusion. So I'm just-- what are we supposed to conclude? I don't know whether you've looked at this on LB719, read the bill, read this, do they look the same?

JAKOB MYERS: Yeah, look the same in the sense of different models and what they--

JACOBSON: Well, in the sense of what they're trying to accomplish.

JAKOB MYERS: Yeah. So the, the benefit of this analysis is it's not-- right, the fiscal note is very specific cost to the government that we can quantify exactly. The benefit of the economic regulatory analysis is it is looking far more into the externality set of things. What are effects that might happen to the bill that is not clearly seen in, like, a fiscal note? So the use of analysis of this sort is it's estimating here are costs that may happen. As was previously mentioned, it's not a guarantee, it's not a specific number that we know. This is the price it will cost or the exact impact it will have, but is giving an estimation as to what could occur and what may not have been immediately assumed when the bill was first--

JACOBSON: Well, the bill is authorizing an action to take place. That's it.

JAKOB MYERS: So then analysis of--

JACOBSON: I'm just perplexed by this. This, this seems to be going off in never-never land, and it's totally missing the point of the bill. So I'm just-- I'm, I'm, I'm not a believer. Thank you.

JAKOB MYERS: Yes, sir.

Transcript Prepared by Clerk of the Legislature Transcribers Office

Executive Board February 12, 2026

Rough Draft

HANSEN: Any other questions? All right. Seeing none, thanks for coming.

JAKOB MYERS: Thank you very much.

HANSEN: Take our next testifier in support of LB1049. Welcome.

REEVE BULL: Good afternoon. Thank you for the opportunity to come and speak with you this afternoon. My name is Reeve Bull, that's R-e-e-v-e B-u-l-l. I recently left government service as the Director of Virginia's Office of Regulatory Management. And I'd like to speak to some of our experiences in Virginia and how I think they are useful to Nebraska as they consider this bill. And my primary point is that a cost-benefit analysis from our experience doesn't have to cost all that much and the benefits can be quite significant. So in 2022, Governor Youngkin, for whom I worked, issued an executive order that required agencies to do cost-benefit analyzes on all regulations they issued, which were roughly around 200 to 300 per year, as well as all of the guidance documents that, that they issued, which are several hundred additional documents per year. My office was tasked with overseeing this work, and we were an office of around four people, of those, around one to two full-time employees would spend a significant amount of their time working with agencies reviewing the analyzes that the agencies prepared. We also prepared resources for agencies to help them do the cost-benefit analysis. In our experience with the agencies, we're able to do this without hiring additional staff. I think the reason is that the majority of regulations are really pretty straightforward. The analyzes usually averaged around 10 pages or so. It's very rare that they would exceed 20 pages. The agencies were able to, to do this work as part of the general regulatory analysis that they were already doing. At the time, the analyzes were prepared by hand, since then, as, as you've heard, artificial intelligence technology has advanced significantly. We did, in fact, have a pilot program where we had a vendor that used an AI program on a handful of regulations, and their experience was that the analysis could be done around 15 to 20 minutes or so. Of course, a human reviewer does need to review those analyzes, but the AI system, we thought did a good job of indicating first what the of the, you know, document was so that you could check that and any time it was making an assumption it would say that as well so it allows the human reviewers to engage with those analyzes. So I think overall, you know, the cost of doing cost-benefit analysis are, from our experience, reasonably low and getting lower every day as a result of advances in AI. Now, what are the benefits? So our work overall across the Youngkin administration and regulatory

Transcript Prepared by Clerk of the Legislature Transcribers Office
Executive Board February 12, 2026
Rough Draft

reform, we estimate we were able to save Virginia citizens \$1.4 billion per year as a result of regulatory reforms we implemented. And cost-benefit analysis was a big part of being able to pinpoint those savings and be able to really maximize benefits and, and minimize the cost. Ultimately, this should produce economic growth, which in the long term should really expand revenue for government. So for these reasons I support the bill, I would be happy to answer any questions that the committee members have.

HANSEN: All right. Thank you for coming.

REEVE BULL: Thank you.

HANSEN: So any questions from the committee? Senator Ballard.

BALLARD: Thank you, Chair. Thank you for being here, Mr. Bull. So take-- walk me through how this works. So in Virginia, so did you do on-- did you perform an analysis on every-- it's none, none, no legislation if I'm understanding your testimony correctly.

REEVE BULL: That is correct. It is on the regulations themselves that were issued.

BALLARD: So this body passes a bill and then sends to rules and regs and then that's when you do your analysis.

REEVE BULL: That is correct.

BALLARD: So it, it wouldn't be in discussion for, for this purpose. It would be after everything is done.

REEVE BULL: It would be while the regulation is being issued, passed.

BALLARD: OK, so bills are being passed and then-- OK. I appreciate it. Thank you so much.

REEVE BULL: Yes, sir.

HANSEN: I got a question. So did you ever do cost-benefit analysis like on agencies themselves that were created, or committees, or boards, or, you know, like to that, to that extent, like more on the entities or the agencies?

REEVE BULL: We did not, we did not. Our analysis was limited to the actual discrete regulation. So if that agency were to issue a

regulation, then we would review that, but not on the sort of overall agency itself.

HANSEN: OK. All right. Thanks. Seeing no other questions, thank you. All right. Anybody else wishing to testify in favor of LB1049? OK. Seeing none, anybody wishing to testify in opposition to LB1049? Seeing none, anyone wishing to testify in the neutral capacity?

KEISHA PATENT: Hello.

HANSEN: Welcome.

KEISHA PATENT: Thanks. My name is Keisha Patent, that's K-e-i-s-h-a P-a-t-e-n-t, and I'm the Legislative Fiscal Analyst. I'm passing out a copy of my testimony today. So I don't know that I need to read it specifically, but I will go through a few points that I think are important relative to Section 1 of the bill that relates to our office. We're happy to do these sorts of analysis for the Legislature. I think it's within the purview of our office. We have some software tools, modeling software, that kind of thing that, that we could utilize to do that. I do have a lot of concerns about the number of bills that this would apply to, the adequacy of the information that we could provide, and the short deadline that we would face doing this particular work as laid out in LB1049. Just for reference, by requiring the same-- this report along with the fiscal note, we do a fiscal note on every single bill over the course of about 6 weeks to 2 months, depending on whether it's a short session or a long session. So that's 25 to 30 bills every day. So even if this would only apply to half the bills, which I think is possible, that's, you know, 15, 15 of these reports every day. I do also-- my interpretation of the contents of the report are more in depth and more involved than perhaps what's been discussed related to these cost-benefit studies. So I have been thinking of this in the context of that it would take a significant-- significantly higher amount of time than 10 to 15 minutes. We don't even prepare a fiscal note in 10 to 15 minutes unless it's a shell bill that doesn't actually change anything except maybe put an, put an X somewhere or something. So I, I think that based on how we present information as a Fiscal Office and the type of the quality of work that we are trying to present to the Legislature, I, I see this as a much more in-depth process perhaps as outlined in the, the text of the bill, LB1049. And that's why you probably saw on the fiscal note that I, I-- we actually didn't put an estimate relative to how much staff this would require because I'm not actually sure based on how I read the bill and what is required in these reports and the

number of bills it would apply to and the timing that we could actually accomplish this for every bill and put forth a quality product. This goes to Senator Jacobson's point a little bit. Even a fiscal note sometimes can be very complicated to write because of the nuances of the bill and how it relates to other sections of law that are not being amended in the bill, prior actions by the, by the Legislature, previously adopted regulations, those sorts of things. And so it's, it's my understanding that it would require quite a bit more time in analysis in our office in order to put forth a product that would be helpful to the Legislature to make these, these decisions. I have also been contacted by a few agencies that are concerned that they would be required to provide a significant amount of data relative to these reports and it could lead to increased costs. For them, of course, there are several agencies that have people who complete fiscal notes, sometimes whole teams of people, and they are already occupied with those, those activities. This would be an additional, additional requirement. So it depends on the complexity and the, the breadth of information that we would be requesting from them. I do-- I did have some information from NCSL related to fiscal notes and fiscal impact statements that are prepared by other states. Not specifically cost-benefit analysis of regulations, but related to fiscal notes and fiscal impact statements, there are a handful of states that do include information about private sector impact or demographic impact, but there are generally some parameters around, you know, which bills those apply to or it's in limited circumstances, those sorts of things. So I did include in my testimony some, some possibilities relative to parameters that could be placed on this that, that would allow us to utilize our existing staff more to accomplish this particular additional requirement, could be designating a certain number of bills rather than having it apply to any, any bill that would be regulatory. It could be part of the interim study process which would help us allow our, our current staff to do more of the work and require less additional staff and also the, the contents of the reports themselves, obviously the more complex they are, the longer they take and the more, more staff we would need. So those are some, some suggestions to consider relative to placing some, some additional parameters on it. I would also point out that the fiscal note process itself is in legislative rule. It is not a statutory process. And if it's something that needs to be added to the fiscal note process, it could, it could be done in your legislative rules. And I'll stop there and ask if there are any questions.

HANSEN: Senator Clements.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Executive Board February 12, 2026
Rough Draft

CLEMENTS: Thank you, Chair. Thank you for being here, Director. I'm not sure that some, some of the committee knows that fiscal analysts don't just do fiscal notes during the session. Could you talk about what they do with regarding the budget as well?

KEISHA PATENT: Yeah, so the analysts in, in our office have two main responsibilities during the session and every analyst prepares fiscal notes, works with agencies related to fiscal notes, and they also work with the agencies and help the Legislature and the Appropriations Committee relative to the state budget. So they're assigned a group of agencies and they are responsible for fiscal notes related to bills affecting those agencies as well as any budget issues that arise, information gathering, briefing.

CLEMENTS: And during session, are they often here after 5:00?

KEISHA PATENT: Yes.

CLEMENTS: I know they were this week a couple of days.

KEISHA PATENT: They were.

CLEMENTS: We have an analyst in Appropriations Committee every day hearing, hearing our bills and agency requests. And I believe they work a lot of overtime with the work they have right now. Is that correct?

KEISHA PATENT: That's correct. Well, not overtime, we're salaried, but we work a lot of extra hours. But--

CLEMENTS: And so you're indeter-- I saw that you said it was indeterminate and do you think you would need more staff if you're required to do a third of the bills?

KEISHA PATENT: I, I do. And I am actually concerned-- and part of the reason I, I indicated indeterminate on a fiscal note is because I do believe we would need more staff. We would not be able to do this requirement with our existing staff because of their current responsibilities. But depending upon the number of bills, I'm not even sure how many more staff we would need in order to do a thorough job in terms of these economic impact reports. So I, I would anticipate, though, it would be more than one person, especially if it was concentrated in such a short period of time.

CLEMENTS: Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Executive Board February 12, 2026
Rough Draft

HANSEN: Senator Dorn.

DORN: Thank you, Senator Hansen. And thank you for being here. I guess my question is a little bit more along the line, do you see additional costs like software or anything for this as you look at this bill or is it just going to be staff or--

KEISHA PATENT: Potentially. I, I think that it depends on how we do the analysis, I suppose. So what I-- when I read the bill, I was thinking about utilizing maybe some of our modeling software. We do have licenses for a couple of programs that we use for revenue forecasting and also we can, we can do some cost-benefit type studies in that, and additional licenses would be an expense if we were to go forward using that same software that we already have. So that would potentially be a cost. And, of course, if we add more people, we would have just technology costs related to computers and those sorts of things.

DORN: Thank you.

HANSEN: Senator Jacobson.

JACOBSON: Well, Keisha, thank you for being here. I'd be curious if we ran through ChatGBT, their analysis, what it would cost you guys to do all this. I'd, I'd be really curious to read what they would come up with and whether it would be anything close to what really reality is. But I, I do feel your pain in terms of as has been-- I mean, we just touched the iceberg here on terms of what we're trying to figure out. Between Bill Drafters and Fiscal, I don't know of any people that are more busy during legislative session. And it's-- so I'm, I'm glad that you've got some questions. I, I thought it was just me that was out there in never-never land, but it sounds like you may have some concerns as well.

KEISHA PATENT: Yeah, I'm just concerned about the ability to get a quality product to the Legislature. I don't know, I, I don't know what, what they presented in terms of what the AI-- I, I didn't run anything through AI to, like, get a, a sample, but, but we don't do that for fiscal notes, and I would feel-- I guess I would, I would feel like it would still require a lot of analysis by someone in our office to make sure that the product that we're providing is helpful and adequately covers the topics that we're required to cover in, in the bill.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Executive Board February 12, 2026
Rough Draft

JACOBSON: I, I would agree. I, I, I remember my first year down here bringing a bill that I don't think the agency wanted and so I remember the fiscal note and I learned that important lesson, death of a bill by fiscal note. And it's always good to have a human just review to know the numbers are somewhere in the ball game, so thank you.

HANSEN: Senator McKinney.

McKINNEY: Thank you. Thank you, Keisha. How do we get better responses from fiscal notes? Because kind of along the same line Senator Jacobson said, if an agency likes your bill, you might get a favorable fiscal note, versus if they don't like it, you get one that seems outrageous. And sometimes it doesn't seem fair.

KEISHA PATENT: Yeah, I, I will say that's something that our office struggles with a lot. Obviously, we're trying to get the, the most reasonable estimate available for the bill. And that a lot of times requires us to really challenge an agency's assumptions relative to what they're using to estimate, estimate their number. I will say, just in general, it's, it's, it's a skill that takes a lot of time and knowledge for a fiscal analyst to be able to look at a fiscal note response from an agency and say something is not adding up here, something is off. And I think-- you know, we've, we have had a lot of staff turnover. I, I feel like as we all have more experience that, that we're honing that skill a little bit better. We cannot control specifically though what the agencies are going to say in their responses. The issue is how do we address what they've presented and what, what kinds of questions we need to ask them, what kinds of things do we need to challenge them on and those, those sorts of things. And I, I think that, as an office, I would-- it may not be a perfect system, but it is something we take very seriously and that we put a lot of time and analysis into.

McKINNEY: Thank you.

HANSEN: I think we should have a cost-benefit analysis for being a state senator. Senator Clements.

CLEMENTS: On that same line, if a senator objects or has concerns about the fiscal note, do you take his put seriously and do a review?

KEISHA PATENT: We do. And, actually, that's true if, if the objection or the questions come from a senator or if it comes from an outside entity. For instance, as I pointed out, we do a lot of these. So we're

publishing a lot of fiscal notes every day, and we use the best data that we have available at the time. And if someone does present us with a different data source that provides better information for us to do an estimate, we're very happy to look at that and review it. If you challenge the assumptions, we're happy to, like, have a discussion about that and, you know, what, what level of assumption relative to that variable is, is more reasonable. So we do try to-- we do take them seriously, but we also try to find exactly what is the source of the objection and is there something in our fiscal note that, that we do need to address relative to that.

CLEMENTS: Thank you.

KEISHA PATENT: Mm-hmm.

HANSEN: All right. Any other questions? Seeing none, thank you.

KEISHA PATENT: Thanks.

HANSEN: Anybody else wishing to testify in the neutral capacity? All right. Seeing none, we did have some letters for the record. We had seven proponents, zero opponents, and zero in the neutral capacity for LB1049. That will conclude our hearing for today or the hearing on LB1049. Next up, we have LB1179, and we will welcome Senator DeBoer to open.

DeBOER: Hello. I don't think I have been before Exec in a while. Maybe I have, I don't remember. There is a packet that I think the pages are going to hand out to you. It's a big packet, so just be forewarned. Good afternoon, Chair Hansen and members of the Executive Board. My name is Wendy DeBoer, W-e-n-d-y D-e-B-o-e-r, and I represent the vibrant 10th Legislative District in northwest Omaha. I'm here to introduce LB1159 [SIC]. LB1159 makes changes to statutory references to three committees: the Agriculture Committee, the Natural Resources Committee, and the Transportation and Telecommunications Committee. The changes are based on the recommendations of the LR174 select committee to change our committee structure. Under the proposal from the LR174 select committee, the Agriculture Committee and the Natural Resources Committee would be combined to create the Agriculture and Natural Resources Committee, and the Transportation and Telecommunications Committee would be separated to the Transportation Committee and the Telecommunications and Technology Committee. The newly combined Agriculture and Natural Resources Committee is proposed to be a 3-day committee, the Transportation Committee to be a 2-day

committee, and the Telecommunications and Technology Committee to be a 1-day committee. LB1179 makes changes to various references and statutes to the three committees previously named to their, to their new names accordingly. So, basically, the reason for this bill is the fact that there is a rules change proposal before the Rules Committee, which we're going to have a hearing on sometime soon. I can't remember the exact date, but that rules change, if it were to pass, would create the committee structure I've just outlined for you. And if it were to pass then in the next biennium, we would not have an Agriculture Committee, we would have an Agriculture and Natural Resources Committee. And so the statutory references to X shall be done by the Agriculture Committee would be at odds. So this is just a cleanup bill to make sure that the references in our statute to committees match the committees that actually exist, if that makes sense. I'm giving you the whole shebang about what the LR174 select committee looked through. I want to thank my staff, Brian did a great job of putting it all together for you all. There's a whole lot in there and should we get to floor debate on the rule, I think it will be helpful for you to have. But for purposes of this bill, this bill just says if we do the rule change, then we got to make our statutes match. So that's the bill. So I would ask you, I guess, to hold it in committee until we see if the rule is going to pass.

DORN: Thank you, Senator DeBoer. Are there any questions? Senator Fredrickson.

FREDRICKSON: Thank you, Senator Dorn. Senator DeBoer, thank you for bringing this. So just-- well, this is-- I'm just looking at the proposed schedule. So this would separate TNT into Transportation and then Telecommunications and Technology. Transportation being a 2-day committee, Telecommunications and Technology being a 1 day. So would every member on Telecommunications and Technology then by default be on-- would it be General Affairs because that's the only 1-day committee on the Monday?

DeBOER: No, there are two-- so members who are on Ag can either be on-- I, I, I don't remember what the two are, but there are two, there are two. It's either-- so there's General Affairs, Business Affairs, Urban Affairs, and-- or, sorry, General Affairs, Business and Labor, Urban Affairs, and then, then there would be the, the, the Transport-- or the, the Technology and Telecommunications.

FREDRICKSON: OK, understood. Yep, that's fair [INAUDIBLE] and probably irrelevant, so.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Executive Board February 12, 2026
Rough Draft

DeBOER: No, no, I, I just had to get there, I'm very tired, somebody didn't give us any recess days.

DORN: Senator Jacobson.

JACOBSON: Senator DeBoer, thank you for bringing this. And I know it's been talked about for a long time, and we actually have a bill in front of us, so it's pretty impressive. I think Senator Fredrickson kind of got back to the original concern I had. First of all, we've got to figure out what committee structure makes sense, then how do we work it into the days that we need. And then it comes back to if you're on this committee, are you locked into also being on that committee? And that looks like you've kind of looked at all those pieces. I am curious on this Technology Committee. There's a lot of talk about technology. And I just-- I keep thinking about Judiciary. And we meet in Referencing Committee, and, and, and bills are hard to be referenced. And we've been criticized a lot this year on, I don't know why this bill got referenced here. And it's, like, well, because it has this in it, but it also has this in it and this, which could mean it could go to a number of different committees. And we seemingly have been locked into Judiciary that has anything to do with the criminal code, it's going to Judiciary. And then suddenly they have 140 bills. And they're meeting 3 days a week and Saturdays and trying to get it all done. And then you go back to technology, and I look at all the bills, for example, with, with Banking-- BCI, we've gotten a number of bills that are technology related that really probably ought to still be in BCI. But I'm hoping that because they've got some technology element, they're going to-- that now they're going to go to Technology Committee. So I, I, I-- and I think part of that's probably setting the standard as to how we do this. And I think next year, if we pass this, the, the committee has got to be-- I, I think Referencing Committee has really got to be thinking about how do we go about referencing these bills?

DeBOER: So if, if, if you let me, because there's, like, 23 things to respond to. There's a lot.

JACOBSON: Oh, yeah, I've given you quite a bit of material here.

DeBOER: If you give me just a second. First and foremost, I think that although it says technology, I think what the, the select committee was talking about, and I think is behind the word technology, is this is not every technology. TVs are not going there, right? This is telecommunications delivered technology. So it's AI and

Transcript Prepared by Clerk of the Legislature Transcribers Office
Executive Board February 12, 2026
Rough Draft

telecommunications delivered technology. So that, in some ways, limits it.

JACOBSON: Yes.

DeBOER: The other piece that you're talking about with respect to-- like, this isn't going to affect if a senator can be on different-- like the question that Senator Fredrickson asked me. What we did is we literally took one committee out and we dropped another committee in. We wanted to make-- we said keep it as simple as possible and there were a number of proposals we considered, some of which I think are outlined in your, in your materials. And we said we're going to take the simplest one. For once, we are going to try and do it the simplest way. And so that addresses that question. I can answer any specific questions you have about that offline as well. Then this is-- like, what you see in front of you is making our statutes match the rule if we pass the rule. So there are three total pieces of this committee change. One is what you've got right in front of you right now, which is making the statutes match, one is the rule change, and then one is referencing guide. And the referencing guide is a nonrule, nonofficial document. And my expectation would be, and my promise to you all, is that if we pass the rule, which I then think if we pass the rule we very seriously need to pass this bill because this bill needs-- our, our statutes need to match what our committee structure is. So if we pass the bill or the rule, then we need to pass the bill and then I promise you this summer I will do an LR to work on the referencing document for purposes of the Technology and Telecommunications Committee. The other question that I think Senator Fredrickson didn't quite ask, which is why did the Telecom and Transportation get moved to 1 day and Transportation or Telecom and Technology get moved to 1 day, they have to all be t's, and Transportation to 2 days? We did an analysis of bills over the last, I don't know, 10, 15 years, and said, because it merits the 2 days, and then this would not merit the 2 days, so. Our assessment was, at least for now, this is just going to be a 1-day committee of Telecommunications and Technology, because that's what the number of bills that have traditionally been referenced there would mean. We're not trying to take anybody's jurisdiction. It is just a 1-day committee, so it's going to be limited in the kind of technology you can deal with. But there is a real thought that-- I just sat and listened to your last hearing, that there is going to need to be expertise amongst the senators on the issues that we're going to face about technology, about AI, about all of that sort of thing. And the way to do that is not to have those

bills scattered throughout various committees, but to have them centralized in one committee. Did I get to--

JACOBSON: Yeah, I, I guess one follow-up would be, what can we do about Judiciary? Can we, can we run it through ChatGBT and see what it says?

DeBOER: So-- well, one, I should say, the, the, the rumors about-- no-- the rumors of our, of our demise are greatly exaggerated over there. I have, I have rarely-- like, Judiciary is not what Judiciary used to be. When I started here, I started staying at the Cornhusker because we were in Judiciary till 10 p.m. every night. Every night, every night.

JACOBSON: Look at the slackers now.

DeBOER: I know, we got done at, like, 5:15 yesterday. So we're not meeting on a Saturday, we actually have fewer bills per day than we did last year. There are reasons to be concerned about Judiciary, but also it's not, it's not like-- there are things that can be done. And some of that could be done if we pass the bill on restructuring. We can do that in Referencing. So we can say maybe landlord-tenant goes over somewhere else. And I think that-- like, the subject-matter expertise on landlord-tenant probably does fit better with Urban Affairs at this point. So there are ways to do it. And maybe we give Banking-- I don't know if you want them, but we have some lien bills that come to us, maybe you guys take liens on, right, there are some things that can be done.

JACOBSON: I, I, I think you're exactly right. I, I love the track you're going down, is that I, I get concerned that we get so focused on it's a legal issue that we forget about, you know, really subject-matter jurisdiction and do we really understand the subject matter or are we just focusing on the, the, the, the legal prosecution type stuff?

DeBOER: Well, I, I will say, as a member of Judiciary-- well, as Vice Chair of the Judiciary Committee--

JACOBSON: Yeah, there you go.

DeBOER: --and as the senior member, I will say, that, like, I will defend Judiciary's right to deal with the criminal code because I do think we need expertise.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Executive Board February 12, 2026
Rough Draft

JACOBSON: I agree.

DeBOER: And it's not just-- what people don't recall is that it's not just expertise of the senators, it's expertise of the legal counsel. So when you get a bill that should have gone to Judiciary in a different committee, it ends up that our legal counsel will go over and say, hey, can I help you out? Because they're not-- those, those-- the, the things that legal counsels deal with, like, you know, that's just the way it is. We just want to get those. If, if I had a, a bill on-- I don't know--

HANSEN: Manufactured homes.

DeBOER: Sure.

HANSEN: Everyone in HHS knows this. We just got a bill about manufactured homes in HHS. And we had no idea or anything about it.

DeBOER: So, yeah, so that's the point. So the point of the referencing system and the point of getting our-- so this is to the bill in front of us and then I'll let you get your lunch. The point of all of that is that we've got to get things to a place where not just the senators can develop an expertise, but the staff can develop an expertise. And, right now, when we have bills on AI and technology going hither and yon, there is no ability for anybody to develop that expertise. And that's not just the senators, it's also the, the staff. Does anybody--

HANSEN: Senator McKinney.

McKINNEY: Thank you. My question is kind of two-sided. Why didn't we create a housing committee? And, two, why didn't make all the-- I just wonder why aren't the committees all odd? I feel like we, inherently, like, cause a problem when we have even-numbered committees.

DeBOER: So-- oh, Senator McKinney. Senator McKinney, first of all, keep it simple. We're doing one thing. If you want to do that next year, I will not be here, you can do it. For now, keep it simple. I mean, that's-- one of the reasons is truly we just need to, to do this because my freshman year-- now I'm sitting here 8 years later, my freshman year we tried to combine Ag and Natural Resources, but we got too fancy. So we got to keep it as simple as possible in terms of one change at a time and not doing 20 different changes. Somebody also said we need to change how we do priority bills and I'm, like, no, one thing at a time. We are doing one change, not all the changes, because when we do all the changes at once, then we end up with nothing. So

Transcript Prepared by Clerk of the Legislature Transcribers Office
Executive Board February 12, 2026
Rough Draft

that was-- so that is the, the, the idea that I have, hate it, love it, I wanted to keep it as simple. Housing is a great committee, but it's-- you know, if we get landlord-tenant over to Urban Affairs, I think you guys take over most of that.

HANSEN: Senator Ballard.

BALLARD: Thank you, Chair. I'll be brief. Is there-- in this packet, is there more information about what you considered? I'm just thinking, we get this on the floor, everyone is going to have their own idea of what this one day should be. Is it housing? Is it technology?

DeBOER: It's a-- that is a valid question, Senator Ballard. That is a well-worn question, Senator Ballard. That is the reason we failed my freshman year, is because everybody had an opinion about what the, the 1 day should be, because everybody wanted the 1 day to be-- I had, I had a really good idea that we should do education-finance. Separate it off from education to do education-finance. I no longer think that, but that's what I thought back then. So the things that were considered, we never really got to a place where we were considering various committees, like, like you're saying, like, we didn't consider a housing committee. We didn't consider, I don't think, I'm very tired. We didn't. The things we were considering was-- were things like should we move all the 3-day committees to Tuesday, Wednesday, Thursday and put the 1-day and 2-day committees on Monday, Friday, where the recess days are, if we ever get them? And, you know, that would have more hearing days for those committees, the 3-day committees.

BALLARD: Yeah, we can talk more offline.

DeBOER: That's the kind of thing we considered.

BALLARD: Yes. My only concern is we have-- we do have an issue. You kind of-- you're back and forth with Senator Jacobson. I'm starting to, like, does this correct our problem with-- or is this taking cryptocurrency from Banking? Is this taking--

DeBOER: No, no, it shouldn't. This is why I said what's really important here is the referencing document, like that will be the thing that sort of puts everything in one place. And I will say one other thing. I think you all should revisit this. If we get to a place where you're finding that the combination of Agriculture and Natural

Transcript Prepared by Clerk of the Legislature Transcribers Office
Executive Board February 12, 2026
Rough Draft

Resources is leading to problems with folks in Ag or Natural Resources not being able to get their bills prioritized or something like that. So if that's a problem, you all should revisit it. No matter what, we do this thing this year, you should come back in a couple of years, you'll still be here, and say, hey, is it working? Because we have not done-- you can see in here, we haven't done a major change to committees since, like, 1985 or something, I mean, it's ridiculous. And so the time, the time is, is, is here. This bill before you, though, would only be if we pass the rule. So this is a relatively easy one for you guys, because if we don't pass the rule, don't pass the bill. If we do pass the rule, pass the bill. So what I'm asking you today is, if we pass the rule, please make our statutes match the rule. If we don't pass the rule, please do not change our statutes to make them match a rule change we didn't pass.

BALLARD: Thank you.

HANSEN: All right. Any other questions? Seeing none, are there any who wish to testify in support of LB1179? Anybody who wishes to testify in opposition to LB1179? Anybody who wishes to testify in a neutral capacity to LB1179? And Senator DeBoer is waiving her closing. And that will end our hearing on-- oh, we actually have letters for the record. We have one in support, one in opposition, and zero neutral. So that will end LB1179 and our hearings for today.