

Transcript Prepared by Clerk of the Legislature Transcribers Office

Executive Board February 19, 2026

Rough Draft

HANSEN: Good afternoon, and welcome to the Executive Board. My name is Senator Ben Hansen. I represent the 16th Legislative District 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 on my right with Senator Clements.

CLEMENTS: Rob Clements, District 2.

BALLARD: Beau Ballard, District 21.

IBACH: Teresa Ibach, District 44.

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 page, Joel. A few notes about our policy and procedures. Please turn off or silence your cell phones. We'll be hearing three bills and taking in the order listed outside the hearing room. On the table near the door to the hearing room, you'll find green testifier sheets. If you're planning to testify today, please fill one out and hand it to a page when you come up to testify. This will help us keep an accurate record of the hearing. If you're 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 will 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 use a light system for testifying. Each testifier will have three minutes to testify. When you begin, the light will turn green. When it turns yellow, it means you have one minute left. When the light turns red, we'll ask you to end your testimony and wrap up your final thoughts. When you come up to testify, please begin by stating your name clearly, 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 hear from supporters, then opposition, then those in, in the 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 very strict no-prop policy in this committee. So, with that, we'll begin with LB1066 and welcome Senator Fredrickson.

FREDRICKSON: All right. Good afternoon, Chair Hansen, and members of the Executive Board. For the record, my name is John Fredrickson, J-o-h-n F-r-e-d-r-i-c-k-s-o-n. I represent District 20, which is in central-west Omaha, and I'm here today to introduce LB1066. So, LB1066, the mechanisms of this bill are, are, are pretty simple. It requires members of the Legislature to complete a civics assessment comprised of 20 questions randomly selected from the United States Naturalization Test within 90 days of taking their oath of office. The Clerk of the Legislature shall publish each member's score on the Legislature's website and in their official biography. Nothing in this bill adds or changes the qualifications for office established in the contra-- Constitution of Nebraska, and a member's score does not in any way disqualify them from holding office. Making a member's score publicly available simply gives Nebraskans more information about who is representing them. Additionally, LB1066 provides that any member who does not achieve a passing score on the civics assessment shall be invited, but not required, to attend voluntary civic literacy seminars conducted by the Nebraska State Historical Society or the Legislative Research Office. A 2018 survey conducted by Institute for Citizen Scholars revealed that only 36 percent of Americans can pass the U.S. Naturalization Civics Test. This test is given to every person who wishes to become a citizen, and they must answer 12 of the 20 questions correctly, chosen at random from a pool of 128 possible questions, to pass. A follow-up survey completed in 2019 looked closer at how Americans in each state fared, and I'm happy to report that Nebraskans ranked 6th overall, which is not surprising. Nebraskans are proud of our history and appreciate hard work. People taking the U.S. Naturalization Civics Test need to demonstrate a knowledge of American history, and I believe it makes sense for members of the Legislature to hold themselves to the same standard. So, this bill-- I actually thought of this. It was interesting, I was driving down here, I think it was over the interim, and I

was listening to an NPR story about the 250th birthday of our country. And they had a bunch of constitutional scholars and people who were kind of talking about the, the country's, you know, kind of really incredible history. And I kind of started nerding out a bit, and I was thinking a lot more about, you know, high school history, American history and all these things. And one of the things that they were talking about on this panel was sort of, like, the founding documents, and sort of what we founded our country on. And kind of now that we're at 250 years old, kind of where are we today and how, how is that sort of that-- what's kind of common narrative throughout everything? And then I started noticing when I was knocking doors, a lot of-- randomly, like, people were bringing up-- I think people are thinking a lot about civics with the 250th birthday. And so, I've been talking to Republicans, Democrats, non-partisans, and a lot them have asked about things like, you know, oh, in high school, we used to take these civics tests and, you know, things along those lines. And so, I kind of started playing around with this idea of, like, what would it be like to have, like, lawmakers kind of brush up on our civics? And I was thinking about, you know, as a social worker, we're required to do continuing education every two years for our license. And in a way, this is kind of an opportunity to kind of brush up on our, our country's very rich history and sort of our, our very real responsibility to uphold the constitution in that way. So, initially, I thought this would kind of be, like, an interesting conversation-starter bill. And I was with Senator Strommen in Boston for a, a, a, a conference over the interim, and I kind of floated the idea by him, like, does this sound ridiculous to you? Like, like, how does this land on you? Basically just kind of putting testers out. And he was, like, I love this. And I was, like, really? And so, we kind of started that conversation a bit more, and so I've got a-- I've got an interesting co-sponsorship on the-- on this bill, as I'm sure people may have noticed. But I, I thought it was a interesting bill to bring, and, and at least a discussion to have. And, and I'll be honest, I, I get a little test anxiety, so I was, like, I don't know if I want to bring this, because, like, that's, that's, that's going to be a bit-- might be a bit challenging in its own way. But at the same time, it's, I think, interesting, and I've started actually taking some of these tests online, just sort of brush up myself. So. Anyway, happy to take any questions from the committee.

HANSEN: All right. Thank you for that. Senator Dorn.

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DORN: Thank you, Senator Hansen. Thank you for being here. In the bill, it says whenever you take the oath of office. So, if you're up and you just got re-elected, you would need to take the test again? Or is this only the first time?

FREDRICKSON: So, if we were to pass this bill, if you're already in, I think you're, you're, you're free. But if, if you get re-elected this year, you would be required to take it, I guess. But that-- but do you mean, like, oh, if you're re-elected, do you have to take it anyway?

DORN: Is it going to be every--

FREDRICKSON: Yeah, I mean, I actually hadn't thought--

DORN: --every, every time?

FREDRICKSON: Yeah.

DORN: Because the, the, the statement of intent said every time you take the oath of office.

FREDRICKSON: Yeah.

DORN: So, is a senator that's been here four years also going to have to take it, I guess? That's a question.

FREDRICKSON: Yeah, that's a good question. I mean, I, I had-- I hadn't thought that through. That's a good thing to point out. I mean, perhaps it would be an opportunity to say-- I mean, since we're just applying it to the Legislature, maybe it'd be up to them after the second time, but, yeah.

DORN: And just one more quick question, if I could.

HANSEN: [INAUDIBLE].

DORN: The score, they only get to take it once, and then that'll be the score, or--

FREDRICKSON: So, the Clerk asked me this, actually, because--

DORN: --you know, you're going to have some coaching or teaching, or can they take it again--

FREDRICKSON: Yeah.

DORN: --within that 90 days? Can they take three times, and you post the high score?

FREDRICKSON: Yeah, so that's a, that-- that's a actually an interesting question. The Clerk actually asked me that because I, I have in the bill that the-- it-- it's, it's administered through the Clerk's office, right? So, he was, like, do I have to-- am I going to have to, like, give this, like, every-- if a senator wants to take it five times a session? Or, you know, all those things. And so, those are all, I think, very specific details that I-- you know, we could, we could sort of hash out. I mean, I, I think you'd-- I don't want to make it an unreasonable burden on the Clerk's office. Yeah.

DORN: Thank you.

HANSEN: Senator Jacobson.

JACOBSON: Well, I almost hesitate to ask you questions because you're a really smart guy.

FREDRICKSON: I don't know about that.

JACOBSON: Probably one of the smartest guys down here, so I, so I-- but I would, I would say that when I first saw this, I thought it was unique. And then, I thought about how many senators don't understand our tax system, in terms of where do the tax dollars come from, you know? What does the state collect? State income taxes, state property taxes. But the state doesn't collect property taxes.

FREDRICKSON: Right.

JACOBSON: They, they collect income taxes, sales taxes--

FREDRICKSON: Yep.

JACOBSON: --but not property taxes.

FREDRICKSON: Mm-hmm.

JACOBSON: That's something that the general public doesn't understand--

FREDRICKSON: Right.

JACOBSON: --and unfortunately some state senators may not fully get that. And so, I've wondered to what extent we, we have-- interestingly enough, we have harassment training, and that's proven to be important. And I, I wondered to what extent, rather than doing the testing, that we have educational materials available, or even some-- much like our harassment training to-- I would still like to see that everybody's on the same page in terms of where the state gets their tax dollars, where the local governments get their tax dollars, does everybody understand what local option sales tax is?

FREDRICKSON: Yep.

JACOBSON: That's, that's something that's out there too, from an educational standpoint. But--

FREDRICKSON: No, that's a fair point. I mean, I'll, I'll be the first to say, I feel like I learn something new in here every day. There's, there's a lot-- I'm, I'm sure people in here remember their first week in the Legislature, and it can, it can feel incredibly overwhelming. And I think part of that's obviously due to term limits. You know, we have members who turn over every eight years, every four years. And yeah, I, I think this is-- the spirit of this is to sort of ensure that the people of the state have representatives who are, who are, who are dug in and who are committed to kind of continuing to, you know, learn and educate themselves on, on, on how we do things so that we, we pass policy that's, that's, that's sound, so. Yeah.

JACOBSON: Have you noticed that since you moved towards the back of the, of the Chamber, you're getting smarter?

FREDRICKSON: You know, I will say this: I think the closer I sit to you, Senator Jacobson, I-- the, the smarter I feel, so.

HANSEN: Any other questions? I think you-- if this does pass, if, if your-- I think this may have to be looked at similar to how we do the sexual harassment training, because I don't think you can put a "shall" on something like this, because they're elected officials. I'm pretty sure. Because if they don't take it, like, what's the recourse, right?

FREDRICKSON: Right.

HANSEN: Because, like, it's more like--

FREDRICKSON: Yeah.

HANSEN: --if they decide not to take it, then their name is published about not taking it. Like, we can't force somebody to take the sexual harassment class--

FREDRICKSON: Yep.

HANSEN: --because they're elected officials.

FREDRICKSON: Yep.

HANSEN: They still have to be on the floor to push the button.

FREDRICKSON: Yeah.

HANSEN: We can't stop them from doing that, technically, unless they're expelled.

FREDRICKSON: Yup. Yup. Yeah, and I thought a lot about that, too.

HANSEN: And so, so there may have to be a little tweaking in there that might kind of, like, say, you know-- or make it a policy thing, something like that. But, yeah, either way. I think it's interesting. I like your co-sponsors. Senator Clements.

CLEMENTS: Mr. Chairman. Thank you, Senator. Have you heard of any other states that do this?

FREDRICKSON: I have not. And actually, when CSG was here, they were asking me about it because they said that to their knowledge, at least at the time, they didn't know of any other states who had done it. And so, I think we would be the first, if we were to do something like that.

CLEMENTS: And have you taken the test?

FREDRICKSON: I've taken the test. So, my husband's actually a naturalized citizen. And so, I remember when he was studying for

it, we were doing flashcards for all the-- for all the tests. And, you know, some of them are, like, kind of low-hanging fruit, right? It's sort of, like, who is the Speaker of the House? Who is the President of the United States currently? I mean the-- in-- but other ones are, are, are challenging, right? It's, like, it's stuff that you have to sort of dig back a bit further into, you know, high school civics and high school American history. And I, I remember, when he studying for the exam, it was actually-- I found it really enjoyable myself, because it was reminding me more and more about some of the stuff that I, I, I may have forgotten or, or, or kind of got a little dusty over the years. And so, again, the, the, the 250th anniversary of the country was also kind of an inspiration for this, because I think we have a really incredible history as a nation, and, you know, it's-- sometimes, reflecting on some of the history can be really kind of motivating and inspiring, and remind us of the privilege we have to be in here.

CLEMENTS: All right. Thank you.

HANSEN: Sorry, I'm reading some of the questions online.

FREDRICKSON: Oh. I was actually preparing for this. I was like-- I was like--

HANSEN: [INAUDIBLE] the reason--

FREDRICKSON: --[INAUDIBLE] randomly ask me questions, so better study before I--

HANSEN: [INAUDIBLE] the reason why we entered the Vietnam War, and I'm like, oh, that's interesting. OK. Any other questions? Seeing none.

FREDRICKSON: All right.

HANSEN: Thank you.

FREDRICKSON: Thank you.

HANSEN: All right. Anybody wishing to testify in support of LB1066? Anybody wishing to testify in opposition to LB1066? Anybody-- not very pro-American people here today, I guess. I don't know. Anybody wish to testify in a neutral capacity? All right. Do you wish to close? Senator Fredrickson waives closing.

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And for the record, we did have 78 letters in support, 4 letters in opposition, and 2 in the neutral capacity for LB1066. So, the people of Nebraska are on board. OK. And that'll close our hearing for LB1066, and we'll open it up for LB917.

IBACH: LB917, yes.

HANSEN: Is Senator Conrad here? Is there anybody opening for Senator Conrad?

JACOBSON: She's going to waive her open.

HANSEN: OK, well, we'll skip over Senator Conrad's bill and we'll go to the next one. I think I can do that. I'm the chair, I can do that.

IBACH: It's Sorrentino's bill.

HANSEN: Yep. All right. Well, Senator Sorrentino, are you ready? We can--

SORRENTINO: I am.

HANSEN: All right. We will go ahead and, and move on--

SORRENTINO: I was born ready.

HANSEN: --move on to LB1125, and welcome Senator Sorrentino.

SORRENTINO: Thank you. Good afternoon, Chairman Hansen, and members of the Executive Board. My name is Tony Sorrentino, T-o-n-y S-o-r-r-e-n-t-i-n-o, and I represent Legislative District 39, which is Elkhorn and Waterloo in Douglas County. Thank you for this opportunity to open on LB1125, my proposal that would require legislative approval for any University of Nebraska contract to acquire a controlling interest in a hospital or healthcare facility valued at over \$100 million, and seeks to protect our state-affiliated medical centers from ownership by out-of-state entities. This bill, which is just two paragraphs long, could have certainly been drawn up to be far more restrictive; I did not feel that was appropriate or necessary. A cursory but necessary review, I believe, would be sufficient. This bill is not an abstract policy exercise; it is a necessary response to a highly consequential, not controversial, transaction that stands to reshape our state's healthcare

landscape and the financial future of the university system, the University of Nebraska's proposed takeover of Nebraska Medicine. At the center of this transaction is a proposed \$800 million expenditure comprised of \$500 million to buy out Clarkson's 50% share of Nebraska Medicine, \$300 million to purchase land and buildings associated with the hospital and clinics, and finally a pledged \$200 million donation from Clarkton toward the University's Project Health initiative. Given the backdrop of the current landscape of the University of Nebraska system where, unfortunately, some programs have had to be cut and budgets stretched a bit thin, the questions are this: one, is committing to a nearly \$1 billion transaction prudent, and has the oversight been acceptable to Nebraska? Two, will any tax dollars now or in the future be spent on the acquisition? Three, are taxpayers getting into the business of health care? Four, does the transaction have any deleterious effect on Project Health or the broader vision of Project Next? And finally, where does the very valuable teaching institution, Clarkson College, fit into the future of Nebraska education, given the shortage of health-care workers? I do have a fairly extensive background in the due diligence aspects of merger and acquisition transactions. While this is not your standard acquisition transaction, it does involve an acquisition of the membership currently owned by Clarkson Hospital. If you merely substitute the word "shareholders" with "stakeholders," the rules are virtually the same. I assure you that the devil-- not that there is one here-- is always in the details. In nearly all the transactions that I have witnessed, the financial position, credit line limitations, and cash flow effects were front and center in the negotiations and discussed-- and discussions, including banking relationships, et cetera, and in this case, with the Legislature, who is not a bank but a major financier, speaks loudly for oversight. I am fortunate to have also practiced for over 35 years as an ERISA lawyer and consultant, assisting over 1,000 corporate clients in their quest to access affordable health care for their employees, all fellow Nebraskans. This bill is not about a lack of trust of any individual or any organization associated with the University of Nebraska. Nothing can be further from the truth. This bill is about doing what we all were elected to do, pure and simple. Healthcare is important to every Nebraskan. And the UNMC/Nebraska Medicine is important to every Nebraskan, and I would dare say Americans across the country, based on the number of people who seek health care there. Health care is a complicated and difficult business, and extremely unique. Imagine a business that, one, you do not control, have no

control over your customer base. Two, you don't control the marketing of your services. Doctors, employed and otherwise, put people in hospitals. And three, and maybe most importantly, you have little or no control over the pricing and actual reimbursement of your services. Medicaid, Medicare, network pricing from insurance carriers, determines what you will be paid. Sadly, neither Nebraskans or anybody else determines the pay levels from Medicaid or Medicare, and, and network pricing is an afterthought of that. After providers decide what they and can't get paid by Medicare or Medicaid, they begin their negotiations with the insurance carriers. And sometimes, we as the public on private care are the losers there, because those institutions may need more money depending on what Medicare and Medicaid reimburse. A successful business model hopes to control the following factors: marketing, pricing, legal environment, political environment, competitive environment. Hospital systems have little to no control over any of these, sadly. We simply have to look 60 miles to the east to see a perfect example of what the consequences of a lack of control over critical factors in healthcare can-- how it can affect the operations of a hospital. Formerly St. Joseph Hospital, later known as Creighton University Medical Center, due to their demographics and other situations beyond their control, served a patient load who were legitimately covered by Medicaid, Medicare, or perhaps uninsured. Despite the fact that I believe they were well-managed, they were not able to survive the fiscal environment surrounding the develop-- the delivery of health care services. In my role as an adjunct professor of law at Creighton University School of Law, I have stated many times to my class on health care law that if I had one billion dollars, the very last thing I would invest in would be the delivery of health care. Thankfully, the University of Nebraska is willing to do that. Our job today is to be the eyes and ears of all Nebraskans. I believe that the annual appropriation of this body, which exceeds \$700 million, gives us a very vested interest in the financial health of UNMC/Nebraska Medicine operations. This bill is not drafted in such a manner as to be disruptive in any way, but instead merely in a manner that allows this body to exercise our sworn duties to be eyes and ears of all Nebraskans, ask the tough questions, and ensure accountability, transparency, and fiscal responsibility. I want to thank Matthew Blomstedt for his professional demeanor representing the university throughout this process. He has been a friend and a cohort, and I appreciate that. Fellow senators, I ask that you advance LB1125 to General File for full and fair debate. I thank you, and I'm happy to answer any questions.

HANSEN: All right. Thank you. Any questions from the committee? Seeing none so far. You're sticking around for closing?

SORRENTINO: I will.

HANSEN: All right.

SORRENTINO: Thank you.

HANSEN: We'll take our first testifier in support of LB1125. Anybody wishing to testify in support? All right. Is there anybody wishing to testify in opposition to LB1125?

MATT BLOMSTEDT: So, good afternoon, Chairman Hansen, and members of the Executive Board. For the record, my name is Matt Blomstedt, M-a-t-t B-l-o-m-s-t-e-d-t, and I'm testifying on behalf of the University of Nebraska in opposition to LB1125. Nebraska did something pretty special when it incorporated the university into the constitution in, in 1875. Instead of an appointed board or a structure that sits at arm's length from the public, we chose to have an elected Board of Regents; that means the people who govern the university are chosen directly by the voters of this state and are accountable to them. Not many states do it that way, and I think that's actually something to be quite proud of. The structure wasn't accidental. It reflects the idea that the university belongs to the people of Nebraska, and with that comes real responsibility. The board isn't just ceremonial; it carries out the constitutional duty for the general government of the institution, which includes academic direction, financial stewardship, and oversight of major capital investments. Over the last decade, the board has overseen some, some of the most significant projects in our university and state's history. The Buffett Cancer Center expanded cancer treatment and research capacity for Nebraskans; the Davis Global Center helped put Nebraska on the map in pandemic preparedness and global health training; Kiewit Hall represents a major investment in engineering education and workforce development for this state. These aren't vanity projects, they are long-term investments in people and health and economic growth. When state funding partnerships were part of those projects, the university came to the Legislature and worked through that process. When projects were financed through philanthropy, clinical revenues, and other institutional resources, the board acted within its constitutional authority. That balance has allowed the university to move thoughtfully,

but also responsibility-- responsibly in a competitive environment. That's especially true in health and medicine, where partnerships depend on clear leadership and shared understanding between the university and the state. Stability matters, predictability matters, and our partners deserve confidence in how decisions are made. The University of Nebraska isn't going anywhere. We're rooted here. Our students are here, our patients are here, our graduates are here, and the facilities we build and decisions we make are long-term commitments to this state. If there are detailed questions about specific projects, including Nebraska Medicine, the appropriate leaders will always be ready to address them. Accountability is part of the job. But LB1125 would change a governance structure that has served Nebraska well for generations. For these, for these reasons, we respectfully ask the committee not to advance the bill. And I, I simply want to be able to thank Senator Sorrentino. So, they-- he said very nice things about me, so I can't do the-- do this and not say nice things about him. Really have appreciated his conversations, the important conversations that take place in front of this legislative body, all of you that do this work on a, on a regular basis. It's extremely important. And I, I stand here-- I don't know that I can answer a lot of your questions on specifics today, but I'm happy to take questions. And generally, I, I represent the real feelings of the university, the Board of Regents, President Gold, to serve this state well and serve this state well in this transaction.

HANSEN: All right. Thank you. Any questions from the committee? Senator Jacobson.

JACOBSON: Thank you, Chairman. So, Mr. Blomstedt, I, I guess my-- as I look at the bill, I've been someone who initially, when this transaction came up, took the hands-off, this is the university, this is between them, the Med Center, Nebraska Medicine, and Clarkson. And then, as I read this bill, I look at the fact that, that Senator Sorrentino has put in this \$100 million threshold. And, as you think about it, I think the biggest concern I had, and I think when-- and I did sign on the letter that Senator-- Chairman von Gillern brought to ask to have a meeting to understand the transaction, largely because the university does get funding, substantial funding, from the Legislature. And when you're going to undertake a huge transaction such as this one, understanding the parts, understanding how the financing works, understanding whether or

not the, the Legislature is going to be on the hook at some point is a material one. And I think that is, if I'm not mistaken, is probably the, the principle and the reason that Senator Sorrentino brought the bill. Is, is your concern more that we don't want to have to change the governance and have the Legislature have its fingers too much in the Legislature? Or-- or, in the university? Or is there a threshold number that makes sense to you that, that maybe ought to get some sign-off from our other financing partner?

MATT BLOMSTEDT: Yeah, I-- and I, I can't-- in, in this case, I think just having a threshold in there has been the concern that you would have that particular thing, thing in place. I think the importance of having conversations back and forth, though, is, is critical. And so, again, as, as this transaction takes place, really being, you know, upfront with kind of what those costs are, to your very point-- like, what-- what's the, what's the risks associated with any particular type of transaction? And as, as-- I know as the Board of Regents goes through the transaction and Dr. Gold looks at that, they have to be able to look at those particular things and be able bring those forward. I don't have the answers exactly to what all of those might be, but I certainly will encourage the ongoing conversations on those fronts.

JACOBSON: And maybe a follow-up would be, if not this exactly, would there-- would, would you see a role where there would be some pre-reporting responsibility, confidentially, to, say, the chairman, the Speaker, the chairman of the Appropriations Committee, chairman of Revenue Committee, to have an understanding of what the transaction might be? I know in this case, there were a lot of confidentiality agreements signed, I-- that, that-- that's standard. You don't want to go out in front of the public and say, hey, here's how this transaction is working when you're still negotiating it. That tends to take away from the negotiations. And so, I, I get that. But I, I just continue to look at-- this came up very, very quickly, and I think that it was-- I, I really appreciated the, the prompt response back by the university to, to bring-- put a meeting together and bring the stakeholders in. That would be my concern is, is really kind of-- there's a transaction of that size or larger, should, should there be some, some required, you know-- you guys may not be there 50 years from now, but, but-- you might, but others might not.

MATT BLOMSTEDT: It is my grandfather's 118th birthday.

JACOBSON: Gotcha.

MATT BLOMSTEDT: He's not around today, but I would tell you he always told me not to speak more than I know, so I probably can't answer that question.

JACOBSON: Probably a good thing.

MATT BLOMSTEDT: Yeah.

JACOBSON: Thank you. So, I would just ask if you think that there would be some merit to that.

MATT BLOMSTEDT: Yup. Yeah, and I'm glad to take that back. I, I don't know that I can answer that in this moment, but I, I think what we want to make sure is that we're transacting in a as transparent a way-- this is a very unusual, you know, type of circumstance, given, like, the other list of things that we've done, right? This is very big, very important, and I think it deserves all that kind of dialogue with, with you and with others in, in partnership. I think statutory compliance on those things might become more-- you know, that gets a little messier, right? So, how do we really do this, and do this well?

JACOBSON: I agree. Thank you.

HANSEN: Senator Clements.

CLEMENTS: Thank you, Mr. Chairman. Thank you, Mr. Blomstedt.

MATT BLOMSTEDT: Yes.

CLEMENTS: Has the university and Clarkson Health finalized a contract of purchase?

MATT BLOMSTEDT: And I'm not privy to that, so I don't know. And that's-- actually, I can truly only answer it that way, because I don't know at this point. Yeah. There's the original purchase agreement, or purchase conversation that happened on-- I forget the exact date. Or, exercising the option to enter into those agree-- or, enter into that, that possibility.

CLEMENTS: But as far as you know, a final agreement has not been made?

MATT BLOMSTEDT: A final-- I, I don't believe so, but I don't, I don't know that for certain either, so.

CLEMENTS: Thank you.

MATT BLOMSTEDT: Yeah.

HANSEN: Any other questions? All right. Seeing no other questions. Thank you.

MATT BLOMSTEDT: All right, thank you.

HANSEN: Anybody else wishing to testify in opposition to LB1125? All right. Seeing none. Anybody wishing-- anybody wishing to testify in a neutral capacity? Welcome.

ANDREIA NEBEL: Good afternoon, Chair Hansen, and members of the Executive Board. Thank you for this opportunity to speak today. My name is Andreia Nebel, spelled A-n-d-r-e-i-a N-e-b-e-l, and I'm the president and CEO of Clarkson College. I have had the honor of serving in a variety of roles at the college for over 22 years. Clarkson College is a hospital-affiliated, private, nonprofit, higher education institution solely incorporated with Nebraska Medicine. It is for that reason that I appear before you in a neutral capacity. We all have many roles and hats we wear, but fundamentally know that education and health care are important. My job as president is to protect the best interests of Clarkson college and advocate for and support the thousands of students, learners, alumni, faculty, and staff we serve. I am here today to share with you that our institution is also impacted by this deal and its surrounding public comments which leave many questions remaining as to how the changes in membership and ownership of Nebraska Medicine will affect the future progress of Clarkson College. Constituents do not understand the difference between Clarkson Regional Health Services, now Clarkson Institute, and Clarkson College, and the public comment that the university might sunset us in five years is inaccurate and insensitive to governance of all institutions. As a peer site reviewer for the Higher Learning Commission, the accreditation policies are clear that institutions have a mission committed to serving the public good, not any related entity, and that they uphold conduct that is ethical and

responsible where its educational responsibilities take precedence over other purposes such as generating financial returns for investors, contributing to a related entity, or supporting external interests. All 13 private nonprofit higher education institutions in Nebraska are an important option for students, and a critical health care workforce pipeline of which Clarkson College is the largest hospital-affiliated college in the state and the third-largest provider of distance education. Clarkson College was the first nursing school in the state, founded in 1888 by Bishop Clarkson and his wife, Meliora. We have been building relationships ever since with seamless career pathways for all Nebraskans, community colleges, innovative 3D simulation services, and employee and family scholarships for founding and community partners. Clarkson College is also unique in that its average age of enrollment is 26, serving many second-career transfer students and working families. We enroll and graduate students three times per year, and annually serve approximately 1,200 degree-seeking students, 80 percent of whom are from across the state of Nebraska, keeping educational opportunities available in their home communities. We educate more than 6,500 community learners each year through short-term training and continuing education programs, and with a 100-percent job placement rate, have Clarkson College alumni living and working in 74 of Nebraska's 93 counties. Unfortunately, the public materials describing the proposed transaction do not provide any clear indication of what happens to the land, buildings, or [INAUDIBLE] assets connected to Clarkson College, which is the potential institutional risk to the perpetuity of the critical services we provide across the state. We have been doing our best to correct the record publicly in the midst of the proposed changes between the university, CRHS and Nebraska Medicine. I've handed out some of the communications to explain the current situation, which includes a QR code to the website we have created for the public. I have also handed out testimony delivered by our student body president at the Regents' meeting in January. The chaos of the last month-and-a-half has been disruptive. However, the exceptional professionals of Clarkson College are commended, and they remain committed to our work and staying focused on our mission, strategic initiatives, and service to our students. Although there have been promises publicly made about no changes in operations to the hospital or health system, with all the changes that have occurred in leadership and the number of entities involved already, it seems impossible for there to be no changes or detrimental impacts. We appreciate Senator Sorrentino for introducing the bill, and thank you for your time.

HANSEN: All right. Thank you. Any questions from the committee? Yes, Speaker Arch.

ANDREIA NEBEL: Yes.

ARCH: Thank you. Clarkson College has an excellent reputation--

ANDREIA NEBEL: Thank you.

ARCH: --in the community, for the graduates, and appreciate the work you do there. You may-- in your, in your testimony, you say constituents don't understand the difference. Well, I guess probably several of us don't understand the difference, too. Can you elaborate? What is your relationship to, to the, to the hospital? Do you use that as a clinical-- as a clinical training site? I mean, Clarkson Foundation-- what, what, what is the relationship of Clarkson College?

ANDREIA NEBEL: It is really a great question. On the back of the communication packet, the-- there-- I put a chart, a hierarchical chart of the proposed transaction, which is really helpful. So, Clarkson College is solely incorporated to Nebraska Medicine. So, Clarkson College employees are employees of the hospital. There's about 50- some hospital-affiliated truly colleges. Methodist College to Methodist Hospital, Bryan College to Bryan Hospital operate similar-- similarly. In 1990-- I, I won't give too long of a history, but I think it's worth the, the time-- is in 1992 is when Clarkson Regional Health Services was formed, a few years prior to the merger of Clarkson Hospital and University Hospital in 1997. Clarkson College kept its name. We were the first college in nursing across the state and now have allied health programs, but we were founded from Clarkson Hospital, the first hospital in the state of Nebraska. But we kept our name during that merger, and so Clarkson College or Clarkson Hospital and University Hospital, when they merged, we then became the hospital-affiliate college to Nebraska Medicine. We have our own Clarkson College board of directors, but members of both Nebraska Medicine and of Clarkson Regional Health Services, because Clarkson Regional Health Services at time was there to support the hospital, and then through the hospital also support education at Clarkson College. And so, we do not have a direct relationship with Clarkson Regional Health Services, but as that two-member system, again, in the formation when the Clarkson Univer-- Clarkson Hospital and University Hospital merged, we were-- continued to be supported through the

hospital, and that is our relationship. And so, we have our own budget, but the budget is through the hospital. And again, as employees, we receive our benefits and everything through the hospital. We also then lease our land and do all those things through hospital properties as well.

ARCH: So, just a follow-up question. So, your relationship is to the hospital, not to UNMC?

ANDREIA NEBEL: Not to UNMC.

ARCH: Not to the university itself.

ANDREIA NEBEL: Not to the university itself.

ARCH: To the hospital.

ANDREIA NEBEL: Correct.

ARCH: OK. Because UNMC also has some parallel programs for training.

ANDREIA NEBEL: They, they do have parallel programs. We are, are good-- we have good relationships with UNMC. We're a feeder to their professional programs. I'm a physical therapist by profession. And so, their PT program, OT program, medical program, et cetera. And we have affiliation agreements, academic affiliation agreements, with the hospital that both UNMC and Clarkson College are the primary entities that do clinical rotations at the hospital. We have just a couple similar programs with nursing and radiography, for example. But again, we serve a very different subset of student population as well. Ours tend to be a transfer student, an older student, second career training that they're coming to, and so we have differences in that. So, we're very collaborative in a lot of different ways. The-- and are not in any conversations of merger-- mergers, acquisitions, or closures. But in this, there's still a lot a confusion because we're vulnerable in this state because then you move-- or, in this situation. I shouldn't say in the state of Nebraska. We're vulnerable in this situation because we no longer have kind of the two-party system, if you will, to help with the governance of the Nebraska Medicine to then support Clarkson College.

ARCH: Your, your point is, what happens to the hospital directly affects your, your employees in the hospital and, and so--

ANDREIA NEBEL: Absolutely. Absolutely.

ARCH: People don't understand that.

ANDREIA NEBEL: Correct.

ARCH: That was helpful for me to understand. Thank you.

ANDREIA NEBEL: You're welcome.

HANSEN: Any other questions? All right. Saying none. Thank you for coming.

ANDREIA NEBEL: Thank you.

HANSEN: Anybody else wish to testify in neutral capacity for LB1125? Seeing none. We'll welcome back up Senator Sorrentino to close. And we did, for the record, have 37 letters in support, 5 in opposition, and 1 in the neutral capacity for LB917-- or, LB1125.

SORRENTINO: Thank you, Chairman Hansen. I'll, I'll be brief. On-- back on December 27 of 2020, there was a federal law enacted known as the Consolidated Appropriations Act, or CAA. It was 1,100 pages of a lot of interesting information, but 91 pages of it dealt with healthcare, and specifically transparency in healthcare. That being the overriding theme, LB25-- LB 1125 addresses that here. Honestly, I can't imagine that any of us sitting here, even those of us who have the longest potential tenure, which would be another six years, will probably address another transaction like this during our tenure. There's not that many health systems to take over that would be in excess of a \$100 million. But with that said, I think when it's appropriate, we should reserve the right to review these transactions for accountability and fiscal responsibility. So, that's what LB1125 does. Thank you.

HANSEN: All right. Thank you. Any questions from the committee? All right. And just for the record, we are keeping letters, on-- online comments for the bills open until 5 p.m. because of the weather, so. All right. So, with that, we will close the hearing for LB1125.

SORRENTINO: Thank you.

HANSEN: Thank you, Senator Sorrentino. And we will open it up for LB917, and welcome to Senator Conrad.

CONRAD: Hello, my name's Danielle Conrad, it's D-a-n-i-e-l-l-e, Conrad, C-o-n-r-a-d. I'm here to introduce LB917. This relates to the University of Nebraska, and would change requirements for the disposal of property to align with Board of Regents policy. The bill would remove the current threshold amount of \$1 million to avoid ambiguities related to adjustments due to inflation, and clarify that all such transactions to dispose of property would require public action by a Board of Regents. So, just due to the interest of time, there's a, I think, fascinating and interesting historical context to this section of law that we're opening up. This measure was brought to me by the university earlier in the interim, far before the issue at hand and the bill you just heard arose, and university officials are here to share their perspective on it. I'm happy to answer questions.

HANSEN: OK. Any questions from the committee?

CONRAD: Thanks.

HANSEN: Seeing none. Thank you. All right. We'll take our first testifier in support of LB917. Welcome back.

MATT BLOMSTEDT: It feels familiar, so. Good afternoon, Chair "Hancement"-- Hansen, and members of the Executive Board. For the record, my name is Matt Blomstedt, M-a-t-t B-l-o-m-s-t-e-d-t, and I am here today on behalf of the University of Nebraska in support of LB917. LB917 updates the process for real property disposal in a manner consistent with best practices for the university, and for efficient and effective real estate transaction planning. The bill addresses a provision that predates the modern establishment of various administrative procedures in the modern administration of the university. The statute requires the consent of the Legislature before the university may dispose of certain real property, but it does not define what consent entails, or how that is to be obtained. Over time, that lack of definition has created barriers to determine how and when to dispose of property, even when property is set to be decommissioned. When the university evaluates whether a facility should be sold, particularly one with significant value, there is not a clearly-articulated statutory process to

follow. There is no specified mechanism, no timeline, and no identified form that such consent must take. This uncertainty matters because disposing a major-- of a major facility is not as simple administrative leap. These buildings are often house-- have housed students, academic programs, or research activities for decades. If a campus determines whether a facility is outdated or no longer aligned with institutional priorities, significant planning occurs before it can be listed for sale. Programs are relocated, spaces reassigned, the building is removed from active use. At the same time, it still must be maintained and kept co-compliant while the approval process plays out. Real estate markets do not operate in an open-ended timelines. Market strength shifts, development conditions change. When there is not a clear or predictable authorization process, it becomes more difficult to align the preparation of a property with favorable market conditions. That can affect the return on what is, ultimately, a public asset. This also carries into long-term campus planning. The university plans facilities and capital investments many years into the future. In some cases, proceeds from the sale of surplus property are part of the strategy for reinvestment in updated facilities or new academic priorities. LB917 replaces the undefined "consent of the Legislature" language with a requirement that the duly-elected Board of Regents approve such transactions by majority vote in a public meeting. That establishes a clear, transparent, and constitutionally-grounded process. This bill brings clarity to a statute that currently leaves room for confusion, and as a result, can affect how the university manages significant public assets. Thank you for your consideration. I'm happy to respond to questions. And, as Senator Conrad said, this is actually a topic that surfaced for me as we have housing projects or housing that is owned by the university on the University of Nebraska-Lincoln campus. We have other properties that are around and different things, and once they kind of hit that million-dollar threshold, it's just uncertain how do I address it. And so, really, what we're asking for is kind of clarity about how to, how to proceed with that, that language.

HANSEN: Thank you. Yes, Speaker Arch.

ARCH: Thank you for being here. It references current policy of the Board of Regents. What is the current policy of the Board of Regent? Do they approve all dis-- all disposing?

MATT BLOMSTEDT: I, I, I think of anything over a million dollars-- I'd have to go back and look at the exact, exact amount, but I think they kind of align that with the statutory kind of provisions. If there was some smaller transaction, I think, I think administratively, it could be done by appropriate officials, so.

ARCH: So, if this is eliminated, it's a \$1 million threshold, how would that policy change?

MATT BLOMSTEDT: I don't think the policy would change at all, so.

ARCH: Well--

MATT BLOMSTEDT: I think the intent would be pretty much how they're transacting-- it's just how the interaction with the, the Legislature and obtaining that consent. There's also, I would say, unclarity about what "disposal" means, the disposal of property, and, like, I think it's back to the notion of if you put three attorneys or three accountants or three people in a room, you probably get three different opinions about what that means, so. Getting clarity, I think, is the long-term goal here.

ARCH: Thank you.

HANSEN: Do you know if we have any other areas in our government where we allow government-affiliated agencies such as the university to acquire land or dispose of land worth more than \$1 million without the Legislature's oversight?

MATT BLOMSTEDT: Yeah. So actually, I believe from, like, "adminislative" procedures, like other agencies, there is a process that was built, and this, this one wasn't included in it. I, I, I would have to go back and find the exact references, but I know there are other ways that that's done administratively underneath other agencies of the state, so.

HANSEN: OK. I'm seeing no other questions.

MATT BLOMSTEDT: All right.

HANSEN: Thank you very much.

MATT BLOMSTEDT: Thank you.

HANSEN: Anybody else wishing to testify in support? Anybody wishing to testify in opposition? Anybody wishing to testify in a neutral capacity? Seeing none. Senator Conrad waives closing, and that'll close the hearing at LB917. And [INAUDIBLE] there's no letters for the record.