

KELLY: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the Forty-Sixth Day of the One Hundred Ninth Legislature, Second Session. Our chaplain today is Father Stoley from St. Michael Catholic Church in Lincoln, Senator Brandt's district. Please rise.

LAWRENCE STOLEY: Good morning, everyone. Today is the Feast of St. Joseph, and St. Joseph is the patron of the universal church. He was the father-- the foster father of our Lord and the Blessed Mother. And so, we're going to remember St. Joseph today and put our-- ourselves in his care. Glorious St. Joseph, guardian of the holy family and faithful servant of God, we place our home and loved ones under your care. Guide us in patience when trials arise, in kindness when words may wound, and in faith when hope feels distant. Protect your families from harm, strengthen our unity and love, and help us to follow your example of humility and trust in God's plan. Through your intercession, may our homes be a place of peace, joy, and holiness, where Christ is always at the center. Amen. And now, let us pray as brothers and sisters of the same Heavenly Father. Our Father, who art in heaven, hallowed be thy name. Thy kingdom come, thy will be done on earth as it is in heaven. Give us this day our daily bread and forgive us our trespasses, as we forgive those who trespass against us. And lead us not into temptation, but deliver us from evil. And if you're comfortable to respond to each of these invocations with "amen." May the Lord be with you to protect you. Amen. May he guide you and give you strength. Amen. May He watch over you, keep you in His care, and bless you with His peace. Amen. And may Almighty God bless you, the Father and the Son and the Holy Spirit. Amen. Have a great day. God bless you.

KELLY: I recognize Senator Wordekemper for the Pledge.

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

KELLY: I call to order the Forty-Sixth Day of the One Hundred Ninth Legislature, Second Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

CLERK: There's a quorum present, Mr. President.

KELLY: Are there any mess-- corrections for the Journal?

CLERK: I have no corrections this morning, sir.

KELLY: Messages, reports, or announcements?

CLERK: There are, Mr. President. Your Committee on Urban Affairs chaired by Senator McKinney reports LB811 to General File with committee amendments. Additionally, amendments to be printed from Senator Lonowski to LB1048. New LR: LR375 from Senator Hughes, LR376 from Senator John Cavanaugh; those will both be laid over. That's all I have at this time.

KELLY: Thank you, Mr. Clerk. Senator Storer would like to recognize some guests-- a guest under the south balcony, Sherri Bacon of Valentine. Please stand and be recognized by the Nebraska Legislature. Senator Glen Meyer would like to recognize the Doctor of the Day, Dr. Dave Hoelting of Pender. Please stand and be recognized by the Nebraska Legislature. Mr. Clerk, please proceed to the agenda.

CLERK: Mr. President, General File, LB820A introduced by Senator Ballard. It's a bill for an act relating to appropriations; appropriate funds to aid in the carrying out the provisions of LB820; and declare an emergency. The bill was read for the first time on March 17 of this year and placed directly on General File.

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

BALLARD: Thank you, Mr. President. LB820A appropriates-- is appropriation bill for LB820. Anytime the Legislature considers a bill which would require an actuarial study, there's a one-time cost incurred by NPERS to have an actuarial study conducted by the plan's actuaries. Historically, these one-time costs are assessed on a pro-- pro-rated basis against the members in the relevant retirement plan. In the case of LB820, there are two actuarial studies conducted impacting the Omaha Public Schools Retirement System and one impacting the Nebraska State Patrol. LB820A has appropriated \$7,500 in cash funds from the School Employee Retirement System Management Work Plan, and \$7,500 from the State Patrol Expense Fund to cover the cost of actuarial studies. I ask for your green vote on LB820A. Thank you, Mr. President.

KELLY: Thank you, Senator Ballard. Seeing no one else in the queue, you're recognized, and waive closing. Senators, the question is the advancement of LB820A to E&R Initial. All those in favor, vote aye; all those opposed, vote nay. Record, Mr. Clerk.

CLERK: 39 ayes, 0 nays on advancement of the bill, Mr. President.

KELLY: LB820A advances to E&R Initial. Mr. Clerk.

CLERK: Mr. President, General File, LB847A, issued by Senator Kauth. It's a bill for an act relating to appropriations; to change appropriations to aid in carrying out of the provisions of LB847; to repeal the original sections; and to declare an emergency. The bill was read for the first time on March 17 of this year and placed directly on General File.

KELLY: Thank you, Mr. Clerk. Senator Kauth, you're recognized to open.

KAUTH: Thank you, Mr. President. This is the A bill that is a companion to the committee priority bill that deals with apprenticeships. We need to catch this up to LB847, so I would ask everyone to vote yes on LB847A.

KELLY: Thank you, Senator Kauth. Seeing no one else in the queue, you're recognized to close, and waive closing. Senators, the question is the advancement of LB847A to E&R Initial. All those in favor, vote aye; all those opposed, vote nay. Record, Mr. Clerk.

CLERK: 38 ayes, 0 nays on advancement of the bill.

KELLY: LB847A is advanced to E&R Initial. Mr. Clerk.

CLERK: Mr. President, General File, LB901A introduced by Senator von Gillern. It's a bill for an act relating to appropriations; to aid in the carrying out of the provisions of LB901; declare an emergency. Bill was read for the first time on January-- or, excuse me, on March 17 of this year and placed directly on General File.

KELLY: Senator von Gillern, you're recognized to open.

VON GILLERN: Thank you, Mr. President. Of course, this is the A bill to go along with LB901, which had some great discussion in the past few days, and I encourage your green vote to advance LB901A. Thank you, Mr. President.

KELLY: Thank you, Senator von Gillern. Seeing no one else in the queue, you're recognized to close, and waive closing. Members, the question is the advancement of LB901A to E&R Initial. All those in favor, vote aye; all those opposed, vote nay. Record, Mr. Clerk.

CLERK: 34 ayes, 0 nays on advancement of the bill, Madam-- Mr. President.

KELLY: LB901A is advanced to E&R Initial. Mr. Clerk.

CLERK: Mr. President, General File, LB1101A introduced by Senator Ballard. It's a bill for an act relating to appropriations; to appropriate funds to aid in the carrying of the provisions of LB1101; declare an emergency. Bill was read for the first time on March 18 of this year and placed directly on General File.

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

BALLARD: Thank you, Mr. President. LB1101A would appropriate \$7,500 from the cash fund to the judges' expense fund to cover the cost of an actuarial study from LB1101. I ask for your green vote on LB1101A. Thank you, Mr. President.

KELLY: Thank you, Senator Ballard. Seeing no one else in the queue, you're recognized to close, and waive closing. Senators, the question is the advancement of LB1101A to E&R Initial. All those in favor, vote aye; all those opposed, vote nay. Record, Mr. Clerk.

ASSISTANT CLERK: 39 ayes, 0 nays on the advancement of the bill, Mr. President.

KELLY: LB1101A advances to E&R Initial. Mr. Clerk.

CLERK: Mr. President, General File, LB1181A introduced by Senator Bosn. It's a bill for an act relating to appropriations; to appropriate funds to aid in the carrying out of the

provisions of LB1181. Bill was read for the first time on March 17 of this year and placed directly on General File.

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

BOSN: Thank you, Mr. President. LB1181A was introduced because the Crime Commission indicated there may be an increase in eligibility for victim counseling claims through the Crime Victims Reparations Program due to LB1181, which expanded the definition of who constitutes a victim of violent crime. I ask for your green vote on LB1181A. Thank you, Mr. President.

KELLY: Thank you, Senator Bosn. Seeing no one else in the queue, you're recognized to close, and waive closing. Senators, the question is the advancement of LB1101A to E&R Initial. All those in favor, vote aye; all those opposed, vote nay. Record, Mr. Clerk.

CLERK: 40 ayes, 0 nays on advancement of the bill, Mr. President.

KELLY: LB1181A is advanced to E&R Initial. Mr. Clerk.

CLERK: Mr. President, General File, LB1235A introduced by Senator Holdcroft. It's a bill for an act relating to appropriations; to appropriate funds to aid in the carrying out of the provisions of LB1235; and declare an emergency. The bill was read for the first time on March 17 of this year and placed directly on General File.

KELLY: Senator Holdcroft, you are recognized to open.

HOLDCROFT: Thank you, Mr. President. This is a-- essentially, a shell bill for LB1235, which is currently on Final Reading. As soon as we complete the, the budget bills, we'll know exactly how much can be put into this A bill. So, right now, it has zero dollars in it, so we'll be bringing back an amendment on, on Select File once we know how much will go into this bill. Thank you, Mr. President.

KELLY: Thank you, Senator Holdcroft. Seeing no one else in the queue, you're recognized to close, and waive closing. Members, the question is the advancement of LB1235A to E&R Initial. All those in favor, vote aye; all those opposed, vote nay. Record, Mr. Clerk.

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Rough Draft

CLERK: 37 ayes, 0 nays on advancement of the bill, Mr. President.

KELLY: LB1235A is advanced to E&R Initial. Mr. Clerk.

CLERK: Mr. President, Select File, LB1071, introduced by Speaker Arch at the request of the Governor. First of all, Senator, there are E&R amendments.

KELLY: Senator Guereca, you're recognized for a motion.

GUERECA: Mr. President, I move that the E&R amendments to LB1071 be adopted.

KELLY: Senators, you've heard the motion. All those in favor, say aye. Those opposed, say nay. The E&R amendments are adopted. Mr. Clerk.

CLERK: Mr. President, Senator Conrad, I have FA945, AM2583, AM2580, all with notes that you would withdraw.

KELLY: So ordered.

CLERK: Mr. President, Senator Machaela Cavanaugh, I have FA1037 with a note that you'd withdraw.

KELLY: So ordered.

CLERK: Senator Brandt, I have FA1045 with a note that you'd withdraw.

KELLY: So ordered.

CLERK: Mr. President, in that case, Senator Clements would move to amend with AM2748.

KELLY: Senator Clements, you're recognized to open on the amendment.

CLEMENTS: Thank you, Mr. President. Thank you, colleagues. The last-- this is the second round for the-- of the budget debate. The last time we were working with the goldenrod book, and the provisions we passed on General File brought the shortfall from the negative \$471 million and the \$175 million additional up to a negative \$125 million shortfall. And after General File

debate, the Appropriations Committee met again, and we have found additional funds and-- to shore up the budget. There was a handout sent out yesterday morning, a three-page handout, which would be helpful if you refer to that. You'll see on page 3 a negative \$37 million of continued shortfall, so we found-- we need about \$90 million of additional funding for the budget between this bill and the next one, LB1072, but we'll be concentrating on LB1071 at this time, which is the General Fund appropriation adjustments. LB1072 will be the cash transfer budget bill. So, I'd like for you-- if you're wanting to follow along, I'm going to go through the handout that was sent regarding AM2748, the Select File amendment to LB1071. First four items say Legislative Council, that's our Legislature and our different divisions; you'll see those different programs add up to a \$250,000 reduction, so the Legislature is cutting our own budget. But we still do have enough money for the security upgrades that the executive committee has been proposing. We did not take the money out for those. Next item talks about the governor. We had removed the governor's carryover funds, but it's running him short, so we're putting back \$250,000 for his operations. Next one, Department of Education, \$86,000 in operations reduction savings. The next one, the Department of Revenue, they have a property assessment division which had a shortfall, and they were needing \$400,000 per year for their operations to restore the funding for that that had been reduced, so we'll-- that's an adjustment and a correction to get their budget right-sized in the property assessment division. Department of Labor, education scholarships have been removed, \$3,650,000 of budget savings there. Health and Human Services is the next four items. First item's \$12,500 of expense for retroactive eligibility operations. Next one, you'll see \$5 million of savings in fiscal '26 and fiscal '27; that's the hospital assessment. The, the state gets some of the hospital assessment funding. This is the state's share, it does not come out of any of the hospitals themselves. So, we're able to use \$5 billion per year of that. The next item is other efficiencies Health and Human Services asked to find, and they said they could handle that, so that's \$5 million savings there. Then, the last item in Health and Human Services is an increase of \$13.3 million; that's regarding the Medicaid look-back and retro-eligibility for people signing up for Medicaid. The original budget proposal had zero-day look-back, and this matches the federal H.R. 1 Medicaid look-back provisions, and that is the \$13.3 million that we're absorbing by expanding to what the federal government statute is. Next one, BELF is Bureau, Bureau of Educational Lands and Funds. They had a shortfall in the

LB1071 reduction of their budget; we're restoring \$32,000 of operations in 2026, and restoring \$50,000 in 2027, so their operation budget is sustainable. Next one is Department of Corrections. The governor had asked them to find the \$5 million of operations savings. In visiting with our Fiscal Analyst, they said \$2 million was the amount-- the, the most amount that they could come up with, and so, we have another \$2 million of operations reduction for Department of Corrections that they have indicated was possible to do. State Patrol are the next two items. You'll see a positive \$500,000 in one program and a negative \$500,000 in the other. They're adding-- one program needed \$500,000, the other program had an excess of \$500,000, so that's a, a net-zero, just transferring between two programs to right-size their budget. The next one, three-- the lot of-- bottom three are Department of Economic Development. There's a \$2 million reduction in the mentorship grant awards; that was something that organization like TeamMates was using, and the-- it was \$6.8 million of budget; we're retaining \$4.8 million for mentorship grants, and we're also expanding the eligible organizations who can use that type of funding. It was for reading, especially for K-12 students. Next one on Economic Development, \$200,000 in each year, correcting an amount for their budget to get it sustainable and right-sized, adding back \$200,000 there. And the last one on Economic Development is some operation efficiencies, reductions: in each year, \$50,000 that they were able to come up with. So, the total of those items that you're in the Select File amendment shows \$4.5 million reduction in General Fund expenses in the first year, \$3.9 million in the second year. That's even after we're absorbing some increases of costs in, in some of the agencies. The next section talks about some cash fund appropriation changes in the amendment. First one is Department of Revenue: \$2.8 million of cash appropriations for games of skill, cash, cash devices, and IT software expenses for those operations. Next one is Health and Human Services: child care subsidy was put in, which regards LB304 provisions, \$10.7 million, which would be from the Health Care Cash Fund, not general funds. Then, there's Electrical Board. You'll see \$400,000. They had a shortfall, so we're going to advance them \$400,000, and then they will be repaying it in another year to cover some one-time expenses they had. Military, \$1 million dollars. It's going to become an NC3 Cash Fund for an Offutt Air Force Base National Guard promotion at Offutt. And finally, Game and Parks had 61 staff working overtime in the wildfire; they needed \$75,000 more appropriation for paying overtime to those wildfire, wilfire employees. And the bottom shows federal funds that are affected, some in health and human

services; that's not state funds, those are federal funds that are adjusted to go along with some of the General Fund adjustments. And so, that's the Select File amendment. The second page shows you the individual items, sections that are involved, and the last page shows you their updated status, which is \$37 million still shortfall, but \$546 million cash reserve. Thank you, Mr. President.

KELLY: Thank you, Senator Clements. Senator Juarez would like to recognize some guests in the north balcony: fourth-graders from St. Thomas More School in Omaha. Please stand and be recognized by the Nebraska Legislature. Senator Sorrentino would like to recognize some guests in the north balcony: fourth graders from Spirit and Grace Academy in Elkhorn. Please stand and be recognized by the Nebraska Legislature. Mr. Clerk, for an amendment.

CLERK: Mr. President, Senator Conrad, I have AM2566 and AM2567, both with notes that you'd withdraw.

KELLY: So ordered.

CLERK: In that case, Mr. President, Senator Conrad would move to amend AM2748 with AM2787.

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

CONRAD: Thank you, Mr. President. Good morning, colleagues. Thank you to Senator Clements, my good friend Senator Clements, for his important and informative overview of kind of where we are with this stage of budgetary deliberations. One item that I wanted to lift in this amendment-- and there are some corresponding issues I believe as well in the next budget bill, LB1072, so we'll have a chance to perhaps work through those in tandem. But this amendment, I believe, is to restore some of the funding cuts to the Nebraska Library Commission. So, there's-- the way I understand it-- I'm a little rusty from my time on Appropriations, but still have a, a good base knowledge there. I-- my understanding is this amendment in particular, I think, would go to some of the operational cuts, which are small in nature compared to some the big cuts for critical human services that are of concern throughout this budget. And then, there's another related piece for library services, I think a \$250,000 sweep, perhaps, in the next bill that would impact critical

library services as well that I know has drawn members' attention. And I've had the opportunity to work with the Library Commission on many instances over the years, and to work with a lot of passionate librarians who I'm fortunate to have as constituents in my district. And they brought this issue to my attention, and I wanted to make sure that we at least had an opportunity to vote on, on these funding cuts through a separate and discrete amendment. So, the Nebraska Library Commission itself is a pretty small state agency compared to some of the others that are out there. There's roughly about 40 employees there, and with all different fund source-- General, cash, federal, revolving-- there's about, about a 7, 7-- 6-- 6.5-- \$7 million overall budget here, broken to different programs and services. So, of course, they have the agency support services themselves for staff and operations. They do information services for helping citizens and librarians get the information they need to be successful. They help to develop libraries all across the state. They provide technology and service access. They do talking book and braille service to help Nebraskans with reading disabilities or limited vision or blindness. They help to support the regional library system services which has impact all across the state of Nebraska. They provide direct aid to public libraries. They do lender compensation, statewide electronic databases, which are critical for research, continuing ed and training grants, youth grants for excellence, and children's services workshops. So, I know that my family has utilized public libraries from when I lived back home in, in Seward, and that my families uses them today in north Lincoln, and I know our family is not alone. These are wonderful community services that help kids develop reading school-- skills, help adults pursue reading passions, create opportunities for important research, and are really important for citizens who maybe don't have access to the internet or "otherwhy" to get-- otherwise to get help with typing up their resume, resume, applying for jobs, applying for benefits, those kinds of things. The, the libraries are very vibrant in terms of meeting people wherever they are, and helping to connect them with services and tools so that they can help themselves and be more educated and be more engaged in communities. So, I did want to lift this up. I know it's a very important issue, and hopefully it sets the stage as well for a deeper cut or cost shift in LB1072 as well, which I know has drawn many members' concerns. I'd urge your favorable consideration, and I'm happy to answer questions. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Moving to the queue, Senator Sorrentino, you're recognized to speak.

SORRENTINO: Thank you, Mr. President. Good morning, colleagues. I'd like to thank Senator Clements and the Appropriations Committee for all the hard work they've done on this. They've had to make some very, very difficult calls. I want to call attention to one that I'm particularly dismayed at, and I have mentioned this to Senator Clements yesterday. The budget no longer accommodates the \$3.5 million appropriation for private school vouchers and scholarships. You see, fellow Nebraskans, by removing the one-time payment of \$3.5 million from the Appropriations budget for private school, every household in the state of Nebraska, all 900,000 of them, will save \$3.89 cents. Now, \$3.89 isn't very much money. I don't think you can go to Runza and get a Diet Dr. Pepper for that, but that's the savings. Those 900,000 households pay some sort of tax-- it could be income tax, excise tax, property tax, sales tax-- towards the larger number in our budget, the revenue. School choice, at \$3.5 million, is 0.06 percent of those revenues. The children who would have-- or, would continue to receive this benefit are from families that make under 185 percent of the federal poverty level. A family of 4 in Nebraska, that would be about \$61,000. Colleagues, I am school choice. I did not get to attend the school of my choice, because we didn't have the money. I would have benefited from this, because my family certainly was far under 185 percent of the federal poverty level. So, I understand this bill. I also understand Senator Clements' choice to remove it, but I disagree with it. We have an extensive budget, which, at the very top, includes public school education. And I, and I'm sure many of you, have gotten all kinds of emails and texts with things about not mixing church and state, and to tho-- I dismiss those, because there is no case at the Supreme Court level in the state of Nebraska that would say this is an illegal mixing of church and state. You, you can stand on the mic all day and say that, but that's not true. So, it really comes down to dollars and cents. And as I pointed out last week when I talked, of the 37,000 private school students, at an average of \$19,000 per public school cost, we're over \$700 million. You can do the math. \$3 million as a percentage of \$700 million is a really, really small percentage as well. I believe there's going to be testimony that follows me that even makes a greater case that instead of taking the \$3.5 million out of this particular budget item, we probably owe the private schools a really big thank you. We don't have the buildings to accommodate these 37,000, and we certainly

don't have \$700 million to spend. We added things into the budget, some of which are good; I, I support child care subsidy, but not at the exclusion of this \$3.5 million. I simply close by saying we've got a long way to go, and I don't believe I'm the only senator who feels this way, and I will have difficulty supporting this budget, sadly, if we go to cloture. This amount belongs in there. Our poorer children in the state of Nebraska deserve this. They made choices to attend certain schools, and now they will be torn from those schools by leaving this out of the budget. I will punch back in and have more to say as time goes through this budget. Thank you, Mr. President.

KELLY: Thank you, Senator Sorrentino. Senator Kauth, you're recognized to speak.

KAUTH: Thank you, Mr. President. And is Senator Strommen available for some questions?

KELLY: Senator Strommen, are you--

STROMMEN: Yes.

KELLY: --will you take a question?

KAUTH: Thank you. So, Senator Strommen sits on the Appropriations Committee, and he and I have been talking about this. I strongly support the ability of kids to go to the school that fits them best. And I've said it many times, we don't have time with a kid who is growing to not have them learning. And if they're not being successful in the school they're at, they should find a school that fits them best. And, as Senator Sorrentino just pointed out, there's a lot of kids who can't. So, when we talk about supporting the poorest of the poor, these are those kids who need an-- the ability to find somewhere else. Now, the scholarship granting organizations were set up, they were funded, and that funding is being removed. And I get that. There was a vote. I disagree with it, but I support it. But this is the stopgap year between last year, when kids transitioned into new schools and are being successful, possibly for the first time in their lives. Now, all of a sudden, we are ripping that funding away from them until next year when the federal government funding will step in. This is a gap year. This is a one-time amount. So, for us to say no to these kids because it's a school choice issue, to me, is really confusing. And I asked Senator Strommen to answer some questions because we spend-- and

I don't know how much the state is aware, but for the option enrollment program, that is additional money that the state funds students to move within public schools. So, Senator Strommen, can you tell me, how much does the state pay to have kids move between public schools?

STROMMEN: So, let's-- for the past 3 years, let's see, '23-'24, it was \$117 million. For '24-'25, it was \$123 million. '25-'26, \$121 million. And then, estimating out to '26-'27, \$133 million, '27-'28, \$137 million dollars, '28-'29, \$141 million dollars.

KAUTH: So, that's extra money that the state pays on top of the, the property taxes that go to the schools. Is that correct?

STROMMEN: Yes.

KAUTH: So essentially, those schools are double-dipping.

STROMMEN: Yeah.

KAUTH: OK. So, I think that we should look at, are we funding that amount too much? Should we reduce that amount? If we're looking at serious cuts, if we're willing to take money away from the poorest of poor kids who want to get an education, should we look at-- and for just one year-- should we look at option enrollment and start putting that on the chopping block, and taking some funding away from that? Senator Strommen, do you have any opinions on that?

STROMMEN: Well, I, I-- the, the interesting thing here, and I'll just do a little bit more math for you, just to sort of answer some of your question, here. So, I was talking to Senator Sorrentino, there's 37,000 students in private school. If you assume \$10,000 per student in option enrollment, you would be looking at \$370 million. Currently, we're looking at roughly \$3.7 million in gap financing. That's what it is. This isn't a new program. It's gap financing. So, at \$3.7 million, that's 0.01% of the total dollar value that you would spend on those students if they were in option enrollment. So, if that gives any clarity to what we're talking about here, I hope, I hope that that helps.

KAUTH: So, so when we are looking at school funding, the amount that we are offering to pay for the stopgap year for the poorest of poor kids who are successful now in a private school while

they wait for the federal funding to kick in next year is 0.01 percent of the dollar amount that we spend on option enrollment moving kids in public schools to different public schools because it's a better fit for them, correct?

STROMMEN: Well, it would be 0.01 percent of what we would spend if they were in public schools and moving between public schools. So, yeah. If they-- if that 37,000 students were enrolled, option enrollment, it would come out to 30-- 3-point-- \$370 million, so.

KAUTH: Thank you very much, Senator Sorrentino [SIC].

STROMMEN: You can look at it we were either saving the state \$370 million in option enrollment, but at the end of the day, it's still 0.1 [SIC] percent of that would cost.

KAUTH: Thank you, Senator Sorrentino [SIC]. I appreciate it. And I would like to give you the rest of the time.

KELLY: That's time, Senator.

KAUTH: I'm so sorry. I called him Senator Sorrentino. It's Strommen.

KELLY: Thank, thank you, Senators Kauth and Strommen. Senator von Gillern, you're recognized to speak.

von GILLERN: Thank you, Mr. President. I'm going to start in, in one vein and finish in another here. First, I want to thank Senator Clements and the members of the Appropriations Committee for the hours and hours and hours that they put into developing the budget, and to making the hard decisions and considering every option, turning over every rock to, to get to where we are today. I greatly appreciate their dedication and the time that they've put into that. I think it's one-- just a couple of things that Senator Clements pointed out this morning that I'd like to echo. The cuts to the, to the Legislative Council, I think when you, when you look at making cuts, you look at your home budget first, and, and I think it's admirable that the, the Leg Council was, was first to make those cuts and, and took, took the same approach that the other agencies were asked to take. I am pleased that the Capitol security remains in there, and that's been a topic of discussion as we've gone through this year. Not necessarily for my personal security or even my

colleagues here, but-- and all of us can relate to this. My granddaughter's going to be here. She's in fourth grade, she'll be here in a couple of weeks doing a tour, and I think we have to remember that it's not just us that work in this building; we have thousands and thousands of visitors here, and many of them young people that we want to make sure are, are safe and secure, so I'm pleased that that's still in the budget. I want to mention the, the cash reserve. If you look at the sheets that Senator Clements handed out, it does show that we have \$546 million remaining in the rainy-day fund, and that's in addition to the \$330 million of the statutory reserve, so. There are still-- there's still \$876 million of cash remaining in budget for emergencies or for cash flow issues, which is around 16 percent of our spending, if I've done the math correctly. And Senator Clements will clarify that if I have not, so I appreciate that also. I do want to make a few comments about scholarships, and, and I appreciate Senator Sorrentino's comments and Senator Kauth's comments and, and Senator Strommen's clarification on some of the math. I'm disappointed that this is not in the budget. As, as has been noted, it's a one-year gap funding. This is not creating a program, it's not creating and need that goes on forever and ever. It's a one-time funding. If we go through-- if we look through the appropriations listings and, and the budgets and, and everything that's, that's, that's in there, it just amazes me that this has become such a lightning rod. It-- again, it's been mentioned already. 185 percent of the poverty level. I mean, this is, this is a program that was completely targeted towards poor families, marginalized families, and, very likely, people of color. I mean, it, it-- it's not about school choice; it's about doing good for the people who need it the most. And I tell you what, my frustration level is really going to rise as the day goes on, I'm betting, because we're going to hear people talk about how we're not giving enough to the prison system, and how we are not doing enough for day care and child care, and how we're not doing enough for poor and marginalized people and people of color. We're going hear that theme all day long until this budget is done, or all through this budget debate, I guarantee you. And every time I do, all I can think about is the hypocrisy between that argument and the argument that we can't provide a scholarship for a kid to put him in the best school, the best educational opportunity for that child, for that family, for families that are 185 percent of poverty level. Shame on you. If you stand up today and you make a pitch for poor people for any other reason, and you can't support this, you're a hypocrite. That's the emotional side of the argument. I'm also very

pragmatic. I know that the votes aren't there, I know the budgets are tight, and I've heard thousands of times that Nebraskans have spoken. Well, I tell you, I've done a survey in my district. Legislative District 4 overwhelmingly supports school choice. It might be unique out of all 49 districts, but that's the case in my district. So, as the, as the discussion goes on today, I encourage you, if you're considering making an argument for poor people, for marginalized people, for people of color, don't forget these kids who need to be in the right school, in the right place for themselves, for their family, for their future and the futures of our communities. Thank you, Mr. President.

KELLY: Thank you, Senator von Gillern. Mr. Clerk, for an announcement.

CLERK: Mr. President, the Government Committee will meet in executive session now in Room 2022. Government Committee, now, Room 2022. That's all I have at this time.

KELLY: Thank you, Mr. Clerk. Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. I rise in support of AM2787. And I'm sure that there's other amendments coming that I support, or some that I don't support, but I want to talk about behavior unbecoming of a senator, because you all censured me with the letter or whatever that was this year, unbecome-- behavior unbecoming of a senator. Well, if the behavior that is becoming of a Senator is to sit in your seat and film two other senators having a heated discussion, and like a child, just keep on doing it, I don't want behavior becoming of a senator. Senator Kathleen Kauth sat in her chair while I had a private conversation. Yeah, it was off the side of the floor, but the press doesn't film us when we're off to the side of the floor. We had a conversation, it was between the two of us, and she sat in her chair and just filmed us. I don't know why. Want to put it on social media to make me look like a clown? Doesn't matter. I've got 14 days left. Who cares what I say? Why would you put that on social media? Because you're just going to hurt-- harm the other person who the conversation is with. It is the most juvenile, idiotic thing I have seen in a long time in here. Behavior unbecoming of a senator. I stood up here and gave a very sincere apology to this body, to the state of Nebraska, and one-on-one apologies to my colleagues for my behavior. I

seriously doubt Senator Kauth will say boo to me or Senator Lippincott about her behavior. Now, our rules don't entertain that kind of behavior, because apparently, we didn't think we needed to. Our rules say "Any mobile or wireless communication device shall be silenced prior to entering the Legislative Chamber, so as to prevent any emitting of an audible sound or signal. The Clerk shall designate areas for phone and video calls so as maintain decorum and avoid distraction." That was not maintaining decorum. That was childish, it was juvenile, it's bullying. But Senator Kathleen Kauth is a bully, and you all let her get away with it. Is she going to get a letter saying that her behavior was unbecoming of a senator? I seriously doubt it. She can post a video of me and Senator Lippincott on social media, and you guys won't say boo about it. What does that say about you? It is so disrespectful to this institution, and you all should feel disrespected, or have a little self-respect enough to feel disrespected, because it was disrespectful. And I looked at her and I pointed at her, and I told her to stop, and she didn't. She just kept going. So, we left the floor and we had our conversation elsewhere. Which is fine, but we shouldn't have to do that. So, what are you guys going to do about it? What are you going to do about it? Senator Hansen, what are you going to do about it? Are you going to censure her? Are you going to write a letter? What's going to happen to Senator Kathleen Kauth for filming her colleagues having a private conversation off the side of the floor relentlessly? Or, are we just going to let it pass because she was doing it to me? Yeah, that's what I thought. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator Armendariz, you're recognized to speak.

ARMENDARIZ: Thank you, Mr. President. I will say that I have decided to fight for the scholarship money to be put back in the budget, so I have put up a bunch of amendments that will come up to keep us talking on the budget until cloture. This isn't a way to get back at anybody or do anything vindictive; it is something I need to do to fight for these poor kids that might get kicked out of the school that they're currently attending, if this money is withheld from them, and I think they deserve to stay. Oftentimes, when you live in poverty, you need that stability, and I'm not willing to take it away because of outside forces that want complete control over our tax dollars. This is the right thing to do. I grew up in northeast Omaha in a

very, very poor community. Some people in some parts of Omaha call it "The Bottoms" because it flooded a lot, smelled like the sewer a lot. That sewer separation project all over where I grew up, because the sewers were combined. But we did have a sense of community, we did have a neighborhood school that was K-12. We also had a small church that had a small school on the top floor. We, as a family, could not afford to go to that school, but there were some families of eight kids in our little neighborhood that did go to that school that eventually got closed down, because they just didn't have enough money to keep it open, and they moved to a different Catholic school outside of our neighborhood. So, I was the fourth child of five. I've said this before, my mother turned 20 the month before I was born. She was a high school dropout, but she was married and stayed married. Still married today, they've been married over 60 years. My brother began getting bullied in grade school. He was somewhat of an eccentric, had his own mind, very artistic, very bright, but quirky. Started getting bullied in grade school. When you got in trouble in grade or in school period, back then, you got into trouble at home too, which he did. He eventually started getting alienated by all of his peers at school and his family at home, because we sensed he was the source of all the disruption in our family, so we would be mad at him as well. He never fought back, he was never mean, but he was alienated, and he ended up being completely alone. And in the end, he started self-medicating before he was even a teenager. He ended up in the Omaha Home for Boys, he ended up in Kearney, and then he ended up in prison, stealing in order to fund his addictions to escape the world he lived in. My little brother was born five years after me, so plenty of distance between me and him, and then my brother, who was a year-and-a-half older than me, and him. And when he started getting bullied in the second grade, my mother did not want to repeat what she had had to suffer with her older son, and did everything she could to get him out of the school he was getting bullied at, and sent him to a Catholic school near her work. It made a light-- a night-and-day difference for our family, for my two brothers. My brother ended up getting out of prison, living homeless, barely getting by. I don't think he's ever had a job with an employer. And my younger brother, although he struggled still, we didn't have much money, he was successful, graduated high school, graduated college, is building a beautiful house right now with his family. I saw the difference firsthand, and the pain my mother must have gone through to watch her older son suffer as he did. I wonder how it might have been different if he was able to be going to the school that would have fit him

better. And that's why I'm fighting for this: all those kids that may be feeling the same way, they need a way to feel better and safe and secure. It might not be everyone. Thank you, Mr. President.

KELLY: Thank you, Senator Armendariz. Senator Raybould, you're recognized to speak.

RAYBOULD: Thank you, Mr. President. Good morning, colleagues. Good morning, fellow Nebraskans watching us on TV. Here we are, dealing with the budget. This is always stressful and exciting times. You know, the one, the one comment I have to make is that, as a Legislature, I don't remember being given so little time to really weigh into the amendments that were presented to us yesterday afternoon and last night, to be able to have a moment to review 173 pages. I want to say I managed to review 173 pages of LB1072 this morning to come up with some constructive, positive amendments. But it is a challenge. I think in past times, we have been given maybe a layover day of at least 24 hours to be able to work through and studiously review, and come up with substantive positive changes. And so, that, that is my thought. But somehow managed to, to get through the-- both those bills, and look forward to working with my colleagues. I want to say that I 100 percent support Senator Conrad's amendment, AM2787. I have heard for a-- a number of libraries throughout our state of Nebraska how important it is, the preservation of their funds. You know, I just remember during COVID, libraries stayed open, and this-- in whatever capacity they could, either online lending or drive-through distribution of books. That was so vital to so many Nebraska families. And so, I stand in support of AM2787, and I would like to yield the rest of my time to Senator Spivey.

KELLY: Thank you, Senator Raybould. Senator Spivey, 2 minutes.

SPIVEY: Thank you, Mr. President, and good morning, colleagues. I am lower in the queue, so thank you to Senator Raybould for yielding me some time. There's a lot of discussion around this, and, and I appreciate folks weighing in. And I just wanted to kind of right-size some things that we had in Appropriations around kind of maybe the ethos of this, and what is driving some decisions that folks keep bringing up on the mic around education as a lever for change when you're talking about navigating poverty. And so, I think that we need to be clear, and as we talk about one mechanism of giving what folks believe

kids are all opportunities for education, I think we can agree that parents should have discretion over where their kids go and what that opportunity looks like. The disagreement, of course, is the pay source. What does that look like, and what does it mean for folks? And it has been rooted and talked about on the mic that it's for kids of color, low-income kids. I know Senator Armendariz has really made it clear that it's about folks in north Omaha holistically, and she and I have had good conversations and hard conversations off the mic. And I, I just wanted to say-- and I know I only have 2 minutes, so I punched back in, and again, I'm lower, and I see I only have a minute now-- is that you can't stand here today and say that folks are hypocrites if they are not supportive of vouchers that give kids an opportunity when specifically black kids are disproportionately represented in probation and in detention, and we know that that pipeline is because of suspension, they are overly suspended, and you all voted to ensure that kids K-12 could be suspended with no guardrails. Those things are absolutely connected. When we are talking about solving for these complex social issues and you silo these conversations, and you pick and choose when you want to uplift people of color, when you don't want to talk about race, when you want to talk about income, and then only say geography, like-- you, you can't-- that is hypocrisy as well. So, I just want to make sure that, as you are having these intentional conversations on the mic today, which I can appreciate, we have to challenge each other on how we are showing up consistently.

KELLY: That's your time, Senator.

SPIVEY: Thank you, Mr. President.

KELLY: Thank you, Senator Spivey. Senator Sorrentino, you're recognized to speak.

SORRENTINO: Thank you, Mr. President. I want to pick up where we left off, and I, I appreciate Senator Armendariz talking about her family issues. I'll just spend a moment. My father graduated from sixth grade, my mother did not complete high school. I understand. I understand color, I understand poverty, but most of all, I understand the need of education for children who can't afford it. Probably most heinous, which we don't talk a lot about, is because of the foresight of some prior legislative bodies, we did have the opportunity to put money into these accounts. And many of these students made their choice based on,

while there's no guarantees in life, that funding. And now, they're a year or two or three into their education, and things will change. I'm going to-- if, if Senator Strommen would yield to a question, please.

KELLY: Senator Strommen, would you yield a question?

STROMMEN: Yes. Thank you.

SORRENTINO: Thank you. In doing some math based on your testimony, which is right on, we spend about \$10,000 per public school student on optional enrollment, or about \$121 million in the '25-'26 plan year.

STROMMEN: Correct.

SORRENTINO: As we stated earlier, there's 37,000 private school students. And looking at this a different way, optional enrollment, in my opinion, purely as school choice for public students, if that \$10,000 were spent on each one of those 37,000 students, that'd be about \$370 million, would that be right?

STROMMEN: That is correct, yes.

SORRENTINO: OK.

STROMMEN: And it-- I would agree with you that it is option enrollment would be vouchers for public schools.

SORRENTINO: Right. Right. So, \$370 million, if you compare that against what would be the cost for us to educate these 37,000 children in the public school system at \$19,000 per head, that's about \$700 million. One could argue-- and we all like to do that-- one could argue that it's-- it would be cheaper to just give them option enrollment money and not have to deal with the private school/public school issue at all. Is that correct?

STROMMEN: That would be correct. And I think the other thing that's-- that-- the perfect point you're making there is that that would be the cost to the state--

SORRENTINO: Right.

STROMMEN: --if those students were in public school.

SORRENTINO: Right.

STROMMEN: So, you'd be, like, at \$700 million? Is that correct?

SORRENTINO: \$700 million. Right.

STROMMEN: Yeah. OK.

SORRENTINO: All right. I just wanted to clarify that. I appreciate your answers. Thank you, Mr. President.

STROMMEN: Thank you.

KELLY: Thank you, Senators Sorrentino and Strommen. Senator Dover, you're recognized to speak.

DOVER: Thank you. Well, first of all, I'd like to say this. Everybody gets a chance to say what they're happy or not happy about, and I'm not really happy with the chairman of Appropriations' amendment, basically overriding the votes of his committee. I do not disagree that he has that right. That doesn't mean that I have to agree with it. With this in mind, I would make this point. The chairman could override everything we did, effectively rendering the Appropriations Committee impotent and ineffective. And eventually, of course, it will come to the vote here. But it makes me wonder, why did we even take up the vote in the first place? And I wanted to make that point, and then I want move on to talking about poverty. You know, a lot of times, we hear so many people talking about taking care of the kids, taking care of children in poverty and those kind of things. And you can have the argument about should our funds be used in private schools, et cetera. But that-- I don't think-- I think that is really not the argument we have here today. I think the argument, as other people have spoken out, it's simply taking those kids who are in a private school, who will have help a year from now, and fill that gap. And for those of you-- I'm sure we'll all remember being young-- one year in a child's life in school is a long time, and I'm afraid that some of these kids are going to be in grade school-- in who knows what, first, second, third grade, whatever it could be, even kindergarten-- they're going to be pulled out of that school. Maybe they'll find funding, maybe they won't. That's a whole other argument. But they, they stand the potential of being pulled out of that school, put in a public school, then pulled out of the-- and then making friends, maybe, hopefully, in a different

environment where their friends are no longer there, maybe they got taken out to that school too. Then, they're going to go back to the private school. I don't know why we would do this. I think-- I thank Senator Torrentino [SIC] and Senator Strommen for pointing out the fiscal impact here. But if we really are here trying to make Nebraska a better place to help our youth grow strong and have them in a place where they can grow and become successful, I don't know why we wouldn't help do this gap funding for them to keep their lives. And I'll say this, is I would say that I think most people in the Chamber would agree with me, these children that are at 185 percent of poverty probably don't have the easiest life in that family, right? And so, why would we take the most at-risk children, shuffle them off to one school, put them back in the other school. Why? It, it, it is, but we are short money. We could-- if we had to, we could find another \$3.5 million. I don't think the chairman or anyone at Appropriations would disagree with me. The only disagreement would be perhaps where we found that money. But we could fund it, we have funded it. We're going to make it through this. We need to stand up for those children who are most at risk in Nebraska. And I'll say this, it isn't just north Omaha; it's Norfolk, Nebraska. It's out-- Merriman. It's across the state. It's out next to little towns along the Colorado border, it's down on little towns along the Cana-- the Kansas border, it's up against the South Dakota border, it's in the middle of the state. There's very, very many small communities who do have a parochial school to go to, or other-- there are other examples of schools that are out there they can go to. But they're, they're-- actually, in these small towns, they're setting up little schools in a community center where they can educate the kids. So they're-- this is-- it is not just parochial-- but there are parochial schools that can give those kids a chance, and we all know that those most formative years of those children is the most important years, and I really believe we need to not-- I do not support this budget. I will not vote for cloture. I suggest and ask everyone else not to vote for cloture on this bill so we can-- so Senator Clements can put it back in the amendment, put the 3.5 back in-- excuse me, the budget amendment-- and we can vote on the full bill as we should have been allowed to in the first place. Thank you, Mr. President.

KELLY: Thank you, Senator Dover. Senator Clements, you're recognized to speak.

CLEMENTS: Thank you, Mr. President. I'm wanting to speak on AM2787 that's regarding the Library Commission. Just a minute. Their General Fund appropriation is \$3.2 million. And we-- the governor's recommendation was, I believe, to reduce their funding even more than that, and we asked for a \$36 million reduction, and that's what's in the bill today. But the-- out of \$3.2 million, we've had other agencies find more than \$36,000 of reductions, and I believe it's reasonable for them to come up with some funding from savings. There were-- would have been-- if they were asked to reduce 5 percent, like some agencies were, that would be \$150,000, I believe. And \$36,000 is not going to hurt the Library Commission, so I ask for your red vote on AM2787. Thank you, Mr. President.

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

MOSER: Good morning, Mr. President. Good morning, colleagues and Nebraskans following us at home. I was disappointed to see the opportunity scholarship funds come out of the budget. I know it was done for political reasons, that they felt that it would get enough votes for cloture. But if those scholarship funds aren't in there, I'm not going to vote for cloture. So, we're going to have to back up and, and rethink this. My three girls, my wife and I's three girls all started out in Catholic school, and the oldest one switched to public school. All three of them did great. We didn't get any subsidies. I wouldn't have qualified anyway because of the income requirements. So, I know the ins and outs of both public schools and private schools, and I think that the opportunity scholarship was-- since it was targeted to lower-income individuals, was even more important. The family of four limit was just a little over \$60,000 a year, so if both of them worked-- two parents, both worked in minimum-wage jobs, they'd make \$30,000 apiece. So, that's about what we're talking about: two people who work at McDonald's or some place like that, and their child isn't doing well in public school, and they would be able to get some help to go to a private school through this program. So, my district voted to support vouchers, even though there were millions of dollars spent by the public school support groups; they went all-out to oppose the opportunity scholarships. And even, even though they spent all that money, my district voted to support the scholarships. And so, I'm going to go with my voters, the people in my district, and, and that's what I told them when I ran eight years ago, is that I supported scholarships for private schools. And I don't

think it takes anything away from the public schools. The public schools are doing really well. They've gotten a lot of money in the last few years, more than they ever got from the state, in my opinion. And property taxes didn't seem to move much, so evidently, they're doing OK, they're spending all that money. This \$3-plus million is pretty small in the grand picture of things. But to those kids who were using those scholarships, it was everything in the world. So again, I'm really disappointed to see those taken out of the budget. Thank you, Mr. President.

KELLY: Thank you, Senator Moser. Mr. Clerk, for an announcement.

CLERK: Thank you, Mr. President. The Education Committee will have an exec session at 10:30 in Room 2022. Education Committee, exec session, 10:30, Room 2022. That's all I have at this time.

KELLY: Thank you, Mr. Clerk. Senator Guereca, you're recognized to speak. Senator Lonowski, you're recognized to speak.

LONOWSKI: Thank you, Mr. Lieutenant Governor. Talking about \$3.5 million, what are we doing on the outside? Are we pitting public versus private school? Are we pitting public school versus home school? And why do we keep doing this? Who, who's making us say one or the other? Because that's not what this is about. In fact, we give, we give billions to public school, we make sure we take care of them. And this is just a small token, really, to make sure that we take care of some private school kids. \$3.5 million sounds like a lot; in the scheme of our budget, it is not. If it means taking care of one kid or one or two children so that they can remain in the setting they are, perhaps a single mother and her child making \$40,000 or less, or a family of four making \$60,000 or less, and we're going to let it slide through the cracks. I'm a retired public school teacher, and the school where I taught is a top-notch public school in the state. I have children in education-- elementary teacher, high school teacher, public school teacher, private school teacher, school administrator. And here's the reality of the situation. What does this not do? This does not raise property taxes. It does not take money from public school. It does not switch one program for another. In fact, it's just some money to fill the gap until One Big, Beautiful Bill can take effect next year. With that, I would just say I would appreciate if that money were, were back into our allocation and back in the budget. Thank you.

KELLY: Thank you, Senator Lonowski. Senator Dorn, you're recognized to speak.

DORN: Thank you, Mr. Lieutenant Governor. Been listening a lot to the conversation going on here this morning. What has all taken place, as I guess we all understand it, that we had cloture vote on General File. Some have said that if this was in there, they wouldn't vote for cloture on Select File. And Senator Clements, whether I agree with him or not, he did decide to pull it out. I told him I'm fine with his decision. I'm fine that he did that. Yes, should we have maybe done it another way? That's for another argument. But now, here we are this morning here, we're having a lot of discussion that if this isn't put back in, we're also now going to have not enough people vote for cloture. I don't know if you people understand all the implications of all this. We don't-- we have this bill up. We don't get cloture passed-- yeah, we have a shell bill, we'll bring it back. It takes another 12 hours to get here again. That's what this body will go through, and the people of the state of Nebraska, and both sides are very adamant about, yes, include it, don't include it. But both sides are very adamant. They don't-- they want it, they don't want it, and we deal with all of that. I do very much appreciate what Senator Armendariz said and explained some of her personal stuff. I thank her for that. I had not heard that before. We also need to realize all that this topic is not the only topic in the budget. As we went through the process, as we go through the process, we deal with many of these same issues on everything that's brought up as we discuss them in the budget, as we discuss them as we go through Appropriations. Yes, this one happens to be what it is. I understand both sides being passionate, but we also need to, as a body, we also need to be very much aware of what this does, how it looks for the people of the state of Nebraska. The Legislature cannot get along again. That's what is coming out of this. The Legislature can not get along again. This is a budget, this is what we need to do, this is we're required to do, is come forward with a passed budget. Let's vote on the amendments, let's work through this process, let's get to cloture and see what's done. If not, if this doesn't pass on cloture, it doesn't end all. If the next bill, the shell bill that we bring back doesn't pass on cloture, most of you, I can about guarantee, you will be back here for a special session before the end of June. If you think we haven't solved it now, what makes you think we'll solve it then? What makes you think that this type of issue that is dragging this budget down, that we can solve it if we're given another month, another week? This topic, school

choice, has gone on for years. When I came up here, one of the first bills that was brought was to give opportunity scholarships. I generally not am in favor of it, but I did give a cloture vote on the first round up here when Senator Linehan had the bill that she later got cloture vote to pass it, and that's where we're at today. This topic-- those funds run out January 1. That's what's happening. The Big Beautiful Bill doesn't kick in until next January 1 for funding. Those funds have been appropriated for this year, so they were good for this school year. The part we're talking about is next September to next January, there is not no funding available from the state or from the Big Beautiful Bill. That's the part we are talking about, is those four months. Because next January 1, there is funding coming down from the Big Beautiful Bill. So, it's those four months, that's what we're taking about here, funding those. Thank you very much. I yield the rest of my time.

KELLY: Thank you, Senator Dorn. Senator Spivey, you're recognized to speak.

SPIVEY: Thank you, Mr. President. I just wanted to kind of finish some of my thoughts earlier and make sure as we're having this conversation, folks are actually grounded in what is in front of us. So, this came in front of the committee that I'm a part of. I know Senator Dover got up and spoke on this, Dorn, we're all on Appropriations together, and it is in the Department of Labor. So, that was the hearing for the agency on these scholarships. And I specifically asked, so it's in the record, around data for who was accessing the scholarships for the short time that they were there, these voucher programs, and what did that look like? And so, the data that Dr. Thurber gave was that majority-- so, I believe it was over 80 percent, and I'm getting my notes from my binder so that I can make sure I pass it out to folks-- were over \$90,000 per household, and that the kids that were using the vouchers were already in private schools. So, the arguments that have been brought to the floor about this is an opportunity for kids that are trying to change navigating poverty and the implications of poverty through education, the data that is provided of the kids that are accessing this and the gap that would be filled actually is not aligned. It is for-- the folks that are accessing these scholarships are not 185 percent of the poverty line, they are not 200 percent, they're not even 300 percent of poverty line. Their families have more wealth and income, and they also were already in private school settings; this was not a change from a

different type of school setting. And so, I just want to make sure, again, because that was in the record and I asked that data to make sure I understood what was in front of us, that you all had that same information, as I know folks are really busy and maybe didn't pull up the transcripts or pull up the notes from the hearing. And so, I just wanted to make sure that you have the facts around those arguments, as that has been brought to the floor and is actually misaligned. I think the other conversation that has been brought to the floor, again, is more philosophical; that we-- and folks are wanting to wrestle with, again, around how do you address poverty and-- or use education as a lever for that change? And so, I know we have a lot of people with different industry backgrounds and expertise that they bring, which I think makes the, the conversation very rich, and also, I think that is a place where then we need folks to dig in a little bit deeper on how you approach and understand these issues, because it's not a place where you are academically trained or that you don't situate yourself in every day for your day job. And so, when you are talking about specifically using education to change your circumstances of navigating poverty or being at a certain income level, there are specific initiatives and evidence-based practices, it shows this is how you do it and the way in which you do it. There has not been a specific correlation in any data that says to change someone's-- the implications of poverty are not specifically tied to a student getting a voucher or a scholarship and then going to this specific type of school, which-- we are talking about private schools. There is no data and correlation around that. And so, what I hear people saying on the floor is that, you know, we want to give people opportunity, we won't-- we want folks to have different circumstances, we want people to actualize their full potential, be, you know, contributing citizens and all of these things, which I think is great, and I think there is alignment in that. I absolutely want those same things too. And I am a bit perplexed and concerned that you-- that folks can communicate that on the floor for this specific \$3.5 million dollars or whatever for scholarships, but cannot have that same breadth and depth of conversation when we talk about the carceral system and how we are incarcerating people, and what does that mean for community betterment. We cannot have the same breadth and depth when we are talking about housing, when we are talking about these other social drivers that actually impact someone navigating poverty. So, if you don't know what social drivers are, if you not-- have not taken a public health lens to this conversation, I encourage you to do that while you're sitting on the floor and listening to debate,

because we're going to continue to miss the mark. Policy will continue to not be passed. It actually will go upstream to address why someone will have the circumstances that Senator Armendariz so vulnerably talked about today on the mic, and we can actually curate policy that gets to the core root issue versus a symptom that doesn't have any evidence tied to it, that it will actually create the change that you hope to seek. And so, I appreciate the conversation, both the philosophical side and then what's actually in front of us with the, the bill, and I hope folks will be able to continue to sit in both and, and, and have intentional discourse and push them-- "theirselves" when they're thinking in the information that is being presented. Thank you, Mr. President.

KELLY: Thank you, Senator Spivey. Senator Kauth would like to recognize a guest under the south balcony: a job shadow, Sydney Wiser of Omaha. Please stand and be recognized by the Nebraska Legislature. Senator Armendariz, you're recognized to speak.

ARMENDARIZ: Thank you, Mr. President. So, I want to talk a little bit about what happened in our public school when I was growing up, and I also talked to my mother about it for her perspective as being a parent during these times, when I was going to grade school back in 1970s. We did have a neighborhood grade school, it, it went from K-8 at the time. We had home ec class, we had shop class; although our neighborhood had no money, we did have that school that held us together. It was a place that kept the community tight, even though we all struggled financially and went with very little. We still felt a part of each other, and we were all struggling together the same way. It was meaningful to have that school and the close ties with the community. The parents all came to the open house, we all walked; it was warm, and the families all walked together, participated in the open house, traveled throughout the school, all the different classes. It was a very good, strong sense of community. But that one system that we're-- some, some folks are fighting to keep broke up that school, shut down some of the other ones just like it, because the system needed it to happen. The system didn't come to those open houses, the system didn't watch those families walking and clinging to each other even when they were in desperate times. They shut them down because it was convenient for the system to operate with them shut down. They dispersed a lot of children across the area to different schools, schools where the parents didn't know the other parents, so they slowly dropped off of participation, if anybody

would realize parental participation has declined. And without that, our schools decline, our children don't learn as well. Our small neighborhood school, those test scores were higher then, before they were split up, before the kids were shipped to different communities that they didn't know anybody in. The parents didn't feel comfortable going to for one reason or another, they didn't connect with the other parents, didn't know the other the parents, and it just broke down from there. My high school I attended then also got shut down. The kids that were left still to graduate were again dispersed across the community to other schools. This was all at the direction of this one system that we're trying to protect. They make these decisions alone. 49 senators on this floor will help them. One of each of these senators might live in the community of the school that's going to be shut down. If you think the community or the parents are going to make a difference on whether that school's going to be shut down, the system is going to shut it down eventually. You can go to the town halls, but if the decision's been made, the school's going to get shut down. So, in my community, shut down the grade schools, the families broke up, and what happened shortly thereafter by the mid-'80s, gangs from-- organized gangs started to infiltrate the area. And when you have families that have been broken up and broken down, gangs find it pretty easy to take kids in and say "you can belong to us," because they feel a lack of belonging now. Organized gangs came in, came in, took over, crime rates went up. Single-parent households have skyrocketed. Poverty has skyrocketed. This started with this system that broke up the neighborhood schools, that had-- all we had was that, that kept us together, that kept us with the commonalities of all of our struggles. We didn't feel alone in it. And it was all dispersed because the system needed it to be. So, if you think you're saving something, once they make a decision that it no longer serves them-- and that is what they're there for, to serve themselves first, not the children, not the families-- you will be disappointed in the end. That's what I'm fighting for today. Thank you, Mr. President.

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

FREDRICKSON: Thank you, Mr. President. Good morning, colleagues. Good morning, Nebraskans. I've been listening closely to the debate this morning, and obviously been part of a number of conversations to the side. And, you know, I, I, I, I, I guess I

want to start by just saying I, I genuinely appreciate the difficulty of the process we're going through right now as, as a Legislature. What I mean when I say that specifically is, is, is the budget situation that we're in. This is incredibly difficult. The Appropriations Committee, I know, has been working incredibly hard on this. I know the Revenue Committee as well. You know, the fiscal situation we have as a state is not an easy one by, by any means. And I guess I wanted to remark a little bit about kind of this from a, a bigger picture and some things that I'm kind of picking up on, I think both within the body, but also, I mean, to be frank, I mean even within myself, here. I'm kind of trying to, you know, increase my self-awareness around how I'm navigating how I'm going to vote, and, and, and the decisions that we have to make. And I, I guess one of the themes that I've picked up on and something I'm a bit concerned about is I think that we've kind of all gotten into our little groups of what, what we're-- like, the hill we're willing to die on, if you will, and what we are really going to protect when it comes to the, the deficit. And so, you know, I've heard things like, you know, at all costs, I'm going to ensure and protect Medicaid; at all costs, I'm going to ensure and protect, you know, tax incentives or business incentives; at all costs, I'm going to ensure and protect agriculture industry. And, you know, there's-- and, and I'm part of that problem too, right? I think we're all engaging in that. And I think that that's something that is, on the one hand, admirable, but at the same time, I think it's really kind of leading us to this zero-compromise game where we are unwilling to really negotiate. And, you know, we are at a point right now that, with the deficit and the level of the deficit that we have, I don't think it's realistic to say that X is off the table, we can't touch X anymore. We really have to look at every single thing. And I know that we've been saying that a lot, but we're, we're getting to that point, here. And no one wants to do that. I mean, I've looked at some different plans and some different ideas that people have proposed, and there, there are-- there's some big thinking in this room that we haven't really been entertaining. There's big thinking that involves everyone giving a little bit, right? Whether that's the business community, whether that's the ag community, whether that's schools, whether that's child care-- I mean, there-- there's-- there is an opportunity there where no one wants to vote on those things, but everyone is kind of sharing that. What I want to really avoid is that we are placing the burden of this deficit on any one specific group. And I'm thinking a lot about-- I sit on HHS obviously, so I've sat through this entire session listening to different proposals of

cost savings from a Health and Human Services perspective, and, you know, obviously, there's going to have to be some cuts there. I mean, this morning, we're talking about, you know, the, the, the private school vouchers, right? And from what I understand, you know, we're hearing that this is a-- this is a stopgap for, for a one-year period of time. Well, the question I might have on that is, you know, if it is in fact, a stopgap for one year? Is that something that some of these schools could probably absorb, right? Are they actually going to kick a kid out of school if it's truly a one-year stopgap? You know, with the, with the income tax cuts that we have. I think back to when that was originally passed. I, I certainly appreciate and understand the work that went into that. That was, like, 40 years of work from the chambers. When we originally passed that, that was a slower process. We accelerated that a couple years ago, and we're kind of catching up to that, that's saying, hey, is this something we need to be revisiting? So, I guess what I'm trying to say here is I, I, I, I-- I'm hoping that we can maybe see some bigger thinking here, because what we're hap-- what's happening now is that we're all kind of getting into our corners of saying this is untouchable, this is untouchable, this is untouchable, and I think as a result of that-- and I'm-- again, I take responsibility in this dynamic too. But as a result of that, we're, we're, we're missing the big piece, and we're missing the big picture of what we need to do to get through the fiscal situation we're in, which-- I mean, this is-- probably sounds flippant, but it sucks. I mean, I don't think anyone's going to want to vote for some of the things that we're going to have to vote for. But that's just the reality of, of, of where we are, and I hope we can start to engage in some of that bigger thinking. Thank you, Mr. President.

ARCH: Senator Jacobson would like to recognize a very special guest on the floor today: Tripp [PHONETIC] Vaggalis, Dennis Vaggalis is here, newborn son of Denny and Mary Vaggalis, the first grandson of Senator Jacobson. Could, could Tripp please rise and be recognized by the Nebraska Legislature? Returning to the queue, Senator Andersen, you're recognized to speak.

ANDERSEN: Thank you, Mr. President. That's a great segue, because this is all about the kids. First, I'd like to thank Senator Clements and the Appropriations Committee for all the hard work they've done. Certainly, the chair of the Appropriations is a thankless job, and one that probably nobody wants, and I appreciate all the work that Senator Clements has

done. Having said that, I'm disappointed with the updates that we found as of last night and this morning, specifically regarding the education scholarship. To be clear, it's a, a one-way bridge to support the kids, a one-way-- one-year bridge, which is really unusual because most things here go on in perpetuity because there aren't sunset clauses; the exemptions and incentives and everything else go on forever and ever. But this is a fixed-period, fixed-cost, one-year bridge to support the kids. The bridge is only in place until the federal program comes online next year, and it provides stability for both middle-income and low-income kids. This is a smart one-time investment to help these kids. It allows them to stay in the school they're at, as opposed to having to attend three different schools on three different years. It provides continuity for them, and stability in their education process. So as of right now, I'm voting against AM2748. Thank you, Mr. President.

ARCH: Senator Sorrentino, you're recognized to speak.

SORRENTINO: Thank you, Mr. President. During the 1990s and early 2000s, my wife and I chose to educate our children in private schools. That's neither here nor there. It's just our personal choice. We did not qualify for any types of aid that may have been available then. But in 1990s, in \$2,000, it was a lot of money. And it was lot of money if the public schools had educated our children as well. I estimate about 100-- going back in time, doing the conversion to money, about \$136,000 that the public schools would have had to chase. And that's fine, even though during that time, of course, we were paying our property taxes like all of you-- or, well, some of you weren't born yet, but most of us anyway. And it was a lot of money. We didn't complain. That's just the way things are. I went back this morning, which tells you what kind of a morning I've had, and looked back on as many property tax statements as I could find on any personal residences or property that I've owned. And of course, given my advanced age, that was a lot of years and a lot of properties and a lot of property taxes. 55, 56 percent of it goes to public school education. Again, I'm not complaining. That's just kind of the way it is. And while I have all the respect in the world for Senator Dorn, I, I would like to just follow up with his comment. You're right: we could end up in a, in a bad place if this doesn't, you know, have the votes to go to cloture. So, we do have a conundrum here. I believe that I'm right here. The state of Nebraska this year will spend \$19

billion: a lot of that federal money, and of course, part of that's state money. What we're talking about with respect to AM2748 that a number of my colleagues and I are dismayed with is the removal of that \$3.65 million. That \$3.65 million, which is a one-time expense, as a percentage of the \$19 billion we will spend this year is exactly one ten-thousandth of one percent, and that's one-time. So, to Senator Dorn's point, which is well-taken, we're going to have to find \$3.6 million somewhere else in that \$19 billion that doesn't prohibit the continued education of poor children in private schools. I don't think anybody who's testifying today wants a special session, and I also don't think anybody is going to give in. There's \$3.6 million, or one ten-thousandth of one percent somewhere in there. I noted that the department-- excuse me-- that the education budget in our state this year increased. They didn't get everything they asked for, but they're spending more money this year than they did last year. And I've looked at the budget pretty close, and I don't see how they've trimmed it. There's a lot of other places too, but we're talking about education. I think that needs to be dealt with. Thank you, Mr. President.

KELLY: Thank you, Senator Sorrentino. Senator Dover, you're recognized to speak.

DOVER: Yeah, thank you, Mr. President. I'm hoping that Chairman Clements doesn't take my previous comments in any way as to condemn him or to pass any type of judgment on him. Oh. I don't, I don't think he heard that, so I'm going to repeat this. He was talking to Senator Dorn. I'm hoping that Chairman Clements doesn't make any-- make my prev-- take my previous comments in any way as to condemn him or pass any type of judgment on him. In fact, I want to thank Chairman Clements for his support of funding private schools. He's definitely-- we all know Senator Clements. He's one of the best-hearted, good men we have in the Chamber. I also wanted to comment on another-- I really appreciate Senator Dorn's assistance in Appropriations and experience. As we all fight each other, we always don't agree with each other, and I don't necessarily agree with all of his earlier comments. As much as we all wish this system would flow evenly and it would just go along well, and everybody would agree, and it wouldn't be messy, and there wouldn't be people upset, unluckily, there's just times you can't get around that. And I think that back-room changes that obviously happened circumvented our process, and they circumvent the debate on the floor, and I think with an attempt to do that, I think we're now

having that debate, and we'll see where it leads, and no one knows that is for sure where this is going to lead. I only hope that it leads to an amendment that puts school funding back in the budget and allows us to take a vote on that and see where it goes. I'm going to do a Senator Moser moment here. Colleagues, for those watching, what is going on is that Senator Clements was asked to amend the school choice gap funding out of the budget bill. This was precipitated by Senators Brandt and Riepe, who said they would not vote for the cloture as long as this gap funding remained in the bill. What was not taken into consideration is what the body would do if it was taken out. Well, we will find out. I don't know, Senator Moser, if I did you justice there. I don't think that I could in a summary there, but I tried. Chairman Clarence [SIC] is [INAUDIBLE] a good man, and I appreciate his support. I don't know if everyone realizes this, but he has supported school choice every year that I've been here, and has done his best taking into consideration funding. And I-- and I will say this briefly, that we're talking a lot about numbers because that seems to be the reason we can't do \$3.5 million during this time when we're short in funds. But I, but I will tell you, colleagues, this argument is just a front. The argument is beyond the fact it's \$3.5 million. In fact, obviously, the governor had \$7 million in there, and we cut it down to \$3.5 million just to help the poorest children in the state. And so, again, in a summary statement, this is not necessarily about the money. This is more about different people's positions and funding, funding private schools. But again, this isn't about funding private schools in my book. I, I am not a Catholic, I am not a Lutheran; I have no schools in my church. I am not doing this for any reason. I am simply doing this for the children because of the disruption it's going to cause them, and because of the, the good that they can benefit of attending the private school, as I spoke into the floor before. Thank you, Mr. President.

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

HUGHES: Thank you, Mr. President. I apologize if I say anything different than what's been talked. We've had exec for Education, so I haven't been able to hear probably the last, I don't know, four or five folks talking. I just wanted to get up because I know at the-- earlier, there were some comments about option enrollment and how much money follows the kid if they option into another school. But I just-- I feel like there might be

some misunderstanding of how that program works, and I just want to kind of set the record straight on that. How option enrollment works is a-- and a, and a, a school will get additional funding for kids coming in, if there's more kids that opt in to the district than opt out. So, I'll kind of use my example. I was on the Seward Public School Board, and in Seward-- we'll just make up numbers. I'm just going to use 1,000 because it's easier. There's actually like 1,500 kids, but we'll say-- let's say there's 1,000 kids that technically could be in Seward Public Schools. Well, kind of how our district is drawn, there's a lot-- there's some kids, including, actually, where we live, that are actually physically closer to Malcolm School distance-wise than Seward School, and a lot of parents work in Lincoln. So, kind of-- there's some families along there that opt into Malcolm because it's, it's just easier, more convenient for their family, whatever. So, they opt into Malcolm. So, OK, let's say Seward loses-- again, I'm making up numbers-- there's supposed to be 1,000 kids in Seward. Let say 100 kids opt out. So, 100 kids go to maybe nearby school districts, or they go to the, the, the pub-- the Catholic or the Lutheran schools, because we've got those in the district. So, 100 kids opt out. But let's say 80 kids opt in. So, so now, Seward is at 980 students. Seward does not get option enrollment money, right? Because we're still under that 1,000 threshold. So, you only get option money if you're over. So, if Seward, you know, was slated for 1,000 kids, and maybe they had 100 opt out, but they had 200 opt in, then they would get 100 times that \$11,000 money for option enrollment. So, I just want to make that clear, that just because you option into school does not mean that school gets that \$11,000 from the state. It's only if the total for the school is over what-- how many kids are slated for it initially, so. I just wanted to add that clarification because there was some talk of the money that follows students for the option program, and I just wanted to, you know, just mention that it's not every option kid, that money does not follow that kid; it's only if it puts it-- the school district over the number of kids that are supposed to be there. Thank you, Mr. President.

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

STORM: Thank you, Mr. President. Good morning, colleagues. I get really tired of the public versus private school cloud that hangs over the Unicameral in this state. And there is a, a, a thick cloud, it seems like. Public schools and private schools

could work-- should truly work together, they should complement each other. States that are really successful in education, this happens. I would like to see Nebraska embrace that more. And it just-- it, it gets disheartening in this, in this argument that comes back over and over again. Every child's different. Each family has their own concerns. Education is not a one-size-fits-all. This states needs choices in education. Truly does. It would complement both private and public schools if they had that. I truly support public schools, I support private schools, I support homeschooling. I wish we had charter schools. But in Nebraska, we don't have all of that. And competition's good. People don't understand that. I come from the business world. Competition is very, very good. You don't want a monopoly. We don't want a monopoly on education, and I feel like that's kind of what we have in Nebraska: we have a monopoly. There was an effort in this body to bring some type of school choice into Nebraska. We're the only state in the nation that doesn't have school choice, maybe one of two. That ought to say something to all of you. So, there was an effort to bring this into the state. Immediately, the public schools ran ballot initiatives to squash that. They spent \$7 million in ballot initiatives to stop \$10 million to go to poor kids that could go to a private school. What's that tell you? Tells me somebody wants to squash the competition. Not good for the-- not good for education, not good for kids. So, if, if you're a single parent in Omaha, Lincoln, or David City where I'm from, and you're living in poverty or close to poverty, you should have an option, you should have a choice for your, for your child. And if the public school is not a fit for your child-- and for everyone, it's not. Not every kid's going to flourish in the public schools, not every child's going flourish in the, in the private schools. There should be an option, there should be a choice for those people, and it's been-- this argument's been made over and over today. Senator Armendariz does a great job with this, pointing out that there has to be an option for poor children-- and keep in mind, this is dealing with poor children. There has be a choice for them. And so-- and I also want to point out that this argument that this was going to increase taxes-- and that's how it was framed when this first was brought on the body by a couple senators that basically said they weren't going to vote for cloture unless we took this out-- that we were going to raise taxes. What taxes are we going to raise if we keep this in there? Because you know me, I've been the anti-tax guy all, all session. So, what tax are we going to-- we're going to raise if we \$3.5 million dollars in the budget for poor kids to go to a school that works for them? And this is just for one year. This

is gap funding. This isn't the whole school "chorce"-- choice argument over again, even though school choice is good. Other states have proven that. But this is about gap funding for one year. So, for one year, there's about 2,300 students in the state, poor students, often are minorities in urban areas, but not all urban areas, that are in-- already received a scholarship that are a private school that's working for them. This is about ripping them out of that education setting and forcing them to go somewhere else. Tell me who thinks that's good. I would love to hear the teachers' union tell me why they think that's for kids, to do that to them. It's not good for them at all. Once again, it's about control. It's about control, it's about power, it's about squashing the competition. So, it's not good for kids. That's why I totally support keeping this money. I will not vote for the budget if we don't keep the money in, in the budget, because I'm for kids. I also want to say-- I also want to say it takes less money to fund-- to educate a kid in a private school than a public school. And I'll use where I live: my kids attend Aquinas Catholic High School in David City, \$10,000 per student to educate them; the other public schools in my district, \$25,000 dollars per student. So, you take these kids out of these school, 2,300 kids out those schools for one year because we're going to take this funding out, that's more property tax money it's going to cost to educate those students. So, I can make the argument all day long. This is not a tax increase; this will probably help lower local taxes. Let me see here. You know, I want children and families to be successful. That's the bottom line with me.

KELLY: That's your time, Senator.

STORM: Thank you.

KELLY: Thank you, Senator Storm. Senator Clouse, you're recognized to speak.

CLOUSE: Thank you, Mr. President. I appreciate the opportunity to take a few minutes and just kind of collect my thoughts as I've been sitting here listening to the passionate discourse. And, you know, my district was one of those that did not support the vouchers. It was-- it's obviously-- it's close. It's close all across the state, because people, they were, they were-- you know, they understand the issue, but something has to drive them and motivate them to vote one way or the other. My district voted to oppose it. But where I'm at with this is I just hope

the passion that I'm hearing on this issue will carry over to the passion when we get to LB867 dealing with the upheaval of the YRTC programs across the state. Those kids are troubled, those kids have had issues in their lives. And what we're going to do and what's been proposed is a total upheaval of the YRTC program. Not only are they moving them around, but they're affecting the education that they'll be getting, and going to online education instead of the, the teachers in the classrooms, all these types of things. These kids had problems with that to begin with, but yet, it doesn't matter. We're going to try and save 4, \$4.5 million. That's what I've been told. I haven't seen it in the fiscal note on the budget-- or, on the bill, but I'm told we're going save 4, \$4.5 million. So, when I look at that and I'm thinking, OK, well, we don't have an issue cutting that 4, \$4.5 million to provide that upheaval for kids that are already struggling and have already been in trouble, but yet we're focused in on the \$3.5 million. So, where I'm at on this is, is I'm still listening to the debate, still listening to the passion, but I hope that passion carries over when we get to that bill. And I'll be watching and seeing where everyone's at on this. So, I-- again, I have-- in my district, it's not all about the Catholic schools. Obviously, that's the first one that comes to mind, but we have other institutions and schools that other denominations that are impacted by this. And I'm not opposed to the process, but I know where our money was at, and I know how the votes were. But again, I'm going to be watching this, because I want to see how that passion carries over to something that impacts the YRTC kids. Thank you.

KELLY: Thank you, Senator Clouse. Senator Armendariz, you're recognized to speak, and this your third time on the amendment.

ARMENDARIZ: Thank you, Mr. President. I, I want to read some statistics that do tie education levels and incarceration and poverty together. I will state that I did live this, and I also did get an advanced degree in social determinants. So, not only do I have real-life experience, I also got a master's degree, and my capstone was in social determinants. So, I'm going to read you-- research consistently shows a strong connection between education levels and outcomes in areas like public assistance and the criminal justice system. Individuals who have lower levels of educational attainment are more likely to rely on public assistance programs, and are also more frequently represented in the correctional system. A study by the U.S. Department of Justice's Bureau of Justice Statistics found that

about 68 percent of people in state prisons did not receive a high school diploma before incarceration. More recent federal data also shows that education levels among people entering the criminal justice system remains significantly lower than the general population. According to the U.S. Sentencing Commission, 28.4 percent of federally-sentenced individuals had not completed high school, and the majority had no education beyond, beyond a high school diploma. Research also suggests that education can directly influence long-term outcomes for incarceration. Studies of correctional education programs have found that individuals who complete educational programs while incarcerated experience sustainably lower recidivism rates, and participation in college-level prison education programs has been associated with recidivism reductions of roughly 37 percent compared to individuals who do not participate. Educational attainment in Nebraska is closely tied to economic stability and outcomes that influence participation in social safety net programs. Data from the U.S. Census Bureau American Community Survey shows that Nebraskans without a high school diploma experience poverty at a rate of about 24 percent compared to roughly 10 percent of those with a high school diploma, and about 4 percent for individuals with a bachelor's degree or higher. This means that adults without a high school diploma are around six times more likely to live in poverty than those with a bachelor's degree. Because eligibility for many public assistance programs, including Medicaid, SNAP, and housing assistance is largely income-based, higher poverty rates are often associated with greater reliance on these programs. When we consider the amount the state spends each year on programs like Medicaid, child welfare, and corrections, it naturally raises a broader question: are we investing enough in education and opportunity on the front end to help reduce these costs on the back end? I bring this up because I have-- I am on Appropriations, and I do know the dollars behind what we spend on what I have labeled as "poverty maintenance programs," such as the ones I listed earlier. And we also spend a lot in public schools. And if those public schools aren't working, like that didn't work for my brother, and what ultimately happened for my brother and many other like him, we pay on the back end many, many times over. Those are your tax dollars, too. So, if we stand on the premise that we don't want our tax dollars going to anything but public education, we're also saying that we're OK with spending more of it on the back end, incarceration and Medicaid and SNAP, and societal poverty maintenance programs. That's the reality of it. And we spend billions and billions on

those programs. This is my last time up, but I will talk more on this. Thank you.

KELLY: That's-- thank you, Senator Armendariz. Senator Hallstrom, you're recognized to speak.

HALLSTROM: Thank you, Mr. President, members. I haven't spoken on this issue or on the budget to a great extent yet, but I did feel compelled to rise, not with regard to the specific amendment of Senator Conrad, or necessarily to the amendment of Senator Clements, but to talk about the, the process and where we find ourselves. I've indicated to the many people on both sides of the gap funding issue that my overarching considerations are looking at balancing the budget, which we're constitutionally obligated to do. And you can take the position that that's the most important thing that we do. Many times, you'll hear people say, if we don't do anything else, we balance the budget and we can go home. And that's the, the juncture that we're at right now. And so, one could take the position that whether or not the child care \$13 million dollars is in the budget or if the gap funding is in the budget, you ought to vote to pass the budget. If one or both of those things are not in the budget, you ought to vote to pass the budget. And Senator Dorn and others have talked about the merits and the restrictive and narrow nature of the gap funding. I was present, not voting; that was the same as voting no to take it out. I'd prefer for it to remain in. And if we're going to be looking-- Senator Lippincott has removed his amendment, but if we're going to look at an amendment later today to strip out the child care, I think it's a, a quid-pro-quo for, for those that look at it from that perspective, to say if we can't get one, maybe we shouldn't get the other. I don't know if that's the way to run the railroad, but I would encourage all in the body to take a look at the bigger picture and find a way to get our budget balanced. We will get there at the end of the day, but to fight over whether or not valuable, vital child care should be included or excluded in exchange for whether or not the gap funding is included or excluded doesn't seem to, to be befitting for our body. With regard to the gap funding, a good number of families have benefited from the opportunity scholarship and the educational scholarship programs in my legislative district. And at the same time, state-- state spending and investment, as many others have suggested, and I think rightfully so, is at all-time historic levels. So, it's not a question of not putting in the right amount of money or enough money for public education. And in

fact, I would suggest that there is absolutely no direct correlation between the 3.5 or the \$3.65 million with administrative expenses that we could potentially spend on the gap funding and public school funding. Public school funding is not adversely impacted by \$3.65 million that is not coming directly or indirectly out of the pockets of public education. You've heard it said many times, parents should have control over where their children can best thrive in an educational setting. We've got gap funding to fill or bridge the gap between where we are now, where some of the scholarship funds have been spent, and when the federal Big, Beautiful Bill aspect of this particular issue kicks in. I did have one person that contacted me on this issue say that the, the issue is that we have been neglectful in the amount of money that we've spent on public spending. I don't think that's the case at all, and I don't think this small, modest amount of money would put that at jeopardy in any respect. I also had a former school board member who, interestingly enough, said, the people have spoken, you should not vote for the gap funding. And in the next breath of his email, he indicated to me, but you should not spend as much money as you're spending on public education. So, it's OK to cut public education in that person's mind, but just don't do it for the \$3.65 million that was allocated for gap spend-- gap funding in the original budget. With that, I would encourage us to continue to work together and see if we can find a way out of this morass. Thank you.

KELLY: Thank you, Senator Hallstrom. Senator Armendariz would like to recognize some guests. First, Clara Doll behind the glass doors in the Chamber, as well as other fourth-grade members from Heritage Elementary in Bennington. Please stand and be recognized by the Nebraska Legislature. Senator Guereca would like to recognize guests in the north balcony from ECHO Collective: immigrant women entrepreneurs, small business owners. Please stand and be recognized by the Nebraska Legislature. Returning to the queue, Senator Dorn, you're recognized to speak.

DORN: Thank you, Mr. Lieutenant Governor. Wanted to get up and talk a little bit about the process and why we are, I call it, in the situation we're in today. There's been several senators that have, I call it, criticized Senator Clements for doing what he did, and because that's not the process that we do. This process started when the governor introduced his budget. That budget up there is not Speaker Arch's budget, that's the

governor's budget, and then as we make adjustments to it, as we pull things in or pull things out, as we OK those suggestions for funding or something different. When that was proposed, and it was originally \$7 million in the governor's budget, language included in the budget that if the Appropriations Committee-- all the Appropriation Committee needed was five votes to include it in that budget to bring it out to the floor. We passed on it a couple of times. We had discussion on it, and then passed on a couple times and didn't come to a decision. We kind of put it off a little bit. And then, when it was time to vote on that, I was introducing a bill, so I wasn't there. I don't know all the discussion other than the fact that they didn't pass the \$7 million into the budget, because we had to vote to leave it in there. That's what we had to do, otherwise it was automatically pulled out. I go back to this: it takes five votes of the Appropriations Committee to come to the floor. They decided on \$3.5 million, to leave that in there or put that in there, and then bring that to the floor. There was also language included which you had to be at 185 percent of poverty to be eligible. That, I did get to vote on, because for whatever reason-- I don't know why if the \$3.5 million was passed into it why it was 4-4 vote on that. They asked for my vote later, and I said by all means, if you're going to include that \$3.5 million, I want to make sure it is to the most needy and not just, I call it, a broader spectrum. But because the governor included this in the budget-- I'll go back to that statement, it only took five members of the Appropriations to put it in here. That should not have been the process. We've had multiple bills on these scholarship funds. This bill, this funding, should have gone through the proper process and been a bill. I think the governor knew as well as many people on this floor that if you went through that way, it wasn't going to get 33 votes on closure. So, what's happened-- and I've talked many times to people about this-- it took five votes to get it to the floor, and then we would have a challenge on closure vote, because it still takes the 33 closure votes, and that's what's happening here. It played out. And if we want to blame Senator Clements, I think you need to blame somebody else for this whole process, and that is the governor, for this whole process. Why he didn't have somebody bring a bill-- why not wait till next year? I challenge every one of you that's left here. I challenge you to pass this budget and bring a bill next year. If you want to do what's right and you want to do what's right with the process that we have in this Legislature, bring a bill next year and see where you get. I don't care if it's \$3.5 million in funding, and technically it's too late. Include it for next year, another

\$3.5 million. Help them out that way. But instead of, I call it, having Senator Clements shoulder the blame for the-- through the process, what he went through to put it out here in an amendment, which he can do. But instead of blaming him or blaming anybody else for this, I challenge every one of you to bring a bill next year and see where you get with funding for scholarships. That's the process that we need to make sure we protect up here in the Legislature. I do want to make I emphasize that point. I criticize the governor for bringing this, and bringing in, in his bill, and only needing five members of the Appropriations Committee to bring it out here to the floor, and then we have this issue in front of us that we have. That's not part of the process either. It's our budget. We need to rally together. We need make sure we as a group do what's necessary to pass a budget up here. Thank you.

KELLY: Thank you, Senator Dorn. Senator Dover, you're recognized to speak. This is your third time on the amendment.

DOVER: Thank you, Mr. President. Senator Dorn, I don't know if you were here the second time up. I did pay a big compliment to Senator Clements, saying he's one of the best-hearted nicest guys we have here in the Chamber, so I want to make that clear. And I want to thank Senator Storm for wanting to ask the NSEA why pulling these kids out of their school is beneficial to the child. Well, unfortunately, I can tell you that they would not even answer that question. I think we've been in those kind of discussions before. But the, but the answer-- because the answer is so obvious. Instead, they would divert to another talking point, which would make some point that would justify their existence and deny private schools. Thank you, Senator Storm. Last time up, I briefly talked about this debate not being about money. For-- it may be for some, and, and, and it's-- and for some, it's just an excuse, but for many it's not. Then what is this about? If I had to sum it up-- excuse me. What it's about-- if I had to sum it up in about a word, it's about bias. People-- I, I trust Senator Armendariz. She, better than-- I would say probably having grown up where she did grow up, she knows more and can speak more intelligently about this challenge that we have than anybody else on the floor. I remember when-- and I'll, and I'll say this. I'll take that back. Senator McKinney and Senator Wayne, when Lou Ann Linehan was here, would stand up and support school choice and, and funding of private schools. And so, I don't want to-- I don't want to take that away from, from them either. But I do-- I think we've all felt the heartfelt

compassion and fight that is in Senator Armendariz. But we have a bias. I mean, we don't, we don't know what north Omaha is like. We don't-- we never grew up there. And I hear people criticize people from north Omaha-- and it's not just north Omaha but I'm going to speak to that. They criticize this, and they condemn this, and they say that. People have no idea, no idea what it's like to grow up in north Omaha, and I sure that I don't either. But I do know and have had friends from north Omaha, and we need-- we do need to do the-- we need to take care of this gap funding and do other things also. Walt Radcliffe-- I don't know if you know Walt Radcliffe, but at one time, I would say he was probably maybe, maybe even more powerful than a governor in Nebraska. Walt obviously passed, and I miss him. But-- and we didn't always agree politically. Obviously, if you know Walt, where he was, and if you know me, you know where I was. But there's things we did agree on and could work together on. But he said this, if the Unicameral could be bought, the NSEA would own them. And that's just wrong. But don't underestimate the power of the NSEA. I don't think-- I don't think probably any of us do. And I've talked with some, and they've told me that if they did not vote correctly on the school choice bills, that the NSEA would fund someone to run against them, because they're going to fund who's-- who does the best things for the NSEA. And notice this, I didn't say the best thing for the kids, I said the best thing for the NSEA. If this isn't a life-or-death vote for you, I would ask that you vote for taking care of these kids who find themselves in poverty and in dire need of assistance. If you truly care about kids in poverty, please help us to take care of these kids. Do not vote for cloture. If you do this, I am saying here and now and on the floor that I will work with you in other ways to help these kids and help kids in the poverty. This is why I support gap funding. Thank you, Mr. President.

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

MOSER: Thank you, Mr. President. Good morning, colleagues. Well, I want to talk again a little bit about the will of the people. So, I think somewhere around 57 percent of the people voted to repeal the opportunity tax credits, and-- but if it wouldn't have been for the millions of dollars spent by special interest groups, that would have never happened. And even with the millions of dollars that they spent, these special interest groups, they-- the-- some of the districts still wanted to

support opportunity scholarships. My district was overwhelmingly in favor of the opportunity scholarships, and then a district in north Omaha, and then Senator Dover's district in Norfolk, and then a district out by North Platte. And in my district, I don't know that there will be a lot of people who qualify, because I don't think that poverty is-- the poverty level is quite as high in my district as some. So, I'm not-- it's more about the symbolism of it and what we're doing for kids. It's OK to spend money on kids if it's welfare, but if it's for kids to be able to go to a private school to solve his educational plan, help him succeed in life, well then, that poor kid doesn't count. I don't get that. And all because of the politics of it? Because somebody out there doesn't like it? Some special interest group who collects money from teachers across the state and spends it to lobby for things that they want. The opposition didn't have much money to spend to oppose the ballot questions, so the millions that the teachers' union spent was pretty much unanswered. And even so, my district supported the scholarships, Senator Dover's, one in North Omaha; I think it was Senator McKinney's. So, do we care about kids, or only the ones that don't make the teachers' union mad? Thank you, Mr. President.

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

STORM: Thank you, Mr. President. Yeah, I didn't quite get to finish my thoughts there, so I was going to come back to that here. And, you know, I live in David City, but I live in "Realville," and I'm going to make this really real to all of you, be transparent and open to you what's going on here. First of all, the public schools are fully funded. This idea that \$3.5 million out of the general funds will do anything to impact public schools, complete falsehood. And I'm going to tell you how much funded the public schools are. So, the public schools get about \$5.984 billion a year from the taxpayers in this state. Little bit of federal funds in there. That's billion with a B, OK? So, \$2.76 billion come from-- comes from the state, \$3.3 billion comes from all your property taxes. OK? 60 percent of your property tax bill goes directly to the public schools. So, when everyone complains to me-- and I hear this frequently-- I pay way too high of property taxes in this state-- and we're the fourth-highest in the nation, property taxes. 60 percent of your tax bill, property tax bill, is going to fund your local public schools. They are fully funded. So, you know, what we have here is we have, you know, child care subsidies that were

left in the budget to the tune of-- it was going to keep up to 185 percent of poverty level, you could keep your child tax-- your child care subsidies, and along with that was going to be gap funding. Both support poor children, both help poor children, both were going to be in the budget. OK? We decided that a couple of members of the body were going to say we're not voting for the budget unless we get rid of gap funding. So, guess what? That one, we're taking that out. OK? Where I'm at is either they both stay in the budget or they both go out of the budget, and I think that's the only fair thing to do. Both of these affect poor children. Why do we decide that we're going to keep one segment of this into the budget and cut the other one out? Because it's this cloud that hangs over the state and the Unicameral of private versus public schools, when truly this deals with poor children, poor children that have failed in one school setting, went to another school setting with a scholarship, and are doing well. And now, we're going to rip them out of that over \$3.5 million. Keep in mind, the public schools get 5.9-- or, \$5.984 billion a year. 3.5 is a drop in the bucket to help roughly 2,300 students out. Poor students. Not wealthy-- my kids will never get this in-- at Aquinas. Poor children. Poor children in north Omaha, south Omaha, north Lincoln, rural areas. And I also want to say on this that I'm going to-- I'm going to stick up for the governor here a little bit. One senator went after him pretty hard. The governor did this because he cares about 2,300 poor kids that are going to be ripped out of their school setting that's working for them for one year. This is gap funding. This is not bringing school choice all back; this is one year of gap funding. Then, federal funds from Trump's Big, Beautiful Bill-- you can now take your federal money, and if you want to get a federal tax credit, you can put it into a scholarship, and I would encourage everybody to do that. Up to \$1,700 per person. Instead of your money going to Washington D.C., you can put it into this scholarship, that money will then stay in Nebraska. Everybody should do that. More money we can keep in the state, the better than going to Washington, D.C. That doesn't kick in till the following year. So, this is just one-year gap funding for poor children that are doing well in a school setting that weren't doing well in other school settings. And I can't imagine, when you, when you talk about education and the effects of what this would do to a child who was flourishing in a school, doing well, saying we don't have money to pay for you to go to this school anymore; you now have to go back to-- in your home, or to another school where you're failing for one year, and then we'll bring you back. What do you think that does to a child's education? Back and forth,

back and forth. Good school working, go to one school that's not working, try to get them back to the other school. That is why the governor did this, so I'm going to stand up and defend him on that. Once again, it's \$3.5 million dollars. Public schools get \$5.984 billion dollars. \$3.3 billion dollars of your property tax money go to fund the public schools. So, with that, yield my time. Thank you.

KELLY: Thank you, Senator Storm. Senator Riepe, you're recognized to speak.

RIEPE: Thank you, Mr. President. I stand here requesting a personal point of privilege, and that is-- today is the birthday of someone who's with us even and will be until the end, and that is the birthday of John Grinvalds with KMTV [SIC]. And so-- he's still a young buck, and we appreciate him very much. So, happy birthday, John. Thank you, Mr. President.

KELLY: Thank you, Senator Riepe. Senator Murman, you're recognized to speak.

MURMAN: Well, thank, thank you, Mr. Lieutenant Governor. I don't have a lot to add to the discussion this morning. I think it's been well-covered about the benefits of scholarships toward private schools. We have some of the best schools in the nation here in Nebraska, the-- I-- but I-- the important thing is how well we're educating our children, and our public schools are great, our private schools are great, homeschooling works well for many families, but we need to do what's best for, for the kids. The governor says that quite often, what's the best for individual students and families. So, part of that is having the opportunity to-- and, and especially like we've, we've talked about quite a bit this morning, for low-income kids, kids that don't have the opportunity that a lot of families do to attend a private school. So, I don't have a lot private schools in my district, so it's not probably politically popular in my district to support it, to support funding for scholarships for-- to, to attend private schools. But I think it's the best for-- most importantly, it's the best for some kids. And I-- also, I represent the whole state, not just District 38, although District 38 is probably the best district in the state, to be honest. But it is important to do what's best, first of all, like I said, for the families, for the students, and then for-- what's the for the whole state. So, I do support these scholarships. It's a very limited amount. It's for low-income

kids, gives them more opportunity. So, with that, thank you, Mr. Lieutenant Governor.

KELLY: Thank you, Senator Murman. Senator Quick has some guests in the north balcony from Leadership Unlimited in Grand Island. Please stand and be recognized by the Nebraska Legislature. Returning to the queue, Senator McKinney, you're recognized to speak.

McKINNEY: Thank you, Mr. President. First, I would like to say good luck to the Huskers at the NCAA Division I wrestling championships in Cleveland. Hopefully, we bring back some champs. But I've been sitting all day just listening to the discussion and comments on this, and I've really truly appreciated the pure hypocrisy of almost everybody that spoke today, if I'm keeping it real and being honest. Because you can't say that you care about poor kids or kids that come from north Omaha when you voted to ensure that a disproportionate amount of black boys will be suspended in our public schools when you voted for LB653. You can't say that you care about those kids when last year, you voted to ensure that the Omaha Police Department could lock up 11-year-old boys and girls. So, don't tell me you care about them when you took those votes. So, when you stand up and say, don't be hypocrites today, you should look yourself in the mirror. That is my issue with this conversation. I don't think public schools got the best interest of black boys, and I don't think private schools got the best interests of black boys, if I'm being honest. Because the American school system has never cared about black boys. Just look at the numbers and the statistics. Now, I do think kids should be able to be educated where they can be educated that is the best environment and system for them, which is why I stayed neutral on this for a long time. Because I have issues with both systems, because I know kids in public schools have got issues. I met with some teachers last week that are upset about LB653 passing, contrary to popular belief. And I know kids in private schools that have issues. I have a nephew that is spending his first year in a private school this year in my district, actually. So, I see it from both sides, and I actually grew up within it, the issues that y'all talking about. It's deeper than just getting an education. How are we eliminating poverty? That is the core of it. Why are communities that are-- that have minorities the most impoverished in the, in the country, in the United States, and in this state? Why are those communities historically impoverished? What are the issues, and what are the

problems with this Legislature and with this state that we cannot pass policies to ensure that there is no impoverished communities in this state? If you eliminate poverty, you will increase educational outcomes. Then, you voting for a budget that is going to ensure that we build a prison. When you talk about where, where we could get the money, or why, why we should use money for this or that-- why are we building a prison that is going to be overcrowded day one? In 2026, when we have a budget deficit. Why are we continuing to increase felonies when America has been tough on crime for my lifetime? If increasing felonies' enhancements solved the problem, you wouldn't be building new prisons. Why does Douglas County have a new youth jail downtown sitting empty that they spent, like, \$120 million on? There's deeper issues than just saying kids need scholarships. It's a way more complex issue than that's going, going to solve the problem. And just don't be hypocrites on this, because you want these kids to be suspended, you want them to be arrested at 11 years old, you continue to vote for bills that increase felonies, so I-- and the communities are impoverished, and, and historically have been impoverished. It's just frustrating and it's really annoying to listen to the conversation, because it's not true and it's not genuine. And that's my issue. If y'all really care, act like you care. And your votes since I've been in this Legislature does not indicate that you truly care about the complex issue of why kids are not succeeding in our education system. It clearly needs to be fixed at all levels. Our public school systems need to change, our private school systems need to change, because the outcomes are not great, especially for little boys that look like me. Thank you.

KELLY: Thank you. Senator McKinney, Senator Hunt, you're recognized to speak.

HUNT: Thank you, Mr. President. I appreciate everything Senator McKinney just said. You know, how, how-- the things that you say on the floor, when you have the opportunity to try and funnel more people into religious education under the guise of helping them doesn't match up with your votes or your actions or your words when it's actually time to do things like reduce poverty, make sure these kids have food to eat, make sure these kids have secure housing, all of these other things. You know, we-- we're in the felony factory here in the Nebraska Legislature, trying to lock these kids up when they're 11 years old, whatever. And of course, Senator McKinney and I have different views on this

issue-du-jour that we're all talking about here today and have taken different votes, but he's exactly right on that point. And I think that stripping down what the actual goal is here of proponents of putting your little \$3.5 million into the budget to make sure kids get a religious education is that that's exactly what it is. Senator Storm stands up here for the governor and says he just cares so much about kids, he wants to make sure that every child has the opportunity to get a good education. And this is what is so offensive, that the good education, the only good education that you can get must be one that rich people pay more for. That must be the good education. And what a coincidence that that quote-unquote good education is the religious one; in almost every case, an evangelical Christian one. So why don't you, you know, strip it bare and say what it is you really want these kids to be learning, which is just getting an evangelical Christian religious education. Just say that you want that. And we know from all the other things that you introduce, all the other bills that come through this place, that that is what you want. Turning these teachers into villains, saying that they're indoctrinating kids, putting all these, these bills through to prevent teachers from quote-unquote teaching about communism or Marxism, or the things we get through the Education Committee that are so ridiculous to me. Villainizing school librarians We had a bill to, to make a list of what books kids are checking out so parents could come in and monitor the list. All of these things are part of this, like, "satanic panic," moralizing, weird modern thing that we have going on right now in our culture where you feel like you have to police the authority of teachers and educators who are everything-- they're everything in this culture, and we will have nothing as a society if we don't invest in education, if we don't trust teachers, and if we also don't invest in our educators and make sure that they are unshackled and they are free, and they are able to use their best judgment as the experts in education that they are to bring these kids up. It's not a matter of what you can pay. I mean, I-- I'm a product of public education, and as I've often said here on the floor, it does not matter to this issue; matters 0.0 percent if you went to public school or private school, if your kids went to public school or private school, if you liked it or not. None of that matters. What matters is that we're basically debating whether government should intervene-- in a market, by the way, because you do have to pay for this private education-- to make it easier for kids to receive an evangelical Christian education, which, mind you, in those schools, they discriminate; they have, you know, interior rules in their, in their schools about who

can be staff, who can be a teacher, what kids they accept. If they've got a couple of gay parents, that's going to be a problem in some of these schools. I did a tour of these schools with Senator Linehan, and I asked their superintendent and principal if we have a situation with the gay parents that's OK for the kid to come in, and he wouldn't answer my question. And then furthermore, Senator Linehan scolded me for asking. So, that's the level that we're on. Just say that you want these kids to get the discriminatory education, and you want 3.5 little million dollars to do it. We are in this position, quote-unquote, of allegedly needing to bridge the gap with this funding because people gave out scholarships when they knew a ballot initiative was coming. So, we're in this place of having to catch up because whenever the state authorizes it, we're setting ourselves up for these continued obligations. And let's check one thing that's been said several times. No child is going to get kicked out of school for one year over this little \$3.5 million. That's not in the realm of reality, that's actually not going to happen, and nobody with sense thinks that. So, say what you mean: you want the kids to have Jesus-loves-me every day, you want to kids to, you know,--

KELLY: That's your time.

HUNT: --have a religious education, and that's what this is about. Thank you, Mr. President.

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

CONRAD: Thank you, Mr. President. Good morning, colleagues. That debate went perhaps as expected or, or not as expected. But obviously, members have passionate feelings about our great public schools, our great private schools, and our homeschooling families. And a lot of the related issues in the budget around those proposals took up most of the debate on this first amendment in regards to restoring a very small cut for the, the Library Commission. So, I just wanted to draw members' attention back to the substance of the amendment. It's a, a very modest cut, about \$30,000, \$40,000. There's a bigger concern for the Library Commission in regards to the next bill in the budget and some of the cuts and sweeps there, but this is an important, critical community service. This is an important state obligation. I've heard from librarians in my district who were concerned about that, and I wanted to keep my word to them to

bring it forward. I know everybody in this body values the great works that our librarians and our libraries do all across Nebraska, and this is just a small way to give an acknowledgement so that they don't have to do less with more, particularly at a time when federal funding is so uncertain and there's very, very high demand for their wonderful services that, that they provide across the state. The other thing I, I just want to note, I think it's great that we have robust debate on this and other issues. Let the record reflect, there was no objections made in terms of dilatory rhetoric, and I think it's good that we have robust dialogue and debate according to members' dictates when an issue arises that they feel passionate about. My amendment on libraries happened to be the first step, so it was the vehicle for a lot of that debate, and I think robust debate is important in this body, and that we utilize every opportunity we have to make the points about issues that are important to us. So, I'd urge your favorable consideration. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Senators, the question is the adoption of AM2787. All those in favor, vote aye; all those opposed, vote nay. Record, Mr. Clerk.

CLERK: 17 ayes, 23 nays on adoption of the amendment, Mr. President.

KELLY: The amendment is not adopted. Mr. Clerk.

CLERK: Mr. President, some items for the record. Your Committee on Transportation chaired by Senator Moser reports LB714 to General File with committee amendments. Your Committee on Judiciary chaired by Senator Bosn reports LB1100 to General File with committee amendments. Your Committee on Revenue chaired by Senator von Gillern reports LB1165 to General File with committee amendments. Amendment to be printed from Senator Bosn to AM1100. Senator Storm, new LR: LR377; that will be laid over. New A-bill, Senator DeKay, LB1261A. It's a bill for an act relating to appropriations; to appropriate funds to aid in the carrying out of the provisions of LB1261. That's all I have at this time.

KELLY: Thank you, Mr. Clerk. Senator Dover would like to recognize some guests in the north balcony from St. John Elementary in Battle Creek. Please stand and be recognized by the Nebraska Legislature. Senator Lonowski would like to

recognize some guests in the north balcony from Watson Elementary in Hastings. Please stand and be recognized by the Nebraska Legislature. Mr. Clerk.

CLERK: Mr. President, a priority motion: Senator Riepe would move to recess the body until 1:30 p.m.

KELLY: Senators, you heard the motion. All of those in favor, say aye. Those opposed, nay. The Legislature is in recess.

[RECESS]

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

CLERK: There's a quorum present, Mr. President.

ARCH: Thank you, Mr. Clerk. Do you have any items for the, for the record?

CLERK: I do, Mr. President. New A bill, LB912A, introduced by Senator Hardin. It's a bill for an act relating appropriations; to appropriate funds to aid in the carrying out of the provisions of LB912; and to declare an emergency. That's all I have this time.

ARCH: Thank you, Mr. Clerk. We will proceed to the first item on this afternoon's agenda.

CLERK: Mr. President, pursuant to the agenda, when the Legislature left off on Select File, LB1071, pending, was AM2748. Under direction from the Speaker of the Legislature, Senator DeBoer would offer AM2799.

ARCH: Senator DeBoer, you are recognized to open on your amendment.

DeBOER: Thank you, Mr. President. Colleagues, AM2799 is an amendment to restore funding for domestic violence shelters in the budget. Last year, we appropriated \$3 million from the Managed Medicaid Excess Profit Fund in this fiscal year and the next, but this budget reduces that amount by \$850,000. AM2799 restores the commitment to \$3 million by appropriating \$850,000

in general funds. But I have talked to Senator Clements and we talked about, instead of fulfilling the entire \$840,000 with general funds, instead he said he was comfortable with \$450,000. I wonder if Senator Clements would answer a question.

ARCH: Senator Clements, will you yield?

CLEMENTS: Yes.

DeBOER: Senator Clements, would you be comfortable with \$450,000 for the domestic violence shelters that, although this amendment says \$850,000 we're getting a new one that says \$450,000?

CLEMENTS: Yes, I told you that I, I wouldn't be able to support \$850,000, but \$450,000, if it's going to keep from hurting a program and continue services, would you justify that?

DeBOER: Yes, so this program was getting 300 or 300-- \$3 million a year for domestic violence shelters. This is providers like Friendship House, that sort of thing. And because of the cash fund and the way all of that worked, it wouldn't be sustainable to take \$3 million from it this year. So in the budget that the Appropriations Committee put out, they lessened that amount by \$850,000. That is just one year of lowering the amount. But my hope is that Senator Bostar's bill that we worked on yesterday, the-- his portion of LB-- now I'm drawing a blank, LB501?

CLEMENTS: LB901.

DeBOER: LB901. LB901, which would provide tax credits to the same-- roughly the same group of folks, would be able to take up the, the banner, as it were, after this year. So we just have to get them through this year.

CLEMENTS: Yeah, I could support it for one year.

DeBOER: OK, thank you. Senator Bostar, would you yield to a question?

ARCH: Senator Bostar, will you yield?

BOSTAR: Yes, I would.

DeBOER: Are you familiar with this \$3 million from the Medicaid Excess Cash Fund to the domestic violence shelters?

BOSTAR: Yes.

DeBOER: And the program that we did in LB901 yesterday, would that hit roughly the same group of service providers.

BOSTAR: Yes, it would.

DeBOER: OK, so if we found the money this year, then your tax credits would be able to come in next year and help out?

BOSTAR: Right, I think that's exactly right. I think the tax credits offer the solution going forward. But we do have that gap in the immediate term that we need to fill if we don't want to create any disruptions to services for domestic violence and trafficking survivors and victims.

DeBOER: All right, thank you, Senator Bostar.

BOSTAR: Thanks.

DeBOER: So colleagues, while it isn't the total amount, I am more than grateful for Senator Clements' willingness to help out with domestic violence victims. You know, that's something that, like many of you, I've been working on in this Legislature. And I would really appreciate your support. We are going to have to talk for a few minutes about this, because I'm waiting for the new amendment to come down, which would be the \$450,000 rather than the \$850,000 which is reflected in AM2799. So if you will just bear with us for a moment, we're trying to get to that. But I will finish a little bit of what my opening was. We had previously funded these programs when we-- bienniums ago, we had been using TANF funds for these purposes. But how due to confidentiality concerns when dealing with domestic violence survivors, TANF dollars could not be used. So last year, we pivoted and utilized funding from the Medicaid Excess Profit Fund. Now this year, due to too many requests for that fund, the Appropriations Committee cut that \$850,000 for domestic violence service providers. Totally understand why they had to make that decision for the good of the fund, but the impact of this cut is real. In western Nebraska, we see programs cutting hours at their satellite offices, making it hard for domestic violence victims to access services. Staff aren't being hired because there's no money to hire them. And these staffers won't help survivors file for protection orders and ensure that they have plans for their safety. We can't even shelter survivors because

we have wait lists across our state in our shelters that already exist. You know, I told the story last week about the woman who appeared at my door in the middle of the night who was a domestic violence victim. These are real problems that I know everyone in this room cares about, and so I really would ask for you for this one time to sort of support this gap year until Senator Bostar's tax credits can come into place, to help us get the, the money that needs to go so that for this year we can still have these domestic violence shelters and providers-- service providers providing their services throughout the state. Thank you, Mr. President.

ARCH: Senator John Cavanaugh, you're recognized to speak.

J. CAVANAUGH: Thank you, Mr. President. Well, I rise in support of Senator DeBoer's AM2799-- or I guess if there's a replacement amendment, I support that if it has a different number. I did actually punch in, although I guess we do need to take some time, but I punched in because I wanted to be the first person to congratulate the Nebraska Cornhuskers men's basketball team on their first NCAA tournament win. They beat Troy, 76 to 47. Basically, right as we were doing check-in, the game concluded. The Huskers have had a great season, and this is a great way to top the-- well, they're gonna continue playing, so they'll play on Saturday now. And they can keep winning, but getting the first win in the tournament is a great accomplishment for this Husker basketball team. So I'll take a little bit more of my time since we're taking time, supporting AM2799. Also today, wearing my Wayne State pins, it's state college week. I think other folks saw, saw yesterday was Peru State day, had the Peru State pins. Today I've got the Wayne State pins in celebration of Wayne State. And tomorrow is Chadron State day. So if you've got your Shadron State pins from the state colleges, you can wear those tomorrow. So can lift up and celebrate our, our wonderful state college system and, and the individual state colleges and the folks who are there. And the other thing is I'm wearing my Scrooge McDuck tie today, which, for those of you who've been around long enough, remember John Lowe, whenever we would debate the budget, John Lowe from Kearney, who was Stan Clouse's predecessor, would, whenever we debate the budget, wear his Scrooge McDuck ties. And I always appreciated that about John, that he brought some amount of levity to every situation. And John and I, obvious, if you know him and you know me, we were very rarely on the same side of any issue. There were a few times where we had a couple bills and said, well, if John

Cavanaugh and John Lowe are on the side, then it must be good. And we got a couple of things passed by working together in that way. But always appreciated John. We had a, a great relationship, even though we were on different sides of the political spectrum. And so when he left, he gave me this tie, and so I always wear it in, in honor of John and remembering him and his service here. And so I appreciate that he gave me this tie and, and to be thoughtful about, you know, basically be stingy like Scrooge McDuck when we're spending money is the idea. So let's, you know, make sure that we are being very thoughtful about the expenditures that we're making when we are budgeting in the state of Nebraska. So again, I support AM2799 and I appreciate the work Senator DeBoer, Senator Bostar, Senator Clements are doing on this important issue of making sure we are appropriately funding or giving support to victims of domestic violence. It's really important. So thank you, Mr. President.

ARCH: Senator Conrad, you're recognized to speak.

CONRAD: Good afternoon, colleagues. Congratulations to the Huskers for this historic day. I know it was very exciting around the halls of the Capitol, and at my home was all a buzz about this today as well. So that's very, very exciting. I rise in support of Senator DeBoer's amendment, and at her request in coordination with the Speaker and the Bill Drafters Office. And Senator Clements, they asked if we could provide just a few moments on the mic for the new amendment with the negotiated amount to come down so that it could be quickly substituted and considered by the body. So in an effort to be collegial, of course, whenever I can to help members, and particularly on an important issue like this, I wanted to punch in. So I had an opportunity to share some thoughts about cuts to programs and services impacting homeless shelters and domestic violence victims on General File. We've continued to work on that together with providers in the community across the state who've stepped forward to share more specifics and more advocacy. We're trying to figure out how this works with the tandem legislation that Senator Bostar mentioned to lift up some funding through tax credit financing, et cetera. But the bottom line is, I, like most of you, have had a chance to visit and or work with and discuss issues with domestic violence shelter providers in my community. We have really tremendous, loving, talented, empathetic people at Fresh Start Home, at Voices of Hope, at Friendship Home. Those are some, but not all, of the providers

in my community that I've had a chance to visit with about their work. And they provide critical services on policy issues, advocacy, trafficking, survivors, transitions, transitional housing, medical needs, mental health needs, counseling, family support, legal support, employment support, and transition. The, the list really goes on and on. They do a great job of meeting survivors where they're at and helping to ensure their safety at those most critical and most dangerous times, which is transition away from the abusive situation and then get stabilized, get the skills that they need to, to-- in order to live a life of dignity and self-sufficient-- self-sufficiency after that transition away from a scary and violent situation for them and their children. So I think it's really important and good work that Senator DeBoer has led here with other senators. I'm grateful that Senator Clements has been open-minded about finding at least a short-term solution to address these issues because it's important to note that the, the need for services is on the rise. I've heard this from the providers in my district and, again, it comes at a time when support at the federal level is on the decline. So they're really between a rock and a hard place right here. And it would be, I think, more than challenging if we, we remove some of these funding sources as they grapple with these external pressures. So it is a short-term solution, but it is a solution. I'd urge your favorable consideration of this measure, and thank Senator DeBoer and Senator Clements for, for working on this and bringing it forward. And I see that my time's almost up, so thank you, Mr. President.

ARCH: Senator Clements, you're recognized to speak.

CLEMENTS: Thank you, Mr. President. I do support Senator DeBoer's upcoming amendment, which would change from \$850,000 to \$450,000 one-time funding. It will be General Fund expenses. We looked at lots of requests that were wanting 8 or 10 different programs, want money from the Medicaid Excess Profit Fund. There is not as much money in it this year as there was last year and so some things didn't make the funding level. And we don't have all the information when we're in committee as to who is going to be hurt by this, and I think this is a reasonable compromise. It, it is general funds, but it's a one-time allocation. So, yeah, I'm willing to do that because we try not to hurt services when we're doing budget cuts and changes to the budget. So the, the agency has found-- has said that they could-- or the providers said they could live with a smaller number. I'd like

to change gears and ask Senator Machaela Cavanaugh if she would yield to a question.

ARCH: Senator Cavanaugh, will you yield?

M. CAVANAUGH: Yes.

CLEMENTS: I think first time up on LB1071, you had an amendment regarding apiary funding. I was just wondering, do you "bee-lieve" in funding apiaries?

M. CAVANAUGH: I sure do. Why not? Let's do it.

CLEMENTS: OK, well, thank you. Well, that was a surprising amendment to me. I was wondering if you were trying to create a buzz with that amendment.

M. CAVANAUGH: Senator Clements, I'm always trying to create a buzz.

CLEMENTS: OK, well thank you, but we didn't restore the funding to the apiaries. Do you think this funding loss is going to sting the beekeepers?

M. CAVANAUGH: I think it's going to sting very hard to the beekeepers. I don't know if they'll recover from this sting.

CLEMENTS: OK, well, thank you for answering those questions.

M. CAVANAUGH: Thank you for those questions.

CLEMENTS: I-- when I was-- when you had that amendment up earlier, I was wanting to go through those questions with you and didn't have a chance at that time to get a clarification. And unfortunately, the beekeeper funding is not going to be restored. But I think we all "bee-lieve" in honey, and I'll try to make it a little sweeter today. Thank you, Mr. President.

ARCH: Senator Spivey, you're recognized to speak.

SPIVEY: Thank you, Mr. President. And good afternoon, colleagues and folks that are joining us. I think that is a really hard act to follow, so I'm not gonna be as entertaining as we take a few minutes to get things together as Senator Clements and Cavanaugh. But I can tell you that type of banter happened

regularly in Appropriations. Lots of jokes, good humor as we wrestled and tried to figure out the budget. So I can appreciate some of that spilling over to the floor. I wanted to take a few minutes as we were talking about and, and what the measure that Senator DeBoer is bringing, the amendment to address domestic violence, I think is really appropriate to stop and pause and recognize that it is also Women's History Month in March. So that is recognized nationally. I do have an LR that was read across that celebrates and acknowledges Women's History Month in Nebraska that many of my colleagues signed on to, which is really important. Now, domestic violence does not just impact women, it impacts all types of partners and people, and so I think that is important to also uplift. And we know that the majority of folks from the data perspective that are experiencing intimate partner violence or domestic violence identify as women. And so how do we continue to think about strategies and approaches and policies that stop it, right? Like, how do we ensure that people have safe and healthy relationships or, if they don't, they have the resources that they need to be able to navigate that situation in a way that allows them to be successful and not have to experience that type of violence? And so I can appreciate Senator DeBoer bringing this to our attention. Again we've had to make hard decisions in Appropriations and what was in front of us, and there's been lots of conversations that have now come to the floor that really allow for colleagues to negotiate and think through in a very intentional way. So I hope folks, as we are thinking about Women's History Month, stop to think about all of the, the impacts that women add to all areas of industry and academia and community and culture. When we had our former senators day, actually I can't remember which former senator stopped by, but I was talking to her while she was sitting in the back and she said, oh my gosh, another woman in the body. I am so excited. And so again, just thinking about the spaces that we were not allowed to be in or that we were-- it was an anomaly to see us, now we're bringing that perspective and those identities and experiences that create better innovation and higher impact. I think it was two weeks ago. I kind of lose track of time being here and in late nights especially, but I think about two weeks ago there was a major storm and my childcare was closed. And so I had my three-year-old here with me at the Capitol. My oldest was old enough to stay home, but my three-year-old was wreaking havoc on the side. I text Mr. Clerk early to let him know so he wasn't surprised with the little toddler here disrupting his, his structure and agenda, but people pitched in, folks had games for him, my team helped. And

again as a mom and a leader and a community advocate, an elected official, I hold all of those roles which are important, and how do we celebrate and space for those. And that was a testament of that in that day, where I had to be a mom, I had still be here on the floor to vote and do my job that I was elected to do. And folks pitched in to allow for that to happen. And so I appreciate my colleagues that are working to restore some of this funding, and my chair of Appropriations being willing to reevaluate what that amount is for the investment in supporting services that are helping folks navigate domestic or intimate partner violence. And I hope that we can get the process through so then we can move on to the next amendments that I know are coming up that are going to be really important. So with that, I see my light is on. Thank you, Mr. Speaker.

ARCH: Senator Jacobson, you're recognized to speak.

JACOBSON: Thank you, Mr. President. I have spoken with Senator DeBoer and, and indicated to her that I will support her bill. And here's why I will. Domestic violence and, and these issues are real, and we are in a short budget year, but I think we always have to take the long view of the fact that we have some room to make some adjustments. But there are issues that can't wait. I think the key here on this bill, like the bill before it, is it needs gap funding. It's not a new program, it's not something that's going long term. We're going to need to put some additional money back in to make this year work. And that's why I will support that bill. And I'll look at other bills that have limited need but will be gap funding to really keep alive vital programs. I will tell you I feel the same way on the previous issue, and so I'm hoping that somehow that can get resolved as well. I, I always have a concern about kids and about women, women and children both. And certainly when it comes to domestic violence and issues like that, we need to make sure we're doing our part to make sure that we're doing all we can. And so I appreciate Senator DeBoer for bringing the issue, and I will be supportive. So thank you, Mr. President.

ARCH: Senator DeBoer, you're recognized to speak.

DeBOER: Thank you, Mr. President. Well, we're going to do the same thing, but in a different procedure. So the Clerk and the Speaker have suggested to me that another method, instead of waiting for the thing to come back from Bill Drafters, would be to adopt AM2799 and then immediately afterwards the Speaker will

schedule my floor amendment, which would adopt it down to \$450,000. So under that method we need to pass AM2799, and I wonder if Senator Clements would answer a question.

ARCH: Senator Clements, will you yield?

CLEMENTS: Yes.

DeBOER: Senator Clements, are you comfortable with the procedural way that we're going to do it, which is to adopt AM2799 and then immediately the Speaker has said he would go to the floor amendment, which would take it down to \$450,000, and we would get a vote on 450-- \$450,000?

CLEMENTS: Yes, I would support that, voting in the \$850,000 but immediately then reducing it to the \$450,000.

DeBOER: And I, too, would support doing the AM2799 first and then reducing it to \$450,000 with the floor amendment which will immediately follow. So colleagues, I guess I'm not the last one in the queue. There's someone else in the queue after me. But I would ask that you support AM2799 and I will have the next amendment, which will be a floor amendment to reduce the amount that AM2799 would take to \$450,000. At the same time as I get the new amendment. Thank you, Mr. President.

ARCH: Senator Andersen, you are recognized to speak.

ANDERSEN: Thank you, Mr. President. I do not support AM2748. Like Senator Cavanaugh, I would like to say congratulations to the Cornhuskers, the men's basketball team, 76-47, great victory. So congratulations to them. AM2748, I'm disappointed in the removal of the education scholarship program, the funding. And to talk about it briefly, the 5W is who? It helps lower to middle-income children. What, it's a one-year bridge, limited funding, \$3.65 million. When? 2026-27. Where? K-12 kids. And those are the lower to middle-income kids. And how, as has been said, it's a one-time funding, \$3.65 million to bridge it to the scholarship program in the One Big Beautiful Bill from the Trump program-- Trump administration. I would like to thank and congratulate Adrian Smith, Congressman Smith, for his effort to get the the, the scholarship program in place in the One Big Beautiful Bill. I understand he was the one of the chief architects. You can do a \$1,700 donation to the, the scholarship organizations and you get a federal tax credit. So it's a

fantastic program of a way of at the grassroots level contributing to the future and the scholarship and education of our children. What I think we really need to be talking about is the Nebraska education system. As Senator Storm mentioned earlier the funding of it is about 5.5-- he had \$5.9 billion a year, \$3.6 billion of that is funded through property taxes. And I'd submit that this program, extremely large, it's bloated. It's underperforming when you look at the, at grade level throughout the state, they averaging 4.-- 46% at grade level in reading and 38% in math When you look at OPS, which is the largest school district in the state, they're at 38% for reading and 28% for math. To me, that's a failing program. Part of that, and the main part, part of the management is the TEEOSA program, which I believe is bloated and unmanageable. I think it's a-- it may have had good intentions when they started, but I believe it's a failed experiment. I think we need to scrap it and create a common-sense flat education system for funding. For that reason, and pulling out the \$3.65 million for the scholarship program, I do not support AM2748. Thank you, Mr. President.

ARCH: Mr. Clerk.

CLERK: Mr. President, an announcement first. The Judiciary Committee will meet in exec session now in Room 2102. Judiciary now, Room 2102. Senator DeBoer, I have a note on AM2799 with a note you'd withdraw.

ARCH: So ordered.

CLERK: In that case, Mr. President, Senator DeBoer would move to amend with AM2820.

ARCH: Senator DeBoer, you are welcome to open on AM2820.

DeBOER: OK, this will be a lot simpler now, folks. So this is the amendment that is come back from Bill Drafters. Thank you very much, Bill Drafters. This is the one that would provide \$450,000, which was the agreed upon amount with Senator Clements for the domestic violence services. And maybe Judiciary members can stay, because I think we'll vote on this pretty soon. Thank you, Mr. President.

ARCH: Turning to the queue, Senator Juarez, you're recognized to speak.

JUAREZ: Thank you very much, and good afternoon to everyone online and good afternoon to my colleagues. I just wanted to mention that this morning the Governor hosted students who participated in the Nebraska in-school savings program through the Nebraska Council on Economics Education to proclaim April as Financial Awareness Month, and this was in the Warner Chamber today. Sometimes I wish I could get away to go to these other events. And it was a great day for the event since the budget is being debated, and remember that this body and the Governor have not supported bills to fund financial literacy. That was one of the amendments I tried to bring forward. But I did want to mention the event that was held this morning. Thank you, and I yield the rest of my time.

ARCH: I would like to introduce 20 special guests of mine. They are located in the north balcony from K-8th grade. It's the Catholic Home School group from Elkhorn, Nebraska. Please rise and be welcomed by your Nebraska Legislature. Senator DeBoer, you are recognized to close on your amendment.

DeBOER: Thank you very much, Mr. President. OK, I know it was confusing, but here's the short-short of where we're at. AM2820, which Senator Clements said he can support, would give \$450,000 of general funds for one year only to support domestic violence programs, including domestic violence shelters and other caregivers. For this year only, for one-year only, from the General Fund to support those programs. This is the amendment that does all of this. This one is \$450,000. This is the one. Please support this amendment, and I very much appreciate Senator Clements for helping me with this. Thank you, Mr. President.

ARCH: Colleagues, the question before the body is the adoption of AM2820. All those in favor, vote aye. All those opposed, vote nay. Mr. Clerk, please record.

CLERK: 39 ayes, 0 nays on adoption of the amendment, Mr. President.

ARCH: The amendment is adopted. Mr. Clerk, next item.

CLERK: Mr. President, Senator Hunt, I have AM2571 with a note you'd withdraw.

ARCH: So ordered.

CLERK: In that case, Mr President, Senator Hunt would move to amend with FA1064.

ARCH: Senator Hunt, you're recognized to open on your amendment.

HUNT: Thank you, Mr. President. Colleagues, this is familiar to you. This is the amendment, which is now a floor amendment, that simply strikes the severability clause in this part of the budget. I have been told by the lobby, by staff, by people who have worked on the budget for decades, that this kind of language, a severability clause, has never, never, never been in the budget before, at least not in anybody's memory. So, I wanted to pose the question. What are we doing with this budget that gives us concern enough that we needed to add a severability clause? And we had a little discussion about this several days ago when we were discussing this on General File. And I asked Senator Clements why this language was in the bill. And he said that he didn't know. And it sounds like through other conversations, there's sort of some consensus that the language isn't really needed. And then based on some consulting that I did with staff, with people in Fiscal, it sounds like there is no need for the severability clause in LB1071 because the questionable components in terms of constitutionality relating to DEI and now the private school voucher money, that has been eliminated from the budget. So those are kind of the things that maybe gave some pause that would require something like a severability cause. Those things are no longer in the budget. So passing this floor amendment is a good-governance way to show our constituents that we stand behind this budget, that we believe that it is constitutional, that we aren't afraid that a court will rule that it isn't. And, you know, I could also refresh a point from Senator Conrad that she also made on the General File debate that it's debatable whether any portion of the budget is severable anyway. Because if one piece is removed or altered, then it throws off the entire balance of the budget. And all of these components kind of have to work together in terms of proposed transfers and revenue and all of the things that are going into the budget and coming out of the budget. So the fact, the question of if it's even severable is sort of up for debate. So the long and short of it is we've never had a severability clause. We don't need one. And it sounds like a lot of people agree. So I, I encourage your green vote on FA1064, but I'm happy to answer any questions for clarification. Thank you, Mr. President.

ARCH: Senator Clements, you are recognized to speak.

CLEMENTS: Thank you, Mr. President. I rise in opposition to FA1064. I think it's good business practice to put a severability clause in documents. I know many business agreements do that. And I'd just like to read that clause. It says-- this is on page 120, Section 137. If any section in this act or any part of any section is declared invalid or unconstitutional, the declaration shall not affect the validity or constitutionality of the remaining portions. And so there-- I agree that some items in the Governor's budget were not adopted that might have been more controversial, but there might be other items people are saying they shouldn't have been cut here or there or the adjustments shouldn't have been made in the budget. And I'm not aware of anything that's that serious to be invalid or unconstitutional, but it doesn't hurt anything to add a protection in there so that we don't declare the entire budget invalid and come back for a special session to adopt a budget without the one provision that turned out to be a problem. So I would ask for your red vote on FA1064. Thank you, Mr. President.

ARCH: Senator von Gillern, you're recognized to speak.

von GILLERN: Thank you, Mr. President. Not an attorney, but in my previous life, the job I did was referred to as a contractor, which is really interesting because what we did was construction work. But the industry is broadly known, the companies in the industry are broadly known, as contractors because everything we do we contract for. We used contracts that were form contracts that were drafted by the American Institute of Architects, that were draft-- drafted by various contractors organizations. We had our subcontracts reviewed by attorneys on a regular basis. We had contracts with insurance carriers, insururity companies, and banks. Over my career, I'd literally signed thousands and thousands of contracts. Never signed a contract that did not have a severability clause in it. Every single one of them had a severality clause in it. It's a belt-and-suspenders provision that if any part of the contract it becomes a problem, it does not send the entire contract down. It makes complete sense that that would be in the budget. If there were-- if there were any part of the budget or any part of anything that we do that is deemed to be a challenge, you don't want to tank the whole thing with it. It, it makes perfect sense. I can't believe that it hasn't been in there in every budget that precedes this one. Frankly, it's not bad judgment going forward with the

severability clause, it's been poor judgment that it have been in there before. So I encourage us to move forward with the severability clause and to vote red on FA1064. Thank you, Mr. President.

ARCH: Senator Clouse, you're recognized to speak.

CLOUSE: Thank you, Mr. President. I, too, had similar thoughts to Senator von Gillern. I just assumed that it was normal boilerplate language in our, in our budget, this being my second time around. I was wondering if Senator Conrad would answer a question.

ARCH: Senator Conrad, will you yield?

CONRAD: Yes, absolutely.

CLOUSE: Hey, thank you, Senator Conrad. You are an attorney. We've had some of these dialogue back and forth. Can you tell me why it would not be standard boilerplate on con-- documents like this?

CONRAD: Yeah, thank you, Senator Clouse. I, and like I said, I hadn't had a chance to go back and double-check in between General and Select File. Usually when we prepare the budget, the Legislative Fiscal Off works closely with Bill Drafters and they have kind of a standard framework, let's say, for the budget bills. They've got one for constitutional officer salaries, one for appropriations, one for cash transfers, et cetera, et cetera. So usually within that, that standard budget format, they have a variety of kind of boilerplate language on reappropriations, on certain aspects of legislative intent. They usually have some default language that they repeat cycle after cycle about what happens with funds received in the interim when we're not in session and things like that. I can't remember, and I didn't look to see if previous budgets had severability clauses in them. I will take Senator Hunt's word from some of the feedback she has received from staff and from other stakeholders. And I think if, in fact, this is new or novel, it is, it's an interesting question, and I think her amendment is perhaps an interesting gamble or trying to force the issue, which is appropriate and creative and strong. But no one can deny that there are serious legal questions with this budget. Educational Board of Lands and Funds. We have seen multiple Attorney General's Opinions, multiple legal opinions out there

saying we really can't utilize these funds in this way. There's similar questions around Environmental Trust, similar questions around Cultural Endowment, probably less so, I mean, but still in, in existence. But Board of Educational Lands and Funds is particularly egregious. So we know that's going to cause us some legal risk. So we talked about it yesterday on the Banking bill. If you're worried about component parts, the best insurance policy is to put a severability clause in.

CLOUSE: OK, thank you. I do appreciate it.

CONRAD: Sorry, that's the long answer.

CLOUSE: Well, you took all my time, but that's OK, because I wasn't going to use it anyway. And I do appreciate Senator Hunt pointing this out. If it's not been in there before, I think that's a good catch. But I also think that it, it probably makes good sense to be a standard boilerplate in our budgets. But I, I guess time will tell. But I would tend to support having this in as boilerplate. Thank you.

ARCH: Seeing no one in the queue, Senator Hunt, you're recognized to close.

HUNT: Thank you, Mr. President. To be clear, I didn't catch this. I didn't catch anything. I don't think I've ever in eight years caught anything in the budget. This is folks that know better than me, folks that have been doing this a lot longer than anyone in this body raising some interesting questions about the process and procedure that we have engaged in throughout the process of crafting this budget. I do think it's, it's worth asking, why severability clause in 2026? Why now? You know, we have experienced business owners like Senator von Gillern rising to say that having a severability clauses smart because, in his experience doing contracts, there's always one. And of course I've had similar experiences. But this is the state budget, and I do believe that we should stand on it with confidence. We should back up our work by saying, we believe this is constitutional and we're not going to like hedge against that or do some kind of, you know, you know, backing up the idea that maybe there's something in here that is unconstitutional. Because if it could be, it should not be in the budget. It shouldn't be something that we're even doing. That can be a standalone bill that does its own thing, but it doesn't belong in LB1071. And that I, I believe very firmly. As Senator Conrad

alluded to, we do know that the Board of Educational Lands and Funds, the transfer in this bill, it does carry the threat of a lawsuit. And whether conversations about that have taken place on the record, on the floor, or in committee, or if anybody in the Appropriations Committee wants to admit that, we know that many of us have been warned about that. So I wanted to use this amendment to remove the severability clause in LB1071 because my attempt to do that on LB1072, the other budget bill, failed. But I think it is a tell. It's a tell to the people of Nebraska, to the taxpayers whose money we are using to do all of these things, that we believe something in the budget package as a whole could cause the state to face a lawsuit based on the constitutionality of raiding the BELF funds, for one example. There's other examples that Senator Conrad mentioned. And if those funds are frozen or tied up in court, what happens to the schools that rely on using those as a funding source? What happens to other items in the budget that are then called into question because it's no longer balanced? I think I know how this vote will go, but I, I do think the record ought to reflect that somebody made this point that we have been balancing the budget for years and years and years in the Legislature without needing to have this, this safety language. And that I think it speaks to the weakness of the budget that folks feel that we do need it. And I also don't think it's a good precedent to set for future Legislatures. So I think you get the picture. Thank you, Mr. President. I encourage your green vote on FA1064. Thanks.

ARCH: Members, the question before the body is the adoption of FA1064. All those in favor, vote aye. All those opposed, vote nay. Mr. Clerk, please record.

CLERK: 8 ayes, 22 nays, Mr. President, on adoption of the amendment.

ARCH: The amendment is not adopted. Mr. Clerk, next item. Mr. President, Senator Conrad would move to amend with AM2795.

ARCH: Senator Conrad, you are recognized to open on AM2795.

CONRAD: Thank you, Mr. President. Good afternoon, colleagues. Before you, I have an amendment to restore full funding for special education services in Nebraska. It was just, I believe about two, two years ago, three years ago back in, I think it was 2023, that Senator Sanders brought a major education overhaul on behalf of the Governor through LB583. And I was

honored to sign on to that as the sole co-sponsor. That measure ended up being one of the most significant pieces of legislation in regards to education funding in probably the past at least couple decades. And some of the key components therein were a commitment to provide foundation aid to all kids in, in public schools in Nebraska, to make critical adjustments to TEEOSA, to establish and think through, relatedly, a long, a long-discussed idea of creating a trust fund or the Education Future Fund to guard against future downturns and protect and stabilize education funding. And then it also had a critical component to ensure for really the first time that Nebraska would be stepping forward on the state level to help to ensure that our local schools had their special education needs met at least to the 80% level. Through a combination of local funds, state funds, and federal funds essentially for, for many years, states-- and I'm speaking in general terms-- the school districts had maybe about 40 to 50% of their actual special education needs funded through those various revenue streams. And one thing that I thought was so exciting, and still do, about Governor Pillen's proposal in this regard and Senator Sanders' legislation that helped to bring that to fruition was really a promise and a commitment that the state of Nebraska was going to step forward and ensure that we were meeting 80% of local school districts' special education needs from that point forward. And colleagues, again, that was just a few years ago. LB583 was signed into law in 2023. And one of the most exciting aspects thereof for kids with special needs, families with students with special needs, our wonderful partners on the local level from school boards to administrators to classroom teachers, this, this was really so exciting to be able to ensure that we were doing a better job of ensuring funding to, to address increasing special education needs in our schools. And yet here, less than three years later, we're seeing due to structural budget deficits-- and again, I, I think it's-- we all have a different point of view, I guess, in terms of how those came to fruition, but I think it's fairly undeniable that the Kansas-style tax cuts benefiting the wealthiest corporations and individuals helped to create a significant structural budget deficit that now we're scrambling. We're, we're cutting services. We're sweeping funds. We're fighting against each other in terms of tax-- what taxes we're going to increase in order to fill this, this budget gap. And one thing that I wanted to make sure to lift up at this time was this amendment, that this would restore up to our promised 80%, in terms of special education funding, what we promised families and schools just three years ago in LB583. Again I think the Legislature is at many times at its best when it supports our

most vulnerable and when it supports the institution. And this amendment allows us to do both. It says, when we, we say it, we mean it. When we work hard to pass legislation, historic legislation, that does the right thing by our schools, by our kids with special needs, and helps to reduce reliance on property tax at the local level, we need to stand by that commitment so that schools know we'll be a good partner on this and other critical funding issues that are moving forward. We need to come forward and together at this time to say, even though we have significant budget challenges and political and policy disagreements, we can agree that serving kids with special needs and reducing the pressure on local property taxes is a good thing. And that's what this amendment would do. It would restore special ed funding to meet the promises in terms of the state being there to provide at least 80% of funding for special ed services. So I'm happy to answer questions, and appreciate your support and consideration. Thank you.

ARCH: Turning to the queue, Senator Fredrickson, you're recognized to speak.

FREDRICKSON: Thank you, Mr. President. Good afternoon, colleagues. I rise in support of this amendment, and I'll make this fairly quick. But I was just kind of listening. I spoke with Senator Conrad off the mic a little bit about her, her reasoning for bringing this. And it actually brought me back to some conversations that we'd had in the body, this was probably my first year. So this was maybe four years ago. We were having a lot of discussion around educational funding, and there was this tension that kept getting brought up. And it was often asked, you know, well, why don't the schools trust us? Why don't schools trust that we're going to provide the funding from the state? And as all of you may have recall, those who were here when we had our special session a couple of summers ago, I had the opportunity to work on a smaller work group with members and the Governor to work towards a plan with that. And that was a conversation that frequently got brought up as well. There was conversation about whether or not the state should take over the majority of funding for the schools as a way to alleviate property tax levies. And, you know, one of the things that we kept hearing from schools was that again they, they weren't sure they could trust whether or not the state would provide the funding that we are saying they're going to, and there seemed to be confusion about why that was the case. And I, I just want to highlight that because I think what we're seeing here with this

budget is an example of why the schools do not trust that process. As Senator Conrad mentioned just a couple of years ago, we passed this with a commitment to fund this at 80%, and two years later we're back taking that away. And so again, I know that we are in a very difficult financial situation, but I do think that's an important note to be made that there, there is a reason why there is some distrust towards this body because we are walking back on a commitment that we had made within the last couple of the years. And so that's just something I think we should be thinking about as a body. And in the future, if we do run into more friction in this area, you know, this is an example of why we might be having that. Thank you, Mr. President.

ARCH: Senator Armendariz, you're recognized to speak.

ARMENDARIZ: Thank you, Mr. President. I thought I would get up and talk on the special ed funding as it went through Appropriations. That is true. The bill that we passed in 2023 did accommodate 80% of coverable costs of special ed for public schools. And at that time, the funding went from, I think, approximately 46-- 40-ish% to 80%, which was an increase in state funding of 96%. The following year, it was asked of the Legislature to fund it another 10%, and then this budget year, they asked to fund it another 7%. So we quickly found out that we, we did not limit any kind of spending request they could come, as long as it was 80% of the spending they asked to be covered, with no cap or control over how much that spending could be. One could quickly figure out that would be really hard for us to budget to, not knowing how much money they're going to spend in special ed. So this was an attempt by their request of 7% to fund them at half that, to give the signal that slow down the spending in that area. It's not a, not a never-ending bucket of money that we can funnel toward special ed. 10% and 7% seems to be an unreasonable climb compared to say CPI or growth, and that was the logic that we had in, in the negotiation in the Appropriations committee. So we did fund them at half of their request instead of the full 7% of their request. Thank you, Mr. President.

ARCH: Senator Clements, you're recognized to speak.

CLEMENTS: I stand in opposition to AM2795. I did vote for the special education funding at 80% when it was presented. The increase in costs has been way beyond what was contemplated at

that time. Tens of millions of dollars higher than what we expected. So what we did in the committee, I think we were told that the costs were going up 7%. We increased the budget for 2026 by 3.5% over 2025. So we give-- we did give an increase. This amendment would ask for another, looks like, I think it's \$1 million in the first year-- \$2 million in the first year and \$18 million increase in fiscal year 2027. That amount could be adjusted in next year's budget since it's in the second year. The first year was-- is funding \$423 million instead of \$425 million. \$2 million out of \$400 million is not a drastic cut. The fiscal 2027 of \$18 million less than what was been projected, that's true. That's smaller. But I think we'll be at 78% funding by my calculations, and that's still way more than 40% that we used to be at. And it is relieved a lot of-- most all the school districts from a burden of the special education expenses. We do have-- I believe this comes in with a maintenance of effort requirement because federal funds are involved as well. So we're not going to reduce the dollar amount. We increased it by 3.5% from '25 to 2026. Had the school costs gone up just 3.5%, there would be no reduction. And we haven't been able to determine why the costs went up so much more. But I believe there's still adequate funding, especially this 2026 fiscal year. And in 2027, the next budget could still address that fiscal year next year. So I am opposed to AM2795, ask for your red vote. Thank you, Mr. President.

ARCH: Seeing no one left in the queue, Senator Conrad, you're recognized to close on AM2795.

CONRAD: Thank you, Mr. President. And good afternoon, colleagues. Appreciate the discussion from members on this important issue. I do just want to make sure that we have a clear record about these funding issues for kids with special education needs. We, we hear a lot on the Education Committee about how there's so much uncertainty with the dismantling of the federal Department of Education as we know it, which provides key civil rights protections for kids with special needs and key funding sources. And so as we're grappling with that and then the increased needs that schools and teachers are seeing in regards to special education services, I, I just really felt like it was important that we at least have a discussion, build a record, take a vote on this point. Are these dollars, you know, going to revert back to where we were before LB583? No. Have we still made strides? Yes. But the point being as this Governor and this Legislature are trying to figure out a

grand bargain to do appropriate school funding and real, meaningful, and lasting property tax relief, it's got to go through the schools. And there's a level of distrust with the schools and the teachers and the parents because of things like this. When we say, just a few years ago, we're going to be there. We're going fund it for you. We're gonna figure it out. This is an area we can agree upon. This is an area where we can do right by kids. We can do right by schools. We can help to relieve property tax pressures. But then exactly what schools fear would happen, happens. We get ourselves in a budget jam because of fiscal recklessness by this Governor and the majority of this Legislature. And where do we cut first? Corporate tax breaks? No. Billionaire tax loopholes? No. Support for kids with special needs in their schools. That's what's on the chopping block. I think that's wrong. And that's why I wanted to bring this amendment forward. I also think it's an interesting position after the debate that we've had thus far on most of the budget matters here at Select File at second round of debate, the very hot topic of public funding for private schools has continued to dominate the debate. There were some procedural surprises maybe that caught people off guard. There's the funding issue itself. But let me add a couple of things to that debate in regards to this amendment. Number one, friends, the tension, the anxiety, the consternation, the chaos that has infused this process because of that issue is exactly why we don't inject policy into the budget. It's why we've always kept those issues on parallel tracks, not intertwined. Because making significant and or controversial policy discuss-- decisions in the budget risks the budget. That's why we have separate standalone bills. That's why we have separate standalone jurisdictional committees. That's where we saw similar chaos, consternation and risk with our state budget when Governor Ricketts tried to enact policy in regards to family planning services in it a few years ago. And it was chaos, and it was a nightmare in the Legislature. And I think those legislators learned the lesson that it was too risky to gamble our state budget with that kind of Washington-style politics. So we stepped back from it. But the re-injection of this voucher issue, of this scholarship issue, outside of a bill, outside of a separate hearing, tucked into the budget has caused that exact chaos and consternation, that our processes in Nebraska seek to insulate the importance of our budget from. And then finally, I know that there was a lot of discussion this morning bashing Teacher's Union and bashing teachers. And let me just say, I'm going to add a little love letter to my mom, who's a retired special ed teacher, an elementary school teacher, and a proud

union member. And I've seen how hard she and others work because they're passionate about kids and education, and they care about policy-makers that support kids and education.

ARCH: Time, Senator.

CONRAD: Thank you, Mr. President. I urge your favorable consideration.

ARCH: Seeing no one in the queue, Senator Conrad, you're recognized to close on AM2795. Excuse me, that was a close. Question before the body is the adoption of AM2795. All those in favor, vote aye. All those opposed, vote nay. Mr. Clerk, please, record.

ARCH: 16 ayes, 19 nays on adoption of the amendment, Mr. President.

CLERK: The amendment is not adopted. Mr. Clerk, next item.

CLERK: Mr. President, Senator Conrad moved to amend with AM2782.

ARCH: Senator Conrad, you're now recognized to open on AM2782.

CONRAD: Thank you, Mr. President. Good afternoon, colleagues. I'd urge the body's favorable consideration of AM2782. In looking at the budget and listening to constituents, one of the things that caused the greatest amount of concerns were cuts to programs impacting kids with autism, impacting Nebraskans with developmental disabilities. And this is an issue that we heard a lot about in the interim. We have heard a lot about in regards to this legislative session. There are budgetary cuts impacting these critical human services. There are various regulatory proposals that HHS has put out there that have really sent providers and families into a tailspin. There are corresponding legislative efforts to try and protect key developmental disability services. So there's a lot of moving parts here. But I'm sure many of you have had similar experiences to myself. You've met with families that are impacted by these dramatic changes being announced. You've heard the heartache in their voice as they're literally going through their life, doing everything right, working hard, paying taxes. They have a family member with developmental disabilities who need various levels of care in order to live their life with dignity. And then all of a sudden one day a wrench gets thrown in the works, and

they're scrambling to pull together documentation from schools, from medical providers, from psychologists, from community members to try and make their case to HHS that they do, in essence, need the care that they presently have. And why. And as they're trying to fight those battles on an individual level, they're also working together collectively to speak out against these rules and regs, to speak out against these budgetary cuts, to raise awareness about what is happening with various pieces of legislation. They've had rallies in the Rotunda. They have had lobby days throughout this session. They have emailed each of us to share their personal stories. They have organized through the govern-- Governor's advisory committee on developmental disabilities. They've gathered public comments. And I know that it seems like the best option we have in the remainder of this session to address critical services for those living with developmental disabilities is probably through Senator Machaela Cavanaugh's bill, LB985, which seeks to remove some of the arbitrary caps on services, bring transparency to the assessment tools, which are changing the levels of care that these families are currently being provided and they're having a hard time even understanding how to challenge some of those assessments because there's not a lot of transparency, and there's flaws in the methodology itself. And then it strengthens some appeals rights as well, as I understand it. But this is a companion piece. I again want to make sure that we at least have a debate, that we have at least a vote on the record, to make sure that families who are working on these issues, that have loved ones that need these critical services, can see what senators support them and which ones don't. And it's gonna be as clear as the green and the red lights on the board in front of our names. Because it's a nice thing to attend dinners. It's a nice thing to put in legislative resolutions. What families really need is to make sure that we're putting our money where our mouths are. We need to make sure that we come together and say, when we are balancing a budget, we don't do it on the backs of kids and families and Nebraskans with developmental disabilities, for goodness sakes. And that's exactly what this amendment does. It restores the cuts to developmental disability services. And I'd encourage your favorable support and consideration. Thank you, Mr. President.

ARCH: Turning to the queue, Senator Hallstrom, you're recognized to speak.

HALLSTROM: Thank you, Mr. Speaker, members. If Senator Conrad would yield to one or two questions, please.

ARCH: Senator Conrad, will you yield?

CONRAD: Yes, yes, of course.

HALLSTROM: Thank you, Senator Conrad. In your last remarks, I was listening hopefully with both ears, did you indicate that one of the concerns, and I assume there are many, but one of concerns with the gap funding is that it's being inserted into the budget debate, and it's a policy issue that should be considered separately, if at all?

CONRAD: Yeah, in regards to the school voucher and scholarship program?

HALLSTROM: Correct.

CONRAD: Yeah, that's right. Yeah.

HALLSTROM: OK, and I'm a supporter of the LB304 funds that Senator DeBoer is so passionate about. Is that not also a policy issue, and is it not also in the budget?

CONRAD: I don't think so, Senator. I think that, and perhaps if I'm wrong, she can, she can provide some clarity on it. My understanding in looking at the budget, reading the Governor's proposal and then what emanated from the Appropriations Committee originally, was the Governor for the first time had created a scholarship program in the Department of Labor and provided a corresponding direction to the department for how to establish that and listed a dollar amount instead of introducing a bill to create a similar program that would go through Education or Department of Labor.

HALLSTROM: Well, thank you. I, I, I beg to differ. I look at both of them, the money is in there for a separate bill, for a different program. They are policy decisions that you may be correct, they typically would be determined independent of the budget process. But both of the them, to me, are one and the same. And if you don't have one, perhaps you shouldn't have the other from a, from a practical and a process and a procedural basis. So thank you.

ARCH: Senator Rountree, you are recognized to speak.

ROUNTREE: Good afternoon, Mr. President. And good afternoon, friends and colleagues and all those that are still yet watching online. I rise in support of AM2782, sponsored by Senator Conrad, as we're looking at services. Like a lot of us, my inbox has been flooded with emails from members that are involved in our DD services, A&D waivers, and with the changes that are being implemented now. And, you know, just these are real people that have real issues. I also, as a father of a special needs son, have my own items that I had to work with. And so we are still going through those processes but getting there. But I wanted to just highlight on the fact we make a lot of policy, we deal with a lot of things, and this budget that we're dealing with now impacts real people at the ground level. We have heard from a lot of testimonies today, individual experiences, but I want to bring an experience from one individual that wrote me. And it's pretty long, so I'll kind of get to as much as I can on that. But she talks about on February 25th, my son had his waiver renewal assessment to reevaluate his level of care needs. We should have some legislation coming through on this. But his waiver reassessment took place at Beautiful Life DD Center. In attendance was the director of DD Services, as well as his mother, legal guardian, and the member. So to start off, the man who was completing the assessment did not introduce himself, didn't state the purpose while he was in the room, and didn't ask the-- her son needed the assessment, didn't explain to him what type of questions he would be asking, why he needed to ask those questions, and or why he needed to answer those questions in the best of his ability. Now, granted, my son has also gone through this process, We were there with him, so I understand exactly what she's talking about. But then when asked by me if he was using this new interRai, the ChYMH assessment too for the evaluation, he did say yes, but he did not ask the son if he familiar with the two. So the employee did not asked any patient identifiers to assess if he even with the correct young adult. He did eventually ask me, the mother and the guardian, who we were. The employee did not appear knowledgeable in the member's past medical history, diagnosis, service providers, and our current plan of care despite his mother having to provide all of this information for the waiver and documented updates after his IEP meeting, report cards, and doctor visits. Despite this being a reevaluation to assess the member's level of care needs for the next year, questions weren't asked. The employee did not direct any questions to the member despite this entire review was to assess what the member's needs were. So she had to tell

him to ask the member. So fun fact, her son is non-speaking, illiterate, and cannot spell much more than his first and last name. Again, this meeting was to assess his functional status and level of need. When asking if the member was depressed, he asked me. Said, I don't know, I'm not my son. I had to tell the employee to ask my son, to remind the employee that he was here to assess my son's need. If he was never trained on how to communicate with a non-speaking person, then he should phone a supervisor. So this is how we got into the process. And this is going on, so this is kind of a format for most of the emails that I receive, probably a lot of you have received from your constituents as well, that are in this particular position. So they went through, they did some evaluations. And if you're dealing with a non-speaking member, how do you get that information if you haven't been trained on how to operate and to do that? But she said, this is how each session-- section continued. When completed properly, the interRai evaluates 10 areas of behavior. These areas are the following. It's how aggressive, disruptive behavior, and she goes on through these, all these on-- each on the scale of 10. So the DHS employee did toss in some of the home care assessment domains without using the evidence-based assessment questions. So it was kind of a hodgepodge as you went down through that. So the employee asked, can he bathe himself? I see I'm running out of time, but this is how that whole process worked, how we normally go through. When my son got his results back from his interRai, I looked at the first five pages and I had to put it down because I couldn't do anything else with it. Just so much was missing in that. But these are things that Senator Conrad is talking about now. But I'll give here a last statement as I close, she said, I'm not even going to delve into how angry, disappointed, fearful that my son will lose services needed to support him. My son, who waited on a wait list for eight years to get the assistance needed to help him. From my family-- for my family, Nebraska is not nice. Nebraska is a place of torment and exclusion.

ARCH: Time, Senator.

ROUNTREE: Amen. Thank you so much, Mr. President.

ARCH: Senator Clements, you're recognized to speak.

CLEMENTS: Thank you Mr. President. I think a lot of us have been aware of an issue with the developmental disability aid and from, from the budget was presented, it was starting out by

saying they were going to limit the number of days per week of care, caregiver hours allowed. And that limit is not in the budget, and there is not a number of days per week limit. There was going to be a maximum allowance for expenses per year. It was going to be \$135,000 or so I was thinking. I'm not sure if that's in there or not. I've been told that the department is planning to use an assessment tool to assess needs and to abide by what that tool is. If it costs more or if it requires more days, or hours in a day or in a week. And so the-- there has been adjustments from the first proposal on developmental disability aid, and I'm a little bit confused about the amendment when I look at it. It has funding for fiscal year '25-26 at zero. For this, and it's striking Section 79, which shows \$211 million in fiscal year '26. And so I'm really a little bit confused on really where these numbers come from. The fiscal year 2027 is over \$300 million, and the Section 79 is being stricken, as I read it. So I can't support AM2782, as I'm not sure the numbers would even be accurate. But I believe that in the budget, we have funded according to what the Department of Health and Human Services said they were going to be doing. And that was our intent. And so I'll need more clarification on this program before I'm able to support this amendment. So I ask for your red vote on AM2782 pending getting more clarification. Thank you, Mr. President.

ARCH: Senator Sorrentino, you're recognized to speak.

SORRENTINO: Thank you, Mr. President. On the topic of the AM2748, not directly on spot with Senator Conrad's AM2782, I think as time winds down, I'd just like to have the attention of the body just for a moment. There was a, a very recent survey taken by Yes Every Kid Foundation. Just seven questions, but I wanted to call everybody's attention to the last four questions that were asked. Reason being, we do all get a lot of email about the whole topic of school choice being, if you will, litigated back in 2024 in the election through the special initiative. This is a little bit more current. I want to reference a couple of questions. There was a question asked, do you support or oppose parents instead of government choosing the best school for their children? Overwhelmingly, it was the parents. 80% support, 15% opposed to that, and 5% that didn't know. There was another question. Some states have started to allow for more flexibility in K-12 education and giving families more choice in how they can educate their children, such as the schools the children can attend and the financial resources to

help pay for those schools and related expense. In general, do you support or oppose giving K-12 families more choices in how they educate their children? 75% support that theory, 20% did not, 5% not opposed. The next question was, and would you support or oppose a program in the state of Nebraska that would give K-12 families more choices and control over how they educate their children and save taxpayers money? 75% were in support of that, 18% not, 7% didn't know. Finally, as you may know, an education savings account program lets K-12 families use funding for state-approved educational expenses like tuition, tutoring, and advanced coursework for their children. Based on what you know, would you say you support or oppose education savings account in Nebraska? Overwhelmingly, 71% supported that, 18% did not, and 11% didn't know. In addition, I want to call your attention to, as we were speaking earlier, about the poorest of the poor being able to use this 3.5% reduction. I have some statistics here on various cities. In Lincoln schools, Trinity Lutheran has 42 students on scholarship, 20 are at or below the 185% threshold. Lincoln Christian has 86 students on scholarships, 45 of those under the 185% federal poverty threshold. Blessed Sacrament in Lincoln has 43 students on scholarships, 23 under the 185% threshold. And finally in Lincoln, St. Teresa has 136 students on scholarship, 85 below 185%. In Omaha, Sacred Heart School, a school I know very well, has 80 kids on scholarship, 67 under 185%. Holy Name has 176 kids on scholarship, 134 of those, almost all of them, under 185%. Jesuit Academy in north Omaha has 14 students on scholarship, 10 under 185%. Falls City, Nebraska, Sacred Heart has 46 students on scholarship, 29 under 185%. Nebraska City, Lourdes has 39 students awarded, 13 of those are under 185%. And finally, Central City, Nebraska, represented by Senator Lippincott, Nebraska Christian School has 92 students on scholarship, 57 of those are under 185% income threshold. We have the need, we have the resources, we need to put back the \$3.5 million scholarships for private schools for vouchers and scholarships. Thank you, Mr. President.

ARCH: Senator Armendariz, you're recognized to speak.

ARMENDARIZ: Thank you, Mr. President. And thank you, Senator Conrad for sharing your mic with me. So what I wanted to do, if, if I fail to get the money back to keep the poor kids in the school, what I do have are the stories of the way I grew up. And I think it's fair that maybe somebody at home is listening and understands that they're not alone. I went through a lot of pain

and struggles growing up, and there is a way out. What I want to do is read some of those stories that I wrote. And this first one is about my best friend. Well, actually, I'm going to read another one about my my, house and my dad. So I had an older brother. I wrote this in third person just to protect my mental health at the time. So Penny is me in these stories. And I write about my brother and myself. So Penny's city was hit with a huge snowstorm of several inches already on the ground. So Penny and Sam went right outside to ask people if they'd like to have their sidewalk shoveled. When Penny and Sam returned home for the day, they set the shovel next to the front porch as they had no shed or garage. The snow continued to fall overnight and buried the snow shovel. The next morning, Penny's dad was asking for the snow shovel so he could clear the walks. Sam could not find it. Enraged, Penny's dad made Sam stand in the corner and said he would whip him with the belt every hour until he could figure out where the shovel was. Sam could have such a creative mind to build and make thing-- make new things, but Penny and Sam's dad had enough of Sam not putting things where they could be found. Once Penny came upstairs from the basement where all the children slept, Sam told his dad that Penny was out shoveling with him. And their dad made no hesitation to include Penny in the discipline he had decided upon. It was 11:00 in the morning. Penny's dad kept his word and whipped both Penny and Sam with the belt on the hour every hour and returned them to the corner each time. Sometime-- sometimes when the hour arrived, Penny and the Sam convinced their dad to let them go outside and look for the shovel. They would both slowly bundle up in their winter coats, shoes, and mittens, and stall, and take as much time as they could to prolong the inevitable whipping. They would place bread bags over their shoes to keep them dry as long as they could as they sifted through the deep snow in their yard, neither one knowing where the shovel could be. They took as much as they couldn't without making their dad even madder. The two would wander around the small yard, defeatedly digging through just the top surface of snow with their net mittens, hoping to prolong the going back inside. Each attempt turned up nothing, and when they returned to the house, the punishment resumed. Penny's dad let Penny and Sam sit in the kitchen table, where he had been sitting playing cards with their two older sisters, laughing and joking, eating lunch. Penny and Sam slowly ate what was given to them and remained very quite-- quiet as the others talked. Penny had hoped her dad would forget about the promise to keep them in the corner in the whippings that coincided. Penny's fate was revealed when they were both promptly returned to their-- when their food was gone.

Penny's legs were tired of standing. If she could only ask her dad if it would be OK to sit with her face to the wall, she would promise not to move or make a noise, just sit instead of stand and, and rest her legs a bit. She didn't dare open herself to what might come as a reply to that request. She felt better that her legs were failing, than unexpected reaction that question might come up. She was quiet for now, she would keep that away. Penny tried to pass the time between the hours, sometimes Sam would look her direction to catch her attention, and they both knew it was risky to even act like they would talk. She would take up time looking at the old register on the floor in front-- in front of her, checking the clock when the warm air would blow from the register and again, when it stopped, about 20 minutes between each cycle, she determined. She wondered how the chips got in the beat up glossy paint trim on the floor in front of her. Penny stared at the wet socks and mittens piled at the register, wondering if they would be dry in time for her and Sam to make another attempt outside. 20 minutes between cycles of heat, never enough, but they put the cold damp mittens over their hands without a thought to get some reprieve from the never-ending standing and hourly whippings. She wondered what her friends were doing on that snow day. The next-door neighbor knocked at the door to see--

DeBOER: Time, Senator.

ARMENDARIZ: --if anyone could play. Thank you.

DeBOER: Senator Dover, you're recognized.

DOVER: Thank you, Madam President. Well here we are headed for cloture at 3:14. I would urge and appreciate your no vote on cloture. I want to thank all the senators who have spoken in favor of the funding for the most needy of our population in Nebraska. Those who are 185% of poverty and below. These kids are the most disadvantaged in our state. These kids need our help. I believe you're-- you should vote against cloture so that Senator Clements could amend the amendment back to what the Appropriations Committee had voted on, which is \$3.5 million, to fill the gap this year until Congressman Smith's bill, Educational Choice for Children Act, comes into effect. Again, I will say this will help north Omaha, but also kids in poverty across the state. These kids exist, exist in every town and village across the state and in every senator's district. Again, I listened to other senators' talks, but really, I depend on my

own experiences. I know many of you have heard the story of when I was staying at the Cornhusker my first year and I was catching a ride to the Capitol in the rain and the driver and I were chatting. I asked him where he was from. He said, from north Omaha, and we had been talking about school choice. I asked him kind of what he was doing, and he was going to law school at Creighton and very excited. The kid was just, he glowed. And just excited about life and all the possible futures that he could have. And I asked him where he went to school, and I apologize, I don't know the name of the Catholic school in north Omaha, but he told me, and obviously by the name I knew it was a Catholic school. And I asked him what about his other friends, because I was doing research, real-life, real-time research on what was going on. And immediately he-- his eyes, did that-- stopped sparkling. He was driving and he looked down at his feet, which scared me a little bit. And he said-- and his head shook a little bit from side to side-- and he said my friends will never have the opportunity that I have. They'll never have the life I had because their mothers couldn't afford to send them to Catholic school. No matter what we talk about here, whether it's the money or whatever, this is just a real-life story about a real person who was pulled out of what potentially could have been not a very bright future. And I appreciate Senator Armendariz telling about her history, and I'm glad that she made it, and she's here as a senator. And as I spoke earlier today how Senator Wayne, because of Catholic school, was able to be a senator. And he stated from this floor, a little bit behind me to the left, that he would not be here if it wasn't for Catholic school. So I'm hoping that we're all listening to everything, and I hope everyone takes into consideration my real-life story, not something I read from a sheet or something of numbers, but of a true individual who is off to having a wonderful life thank to-- thanks to a private school. Please vote no on cloture so we can get the funding for these kids in poverty and keep them where they are and not pull them out of the schools for a year and then return them. Why would we do this to the most vulnerable? I'm voting no on cloture with others that you've listened to in this filibuster. Please join us in a no vote on cloture. Thank you, Madam President.

DeBOER: Thank you, Senator Dover. Mr. Clerk, you have a motion on the desk.

CLERK: I do, Madam President. Speaker Arch would move to invoke cloture pursuant to Rule 7, Section 10.

DeBOER: Speaker Arch, for what purpose do you rise?

ARCH: Call of the House, roll call vote, regular order.

DeBOER: There's been a request to place the house under call. The question is, shall the house go under call? All those in favor, vote aye. All those opposed, vote nay. Record, Mr. Clerk.

CLERK: 33 ayes, 0 nays to place the house under call.

DeBOER: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senator McKinney, Senator Lippincott, Senator Kauth, please return to the Chamber. All unexcused senators are now present. Mr. Clerk, please call the roll.

CLERK: Senator Andersen, voting no. Senator Arch, voting yes. Senator Armendariz, voting no. Senator Ballard, voting yes. Senator Bosn, voting yes. Senator Bostar, voting yes. Senator Brandt, voting yes. Senator John Cavanaugh, not voting. Senator Machaela Cavanaugh, not voting. Senator Clements, voting yes. Senator Clouse, voting yes. Senator Conrad, voting no. Senator DeBoer, voting yes. Senator DeKay, voting yes. Senator Dorn, voting yes. Senator Dover, voting no. Senator Dungan. Senator Fredrickson, not voting. Senator Guereca, not voting. Senator Hallstrom, voting no. Senator Hansen, not voting. Senator Hardin, not voting. Senator Holdcroft, voting no. Senator Hughes, voting yes. Senator Hunt, voting no. Senator Ibach, not voting. Senator Jacobson, not voting. Senator Juarez, voting yes. Senator Kauth, not voting. Senator Lippincott, not voting. Senator Lonowski, not voting. Senator McKinney, not voting. Senator Fred Meyer, voting yes. Senator Glen Meyer, voting yes. Senator Moser, voting no. Senator Murman, not voting. Senator Prokop, voting yes. Senator Quick, voting yes. Senator Raybould, voting yes. Senator Riepe, voting yes. Senator Rountree, not voting. Senator Sanders, not voting. Senator Sorrentino, voting no. Senator Spivey, not voting. Senator Storer, not voting. Senator Storm, voting no. Senator Strommen, not voting. Senator von Gillern, not voting. Senator Wordekemper, voting yes. Vote is 18 ayes, 10 nays, Mr. President-- Madam President on the motion. 19 ayes, 10 nays.

DeBOER: Cloture is not invoked. Mr. Clerk, for some items. I raise the call.

CLERK: Madam President, your Committee on Nebraska Retirement Systems, chaired by Senator Ballard, reports LB433 to General File with committee amendments. Your Committee on Health and Human Services, chaired by Senator Hardin, reports LB773 to General File with committee amendments. A series of motions to be printed from Senator John Cavanaugh to LB997; Senator Hughes to LB1219; Senator Sorrentino, LB820; Senator Conrad to LB935; Senator Machaela Cavanaugh to LB1219. Senator Arch, new LR, LR378. Senator Storer, LR379. Those will both be laid over. That's all I have this time.

DeBOER: Mr. Clerk then proceeding with the agenda.

CLERK: Madam President, Select File, LB1072, introduced by Speaker Arch at the request of the Governor. Select File, first of all, there are E&R amendments.

DeBOER: Senator Guereca for a motion.

GUERECCA: Madam President, I move that the E&R amendments to LB1072 be adopted.

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

CLERK: Madam President, Senator Clements would move to amend with AM2649.

DeBOER: Senator Clements, you're welcome to open on AM2649.

CLEMENTS: Thank you, Madam President. AM2649 to LB1072 is the fund transfer bill Select File amendment from the committee, which is going to bring in about \$83 million more to get us like the fund status you saw up to about negative \$37 million. The Items were handed out-- a summary of the items in this amendment were handed out yesterday. If you want to follow along, you can do that. Most of the Items are in fiscal year 2027. We'll start off with rocket-- Water Recreation Enhancement Fund, which is Lewis and Clark Lake improvements. An additional \$2,388,601 of qualified environmental improvements was identified, which was from the Environmental Trust using the Environmental Trust Act

requirements of environmental improvements to the lake. Again, we did not do the non-qualified part that had been suggested. There was a Treasury Management Cash Fund, \$250,000 in excess amount in a cash fund that was available that's going-- these items will all be going to offset General Fund shortfalls. Next, the Nebraska Tobacco Settlement Trust Fund, a \$50 million transfer from that fund. That is replacing the cigarette tax bill of \$50 million that, that failed to pass, and we were counting on for a budget shortfall. That could be reversed if the cigarette tax or some portion of it were to pass. There are \$670 million in the Tobacco Settlement Trust Fund, as I recall. It's over \$600 million. \$50 million is not going to harm the fund. It's been increasing very well because of good investment returns. An Insurance Proceeds Fund is next. That's, that Department of Corrections fund was, from an insurance claim, \$3,500,000 that was not going to be used for that purpose, and that transfer goes in General Fund. Building renewal allocation funds, also called the 309 Task Force, which is for maintenance of state buildings, \$2 million out of that fund will be transferred. But this fund receives about \$9 million of tobacco cigarette tax per year and \$7 million in rent from other agencies. So it does have ongoing revenues coming in. And this was an, an amount that was available. Jobs and Economic Development Initiative Fund, which is a Highway 79 Platte River project, \$2.5 million project. We were asked to redu-- to zero out that, but we left \$1 million in, and there is a \$1.5 million transfer from the JEDI Fund. There was a Film Office fund of \$450,000. That fund had not been used, had not had some grants paid out, and been inactive. PET aviation fuel in the the first committee amendment on General File, we had a transfer of \$450,000 per year. We're reversing those transfers, because that is a, a Federal violation, we're told, to use money out of that. It was going to just be interest off of that fund, but the Fed says that even interest on that fund is deemed to be federal dollars that we don't take. So we corrected that amount. Next is Secretary of State cash funds, records management and Secretary of state cash funds. I mentioned it earlier that we're restoring \$1 million to the management fund and \$1 million to Secretary of State Cash Fund. We still are getting \$5 million, but \$7 million was not affordable for them, and so we agreed to reduce those transfers. \$1 million each. The food distribution, you'll see \$305,337. That's interest on a food distribution fund, which they cannot distribute. And so that interest was going to be put in the General Fund. There's a Clean Air Title V Fund from the Department of Water, Energy and Environment, \$1.3 million, which was excess fund and still made it, it sustainable. Then the HHS

cash fund, a radioactive fund, \$650,000. Radon fund, \$1.26 million. Wholesale drug fund, \$500,000. Total of \$2.41 million out of that large cash fund and in some funds that had excess balances. Finally, the Cash Reserve Fund, \$22 million. The Forecast Board increased our 2026 revenue by \$20 million. That was going to go into that Property Tax Credit Fund for just this one year though. We're going to shift it to the cash reserve and then move it into general funds. Also, there's \$2 million from the Capital Construction Fund that makes \$22 million from the cash reserve into general funds, which is \$83,200,000 of addition to the budget. Then the next section down you'll see a whole bunch of numbers that are negative in fiscal year 2026, positive in fiscal year 2027. Those were cash fund transfers, which we were told was going to be more sustainable if we transferred those to the second year of the biennium. And so that's \$38.6 million that is taken out of 2026-- restored in 2026 and then moved to fed-- fiscal year 2027. Down at the very bottom you'll see the Electrical Division Cash Fund. They have a shortfall in their budget. They're going to be increasing fees and they're going to be able to pay that back in a year. And those are the items in the Select File amendment, AM2649. And I, I would ask for your green vote on AM2649, and that's going to help us get a lot closer to balancing our budget. Thank you, Madam President.

DeBOER: Thank you, Senator Clements. Mr. Clerk for an announcement.

CLERK: Madam President, the Judiciary Committee would hold an exec session at 3:30 in Room 2102. Judiciary Committee exec session, 3:30 in Room 2102. Additionally, a series of amendments to be printed from Senator Armendariz to LB1071. And Senator Kauth, amendment to printed to LB933. That's all I have at this time.

DeBOER: Returning to the queue. Senator Conrad, you're recognized.

CONRAD: Thank you, Madam President. Good afternoon colleagues. So that doesn't happen every day in the Nebraska Legislature, wherein you see a budget bill fail to advance, fail to secure cloture. So that's a pretty significant development. Is it unprecedented? No. Has it happened before? Yes. But it is a really good indicator that our fiscal house is in disorder. And the Legislature, to a certain degree, is in disarray on a

variety of key issues impacting both fiscal and policy and contained in our budget. It goes to show how challenging it is to try and fill significant budgetary gaps, almost \$500 million when we started the session, that has ballooned due to forecast during session, that is growing ever larger in the out-years and that comes on top of recent years of cut and sweeps as well. At a time, by the way, that there is no recessionary pressure. This is all caused by fiscal recklessness. So it has caused a lot of painful decisions. The policy-making aspects of the budget have eviscerated support for the budget from my friends on the right. And I know that senators tried to make some snarky comments about how we always set policy in the budget in Nebraska. We don't. I mean, we don't. That, that speaks for itself. And long-time members who've interfaced with this body know that. Senator DeBoer has a separate childcare bill that was appropriately referenced through the Health and Human Services Committee, which sets policy that deals with childcare. Somehow or another, aspects of that got tangled up in the budget, and that is a huge point of consternation for members. So to act like somehow or another it's commonplace to do that, it's not. The major issues that have caused stress and chaos to injecting policy questions into our budget most recently came with reproductive health and family planning issues in Title X under the Ricketts administration, and are present in this debate in regards to school vouchers and public funds for private school scholarships and otherwise, that have been turned down by a will of the voters multiple times, including recently. So people are free to express themselves however they see fit, but let's not engage in revisionist history when the record shows otherwise. I also think that the challenges that are present that now will have an opportunity to come together again and figure out where those consensus points are, need to be readdressed, and need to be readressed in a serious way. In dealing with this huge structural budget deficit now and ever growing into the out-years, we've heard loud and clear from my friends on the right, from leadership in this body, from the Governor's Office that the biggest boulders in this discussion, those things with the biggest price tags, Perkins County Canal, billionaire tax cuts, those are off the table. Those cannot be touched. And what we know from the first round of debate, what we know from the first round of amendments on the legislation we just had up, the key budgetary bill, what's on the table is cuts to homeless shelters. What's on the table is cuts to special education services. What's on the table is cuts developmental disability services. And I did just want to respond to my friend Senator Clements' questions about the technical aspects of my last

amendment, AM2782, on the last measure, LB1071. I drafted that in concert with Bill Drafters and the fiscal analysts. I said my intent with this legislation is to restore cuts to developmental disability aid. They helped me draft it. It is drafted technically-appropriately as our professional staff always does. It looks a little bit confusing, but they can walk you through the technicalities of it, if you have questions. The bottom line in that amendment is, there was put forward an \$18 million cut to support Nebraskans with disabil-- developmental disabilities because HHS said, we don't need the money. We have a new AI assessment tool, or whatever it is, that we're gonna deploy to reduce funds and services.

DeBOER: Time, Senator.

CONRAD: That's what that cut was about. Thank you, Madam President.

DeBOER: Thank you, Senator Conrad. Senator Kauth, you're recognized.

KAUTH: Thank you, Miss-- Madam President. I would like to say just thank you to everyone for being here and working so hard on this. We're gonna keep working on it. But most especially, I would to say thank you to my wonderful mom, whose birthday is today. And I will not reveal how old she is, but she's a pretty phenomenal person who some of you were able to meet a few weeks ago. So happy birthday, mom.

DeBOER: Thank you, Senator Kauth. Senator Guereca, you're recognized.

GUERECA: Thank you, Madam President. I was in the queue for the last bill, but unfortunately missed it by a minute. And I was quiet. I was good, I didn't say anything, because there was talk of, you know, potentially something working out. But it didn't. So here we are. So let's talk about a couple things. I, you know, I felt my colleagues were concerned about, you have these-- there's a one-time funding for this for the kids, the poor kids in the gap year. And we were rattling off some of the numbers of kids that would need this funding. Well, folks, the reality is that these kids were never gonna lose their spot in school, right? We have comments from the superintendent of schools under the Missouri Lutheran Synod here in town. We're committed to stand by the children. You're not gonna read any

stories about, oh, this school or that school won't let them attend because our state funding ran out for the parents. We'll find a way to-- find a way to make it work. And I'm sure our friends with the Catholic schools would have found a way to make it work because we have an incredible philanthropic community here in Nebraska that supports religious education, always has supported religious education. That's what allowed Skutt Catholic to build a \$15 million gymnasium. They like-- we like our religious schools here, and it's fine. That's protected by the Constitution. But let's be real honest about why there was a huddle of high-price lobbyists pushing to infuse, for the first time in the history of the state, public dollars to go to private schools. Because it's not about the exist-- existing schools we have now. They provide great education. It's about what comes next. The worst-case scenario. And it's something we see in state after state, people want to make money. And if we allow-- if we slip up and start to allow public dollars to go to private institutions that whose job is to make the money, they will make money. You look at state after state that have implemented large-scale school privatization measures, and you see overrun budgets, you see slipping academic outcomes. In Ohio, in Indiana, and in Louisiana, implementation of large-scale school privatization measures saw a bigger slipping in academic outcomes than when Hurricane Katrina hit. You hear horror stories of private schools that pop up overnight. The October head-count comes, they submit that number to the state. And then the next week, once the check is cashed, the school declares bankruptcy, and the school is shuttered. That's not a one-time thing, colleagues. It happens everywhere. Look at Arizona. Look across the river at our colleagues in Iowa. The large-scale fraud that happens. That's what this is about. That's what this about, folks, about making money. Making money on the back of our kids, kids that we care about, kids that we love at every corner of the state. And I know the folks in here didn't vote to be able to give Betsy DeVos and her friends the ability to make a back off Nebraska kids, but that is the worst-case scenario, folks. That's what it leads to. So let's be really honest. That's why millions of dollars have been spent in this state to elect politicians that are favorable to school privatization measures. Because there is money to be made on the back of our kids. So I just wanted to get that off my chest, colleagues. Thank you.

DeBOER: Thank you, Senator Guereca. Senator Con-- Mr. Clerk, for an amendment.

CLERK: Thank you, Madam President. Senator Raybould would move to amend the amendment with AM2810.

DeBOER: Senator Raybould, you are recognized to open on AM2810.

RAYBOULD: Thank you, Madam President. Good afternoon, colleagues. You know, we had a, a lot of discussions about the educational trust funds, better known as BELF. And there are, are two amendments that among the number of amendments I'd like to introduce. I am-- this is a serious amendment. So I don't want anybody to feel that it's not. But basically, this AM2810, the State Treasurer shall transfer \$44,500,000 from the Perkins County Canal Project Fund to the Education Future Fund on or after July 1st, 2026 and before June 30th, 2027 on such dates and in such amounts as directed by the budget administrator of the Budget Division of the Department of Administrative Services. And that is Section 107, if you have printed out that large amendment to AM2869-- or whatever that one is. I apologize because, you know, we just got this last night. And I do want to thank our appropriations team, but main-- mainly our fiscal analysts and all the bill drafters. I mean, I had this stuff to them this morning, and here we are talking about it. You know, not even, you know, 24 hours later, we're already working on this. But this is a serious, serious amendment for your consideration. I did this because we have been talking about taking \$40 million, \$42 million from the Board of Educational Lands and Funds. We've talked about it before. We had an Attorney General's Opinion in 2007 that said it's clearly unconstitutional and prohibited. It's in the language of the Nebraska Constitution, which makes it particularly unique, in that it is one of the only departments and agencies that is clearly spelled out in our Constitution that it is not permissible to get into those funds. The reason why I'm putting this forward is I recognize that we do have a shortfall in providing for the Education Future Fund. And that is why the appropriation team has really tried to scramble to get funds to live up to our commitment on that. And that was why they were looking to go to the BELF funds to be able to do that. It's unconstitutional. And I'm doing this also to save the taxpayer money. Because, ultimately, there will be a lawsuit. That was very clearly indicated by the CEO of the, the funds themselves. And so that, that is the intent of, of this bill to, to move forward. I know it's not likely to succeed, but I think it's important that we think about it and take it under consideration. We do have an obligation to fulfill and pay for

the Education Future Fund. We committed to \$250 million every year. We obviously are in a budget deficit, and we're running short on that. And so I ask for your favorable consideration. This will prevent us from getting into a lawsuit over taking the funds, the \$42 million from the BELF fund. So with that, I'm hoping Senator Jacobson might yield to a question.

DeBOER: Senator Jacobson, will you yield?

RAYBOULD: He's in the lob--

DeBOER: Senator Raybould, I don't believe he's, he's present right now.

RAYBOULD: OK. Thank you, Madam President. I'm done with my introduction.

DeBOER: Thank you, Senator Raybould. Senator Conrad, you're recognized.

CONRAD: Thank you, Madam President. Good afternoon, colleagues. I rise in-- I'm trying to get up to speed on the measure that my friend Senator Raybould brought forward. I think it's a thoughtful amendment here, and I just want to make sure to gather my thoughts and research on it before I punch in on it. I had punched in before her amendment came up because I had an issue that I just wanted to quickly build a record on in regards to LB1072. I had a chance to talk with my friend Senator Clements about this as well, but one of the things that it's kind of a, a sleepy issue in some ways, an issue that doesn't grab a lot of headlines or attention, but is something that I know is really important. I, I wanted to bring up cuts or clawbacks to the 309 funds, our building maintenance funds. So these funds, they get a portion of tobacco money. They get, I think, revolving funds on rent and otherwise. So that's their ongoing kind of revenue sources, fund sources. And I think Senator Clements helped to refresh my recollection, so he said that it would be about a \$2 million cut and transfer in LB1072 from these dedicated funds. They'd still continue to bring in roughly \$16 million a year, as I understand it. But I remember when I was on Appropriations and working through the Capitol construction process, and then, of course, we have a task force and a special committee in this regard, there's always a very, very long list from our state institutions all across Nebraska about building and maintenance needs. And these are things that

typically aren't controversial, but go into being good stewards of public resources. Making sure that our public buildings have ADA accessibility, making sure that we're making appropriate updates for fire, life, health and safety, making sure that we are addressing structural issues and deferred repairs, whether that's roofs and walls and doors and windows. Making sure that we are have-- making investments in regards to energy conservation and efficiency, so our state assets remain in good repair, remain workable, remain safe for the public who utilizes those spaces, remain save for the employees that work in those spaces. And we've been handed a very diverse portfolio of state institutions and assets, of course, that have been developed over the course of statehood, that we're entrusted to make sure that we have a thoughtful plan and procedure in place to make repairs on, to make investments on, critical infrastructure needs for these institutions and assets, much like we have to plan to do in our homes. We have roof replacement cycles. We have to attend-- to paint. We have make updates when needed. And there's always a very, very long list of things from boilers to ramps to lighting that are-- that go through a very deliberate process, that are vetted by our 309 task force and related leaders who look at those kinds of things. And they always have to make a tough decision because, of course, they can't meet all needs with the existing funds. So I, I am just concerned that we're removing \$2 million from those 309 funds that, again, much like Cultural Endowment, much like Environmental Trust, much like BELF, have a dedicated purpose. And legislators before us were smart to earmark, to dedicate a purpose from this rent, from these tobacco funds, to make sure we don't fall behind on maintenance, to make sure that we keep state assets in good repair, to make sure that our state assets are safe, to reduce risks of liability and negligence or otherwise. And so I know the list remains long for worthy projects competing for those funds, and pulling out this \$2 million just puts a lot of worthy projects in districts all across the state just further delayed, further behind.

DeBOER: Time, Senator.

CONRAD: Thank you, Madam President.

DeBOER: Thank you, Senator Conrad. Senator Dorn, you're recognized.

DORN: Thank you. Thank you, Madam President. I wanted to correct something I'd said earlier this morning on the mic. And I said that if we didn't have a cloture vote-- pass closure vote on that last vote, that we would be back for another 8 hours of debate and then 4 hours of debate or 12 hours, and that's-- found out since then that that statement was wrong. I just spoke with Brandon, our Clerk, up there, and that bill, because it did not pass cloture, and because it's a Speaker priority, Speaker Arch can schedule that tomorrow, if he wanted to, or any day next week, if he wanted to. It would come back. It would be a 2-hour debate, but it would still have closure-- a cloture vote. So I don't see Brandon shaking in his head no up there, so I'm assuming that's correct. So just so everybody knows, everybody out in the public knows also that is the path that that could take. Doesn't mean it will, but it could take, that we could have-- that bill could be rescheduled tomorrow on Select File, again have 2 hours of debate and have a cloture vote. I think that's what people need to remember. It will have a cloture vote again whenever it gets done with the debate time. Or Speaker Arch could schedule it next week or whenever. So I wanted to clarify that, or correct what I'd said earlier. Part of what we, we would do, and this is, I call it, the cash funds transfers LB1072, within the budget part. And these are-- these wouldn't be up here or these wouldn't be listed in there, unless they're different than last year's-- the budget we passed. We passed a 2-year budget last year. If nothing-- if we wouldn't come in with a deficit, if we wouldn't-- if nobody proposed anything, my gosh, the Appropriations Committee, we wouldn't have had much to do the way it was. A lot of adjustments, a lot of agency requests, multiple, multiple things we looked at. If there's one thing I've learned about in Appropriations, most years we've gotten a, I call it, a binder that we put bills in and we put agency's requests in and stuff. And it's not the inch binder that I see some people have around here for bills, it's the 2.5, 3-inch binder. Most years we fill that up, two of those, not one, we fill two of those up with information and stuff that we get. And this was, even though it's a short session, even thought it's just, I call it, adjustments to the budget, we still had at least that much paperwork. I have down on the desk at my office a pile that's at least a foot thick of paperwork and different things. With that comes a lot of proposals, a lot a requests, a lot funding transfers or different things. And, yes, we vote on some of those. And I apologize sometimes because when we come back here on the floor, I don't remember what we did maybe two months ago or whatever. That's why I really appreciate and will continue to compliment our Fiscal Office.

They are very good at looking up stuff. I sure appreciate the fact that many of you senators, as you, Senator Raybould talked about this, oh my gosh, we just got this. How do we know about this? A lot of you have reached out to the staff over here, the fiscal staff, and they sometimes they tell you, give me 15 minutes, I'll bring it back to you or whatever. But to be able to explain it, they do a very, very good job. So proud of the job they've done. Just a quick comment on this. I, I don't know if any of them were here when I started eight years ago. I think that we've had complete turnover in that Fiscal Office. I don't see anybody raising their hand that they were here eight years ago, not even Bill, with the education part of it. Keisha wasn't. So that's part of what we change over senators, also, the Fiscal Office has changed over. But they are doing a very good job or whatever. These cash fund transfers, we get to-- if we don't, if we don't have the information or the data that explains to us why it is proposed or why this came about, the Fiscal Office has always been able to, I call it, reach out to the agency, reach out the department. But they've also been able ask them questions of why-- or maybe it shows that you haven't used that fund for a year. Why is that fund still there, or what is that fund used for? We get all those explanations. So it's-- and it's not just one fund. We have multiple pages of funds that are sometimes brought into question or part of the discussion. So it's as you go through these funds request here on LB1072, it's not taken lightly, it's not looked at lightly. But we also have some good discussion on those as we go through appropriations. So thank you.

DeBOER: Time, Senator. Thank you, Senator Dorn. Senator Raybould, you're recognized.

RAYBOULD: Thank you, Madam President. I'm hoping that Senator Jacobson will yield to a question.

DeBOER: Senator Jacobson, will you yield?

JACOBSON: Sure.

RAYBOULD: OK, so this is, this is-- hopefully you'll have a quick answer, because I do have some questions I'd like to ask of Senator Clements as well. So are, are you aware of any other department or agency like our educational land trust funds that have a constitutional amendment protecting them?

JACOBSON: I, I am familiar with the-- with BELF, yes.

RAYBOULD: But are you aware of any other department, agency that has constitutional amendment guardrails on the-- trying to access those funds?

JACOBSON: Not right off hand, no. I'd have to go research it.

RAYBOULD: Well, I don't know if you heard, but I think you had stepped out, that on this AM2810, I'm proposing to transfer \$44.5 million from--

JACOBSON: Right, that's-- that, that amendment will fail miserably, just like the last one did, so.

RAYBOULD: Yeah, I'm, I am confident that it will fail miserably, but it has an accompanying amendment of AM2824 that takes the money and-- eliminates the money taken from the educational land trust funds that is under review by the Attorney General, but before it's been determined unconstitutional. But here's, here's the question. So we-- I understand--

JACOBSON: So are you saying it has been determined to be unconstitutional?

RAYBOULD: Yes, it was determined in-- by the AG in 2007, and so those funds were not--

JACOBSON: Was it an actual ruling, or was it an Opinion--

RAYBOULD: It was--

JACOBSON: An actual Opinion?

RAYBOULD: It was an Attorney General's Opinion in 2007, and that's why the Legislature has failed to remove those funds. But here's the, the question, or maybe it's a wager. You know, we know very clearly that the Perkins County Canal is, is a long-term project, meaning we have many imp--

JACOBSON: We hope so, yes.

RAYBOULD: We have many impediments and obstacles to even get to the point where we can break ground.

JACOBSON: It's much shorter than you believe it to be.

RAYBOULD: OK.

JACOBSON: You and I heavily disagree on that.

RAYBOULD: I think we can heavily disagree on that. And that's what I like about you, you just say it straight. So here is a wager for you.

JACOBSON: All right.

RAYBOULD: I would like to bet you \$10,000 to be able to donate to the charity of your choice that the Perkins County Canal will not, will not be constructed by 2032 as their aggressive timeline shows. And maybe a caveat, if we should die before that, then, you know, I won't hold you to that. Or if I die, hopefully you won't--

JACOBSON: Well, you met my grandson this morning.

RAYBOULD: He's so cute.

JACOBSON: And so yeah, I can't dip into his inheritance. So I, I probably will have to pass on that wager. But, but--

RAYBOULD: You'll decline on the wager?

JACOBSON: So I've been told to be thinking about that next generation, the generation after, after the-- after my, my kids, so.

RAYBOULD: I understand. I feel the same way. So thank you.

JACOBSON: Thank you.

RAYBOULD: I mean, the, the bet is still out there for anyone who wants to take it. So the question I have is for Senator Clements. Thank you. Will Senator Clements yield to some questions?

ARCH: Senator Clements, will you yield?

CLEMENTS: Yes.

RAYBOULD: Thank you, Senator Clements. Thank you for you and your efforts and team. I have questions about the Education Future Fund. So I know that a number of the sweeps were from different, different groups, particularly \$40 million from the educational land trust fund. Can you tell me how many other sweeps or what other funds, and how much do you need to make that Education Future Fund commitment whole?

CLEMENTS: If you look on page 45 of the goldenrod book, there is a list of probably 20 different funds that are contributing to that. And but the BELF fund is the largest one. The fund last year had 3-- had \$564 million in it. In 2026, it's supposed to have 400-- projected \$461 million. 2027, after this budget, is \$301 million balance. It gets \$250 million from the General Fund that's in the budget. That's the main funding.

RAYBOULD: So how, how is that working? It's because we, we don't have \$250 million? I can punch in.

CLEMENTS: We do have \$250 million of that funded.

ARCH: Time, Senator.

RAYBOULD: I'm next in the queue, Mr. Speaker.

ARCH: Senator Raybould, you're next in the queue.

RAYBOULD: Yes, so, Senator Clements, how come we don't have the \$250 million this year to live up to that obligation and we have to take from all these other funds listed on page 45?

ARCH: Senator Clements, will you yield to a question?

CLEMENTS: Yes. I, I heard the question. And the, the, the budget does have \$250 million transferring in in 2026, another \$250 million in in 2027. That's the top line on page 44. We already are funding that in the budget. Those other items are smaller items. The transfers in, you'll see the line called transfers in, of \$52 million. In '26, \$3,527,000. And of the \$52 million, \$40 million is the BELF.

RAYBOULD: So do you anticipate taking more funds from other departments for next year? I mean, I know you will-- won't be the Chair of the Appropriations Committee, but, you know, what

are your predictions for the future? How, how will the Legislature be able to fund the \$250 million obligation?

CLEMENTS: We'll have \$250 million in the budget. The special education has been a lot more than had thought, and foundation aid has been fairly steady. We're showing \$301 million balance at the end of this budget. And if you didn't have the \$40 million, you'd have a \$260 million balance. And there may be other transfers needed or increased General Fund allocations.

RAYBOULD: And so do you foresee that that is what we're going to have to do in the future for the, like the next biennium, to continue to try to find other funds to backfill that obligation?

CLEMENTS: Likely additional general funds or other funds, yes.

RAYBOULD: OK. Thank you very much, I appreciate that. Thank you, Mr. President.

ARCH: Seeing no one left in the queue, Senator Raybould, you are recognized to close on AM2810.

RAYBOULD: Thank you, Mr. President. I think it's very simple, but maybe the body doesn't see it that way. And I understand. I understand trying to take funds from the Perkins County Canal is more sacred than the constitutional language in that we swore to when it comes to balancing our budget and filling in the major gaps in our deficit. I recognize that. But I also recognize that other Legislatures attempted to do the same, and they have-- were not-- they were prohibited from doing so. So going forward, the question I've, I've asked before, what is our game plan for the next biennium? As we know, we've swept so many funds, particularly from so many of our trust funds, which as many of you know, are also from private donors and private contributors. But throughout LB1072, as we go through additional amendments, you're going to find that throughout LB1072 and AM2649 from Senator Clements, you will find that there is language giving the Legislature full authority to continuously get into these trust funds, which are a combination of our state taxpayer dollars, but also private donations. We know that they're doing that to the Environmental Trust Fund, so much so that it has precipitated a piece of legislation that is a constitutional amendment to keep the Legislatures from doing that. Well, I applaud that effort, and I support that effort. Right now, we're facing the same predicament. We have language in our

Constitution right now that protects the educational land trust fund for future generations of Nebraskans to continue to fund the public schools. So what happens with the \$40 million in the budget right now that they want to use for the Education Future Fund? That means that all those communities and counties and public school districts that were slated to get \$83 million this, this year that is distributed per child, and then also a percentage of the real estate transactions in that political subdivision or that county, that means that those schools will not be getting that \$40 million. They will not. There are guardrails in our Constitution. And I'm concerned for future legislators. As we go forward, what are we going to do? If you don't have those guardrails, are we just going to continue to ignore them and move forward, doing things that other states have done that have not achieved the success that they want? Why are we raiding funds that contribute to the well-being of our fellow Nebraskans? We just voted to take money from our libraries, which for many people that struggle to even buy a book, they have access to unlimited books for free that they can check out. And that's something that we should continue to be proud of. When we raid the Environmental Trust Fund, that impacts all the wonderful, amazing, natural wonders of our state by limiting the protections and helping fund programs that will protect them. So I ask for your yes-vote on this AM2810. And Mr. President, I would like a call of the house.

ARCH: There's been a request to place the house under call. The question is, shall the house go under call? All those in favor, vote aye. All those opposed, vote nay. Record, Mr. Clerk.

CLERK: 18 ayes, 0 nays to place the house under call.

ARCH: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house under call. Senator Bostar, Bosn, DeBoer, Storer, Gureca, Hallstrom, Rountree and Storm, please return to the Chamber. The house is under call. Senator Storer, please return to the Chamber. The house is under call. All unexcused members are now present. The question before the body is the adoption of AM2810. All those in favor, vote aye. All those opposed, vote nay. Mr. Clerk, please record.

CLERK: 11 nays, 33 nays, Mr. President, on adoption of the amendment.

ARCH: AM2810 is not adopted. I raise the call. Mr. Clerk, next item.

CLERK: Mr. President, Senator Clements would move to amend with FA1077.

ARCH: Senator Clements, you're recognized to open on your amendment.

CLEMENTS: Thank you, Mr. President. This is a cleanup amendment. You'll see that it's amending the Select File amendment from the committee, AM2649. On page 14, line 13, it's striking a \$250,000 cash fund transfer out of a Library Commission cash fund, changing it to \$75,000. It's going to cost \$170,000 reduced-- well, our General Fund transfer by \$175,000. But just recently, the last few days, we've heard from the Library Commission, there is a balance of \$468,000 in their Library Commission cash fund. But they have most all of it obligated, if not all. And the, the request was to not transfer that much money. The \$250,000 is going to be a hardship. In checking with the Governor's budget office, their recommendation and my recommendation is to change that to \$75,000 transfer out of the \$468,000 and restore \$175,000 into the Library Commission cash fund. And so this would just be a cleanup amendment. We weren't aware of the, of the obligations that they had on this fund at the time when this was done. And just recently, we were made aware that this would cause a shortfall in the Library Commission obligations. So I ask for your green vote on FA1077 to fix funding for the Nebraska Library Commission cash fund. Thank you, Mr. President.

ARCH: Turning to the queue. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. Good afternoon, colleagues. I just wanted to thank Senator Clements for bringing forward this amendment to try and mitigate some of the cuts and sweeps impacting critical library services. I know this was an issue brought to my attention and other members' attention through the course of our budgetary deliberations. And again, while I prefer that we look to, say, for example closing tax loopholes for millionaires and billionaires as one straightforward way to address our ballot-- our, our budget woes, at the very least, if the best we can do in this moment is try and mitigate harm to cuts to critical services, this is at least a very small but

important step forward in doing that. So thank you, Mr. President. Thank you, Senator Clements. I'd urge members' favorable consideration of this critical amendment to try and protect library services. Thank you.

ARCH: Senator Dover, you're recognized to speak.

DOVER: Yes, I want to thank Senator Clements for bringing FA1077 to restore money to the libraries. My brother is a president of the Norfolk library, and I'm quite familiar with all the benefits of having a local library. And again, I want thank Senator Clements. Also I'd like to thank all the senators who chose to vote against and be present, not voting on the cloture vote. I'm told that this cloture vote goes down as one of the weakest cloture votes in recent history. It would be interesting to see the last time a cloture vote on a budget failed so spectacularly. Talking to the lobbyists in the Rotunda, no one saw this coming. I know that those of us who are working to defend-- defeat the cloture vote and restore the gap funding for these kids at 185% of poverty did not expect such an astonishing outcome. Obviously there will be-- there now be a reset. It has been made astonishing clear that there is a number of Republican senators who do not want kids in poverty take-- who want kids and poverty taken care of. And also, there are a number of Democrats who are not happy with the budget. So what happens now? Time will tell. Thank you, Mr. President.

ARCH: Senator Dorn, you're recognized to speak.

DORN: Thank you. Thank you, Mr. Speaker. I, I too stand up and support very much Senator Clements' amendment here. I think, remember part of the discussion of when we had to, I call it, withdraw some funds from the Library Commission and what all went on. And we had the numbers, I don't remember now, I don't have it with me, but we had numbers about how their budget would be affected or not affected and where they would be at a year from now, and all of those types of things when we looked at. And very much appreciate him for bringing this. I also wanted to get up on the mic and talk a little bit about Senator Raybould and her school funding. I think there were-- there's a little bit of misunderstanding about it. There is the school, the federal part, which is a school-- permanent school fund, which is-- well, I'll start over again. It sits out. \$1.122 billion here at the end of the year as we looked at their funding or whatever. That had grown from \$690 million, 10 years earlier. So

I guess if we think-- and I mentioned this earlier. If we all think that that fund should grow by approximately \$450 million in those 10 years and not be used for kids, then I think we could all be in support of that, and then being at \$1.122 billion. We had a legal opinion, don't know whether it's right or not, I understand the Attorney General, we had a legal opinion from the Fiscal Office of the-- of, of Nebraska or the Governor, and that lawyer said we could not touch the principal or the original amount that was out there. This, we looked at and was considered it as, I call it, growth. So it's fine line and the wordage and all of that on growth. This fund, though, we took the-- it, it also then, these funds, and I want to talk about what they've transferred out of here in the 10 years or whatever, transferred out. The last two years, they transferred out \$40 and \$31 million. Before that, they never transferred out more than 2-- oh, \$20 million. This money from this fund goes into the temporary school fund, which is where the money comes out and is allocated to the schools. And the last two years now, I don't have my sheet. Well, I do too right here, have my sheet with me. To the schools, they have allocated out of the temporary fund: \$49 million, \$42 million in '21, \$42 million in '22, \$59 million in '23, \$59 million in '24, \$119 million in '25, and \$20 million in '26. The temporary school fund as we sit here, as we sit here and discuss the budget at the-- I had the date up here. That temporary school fund right now is \$157 million in, in addition to the \$1.122 billion. That's what it has in those. That is the money that is divided up each kid across the state of Nebraska. This money that is going into the Future Education Fund, this \$40-some million, that is also being set up in a separate fund now, and it will be dispersed exactly the same way. It will be disbursed to every one of those kids. So it's not like, oh, we are using this and funding our General Fund, or whatever. Indirectly, we are, because now we don't have to put general funds into that Education Future Fund. We're using these funds. But this, these funds are going to be used exactly the same way as the educational amount-- education permanent fund, which goes in the temporary fund exactly the same way. And if you think that 1.1-- \$1.3 billion, which is what they have about in the two together, is a good use or a good practice by that board, then let me know. Because I think it is not. I don't think that was the intent when that was set up. It was supposed to be for kids and kids in schools, and it is clearly not being used at the direction of what it was supposed to be. Thank you, and I yield my time.

ARCH: Senator Hughes, you're recognized to speak.

HUGHES: Thank you-- sorry. Thank you, Mr. President. I stand in support of FA1077. I'd gotten several emails from some of the libraries in my district. I am an avid user of like the Libby app and OverDrive, and those are some of those shared services, I think, that were-- that some of this funding used. The different libraries across Nebraska pool their money to buy these things to give access to their-- the people that use their services. More books through the online, et cetera. So I, I am thankful you did that, since I'd received several emails about it. And I'm glad we're making this adjustment. Thank you, Mr. President.

ARCH: Seeing no one left in the queue, Senator Clements, you're recognized to close on your floor amendment.

CLEMENTS: Thank you, Mr. President. The-- I would point out that this transfer from the Library Commission fund is scheduled for the second year of the biennium, which would not have to be done until June 30th of 2027. And so we're giving them the rest of '26 and even into a year from now before it has to be removed. And hopefully they'll work with the administration on those fund transfers being done in a reasonable manner. And so it's not coming out right away, can't come out until sometime after July 1 of 2026. And so the-- we're restoring \$175,000 of a proposed transfer, from a \$468,000 fund would now be a \$75,000 transfer. And I appreciate the fact that we were given a heads up in time to be able to make this technical correction, and that we're able to not cause a real hardship for an agency. And I do ask for your green vote on FA1077. And thank you, Mr. President.

ARCH: Members, the question before the body is the adoption of FA1077. All those in favor, vote aye. All those opposed, vote nay. Mr. Clerk, please record.

CLERK: 33 ayes, 0 nays on adoption of the amendment, Mr. President.

ARCH: The floor amendment is adopted. Mr. Clerk, next item.

CLERK: Mr. President, Senator Ballard would move to amend with AM2792.

ARCH: Senator Ballard, you're recognized to open on your amendment.

BALLARD: Thank you, Mr. President. AM2792 would reduce the proposed transfer from the Wildlife Conservation Fund, ensuring that at least a portion of those dedicated dollars remain where they're intended to go. By statute, the fund exists to support Nebraska's non-game and endangered species, species which do not, do not sell hunting or fishing license. In other words, the primary-- this is the primary, in many cases, the only, source of state support for conservation in hundreds of native species and plants across Nebraska. The majority of these funds do not come from excess state revenue. They come directly from Nebraskans. Last year, out of the \$409,000 in revenue, \$362,000 came from voluntary contributions, direct donations, and Wildlife Conservation Fund check-offs that were purchased. These dollars were not given casually, they were given with intent. Nebraskan's chose to support conservation, protect wildlife, preserve habitats, and ensure that future generations can experience the national heritage of our state. If we transfer these funds to the General Fund, we risk breaking that trust that is difficult to rebuild with people that support this using these check-offs for conservation. These funds support real tangible product-- projects, everything from river otter recovery to educational programs, to bird bow, to the falcon cam here at the Capitol, and that so many Nebraskans enjoy. More importantly, they support over 100-- or over 800 species in need of conservation. Colleagues, this is not about whether conservation matters, we all agree it does, it's about whether we honor the intent of people who voluntary chose to fund it. We should not be using donated dollars to fill general funds. AM2792 is a reasonable, responsible step to reserve these funds and respect the donors' intent. I will say this was brought to me by a, a constituent yesterday during our-- during a band recital, and I talked to Senator Clements and I believe he is in support of AM2792. With that, I'd hope for your green vote, colleagues. Thank you, Mr. President.

ARCH: Turning to the queue. Senator Clements, you are recognized to speak.

CLEMENTS: Thank you, Mr. President. I support AM2792. Senator Ballard and I discussed this adjustment to the fund transfer. As, as he said, the wildlife fund is funded two different ways. Some of it is from a license plate fee, and some of it is from a check-off from the income tax returns that people say-- send a dollar or some number of dollars to this wildlife fund. In Appropriations, we try not to sweep private funds that have been

donated. But the public funds, which, in my opinion, is the license plate fee, there's a motor vehicle fee, that is available. So would Senator Ballard yield to a question?

ARCH: Senator Ballard, will you yield?

BALLARD: Of course.

CLEMENTS: Thank you, Senator. Could you repeat what dollar amount adjustments are in your amendment?

BALLARD: Yes, so it would be a \$362,000 reduction in the amendment. And then the transfer would be about \$438,000.

CLEMENTS: That would be retained?

BALLARD: Correct.

CLEMENTS: All right. Thank you. That's what we had discussed. I just had missed that when you were speaking. So the \$362,000, as he had showed me earlier, is private donor dollars, which has been objected to. And the rest of the funds are just license plate fees. And so we were not-- we did reduce the amount in the, in the-- from the Governor's recommendation, as I recall, we, we took \$200,000 less than that recommendation. But I think our analysis didn't include-- wasn't quite accurate on allocating the private dollars. So I would support AM2792 to take the state dollars and not the private funds. And thank you, thank you, Senator Ballard. Thank you, Mr. President.

ARCH: Seeing no one in the queue, Senator Ballard, you're recognized to close.

BALLARD: Thank you, Mr. President. Thank you, colleagues, for your attention to this matter. I appreciate Chairman Clements and his support. With that, I'd ask for your green light on AM2792. Thank you, Mr. President.

ARCH: Colleagues, the question before the body is the adoption of AM2792. All those in favor, vote aye. All those opposed, vote nay. Mr. Clerk, please record.

CLERK: 39 ayes, 0 nays on adoption of the amendment, Mr. President.

ARCH: AM2792 is adopted.

CLERK: Mr. President, Senator Machaela Cavanaugh would move to amend with FA1059.

ARCH: Senator Machaela Cavanaugh, you're recognized to open on your floor amendment.

M. CAVANAUGH: Thank you, Mr. President. Just Senator Ballard, congrats on that amendment. I'm pretty sure you said almost every single thing that I said in committee about why we should not be taking those funds. And I noticed that some of my colleagues from the committee voted for your amendment, so that's fascinating. It really does matter whose name is on the board sometimes, or most of the time. Colleagues, this AM, FA1059 I brought on General File. I withdrew it on General File so that the homelessness advocacy community could reach out to everyone about the importance of this homelessness shelter assistance fund. And I believe that the fund that we were maybe-- as, as Senator Clements said on this last amendment, that we tried very hard not to take money from cash funds that would make it so that they couldn't do their obligations. And, and that was a very thoughtful approach to, to the cash funds. Though I disagree with taking money out of the cash funds, I do appreciate the thoughtful approach that the Chair, Chairman Clements brought to that process. So it is my understanding that this money is very much needed for the grant process. The grant doesn't even close until the end of this month. So the fact that they are saying that they don't need the money is a bit of a stretch, to say the least. And, and there are shelters across the state and grant programs across the state that they desperately need this money. So-- one moment. So to give you a little background on, on this, the department did answer some questions. Let me just find the answers. The fund has approximate-- they have approximately \$2.4 million in open agreements for the current '25-26 program year. Attached is awards from the past four years, including the proposed award for '26-27 program year. It's important to note-- this is from the program coordinator-- it is important to know that I am in the final year of a renewal option for these agreements. The agency are currently revising their budgets and scope of work for this renewal. HSATF currently has \$4.5 million spending authority. Federal Emergency Solutions Grants or ESG funding varies each year, and historically decreases-- decreased year over year. Puts more demand on this fund. And the awards

initially utilized this fund to back the full award amount of the ESG funding is received, at which time an amendment to the agreements and the budget shift are completed. The methodology for funding allocation is outlined in the attached spending proposal. In short, each region is awarded a base of \$50,000. From there, calculation utilizing HUD's preliminary pro rata is used to distribute the ESG and HSATF funding to each region. So basically they don't-- haven't spent the money because they're in the process of, of, of this. And they have a \$4.5 million spending authority, so we really shouldn't be taking this money. I don't know how to articulate to you, colleagues, in a way that you will hear this, but this is needed in your communities. There are a lot of cuts happening in this budget that directly impact low-income families in our state. And with those cuts, coupled with this cash sweep, we are setting up families for disaster. And we have had a lot of conversations on the floor this year, specifically, about domestic violence. This money also goes to shelters, whether they're specific to domestic violence or not, because not every community has a domestic-violence-specific shelter. This money goes to shelters for vic-- that will help with victims for domestic violence. So we really should be consistent on these issues. I challenge you to be consistent in your values and reverse this particular sweep from the homelessness shelter to the General Fund. And I, I'm going to leave it there for now, because I think that I'm just going to get really upset if I keep talking. Thank you, Mr. President.

ARCH: Senator Raybould, you're recognized to speak.

RAYBOULD: Thank you, Mr. President. Thank you Senator Cavanaugh for this floor amendment. You know, I wasn't gonna speak on this because I have an amendment coming up, among a few others, to really talk about this homeless fund and to negate the taking from the fund. I was really searching on my desk and if folks could see what my desk looks like, it's, it's a mess of papers with amendments and the supporting documents. And I can't find the letter from the representative from the Homeless Coalition. And they were stating that now is not the time to please take our funds away. They can say-- in her letter, she said, our shelters are at capacity right now. We anticipate an increased demand, not a decrease in demand for our services. Because of the things that folks are seeing and experience-- experiencing right now with the price of basic products and supplies, with a lot of uncertainty with unemployment, they anticipate an increase in their demands. And this is the one thing that she

said in her summary that I found really troubling. They said, we have we have-- we have that funds but we were not given the authority to spend those funds. And I said, that is an alarming situation. I think we've seen that time and time again, or at least where I'm hearing it now for the first time ever, that people have the funds but they're not given the authority to spend those funds. And therefore it looks like, the buzzword of the day, is that they're idle funds, that they are not using those funds, that they have no need for those funds. And the question and that I've asked some of my colleagues on the floor, you know, I know the Appropriations Committee is up to their eyeballs with work, and the workload is demanding. And they have a staff. But my concern is is there anyone that ever reaches out to these agencies and organizations and ask them some basic questions? I see you have an additional like \$1 million in your fund. Can you tell us a little bit about why you're not accessing it? And at that point in time, they would say, we haven't been given the authority to spend it. We have huge needs, but we're not allowed to spend the funds. And I'm thinking, well, that's a pretty fundamental basic question that we should be doing. And I recognize it should not be on our Appropriations Committee members who have other obligations, as we all do, as state senators, trying to keep up with the every day-to-day activity. But there has to be some assistance from the Appropriations support team to be able to, you know, vet some of these funds to make sure that, you know, they are appropriately used and ask fundamental questions. Why aren't you using those funds? Is there a reason why these funds haven't gotten out, out of the door? So I know I'm going to jump to a totally different topic, but it's on affordable housing. I've worked with affordable housing developers, both on the Lincoln City Council and as a private sector developer. Oftentimes, they're frustrated. So the Department of Economic Development is the one who approved the award of their project for funding. And as we know, affordable housing has to tap into so many different pots of funding to be able to deliver on that commitment. One of the developers that I spoke with was so frustrated because, number one, the project was approved, the funding was authorized, but not paid to the developer to go ahead with the project. And so by the time-- and the developer was saying, hey, you've approved it, you've authorized it, we need you to release the funds so that we can put them to good use. And that delay of six months, the interest rates increased. Now when it comes to affordable housing, a delay of 6 months and the interest rate went up maybe 1 or 2%. That was detrimental to the whole scope of the project. I think it increased the cost by about \$80,000.

So there's some missing links or there's lack of communication or there is not an urgency to release those funds to those organizations that have that urgent need, just like with the homeless fund. And I am concerned just as--

ARCH: Time, Senator.

RAYBOULD: Thank you, Mr. President.

ARCH: Senator Armendariz, you're recognized to speak.

ARMENDARIZ: Thank you, Mr. President. I want to speak on this fund in particular, since it's come up. In Appropriations, we do have all of our fiscal analysts that come and educate us on all of the funds that are under the purview of Appropriations. On this one, we were told that this was accumulating from the doc stamp tax. And it has a large balance being carried over year over year. I remember the conversation that if they're not, they're not using it, we can't make them spend it. And we should reappropriate it somewhere that needs to have money to be-- to spend for other purposes. We don't have the ability to tell them how to spend it unless we bring a bill to tell them how to spend it. To Senator Raybould's point, asking folks why are we holding on to this money, that does happen. My first year, the behavioral health regions, I believe, came to us. We saw a heavy balance being carried over and over, and they did explain to us that it wasn't appropriated in the right buckets correctly and it needed to be fixed within DHHS. So that was an issue that hopefully we pulled DHHS to talk to them to resolve, so they could spend down those carried-over funds year over year. So that does happen. And they can come to the hearings, or the representative of those funds comes to the hearings and states those issues when the hearings are held. Nobody came on this one to say that there was an issue that these funds were locked up that they were unable to spend them because of a technical issue or a technical glitch. So we do listen to those and we do try to drill down with the agency on how to get those expended, if that is appropriate at the time. It didn't happen in this case. I will say that there are several agencies that operate at the behest of the Governor. So in essence, those agencies, their boss is the Governor. If he has directed them to, I guess, construct their budgets in a certain way, we can't tell them they can't do that. We, we do handle the purse strings. They do come and say, here's how much money we'd like to give back to the General Fund for other purposes. We don't, we don't direct

that, not in those agencies. So that's where we're at in Appropriations. This particular fund was not being used. Nobody came and said there was an issue with how it could be used, and that's why it was being held over. Nor since then, so that's why it got put into the budget to be redistributed to other areas of the government that we could spend it in. Thank you, Mr. President.

ARCH: Senator DeBoer, you're recognized to speak.

DeBOER: Thank you, Mr. President. So I have some questions here, because my understanding of what we're talking about here is money from the doc stamp, which is when you buy a home, there is a portion of the-- I'm probably getting this wrong in terms of what the technical terms are, but the closing costs include the documentary stamp-- stamp cost, which then, from your purchase of a home goes to a variety of, of different places. And one of them is homelessness shelters. And that's what I think we're talking about here. We did just have a bill yesterday to raise that documentary stamp so that we could give money to middle-income housing and rural workforce housing, I believe. So why are we using money that's supposed to go to homelessness shelters to pay for general funds, and then at the same time raising the tax that generates those funds to support other housing uses in Nebraska? I'm very confused about this, maybe somebody can explain that to me. Because it seems to me that if we did have excess funds, wouldn't we use those excess funds first for those other housing uses before we would put them in the General Fund? So that I don't understand. The other thing is, I, I just really, I don't understand why we would cut the money that's supposed to go to support homelessness, I don't think we've solved that problem. I sit on the Judiciary Committee, and I've heard for many years people coming in and complaining about homelessness and about how the problem isn't just give people more homes. The problem is more complicated than that. You can't just put someone who's homeless into a home. Sometimes you can. But you also need to have services to help those folks. And so, if the problem is expensive and we still have the problem and we have money earmarked for that problem, why are we not using the money for the problem that it's earmarked for? I know it's enough of a problem that people have been complaining about it and bringing bills about it for years to Judiciary and saying-- I mean, there, there was a bill this year that said if folks are homeless and they are living out on the streets, for lack a better word, they will be given

some notice of homeless shelters to go to. Of course, they could be full, and what we learned in that committee is that they are full, that there is not enough space in those shelters. And that if they fail to go a shelter after that, then they can receive a, a misdemeanor. Which it was pretty universally in the committee understood that the problems are not gonna be solved by sending somebody to jail. I don't think that's what these, the misdemeanor was. But we have a problem. There are people coming in and complaining about homelessness from a business perspective, from our constituents who are homed and those who are not. And it was pretty soundly investigated in the last couple of years of these hearings that what needs to happen is we need to, to support folks who are in those situations, to provide services to help them. To not just give them a home but to help them to be able to either support themselves or get on disability or get on Medicaid or whatever it is that they need so that they can stay in that situation and not go back to being homeless. So I'm a little flummoxed by what we're doing here. I think that Senator Cavanaugh's amendment is a good step in the right direction to trying to use the money that was set aside to work on the homelessness issue to work on homelessness. And if we're going to use doc stamp money that we told people we were taking for working on the homeless problem, that's what we say when we tax them, if we're gonna use it for some--

ARCH: Time, Senator.

DeBOER: --other housing, we should use for this. Thank you, Mr. President.

ARCH: Senator Juarez, you are recognized to speak.

JUAREZ: Thank you very much, and greetings to everyone watching us online. Really, I, I honestly cannot believe that this is even a topic of discussion in this Legislature. I can't even believe that they're looking at this fund to meet the needs of the budget. It is an absolute embarrassment for me to be discussing this topic. And I'm hopefully going to have the strength that Senator Cavanaugh was feeling that she didn't have, because it is so upsetting at the thought of taking these funds. I can just see the headlines tomorrow of what they're going to be saying about the actions of this Legislature, to be taking from the homeless shelter fund. You know, I would feel different and wouldn't have to do a lot of research if I didn't see homeless people all the time on the corners of our streets.

And it just doesn't happen in Omaha, I'm sure. But there is plenty that happens in Omaha every day. I see it. Maybe it's because of where my church is located that that's why I see all the time. The message is there, that help is still needed. I just went to a fundraiser with Visiting Nurses Association that they have, they have every year. Why would they have this fundraiser every year if these funds were being used properly? The fundraiser is soup and art. And the purpose of the fundraiser is to have a visiting nurse go to the homeless shelter to look at the clients there, see what the needs are, and assist them. Why aren't those funds being used to fund the visiting nurses? Why do we have to go to all the expense and work of having this fundraiser every year if these funds are available? Why does that make sense, that these two activities are happening, trying to take funds, having a fundraiser instead? Who is failing on the communication of how to get these funds spent? You know that the failure of communication is massive, that we are trying to transfer these funds. Really, I hope that this gets voted down. We feel reasonable here about that we have to retain this for our homeless needs. I ju-- I don't know what else to say, I yield the rest of my time.

ARCH: Senator Raybould, you are recognized to speak.

RAYBOULD: Thank you, Mr. President. You know, I couldn't have said it any better than Senator Juarez and Senator DeBoer. This is a real problem. We're not addressing it. There's not enough shelter availability for either domestic vio-- victims of domestic violence or for the homeless in our community. We're struggling with it, and I know the city of Lincoln is committed to doing something about it. In fact, even building housing and working with several of the nonprofits that deal with this tremendous need in our community. I think sometimes because we don't see it, we think it doesn't exist. But it, it's real and it, it absolutely does exist. You know, I wanted to talk a little bit about the process. So this is my fourth year being in front of you and, and trying to come up with great responsible fiscal decisions, and sometimes we get so rushed, so rushed. And this is a short session. So I'm not blaming anybody. It is what it is. And so we're trying to pedal and keep up and reach out to the constituents that this impacts. Some of them, like with this, were completely caught off guard and unaware. Can you imagine if you knew about that, that you would be losing \$6.5 million in this homelessness assistance fund, don't you think you would have showed up if you know that your funds were in

jeopardy or you were made aware of this? So a lot of nonprofits do not have the luxury of paying for a lobbyist who tracks and monitors and dogs all of these legislative bills that it's like a fire hose that we execute on. There's no way a nonprofit could possibly track this. And did this perhaps fall through the cracks and they weren't notified? But what they are saying is that they were told that they could not spend those funds, despite the comments that they said that their homeless shelters are at capacity. The People's City Mission is at capacity, particularly when those temperatures plummet. Nobody, nobody wants to go to a shelter. But if they have to, they must, particularly those with young children. So another thing that was raised to my attention about another organization that has fundings and awards grants, they had awarded the grants much in the same way the Environmental Trust Fund had awarded their grants. And then all of a sudden, they were advised, like, hold up. You can't spend that money. You can't spend that money. Even though they had given out the grants and the awardees were really thrilled. They had a great project. So that was certainly the case in the Environmental Trust Fund. This is another entity that I'm not going to identify, but they were-- they had made their awards, they had not disbursed the funds. Some of them they had. But one of the, the recipients who got the largest amount of funds was notified that they got the largest amount of the funds, and then all the others were notified as well. And then what happened, they got a call from the Governor's Office saying, we want all those funds. But this was after the hearing, after there were decisions made in Appropriations. And so they were left. What, what does an agency do? What, what are we supposed to do as Legislatures to try to help these organizations where things that are beyond their control, but yet there's a higher power that makes these determinations? And so this is some of the frustrations I'm hearing this year with our budget, and I, I don't think anyone is to blame. I just feel that there's compressed amount of time and there's not proper notification given to those that can least afford to lose these funds. So I ask for your support for Senator Cavanaugh's floor amendment. Thank you.

ARCH: Senator DeBoer, you're recognized to speak.

DeBOER: So I've been talking to some folk-- thank you, Mr. President. I've been talking some folks and have clarified that, in fact, yes, what we are doing is raising the documentary tax stamp-- the documentary stamp tax so that we can support housing

programs at the same time as we're taking money from the documentary stamp-- stamp tax funds that are supposed to go for homelessness, and you're putting them in the General Fund. Now, if I'm a homeowner and I'm told that my documentary tax, documentary stamp tax is going for homelessness, but instead, we're using it to do whatever, pay for canals or prisons or schools or whatever, roads, I don't know, and then we're raising that tax. I, I voted to raise the documentary stamp tax because I thought we should be supporting those housing programs. I wonder-- I, I don't see Senator Hallstrom, I was wanting to ask him about it. Why don't we use the money that we're taking from, at the very, very least, why don't we take the money that's already in the documentary stamp and use it for those housing programs, rather than raising the doc stamp tax? I'm going to have to reconsider whether or not I need to support raising that tax when the money here is being used for general funds. Which, first of all, I don't know that we should be doing that, telling people that we are asking them at the time of purchase of their home to pay some money and then we say it's for homelessness. But then instead, we're going to bait and switch them, and we're gonna use it for general funds. So now we're not even being honest with our taxpayers. That seems weird to me. And at the same time, we are going to raise their taxes on this. It's so strange. So in light of the years that I have seen the bills on homelessness in Judiciary, I know that everyone who came in, and this was not just-- this was law enforcement, this was everyone who came in, who said we do not have enough space in our homeless shelters. It's not enough space. And that there are services that are needed. When folks in your community, and that day we were-- it was kind of a running joke to talk about David City that day, if Senator Storm remembers. If folks in David City who are homeless don't have any place to go, or wherever it is, and it costs money to either have another shelter or provide the services that they need, and you have business owners who are complaining about homeless folks sitting in front of their store or whatever, why would we not use this money that we told taxpayers we were going to use for this purpose to try to alleviate homelessness? To limit it, to not have it? They complain that they don't want to have encampments and here we are with money that we told them we were gonna spend to fix the problem at the same time we're raising their taxes on this very thing, and we're not using it to fix the problem. We should use it to fix the problem. Thank you, Mr. President.

ARCH: Senator Clements, you're recognized to speak.

CLEMENTS: Thank you, Mr. President. Been a lot of discussion, but no numbers. And I guess I'm the numbers guy, as usual. This fund has \$6.5 million in it that has been built up over the years, because it's not been completely spent. The doc tax in 2025 was \$4,252,000 that, that came in. \$3,523,000 was spent and had formed-- and \$700,000 of the revenue was not used. And the \$6.5 million has been, well, it was \$4 million in 2022, went to \$5.4, then \$5.7, now it's \$6.5 million. And so the transfer that's happening here will keep the funds sustainable, which we analyzed this when we worked on the transfer. They have funded-- they have a budget authority of \$4.5 million. They have the authority to spend all of the revenue of the \$4.2 million, and their-- they will get another \$4.2 million in in 2026, another \$4.2 estimate in 2027 as housing sales provide the documentary tax revenues. Why the requests for funds have not been \$4.2 million, I'm not sure, but the-- if the request and the revenues stay the same, which we're projecting, this fund is sustainable and would still have money left over. So I didn't-- I have no intention of taking money away from homeless persons, but when a, a fund builds up excess like that, that's what we've done on other funds as well. And, and especially because it has a revenue stream that's ongoing. As well regarding housing trust funds, there is an \$8 million transfer in our budget from housing funds also that had built up and not been utilized. And so it's not picking on homeless and protecting housing. I also might mention that the increase in the documentary tax for housing was not something I supported. And I do support continuing the homeless shelter trust fund allocation from the documentary tax. And as house values increase and sales increase, the documentary tax will increase. So the analysis I have is that there are \$6.5 million that have not been used over the last several years, and that there will be still an excess balance left over. And it's bringing in more revenue that's-- than it's been allocated. And if there are agencies that can use that, and I think would say they need to contact the administration because it is permitted use for providing temporary and permanent shelters for homeless persons. And I am not intending on reducing the needs or the availability of funds. I believe they have the authority and the revenue is coming in, and so I am not in support of FA1059. Thank you, Mr. President.

ARCH: Senator Raybould, you're recognized to speak. And this is your third opportunity.

RAYBOULD: Thank you, Mr. President. Thank you Senator Clements for going over the numbers. I was going to do that, but you're absolutely correct. This year we're taking \$6.5 million from the Homeless Shelter Assistance Trust Fund, and it's being swept to the General Fund. And then the other sections say very clearly, and Senator DeBoer did cover this with everyone, money remitted to such fund shall be used by the department, number one, for grants to eligible shelter providers as set out in Section 68-1605 for the purpose of assisting in the alleviation of homelessness, to provide temporary and permanent shelters for homeless persons, to encourage the development of projects which link housing assistance to programs promoting the concept of self-sufficiency, and to address the needs of the migrant farm worker. And number two, to aid in defraying the expenses of administering the Homeless Shelter Assistance Trust Fund Act, which shall not exceed \$75,000 in any fiscal year. Now this is the very important thing, and we're seeing this language implemented this year obviously, for the first time, throughout so many of the funds that we're seeing swept. This specific language, as in the homeless assistance trust fund, this is a language new for the first time: transfers may be made from the Homeless Shelter Assistance Trust Fund to the General Fund at the direction of the Legislature. So what we're doing, everybody that's out there listening, we're creating this new authority for the Legislature and for all future Legislatures to go ahead and continue to go into you name the trust fund. We're doing it to the veterans. We're do it to Environmental Trust Fund. We are doing it to our historical and cultural trust funds, environmental trust funds we're doing it to. We're giving ourselves the blanket authority to go ahead and continue to do this year after year from the trust fund. Senator DeBoer made a very valid argument. We're collecting and telling a homeowner, you know, you're paying a doc stamp, but part of that goes towards homelessness and to the prevention of homeless-- homelessness, for assistance to help folks who find themselves in this precarious situation. Yet, that's kind of stretching the truth. We're giving some of the money of the doc stamp, but not all of it. What I'm finding is those individuals, those nonprofits, those programs, those existing homeless shelters are not being told that they have access to these funds. I think the city of Lincoln would be amazed to know that they could probably have access to these funds as well to help with homelessness in their city, as well as the city of Omaha. But Senator Juarez is absolutely correct. It's not just Lincoln and Omaha, it's all throughout our state. But to me, I think we need to raise awareness, colleagues that are here and are listening, or

Nebraskans that are watching this on TV, this is something really troubling. If we can do this to the educational land trust funds that benefit our schools in perpetuity with language enshrined in our Constitution, and we're saying, we can do it, there's no guardrails, I think that's a wake up call for all of the state senators, all future state senators. What are we doing? We're going into other trust funds because those funds appear to be idle. But no one has-- I feel like no one has done their homework to reach out to these organizations that are telling us that they desperately need these funds, but were told that they cannot use these funds. So for that reason, I ask that you support Senator Cavanaugh's floor amendment to reinstate these funds. And maybe let's do a, a better job. I pledge to do a better job to spread the news that there are funds available. But it's not just up to me. It's up to all of us to make sure that those agencies and organizations that help the most vulnerable in our community have access--

ARCH: Time, Senator.

RAYBOULD: --to these funds. Thank you, Mr. President.

ARCH: Senator DeBoer, you're recognized. This is your third opportunity.

DeBOER: Thank you, Mr. President. I still don't see Senator Hallstrom, who I was going to ask about this, but I just-- put the homelessness issue aside. We're raising a tax, a specific fee, a specific tax, which we told people, here is the reason we are, are charging you this tax. We're going to use it for this purpose. And we're, we're now raising that tax at the same time as we're sweeping it out, not using it for that purpose, and putting it in the general funds to use for other purposes. And that's a really tricky point for me. Like, why are we, why are we doing that? And I think it's this idea that if we just raise fees, we're not raising taxes. But I think my colleagues will agree, if you raise fees, that's raising taxes. We're still taking money from taxpayers to fund government, which to me is a tax. So now let's put the homelessness issue back on the table. We keep hearing that this is a big problem. We keep hearing that. I've heard that for eight years. And we keep hearing that the only solution is to have shelters and have-- they, they have some special name for the workers that, that-- it's like homelessness expert, something, there's some name. We need more of those who can go and work with folks. Maybe somebody else on

Judiciary remembers the name that they had for those folks. And these people come and they testify in front of Judiciary and they say, here's, here's the deal. There are folks in these camps that I get to know. And I get them their medicine that they need. And I help them. There's nurses that go out there. They get people medicine. And when people get sort of, I can't remember the word-- the word now, but to their equilibrium-- stabilized, I guess, then they are able to take the help and do what they need to do in order to be housed again, potentially have a much, I don't know, more productive, in some cases, but at least more fulfilling. But that takes money, it takes money. And we don't have a lot of money. Except we have this money. We have this money that we told the taxpayers of Nebraska we're gonna use for this purpose. The taxpayers of Nebraska are saying, fix this problem. We don't like these camps, fix the problem. We have the money to fix the problems. We took it from taxpayers, we took it from taxpayers, we told them the purpose we're taking it from you from is for fixing this problem. It's going to take money to fix the problem. We have the money to fix the problem, we told them we were going to fix the problem with that money. And now we're not going to, and we're going to raise the fees on them. The people of Nebraska asked us to fix a problem. They gave us the money specifically to fix the problem. The problem takes money to fix. We have the money, we should fix the problem. At the very least, we shouldn't raise taxes on them to fix the problem that then we're not going to use to fix the problem. I-- it seems pretty simple to me, apparently I'm missing something. We promised you, the people of Nebraska, that we were going to fix a problem. You've complained about the problem. We have the money to fix the problem, we're going to sweep it away now so we don't have the money to fix the problems anymore. We're not going to try the problem, we're not going to attempt to fix the problem, we're not going put a dent in the problem. Instead, we're going to charge you more on the documentary stamp. This is a pretty flummoxing situation for me. I don't really understand why we're doing this. Unless it really just is we want to use the money that we told you we're gonna use for one thing for something else. And I don't think we should. I think we should use it for what we told you we were going to use it for, particularly since you asked us to fix that problem. Thank you, Mr. President.

ARCH: Senator Clouse would like to recognize a special guest. His wife, LaVon Clouse, is-- from Kearney, is located under the north balcony. Please rise, be welcomed by the Nebraska

Legislature. Seeing no one left in the queue, Senator Machaela Cavanaugh, you are recognized to close on your floor amendment.

M. CAVANAUGH: Thank you, Mr. President. Well, we are just on a roller coaster ride today, everybody. So what I'm going to do is I'm going to pull this amendment because we're trying to figure out a solution to the problem on this, on this fund that exists for the advocates and while also not doing too much damage to the green sheet. So I will be back with an amendment before we have cloture tonight, hopefully. So, so we will continue the conversation on the homelessness fund in a little while. And with that, I withdraw my amendment. Thank you, Mr. President.

ARCH: So ordered.

CLERK: Mr. President, Senator Raybould would move to amend with AM2785.

ARCH: Senator Raybould, you're recognized to open on your amendment.

RAYBOULD: Thank you, Mr. President. Now this is gonna seem like small potatoes. It's not like the \$6.5 million from the homelessness assistance trust fund, but it matters greatly to this organization. This is the Nebraska State Board of Landscape Architects. Last year, we were able to pass an amendment and a bill that would recognize them as a body and to allow them to continue to do the amazing work that they do. So this amendment, AM2785, is very simple. It restores the \$25,000 to the State Board of Landscape Architects Cash Fund that was taken in LB1072. It seems like a small amount, I know that, but it matters when I tell you their budget is \$100,000. So that's like saying that we're, we're taking 25% of your budget away. And this is, this is the request from the Nebraska State Board of Landscape Architects. The Nebraska State Board of Landscape Architects strongly and respectfully urges a removal of the section from the budget bill. The proposed transfer of \$25,000 from the board's cash fund will significantly and negatively impact the board's ability to carry out its mission to protect the health, safety, and welfare of the citizens of Nebraska. The amendment's proposal to sweep \$25,000 from the board's cash fund currently with a balance of approximately only \$100,000 was made without meaningful consultation with this board or insight into the operational consequences it will impose on the board and the citizens it serves. Now I'm going to put a pause on that. I have

to tell you, this is what I am hearing from so many organizations. This is a small amount of \$25,000, but you can tell it is so impactful to their ability to deliver their operations and the performance of their duty. And I'm wondering why. This is not the first time, this is not the second time, this is not the third time, this is like the fifth time I'm hearing that. And I just want to read again what they're saying, that this was made without meaningful consultation with this board or insight into the operational consequences it will impose on the board and the citizens it serves. Why is this happening? You know when you have like one incident or two incidents, you might shrug them off. Maybe this, this is just a one-off thing. But this is a repetitive practice. And it goes back to some of my earlier comments I made. When states, when municipalities, get into budget crunches or budget dilemmas or budget deficits, sometimes bad and oftentimes desperate decisions are made. Now back to the letter. Comparatively, while the proposed funds transfer may seem nominal when compared to the other can-- cash transfers proposed in this amendment, this specific transfer will have an outsized effect on the board's ability to carry out its statutory duties. The board is very aware and sympathetic with the position the Legislature finds itself in. However, it is the board's opinion that this transfer from its fund disregards very recent changes the board has undertaken in order to reduce its cash fund voluntarily. In 2025, the board lowered the license application fees in order better accommodate both prospective and current licensees. These reductions were also done in alignment with Governor Pillen's goal of reducing barriers to entry for professions and cutting red tape. At the time, the board was facing a unique surplus situation, and per statutory directives within the Landscape Architects Act, took it upon itself to lower fees in order to reduce the surplus to the required cash reserve amount. The goal was promptly accomplished, and the board felt it was on track to not only reduce fees, lowering costs for potential and current landscape architects, therefore encouraging higher retention within the profession in our state of Nebraska, but also to be able to maintain a steady, small surplus within the cash fund. Now, with the amendment before us proposed by-- proposed to LB1072, the board is very concerned with the board's ability to maintain its fund adequately if this specific section is included. The board was afforded no chance to discuss in a public hearing with the Appropriations Committee and, subsequently, was not given notice of this proposed transfer or any insight into this decision-making behind this process. This suite penalizes a cash-funded board who has been properly

maintaining its cash reserve in accordance with the law. I don't know-- I know the pages are listening to me, and I appreciate your attentiveness, but this to me is alarming. They're saying a lot of the same things I'm hearing from so many agencies, nonprofits, and I'd like to repeat that again. The board was afforded no chance to discuss in a public hearing with the Appropriations Committee and, subsequently, was not given notice of this proposed transfer or any insight into the decision-making behind this process. So I'm, I'm struggling to find an answer. I don't have an answer to give to them. I've been told that the Appropriations Committee staff tries their hardest to notify those individuals whose funds are going to be swept into the General Fund for a deficit, and I'm trying not to say it, but it's a self-inflicted deficit. But it's troubling. I guess the part I get concerned about is that the agencies are trying to do their statutorily-mandated duties and obligations, but it is only when these funds are swept from them that they are actually notified this has happened. So it's, it's like you have a duty and an obligation to perform your duty, and then you just are out there doing your duty and performing your obligations, and all of a sudden they tell, tell you, we're taking this money from your account. No notification. They're just doing it. And that's, that has been the pro-- problem with this process this year. And I don't know if any of the other state senators are seeing it, but hopefully you can tell when I report what they send to all of us. I know they sent it to me because I have an affection for architects. I have an affection for UNL School of Architecture because I love that, the work that they do. And I have been involved for 37 years of my construction career dealing with architects. They do good things. And the work that this board does is advocacy for the retention of those young architects that graduate from the program at UNL to make sure that they have an opportunity to have access to jobs, jobs in our state that we want to keep in our state. So I, I struggle to give anyone a real answer except I'm not on Appropriations. If I had known that this was happening, I personally would have reached out to you and told you, hey, we're having a hearing on this. But I'm on Appropriations, so I don't know what or how we're failing these organizations in making sure that they are aware that this is a po-- this is a real possibility in our budget deficit crisis. So I asked my colleagues, I know we can get through this rather quickly, and I promised I don't want to take up much of your time, but I ask that you support this AM2785. It's for \$25,000. It's a quarter of their budget. They've already voluntarily given up funds. I think it's

something that we can do to work towards retention of our young architects in our state. Thank you, Mr. President.

ARCH: Senator Clements, you're recognized to speak.

CLEMENTS: Thank you, Mr. President. I'm almost running out of words, I think. But I don't-- haven't run out of numbers yet. I looked up the Board of Landscape Architects account, and their fund has about \$100,000 in it. Last year, it received \$31,000 of revenue. They spent \$28,000 on that. They are spending about the amount that comes in. So if the \$100,000, and we take out \$25,000, that would leave them \$75,000. And if they spend even \$30,000 of that yet for this year's expenses-- the next year's expenses, they would still have a \$45,000 balance with revenue coming in that covers expenses. And this transfer, if you look at it, won't be done until June 1st of 2027, which will allow them next January to have a hearing, if they request a hearing with the Appropriations Committee. We always accommodate any agency that requests a hearing. The budget next year won't pass until about the first of June or probably a little before that. So the transfer won't come out until next year's budget is accomplished. But the fund is still showing that it's sustainable with a \$25,000 transfer out, leaving \$75,000 to be able to spend the \$30,000 normal expenses. And so I do believe this is a sustainable amount. And we certainly expected the agencies to be aware of what was in the budget, but that is-- it may be an oversight on my part. Nobody made me aware of a concern until today. So I, I am not able to support AM2785. And I do appreciate getting through amendments and discuss-- discussing the issues. As you're seeing, the budget has hundreds of items in it, and we look carefully at each request for transfers and, and make sure things are sustainable. So I would urge this agency to come in next January to the Appropriations Committee and ask for a hearing, because this-- the \$25,000 proposal is not going to come out until June 1st of next year or after. And I think that was put in just so that it would give them some protection, ability to do some planning if necessary. And so their, their fund will be intact until next June. So I would ask for your red vote on AM2785 and encourage the agency to make their concerns known next year. Thank you, Mr. President.

ARCH: Senator Raybould, you're recognized to speak.

RAYBOULD: Thank you, Mr. President. I do have some questions I'd like to ask of Senator Clements, if he would be receptive.

ARCH: Senator Clements, will you yield?

CLEMENTS: Yes.

RAYBOULD: Yes, thank you, Senator Clements, for your, your great explanation. This is one question, and I, and I-- forgive me, I didn't have a chance to run up and tell you I was going to ask you a question. But it's pretty simple. On the optics of this is, number one, they have already-- had already given funds per the original request from different agencies and organizations voluntarily, and then now we come back and take more funds from an organization that has, I guess in the whole scope of things, so little funds. The optics of it makes it seem like the state of Nebraska is so desperate that we're really literally scraping the bottom of the barrel of these smaller organizations and institutions for funding. I mean, can you tell me a little bit more about the process on these smaller funds? How, how did we come to the conclusion that it was OK to take like a quarter of their budget away, and the impact it would have? I know you explained it very well, I appreciate that, but is the state of Nebraska so deper-- desperate that we are, are really digging down deep for these funds?

CLEMENTS: I've been told there are 900 cash funds and agencies and state funds and agency funds and that the Governor's budget office reviewed, went through and looked at all of them and looking, looking for excess cash. And this appeared to be money that would not be harmful to the agency. And this is one of the, probably is one of the smallest transfers. But it, you know, might have been bigger. I think it was kept down just to make sure it was going to still be sustainable. But I, we-- I wasn't involved in looking at 900 different cash funds, but this must have stuck out because there was quite a bit more money in there than they ever spend yearly, about three years' worth of their spending was in there. And a lot of funds we, we've gone down to a six-month or less reserve. And that would probably be the answer, is the fund balance compared to the annual spending was about three times, three years' worth excess.

RAYBOULD: Thank you, Senator Clements. I have another question for you. I'm, I'm wondering are you concerned, you know, I've mentioned a few other examples on the microphone, that some

organizations were notified after the hearing that their funds were being taken but they received no notification beforehand so that they could come and publicly testify. I mean, I've given, like, three examples on the mic, but I have more examples, but-- and I, I want to be clear, Senator Clements, I'm, I'm certainly not blaming you. I mean, there's lots of, like you said, 900 different cash funds. But does that trouble you, that you're hearing more and more about that? This is like, this year, I'm hearing more about it than ever before.

CLEMENTS: I don't like to see that happen. We rely on our fiscal analysts. We have fiscal analysts that talk to every agency. We have an analyst for every state agency, and we talk to them and expect them to be in contact with the agencies that they analyze, and would encourage them to make sure they communicate. I think that would be-- would help solve the problem. As well as the Governor's budget office, if, if they would communicate. Looks like there was miscommunication in some instances.

RAYBOULD: OK. Thank you, Senator Clements. Just one last thought, and I know I get to close, but colleagues, I know that when it came to the Niobrara River Council, they got their \$34,000 restored, or maybe it was \$36,000. And I'm, I'm asking us not to choose pet projects, but here I am asking you to choose a pet project.

ARCH: That's time, Senator. And seeing no one left in the queue, you're welcome to close.

RAYBOULD: Thank you very much. Thank you, colleagues. I know, hey, am I standing between you and dinner? Yes, I am. So I will be very brief. I ask your support for AM2785. This is a small amount, \$25,000, from an organization where it's a quarter of their budget. Can they plow through it? I suppose. What other choice do they have? But the concern that I have and I want to bring up once again, these organizations are not being notified, otherwise they would have come up and testified before the Appropriations Committee and share their concerns and thoughts, just like I read the letter from them. So I ask for your support of AM2785 because we've done this with other small-time organizations where those funds matter. They impact their operations, they impact their ability to get the job done and fulfill their statutory duty. So, colleagues, I ask for your green vote on AM2785. Thank you, Mr. President.

ARCH: Members, the question before the body is the adoption of AM2785. All those in favor, vote aye. All those opposed, vote nay. Mr. Clerk, please record.

CLERK: 13 ayes, 25 nays, Mr. President, on adoption of the amendment.

ARCH: The amendment is not adopted. Mr. Clerk for items.

CLERK: Thank you, Mr. President. Your Committee on Education, Chaired by Senator Murman, reports LB841 to General File. Your Committee on Enrollment and Review reports LB727, LB835, LB1181, and LB1240 as correctly engrossed and placed on Final Reading. Additionally, amendments to be printed from Senator John Cavanaugh to LB933. That's all I have at this time, Mr President.

ARCH: The Legislature will now stand at ease and will resume at 6:20. 6:20.

[EASE]

KELLY: The Legislature will now resume. Mr. Clerk.

CLERK: Mr. President, an announcement. The Health and Human Services Committee will have an exec session at 6:30 in Room 2022. Health and Human Services Committee, Room 2022 at 6:30. As it concerns the bill, Mr. President, Select File, LB1072 when the Legislature left, pending was the bill itself, as well as an amendment from Senator Clements, AM2649. Senator Lonowski would amend that amendment with AM2788.

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

LONOWSKI: Thank you, Mr. Lieutenant Governor. I want to thank Speaker Arch for allowing this friendly amendment to add one portion of LB830 to LB1072. I also want to thank my colleagues on the Government, Military and Veterans Affairs Committee for supporting this amendment and the advancement of LB830. AM2788 is a portion of LB830 for expanding eligibility of building renewable [SIC] allocation funds in Chapter 81 of our state statutes. Therefore, military department buildings on federal-leased land are eligible for these maintenance dollars. As a result of adopting this amendment, all Nebraska military department buildings could receive funding under the Building

Renewal Act administered by the Task Force for Building Renewal. The funding would be limited to Building Renewal Allocation Fund, which is sourced by cigarette tax revenue for maintenance of our state buildings. The current exclusion is due to construction of these facilities using federal dollars. The Military Department is already required to use state funding as a split with federal dollars to maintain the buildings. This change will provide a potentially alternative funding source for the state, which is matched for the seven military facilities currently excluded. The Nebraska Military Department currently operates 21 armories across the state, 7 of those armories are on federal property. These seven armories are entitled to Task Force 309 funds. As it stands now, they do not receive any of those funds. Of the seven armories, two of the [MALFUNCTION] where maintenance may be required, including emergency maintenance. The Nebraska Military Department, their director, Steve Peterson, has asked that seven of our armories be included in, in case emergency funds are needed. The Nebraska Military Department received 75% funding from the federal government for these cases. Only 25% would be paid from Task Force 309 funds. The Nebraska Military Department could still be turned down by their committee if it were deemed the maintenance requirement is not an emergency or if task force funds were not available. I ask for the body's support of AM2788 to AM2649 for LB1072. Thank you, Mr. President.

KELLY: Thank you, Senator Lonowski. Senator Clements, you're recognized to speak.

CLEMENTS: Would Senator Lonowski yield to a question, Mr. President?

KELLY: Senator Lonowski, would you yield to a question?

LONOWSKI: Yes.

CLEMENTS: I didn't hear, was this a bill in the Government Committee?

LONOWSKI: Yes, it was.

CLEMENTS: What bill number was that?

LONOWSKI: My bill number was-- I'll have to get back to you on that, I cannot recall--

CLEMENTS: I thought in your opening you quoted a bill number.

LONOWSKI: Let me look. Yeah, I'm sorry, LB830. And, and basically, there are seven armories that sit on federal property. If any of these armories would need maintenance work that would fall under emergency category, they could use Task Force 309 funding. 80% of that funding for these emergencies would still come from the federal government, but the remaining 20% could come from these, from these Task Force 309 funds.

CLEMENTS: This is changing the use of Task Force 309 funds, is that what it's doing?

LONOWSKI: It's basically adding armories to the Task Force 309 funds. So it's not changing the funding at all. The buildings, the Nebraska military buildings that are on federal department fall under these-- this funding category.

CLEMENTS: All right, and so the-- let's see, so this is gonna help with armories that are on federal land? Is that it?

LONOWSKI: That's correct.

CLEMENTS: And was there a vote in the committee on LB830?

LONOWSKI: There was a vote, and I believe it came out unanimous. There was one member that was, was absent at that time, but I believe that he came out and voted, so it was 8-0.

CLEMENTS: OK, it's a bill that's on General File then. Was there a fiscal note on this bill?

LONOWSKI: There is not a fiscal note, it would use already-appropriated funding.

CLEMENTS: All right, and so it would be funded upon request. It's not a requirement that we fund anything.

LONOWSKI: That's correct.

CLEMENTS: It would only be if a request is approved.

LONOWSKI: That's correct. There's a commission that could deny that request.

CLEMENTS: Yes. All right. Well, this is the first I've heard of this provision. So it did kind of surprise me to hear a bill being brought into the budget. Is-- and this just authorizing, evidently, it's expanding the use of the 309 Task Force fund. And so I'll have to take a look at the amendment. But at this time, it sounds favorable. It's not going to be a negative effect on the budget and could be helpful. So I'm going to take another look at it. Thank you, Senator Lonowski. Thank you, Mr. President.

KELLY: Thank you, Senators. Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. I rise in opposition to AM2788, not because of the content of it, but because I disagree with the practice of taking bills and policy and amending them into the budget. This is not how it used to be done at all, and I think that we need to go back to being consistent and not do policy through the budget. We need do policy through legislation. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator Wordekemper, you're recognized to speak.

WORDEKEMPER: Thank you, Mr. President. To address maybe some of Senators Clements' concerns, I am on the Government, Military and Veterans Affairs Committee, and I am also on the 309 Task Force Fund's building and maintenance committee. And I was PNV on this, I was waiting to get information back from DAS on how these funds were going to be appropriated, and if it was going to hurt their budget. My concern initially was that we were adding more buildings for-- to apply for these funds, and they assured me that they didn't feel like it was going to harm the fund. They had some money in there, and to add these seven armories to the, the mix of being available for these funds, it still is going to go through the process and rank them on their need, as Senator Lonowski said, if it's emergency. So at that time I was PNV and I was waiting back to hear from them. And I did hear back earlier this week, and they didn't feel like it was gonna be worse off at this point to include these buildings. Thank you, Mr. President.

KELLY: Thank you, Senator Wordekemper. Senator Dorn, you're recognized to speak.

DORN: Thank you, Mr. Lieutenant Governor. And Senator Lonowski, I wanted to ask a question, if I could. I apologize for not reaching out to you earlier. I, listening to Senator Wordekemper and, and you, and some of the discussion you had here with Senator Clements. And the, the 309, just, just for clarity, I guess, this allows them to, I call it, be just like everybody else and apply for those funds. It doesn't, doesn't say that 309 moves them to the top of the list or anything, it's part of the process that everyone else also would go through for 309. But they could use those funds to, I call it, supplement this 20% that they need. Explain that-- am I looking at that correctly?

KELLY: Senator Lonowski, would you yield to a question?

LONOWSKI: Yes. And Senator Dorn, that is correct, 80% of any building maintenance would be taken care of by the federal government. The 20%, and we're talking about a percentage only in emergency cases--

DORN: OK.

LONOWSKI: --would be or could be available from the 309 Fund.

DORN: Because I've been on that task force several years up here and we've toured, I call it, I call it, National Guard armories or whatever, I don't know what else topic to use, and we have replaced windows in multiple ones of those, some HVAC systems, we've helped with air conditioning and, and that. And we got to tour some of those. Are, are those exactly what we're talking about, or are these, are these federal land-- that's set on federal land or are they a little something different than that?

LONOWSKI: Those buildings are some of the different ones. If you look, for example, at Hastings training site, that might have a building or two that's included. Some of the armories that are just like in downtown in a, in a city or a town may not be on federal property.

DORN: Well, yeah, thank you. We-- I've got to tour up at Wayne. We did. We toured one last, I think, last summer. Several summers ago, we went out to Scottsbluff and toured theirs. In both of those, they did some remodeling work. At Scottsbluff it was putting all in new windows that were, I call it, way outdated and leaking very bad. And up at Wayne, they had a, a, a project where they were redoing, and I call it, fixing up some

restrooms and stuff that had basically were way past their age or whatever. So the 309 funding is used very, I call it, it's a great use to-- for some maintenance for state-owned buildings. So but they have a process whereby everybody has to apply, and then they, they're graded. And it's not just first come, first serve, or anything like that, it's, it's a process where they go through to acquire that funding. So thank you very much for answering those questions.

LONOWSKI: Sure, and one more point, if I may.

DORN: Yep.

KELLY: Senator, you were yielded to a question. So his mic.

LONOWSKI: Would Senator Lonowski answer some more questions?

KELLY: OK.

DORN: Yeah, sorry.

KELLY: Senator Lonowski, would you answer?

DORN: Thank you.

LONOWSKI: Yes, sir. Thank you.

DORN: Go ahead. You said you had some other comment.

LONOWSKI: This is, yeah, probably back to the beginning. So I had spoke with the Speaker, and we'd gotten this blessed off to put into LB1072. And I didn't realize I was attaching to another amendment, so I--

DORN: Yeah.

LONOWSKI: --my answer is an apology to Senator Clements for not giving--

DORN: Yeah.

LONOWSKI: --a heads up.

DORN: Well, I appreciate very much Senator Wordekemper for adding his comments in there too, because in Appropriations at

least, we had no idea about this or whatever. So when it comes up, you go, oh, where'd this bill come from or how did it end up here? Thank you for your explanation. And I'll thank you for answering questions too.

KELLY: Thank you, Senators. Senator Brandt, you're recognized to speak.

BRANDT: Thank, thank you, Mr. President. So I believe the money that Senator Lonowski is after comes from the 309 Task Force, and that is your Building and Maintenance Committee. It's a special committee. Senator Hughes is the Chairman, Senator Wordekemper is the Vice Chair. Senator Dorn, Senator Fred Meyer, myself and Clements, Senator Clements-- yes. Yeah, I heard "me" back there, yeah. We all serve on this committee. This was set up, I don't know, 20, 20-some years ago, 30 years ago. And it gets 50% of its funding, or about \$17 million from cigarette taxes. And it gets about the same amount from the state, because the state of Nebraska charges rent to agencies. So, for example, BSDC in Beatrice pays rent in their budget every year to the state of Nebraska. And part of that money goes to the 309 Task Force. How the task force works is we have two or three individuals at DAS that take competitive applications from all state agencies. And we have toured Chadron State College, we did some stuff over there with their-- they used wood chips to heat the college. At the training center in Grand Island for our police, their, their door locks, it functions like a motel. They were 20 years old and, and we paid for door locks there. At some of the extension facilities, we've replaced windows there. As Senator Dorn indicated up in Wayne this year, we helped the armory there. So it is a very diverse group of structures that this committee helps. And it is, it's not for frivolous things either. It's for windows and doors and HVAC systems and roofs, basically. We were on the roof over here at the State Office Building last year and looking at some of that, elevators. My concern with this is that if we start siphoning money off for special buildings that could probably get the funds they need from the General Fund, that will dilute the opportunities for all of the other ones that apply for these grants. And with that, Mr. President, I would yield the rest of my time to Senator Hughes.

KELLY: Thank you, Senator Brandt. Senator Hughes, 2 minutes, 20 seconds.

HUGHES: Thank you, Mr. President. Thank you, Senator Brandt. I think you did a really, really good job of describing how that process works with that building and maintenance, the 309 money. I echo his concerns as well, and maybe I can ask Senator Lonowski some questions, if that's OK?

KELLY: Senator Lonowski, would you yield to a question?

LONOWSKI: Yes.

HUGHES: Thank, thank you, Senator Lonowski. So this would add these federal-- more federal buildings onto our list of eligible project buildings for this funding. When you were asked to do this, can you explain, and maybe-- and I might have missed this. Can you explain, since they are federal buildings, why they're not getting all their federal funding from the feds?

LONOWSKI: They are state buildings on federal ground. As it was explained to me, these buildings should be already allowed to use Task Force 309 funds, but they're new enough that they had never had to approach this. That-- he said two of the seven buildings that are on federal ground are about 20 years old. So they're thinking like air conditioning and maybe some of the, some of the other things that can go wrong in the 20-year cycle might start popping up. They don't anticipate using any of the funds, but they would like to know that if some emergency came up and, and the federal, you know, the federal government covered 80%, if something came up, if they would have a way to, to pay off the rest of whatever the maintenance issue may be.

HUGHES: OK, thank you. So I guess this is a little bit. And I've clicked in, if I-- because I'm yellow light, I might run out of time. The concern would be, and I'm going to get the number, but we have millions and millions of dollars worth of requests for pretty limited funds. Part of that funding, as Senator Brandt said, comes from the, the 309, LB-- the tobacco money. And then the state actually charges rent to go into this pool and then they--

KELLY: You're next in the queue.

HUGHES: OK, I-- yep. Oh, I'm next? Oh, OK, great. Perfect. There was someone else in there before. So I guess the, the little bit of fear is if these are eligible, are we pushing, you know, that's just more players in the game. Also part of this, the

money can only-- buildings have to be so old to even be able to apply for these things. So they are things like if the air conditioning goes out or they have a roofing problem, every-- about every quarter we go on a tour of where they've used some of this project money for. So I guess I feel a little uncertain also about adding more to the list when we're not even, I mean the, the list, we could never get through the list today with the funds we have. And so you just, you hate to dilute that even more. It's, it's interesting, they are state buildings on federal land. So maybe we need to dig in this a little bit more. I might be a PNV on this because I just, I don't know where I feel comfortable voting yes or no at this point. Thank you.

KELLY: Thank you, Senator Hughes. Seeing no one else in the queue, Senator Lonowski, you're recognized to close on AM2788.

LONOWSKI: Thank you, Mr. Lieutenant Governor. And at this time, I would like to withdraw AM2788.

KELLY: So ordered. Mr. Clerk.

CLERK: Mr. President, Senator Machaela Cavanaugh, I have FA1044 with a note that you withdraw.

KELLY: So ordered.

CLERK: As well as FA1051, Senator Machaela Cavanaugh, withdraw.

KELLY: So ordered

CLERK: And FA1046.

KELLY: So ordered.

CLERK: Senator Kauth, I have FA731 with a note you withdraw.

KELLY: So ordered.

CLERK: In that case, Mr. President, Senator Machaela Cavanaugh would move to amend with FA1078.

KELLY: Senator Machaela Cavanaugh, you're recognized to open.

M. CAVANAUGH: Thank you, Mr. President. Colleagues, FA1078, I'm going to just pull it up to make sure I'm saying the right

thing. Yes. OK, FA1078, it just inserts language on page 141 that helps sort of ensure that the crime victims of-- prevention fund is not overextended, I guess, is what I would say. So worked with the advocates out in the lobby, worked with Neil Sullivan from the Governor's Office and Chair Clements and Kenny from Fiscal. And so I would just encourage your green vote and we can move on to the next thing. Thank you.

KELLY: Thank you, Senator Cavanaugh. Senator Clements, you're recognized to speak.

CLEMENTS: Thank you, Mr. President. Would Senator Machaela Cavanaugh yield to a question?

KELLY: Senator Cavanaugh, would you yield to a question?

M. CAVANAUGH: I'm a little nervous, but yes.

CLEMENTS: Well, thank you. I think this is an item that we've discussed. Is this going to delay a transfer of these funds until like next June of 2027?

M. CAVANAUGH: That's the next amendment.

CLEMENTS: Oh, OK. Could you describe the--

M. CAVANAUGH: You're buzzing along too fast, sir.

CLEMENTS: Well, you know, I didn't want to get stung. So could you refresh me on what this does?

M. CAVANAUGH: So this is the one for the crime victims prevention, and it just says that they can't spend more than \$400,000, which is what the committee appropriated. And it just makes sure that they don't spend more than what we've appropriated out of the fund.

CLEMENTS: And this from the Crime Commission?

M. CAVANAUGH: This is in the Crime Commission, yes.

CLEMENTS: In the Crime Commission, and it puts the limitation of \$400,000 cap on spending.

M. CAVANAUGH: Yes. Correct.

CLEMENTS: Which is what was in the budget proposal.

M. CAVANAUGH: Yeah, so it just kind of reiterates what the intentions of the committee.

CLEMENTS: OK, well, I'm--

M. CAVANAUGH: What do they call it? Belt and suspenders?

CLEMENTS: OK.

M. CAVANAUGH: This is a belt and suspenders.

CLEMENTS: All right. Thank you, Senator Machaela Cavanaugh.

M. CAVANAUGH: Thank you.

CLEMENTS: I have no opposition to FA1078. It's preserving a provision in the budget and not, not making a change to our General Fund. So it's acceptable to me to put that limitation on that at this time. Ask for your green vote on FA1078. Thank you, Mr. President.

KELLY: Thank you, Senators Clements and Cavanaugh. Seeing no one else in the queue, Senator Cavanaugh waives closing on FA1078. All those in favor, vote aye. All those opposed-- all those opposed, vote nay. Record, Mr. Clerk.

CLERK: 34 ayes, 0 nays on adoption of the amendment, Mr. President.

KELLY: FA1078 is adopted. Mr. Clerk.

CLERK: Mr. President, Senator Raybould would move to amend with AM2816.

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

RAYBOULD: Thank you, Mr. President. Good evening, colleagues. This, this will be very brief, and you are welcome to vote it down. But I, I do want to raise your awareness on this. It involves the lottery. And so just to, to bring to your attention. There are two transfers from the lottery that have not been done before. The first one is a transfer of \$4,694,064 to the Education Future Fund. I know Senator Clements had

pointed this out to us before. There's a number of funds that are being swept to help pay for that Education Future Fund obligation, which is \$250 million a year. The next amount that is being swept from the lottery is \$70,000, again, to the Education Future Fund. This is the troubling part of it, and I think, folks, this is what we're giving away our power as a, another arm of our state government. It's this section, it's Section 126, but it's new language that has been added. It says, subject to Article III, Section 24 of the Constitution of Nebraska, transfers may be made from the State Lottery Operation Trust Fund and the State Lottery Prize Trust Fund to the Education Future Fund at the direction of the Legislature. So this is, again, setting up a terrible precedence for us to go into a fund. This is new language. New language added that has never been used before, but we're granting the authority to ourselves to continue to do this in the future. That's not what lottery was set up for. They're even going into the prize trust fund. That's for a distribution of the prizes. So I'm asking for your vote because I don't think it's OK. I don't think it OK as a body that we're giving away our authority and power to continue to go into these trust funds. But if you, if you feel it is OK and you're, you're fine with that, then vote no. Thank you, Mr. President. And I'll waive closing.

KELLY: Thank you, Senator Raybould. No one else in the queue, and you, Senator Raybould, waive closing. Senators, the question is the adoption of AM2816. All those in favor, vote aye. All those opposed, vote nay. Record, Mr. Clerk.

CLERK: 9 ayes, 22 nays on adoption of the amendment, Mr. President.

KELLY: AM2816 is not adopted. Mr. Clerk.

CLERK: Mr. President, Senator Raybould would move to amend with AM2814.

KELLY: Senator Raybould, you are recognized to open.

RAYBOULD: Thank you, Mr. President. AM 24-- AM2824 [SIC] is on the Educational Land Trust funds. It is striking language that sweeps the \$40 million from the educational land trust funds, BELF, to be used for the Education Future Funds. We've talked about this before. I've given you information when it was on General File stating that in a previous Attorney General's

Opinion, Jon Bruning, from 2007, they determined it was unconstitutional, because the Legislature back in 2007 were faced with a, a budget crisis. Not as severe as ours. But nevertheless, it was a budget crisis of their proportion. The Attorney General gave the opinion that it is unconstitutional that you may not have access to those funds. We've talked about this before. The Constitution is very clear. It does not-- and this is again, this is the only agency or department that has language in our State Constitution identifying that these funds are to remain in perpetuity for the schools' common goods-- good. And we've said before, if we're going to be raiding these funds of \$40 million, that means that out of the \$83 million allocation that was going out to schools in your districts, your public school districts, and I've handed you out the list showing precisely all the moneys that were going to your schools, envision that those moneys would be cut in half. They would be cut in half, that impact your school districts. These are funds that the school districts in your area have full discretionary use of. So if they need a new bus, they could put it on as a down payment. If the gym floor needs to be refinished, they can pay for that. So I just want you to keep in mind that this does have an adverse impact. Number one, it's unconstitutional. Senator Clements and myself, I had requested an Attorney General's Opinion from Attorney General Hilgers. They are working on it, but they had discussions with both Senator Clements and myself today. Their comments, and Senator Clements can chime in if he feels like he needs to chime in, but their comments to us were we're working on providing an official legal opinion from the Attorney General. But they said, we're not likely to disagree with the 2007 opinion from Attorney General Jon Bruing-- Bruning. This is no surprise to me because if you read our Nebraska Constitution, section VII-7, and if you look at section VII-8: All funds belonging to the state for common school purposes, including early childhood educational purposes operated by or distributed through the common schools, the interest and income whereof only are to be used, shall be deemed trust funds. Such funds, with the interest and the income thereof are hereby solemnly pledged to the purposes for which they are granted and set apart and shall not be transferred to any other fund for their other uses. I'm not an attorney, but this is called the common language and the common interpretation. So it's no wonder that both Attorney General Jon Bruning and the current Attorney General's Office are likely to, to state that as well. The important thing is that we have an opportunity to stand up and say, we understand the Constitution. We agree. And for full disclosure, there is no such sacred

constitutional language surrounding the Perkins Canal project. Yet we have said that's a red line that we will never cross to take funds from. But it's OK to take something that is constitutionally-barred from us taking the funds to help with our budget deficit. There is some language that was mentioned before, and I think I heard Senator Clements talk about it. It's in Section 179, and it talks about the Permanent School Fund is the fund described in Article VII Section 7 and 8 of the Constitution of Nebraska, the principle of which shall be held and invested in perpetuity by the state in trust for the support of its common schools. Now this is here-- what the edits were made. And the edits were made are also inaccurate and incorrect. This is the edits that were made. The annual interest long-term investment net earnings-- that's the new language-- and other income, but not the original perpetual principal balance, is subject to use for the support and maintenance of the common schools in each public school district of the state as the Legislature provides in accordance with Article 7, Section 9 of the Constitution of Nebraska. So I have had conversations with Kelly-- Mr. Kelly Sudbeck, who is the CEO and has been in that position for a number of years. And he-- I asked him, OK, so tell me, the annual interest of the long-term investment net earnings and other income, but not the original perpetual principal balance. I said, tell us what the original perpetual principal balance was. The key word is original. How many of you can calculate what the original perpetual principal balance was? OK, I'm not going to ask you to do math, but it's really easy. It was zero. It's zero. So they put this language in this budget bill saying that, hey, but we're not going to touch the original perpetual principal balance. That's zero, so what, what good does that language do? I ask you, does that language make sense to any of you business people out there saying that we're I'm not gonna touch zero? And I hope you're OK with that, because we're putting that language in here. But it's OK for us to go after the long-term investment net earnings, where in the Constitution it expressly prohibits that. So I, I don't, don't intend to talk much further, but I just want you to be aware of that. The sad thing is, the sad thing is I have a feeling, despite my best efforts, this is my last year, and these are my best efforts, that we are not gonna heed the warnings from 2007. We are not going to heed any of the verbal advice that was given to both Senator Clements and myself. We're gonna go down that rabbit hole. I have been advised again today that the educational land trust funds will sue because our actions today are unconstitutional. And I have a feeling, sadly, that's where it's gonna end up. So Nebraska taxpayers, your taxpayer dollars

are going to be paying for the Nebraska Land Trust's legal counsel because they have to hire outside legal counsel, because the Attorney General's Office also represents them on other legal matters. And so for that element, we're gonna have to pay taxpayer dollars, or sadly, those are administrative costs that will come out of their budget. But why? Why? Why are we doing that? Why are we not only wasting taxpayer dollars, where we're in a budget deficit, but we're also going to be wasting the Attorney General's time to defend this legal action in court. Maybe it's all for the best. You know how sometimes some things end up for the best? And it's time maybe someone tells our state legislatures, you have follow your constitution. If you don't like how the Constitution is written, let's do a constitutional amendment to change it so that we have full rein and access and free access to every single trust fund in all the 900 funding sources that we have. Let's just go whole-hog, you know? Why do we have any guardrails on this at all? So if no one is there, I do ask that you exert your power and authority and follow our Constitution and kindly vote in support of AM2814. Thank you, Mr. President.

KELLY: Thank you, Senator Raybould. Senator Clements, you're recognized to speak.

CLEMENTS: Thank you, Mr. President. I'm unable to support AM2814 at this time, and it's definitely a constitutional issue. I don't know when the constitutional language went in, it might be 159 years ago, it's at least 100-plus years old. And the intent is unclear because it talks about income and interest. And when I have a purchase of stock and I sell it later for a gain, it's the capital gain, and you'll find it on my income tax return, that's income. And that's really what the real issue is, what was the intent of the income or interest definition of income. I've got a review analysis of the Permanent School Fund from 2016 to 20-- projected to 2027. 2016, it had \$666 million in it. End of 2025, it had \$1.32 billion in it. The projection shows taking \$35 million per year the next two years, which is about the average of what they've taken out the previous two years, and also taking out \$40 million, which is the budget proposal in 2027. And the, the 2025 ending balance was \$1.32 billion. This would show it going in '26 to \$1.81 billion, and, excuse me, ending '26 at \$1.134 billion. Then after revenues in '27, taking out \$35 million of distribution to schools, \$40 million to the Education Future Fund, it would increase from \$1.134 billion, still increase to \$1.152 billion. Even by taking \$40 billion

out, the Permanent School Fund will grow and still be earning even a little more interest than it is now. So it's not like we're harming the fund, trying to release some of these funds that are locked away and not going to schools. The purpose is for public schools that transfer in LB1072 goes to the Education Future Fund to a separate sub-fund that is kept that way because it's going to be paid out per student in the schools like the Permanent School Fund money is. And so we did in the budget specify that it has to be distributed by the number of students in the school as well. But the 2025 revenues were \$91.8 million. The amount to schools was \$40,900,000, so 48-- \$48 million of the revenues in 2025 was retained in the fund and not distributed. And so I'm assuming that is because it was-- some of it could have been some land sold, but a lot of it probably was sale of stocks. They were changed from investing in one stock, decided another stock was more profitable. So they sold that one at a gain. And I know that their interpretation is that that is principle. And the-- I didn't take action on this until we had another attorney opinion from Department of Administrative Services, and so as usual, there's an attorney on each side of this question, and I'm willing to let them work it out. I ask for your red vote on AM2814. Thank you, Mr. President.

KELLY: Thank you, Senator Clements. Mr. Clerk.

CLERK: Mr. President, Senator Raybould, my apologies. My understanding is you would withdraw AM2814 and instead open on AM2824.

KELLY: So ordered. And Senator Raybould, you're recognized to open.

RAYBOULD: Thank you. There was a little bit of a SNAFU. AM2814 was the homeless amendment that we had discussed earlier, and Senator Cavanaugh is working on it. But it's AM2824 that is the educational land trust fund. I don't want to take up your time any further. We've already-- I've already presented an opening. Senator Clements was kind enough to address it. But, I, I don't need to continue the discussion because Senator Clements provided some answers. But I will just continue on a, a closing if that is permitted.

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

RAYBOULD: Thank you, Mr. President. Thank you for clearing up the interesting amendment backlog. And so again, colleagues, thank you very much. I do ask for your consideration and your green vote on AM2824. I think this is our opportunity as a Legislature to stand up for the Constitution and the very plain language in the Constitution in protecting the education land trust funds. They've been held in this same state of protection for 149 years. No other Legislature has deemed it appropriate and constitutional to take those funds and transfer them to the General Fund or the Education Future Fund. I know that there was a legal opinion from the Department of Administrative Services, but that is their legal counsel. The legal counsel does not report to the Attorney General, but the Attorney General's weight and opinion is, I guess, of a higher up in the pecking order of authority. So I ask my colleagues to consider voting green for AM2824 so that we prevent a likely lawsuit, spending taxpayer money on this during a fiscal crisis, which I hope you all think is unnecessary. So thank you, Mr. President.

KELLY: Thank you, Senator Raybould. Senators, the question is the adoption of AM2824. All those in favor, vote aye. All those opposed, vote nay. Record, Mr. Clerk.

CLERK: 11 ayes, 17 nays on adoption of the amendment, Mr President.

KELLY: AM2824 is not adopted. Mr Clerk.

CLERK: Mr. President, Senator Machaela Cavanaugh would move to amend with FA1079.

KELLY: Senator Machaela Cavanaugh, you're recognized to open.

M. CAVANAUGH: Thank you, Mr. President. Colleagues, this is the last you're going to hear from me on this bill. FA1079 is a date change. It moves the starting date from July 1, 2026 to June 1, 2027 for the homelessness cash fund. So what this means is that none of the money that is currently going to be appropriated out of that cash fund will be taken until the month of June of next year. So the money that comes in from the doc stamp will be-- continue to be quarterly deposited into the cash fund. It will accrue more interest. And then it will be taken, the \$6.5 million that is in the budget will be taken in June and just not before June. So that ensures that there is enough money to cover the appropriation for the homelessness cash fund granting

program and to cover the appropriation. So I would encourage you to vote for FA1079. I'm happy to answer any questions, and I'd just like to thank our fiscal analyst, Mikayla-- and I'm not speaking in the third person, her name is actually Mikayla-- for coming up with this elegant solution to this problem. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator Clements, you're recognized to speak.

CLEMENTS: Thank you, Mr. Speaker. Thank you Senator Cavanaugh. This will retain the amount of funds in the budget. There's not going to be a, a reduction in the transfer amount. It just delays the date when the transfer will happen. There was a concern from the providers of the homelessness services that there was going to be a pinch point in their cash flow. And we're not sure-- it doesn't appear to me to be that way, but there's been an agreement to go ahead and defer this transfer until next June of 2027. That's a compromise from a request to cancel the transfer, which would have been a \$6.5 million loss to the budget. And I appreciate Senator Machaela Cavanaugh and Analyst Mikayla Findlay for, for coming up with a solution that we can both live with and that doesn't harm the providers, which is always our goal in looking at cash fund excess balances, that things are sustainable. And so I'm going to be able to support FA1079 as a reasonable request. And I do really appreciate the opportunity to have something come out agreeable this way. Thank you, Mr. President.

KELLY: Thank you, Senator Clements. Senator Raybould, you're recognized to speak.

RAYBOULD: Thank you, Mr. President. I am grateful for Senator Cavanaugh's floor amendment. And I want to thank Senator Clements for this, and more importantly, the individuals who are involved in homelessness shelters. Thank you for this. You know, I was looking for the email that they had sent to me, and these were their comments. They say, these are funds that have been collected for this specific purpose and to address a need in our state to help our most vulnerable populations. Homeless shelters are operating at or near capacity as wages for many working households have not kept pace with the cost of housing. When combined with rising prices for healthcare, groceries, and gasoline, many families in Nebraska are running out of options. This is not a time to sweep away these vital funds that have

been dedicated specifically for the purpose of helping homeless shelters provide services in our communities. So thank you, colleagues. And I know Senator Cavanaugh will encourage your support of this, and I want to also thank Senator Clements.

KELLY: Thank you, Senator Raybould. Seeing no one else in the queue, Senator Machaela Cavanaugh, you're recognized to close on the amendment.

M. CAVANAUGH: Thank you, Mr. President. Just a quick recap. This changes the date from July of this year to June of next year. It doesn't change the green sheet. It doesn't change the appropriation. It ensures that there's going to be enough money in the fund for the grants for the homelessness shelters. I would encourage the next Legislature to consider increasing the appropriation for the utilization of this fund because clearly if we have \$6.5 million in there that we can take, we could probably be putting more money towards this program. But that is not something that we're going to address today, so I encourage you to vote for FA1079. Thank you.

KELLY: Thank you, Senator Cavanaugh. Senators, the question is the adoption of FA1079. All those in favor, vote aye. All those opposed, vote nay. Record, Mr. Clerk.

CLERK: 35 ayes, 1 nay on adoption of the amendment, Mr. President.

KELLY: FA1079 is adopted. Mr. Clerk.

CLERK: Mr. President, Senator Hansen would move to amend with AM2835.

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

HANSEN: Thank you, Mr. President. AM2835, let's see here. The way it's written seems like a simple bill. This does affect LB304, Senator DeBoer's bill that has to do with childcare subsidies. We have, with LB304 increased or kept-- OK, let me get a little historical context here. So during COVID, we made an agreement to set childcare subsidies from 135% poverty level to 185% poverty level. The original agreement was to do that for about two to three years, and then we further extended them to use up the rest the ARPA funds, if I remember correctly. And with LB304, which we attached to the budget bill, it keeps them

in perpetuity at 185%. What my amendment does is in two years it puts a sunset on LB 304. So within two years. The child care subsidies come back down to 130, 135%-- 130%, excuse me, which is what they originally were, pre-COVID. So again, historically speaking, originally we agreed to increase them up to 185% to help out those families during the COVID with the intent that we'd bring them back down. And so all we're doing is saying we're gonna keep them again at 185% for the next two years, revisit this again in two years, see what out-- see where our budget's at, see how we can afford it. I know there's been some concern among many senators here about where we're gonna be at in, in the years to come. This just then brings us back into the discussion about, OK, where are we gonna be at with childcare subsidies, and then whether we wanna continue them at 185, lower, 130% poverty level. So that's what this bill essentially just does. In two years we're going to bring it back down to what it originally was. If the Legislature at, at that time in two years wants to continue them at 185%, that is then their discussion to have and bring a bill and then continue them on. I just, just want to make sure that we have some kind of rearview mirror here so we can look back and see what we've done and also have some, you know, some hindsight so to know, OK, whether we can afford to continue to do this or whether we cannot. So the next two years, we're gonna keep it going just the way that it currently is at 185% with Senator DeBoers' bill. This just says, OK, in two years we're gonna bring it back down and revisit it. So with that, I'll try to answer any questions as best I can. Thank you, Mr. President.

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

DeBOER: Thank you, Mr. President. Well, that was kind of the history of what happened. What happened was, in 2021, before any of the rest of it had happened, I had already agreed-- actually, I agreed in 2020, I was standing on the stairs on the way to-- up to Bill Drafters with former Senator Kate Bolz. And she and I had wanted to put the childcare subsidy eligibility expansion into the very famous LB1107. And we were working that day to get it into that bill because that was part of what we had talked about with everyone. And we didn't have enough time to get the language right. So I said, I will take this on next year. I will get this done next year. And the next year was 2021 and we passed the bill. But because it was 2021, not because of we just wanna have this for a couple of years for COVID people, but

because the world was very uncertain as you might recall in 2021. So I said-- actually, I was working with Senator Arch, who was then the Chair of the Health and Human Services Committee. And Senator Arch said, let's put a, a study in place to see if this works. Because what we wanted to do was help people get into the workforce. He said, Let's put the study in place. I said OK. He said, we'll put the sunset in so that we can have our study. Then we have the information. Armed with the information, we'll go from there. But here was a problem. Two years later, when it was about to be up and we were supposed to have our study, the data had not gotten to the group who was doing the study in time for them to complete the study. Our department had, I don't even remember the details, but been unable to get them the information. So I said OK, let's put it out a little bit longer so that we can get the study done to determine whether or not this is a good program. Because I wanted to make sure that we had the information that said this is getting people into the workforce. Turns out we did the study. The study was finished, and it shows a couple of things. One of the things it shows, 4,400 kids. I can't remember how many families. It's a lot. Maybe somebody else has that number right now. My staffer was going to come up with the number, but I don't see him quite yet. I'll give it to you later. Bunch of families, that means people in our workforce because of this. Mother with a child, single mom, single dad, it's like \$28,000 is all they can make if we don't extend this childcare subsidy before they fall off of it? Do you think you can support yourself and a kid on \$28,000 right now? The other thing it showed is that if we do not extend this program, continue it, we will be, I've seen three or four different numbers, but somewhere in the bottom five for states in the country on childcare. It's not a race I want to win. This is a program where you pay 7% of your income and, as your income goes up, your portion of the payment goes up. You don't ever see the money yourself that comes from childcare subsidy. Your provider sees that money. And your provider gets that money, plus your 7%, at a lower rate than what private pay is, and then they provide the subsidy so that that person can go to work. Do you know that Nebraska has the highest rate in the country of working poor? At least you ought to know that your kids are in a safe place. Do you know what helps? We were talking earlier about IEPs in the schools. You know what else helps lower that? The first five years of life, having good--

KELLY: That's your time, Senator.

DeBOER: --childcare. Thank you, Mr. President.

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

PROKOP: Thank you, Mr. President. Just to, I think, add a little bit more context to this conversation, I think level-set a little about the childcare subsidy program generally. So I think, and a little more into the history of what Senator DeBoer was, was just touching on, I think it's really important to, to set out is where we're at with the current 185% federal poverty level eligibility rate, that puts us at 38th in the country, I believe, is the current number. Unless other states have done something differently here in their-- during their legislat-- legislative sessions. So we are barely middle of the pack. I mean, not even middle of pack, as far as where our eligibility issues are at. So this program is really important. And if, you know, a sunset goes into effect here, a couple years, I guess, essentially setting us up to, to, to backslide, if you will, we would guide it and it stays around the same levels that you currently would be at as far as eligibility. Whereas other states are at, we go to 48th. I mean, we talk a lot about rankings in this state and wanting to be ranked high as far things that we're proud of. That would a be, quite frankly, I think an embarrassment to our state as far what we do for our working families, what we for our kids, in an area we don't want to be at or ranking we don't want to have even if it's two years down the road. So when this legislation came up and knowing the history of it, it had broad bipartisan support. It had support from the Chamber, it has support from all the Chambers, it's had support from Farm Bureau, it had support from groups like Catholic Conference because these are programs that benefit private businesses, private childcare businesses, they support parochial schools-- or parochial childcares, they support in-home childcares, everyone that takes these subsidy-eligible kids, so that the families that these kids are a part of can, can participate in the workforce more fully. So it is an essential program that helps our state and families be able to participate in workforce, and so that people feel like their kids are in a safe place and they are getting that early childhood development that they need to then go on to be successful when they go start kindergarten. So really, you know, I would encourage everyone to vote red on this amendment just because of how essential the subsidy program has been. And I would yield any time that I have to Senator DeBoer remaining.

KELLY: Thank you, Senator Prokop. 2 minutes, 8 seconds, Senator DeBoer.

DeBOER: Thank you, Senator Prokop. Colleagues, what we did in the study is we found that this program is working for us. It's getting people working. It's getting people out into the workforce. One of the problems with putting a 2-year sunset, this is not a 5 or a 10-year sunset. This is a 2-year sunset. One of problems with that is you got to have time in the Legislature to get to these things. This bill, LB304, I introduced it last year. It was two years just to get this point. On top of that, all those folks who have small businesses that provide childcare with subsidy, they don't want to go through a situation where it's on again, off again, on again, off again. They don't know if they're going to have clients. One of the worst things you can do for businesses is be inconsistent. We already lost so many childcarers in '20 and '21 because of COVID. That inconsistency, interjecting that into the market, where you don't know, based on the proclivities of 49 people sitting in Lincoln, whether or not that's going to continue to be a program. If you understood the amount of people who have reached out to me and said, thank goodness for this program. If you talked to the person in Senator Meyer's district who was at that press conference that so many of you were at, who talked about what happened after her husband died and she had to find a way to work and what to do with her children so that they had place to go during the day so that she could work.

KELLY: That's your time, Senator.

DeBOER: Thank you, Mr. President.

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

CONRAD: Good evening, colleagues. Good evening, Nebraska. The Chamber always takes on a spectacular and particular beauty in our evening sessions, and tonight is no exception. But as we reflect in the beauty of this august Chamber, let's not let the dim lighting occlude what's happening in this moment in relation to our budgetary deliberations. And this is one of those situations in this new normal, in this new Legislature, in this post-term limits era where a lot of our precedent in practice has been twisted and bent and turned asunder in favor of cutting corners and short-sighted deals with the best of intentions

underneath of them to try and make a difference because we've become more partisan, because our fiscal house is in greater disorder, because there's not as much of an opportunity to build trust on big thinking and big issues. Like how we can come together to figure out how to do real and lasting property tax relief, things like that nature. And instead, the entirety of this budget debate has been meandering, and has been focused on this crumb and that crumb and a few thousand dollars here and a few thousand here. And that's important. And we're trying our best to make a difference to people who rely upon those funds. But it's all missing the forest for the trees. And in relation to this issue, I've heard members say they're very supportive of the childcare subsidy program. But they want that to happen in the stand-alone bill, LB304, that's been prioritized and that's come out of the Health and Human Services Committee. I agree. That's the better method. That is the historical path. People like Senator DeBoer and Senator Prokop, who've been working tirelessly on this issue, took a good-faith deal to break that practice and wed this issue to the budget because they did the best they could in the moment because of the political and fiscal circumstances presented to them. And they did it, and there's probably no greater institutionalist on this floor. I mean, I've been here 12 years, but I know Senator DeBoer cares deeply about our process and our institution. And she did it because thousands of kids in Nebraska were gonna lose care, and there was no other path presented at that time. And it was a really hard decision, and it's caused a great deal of consternation and concern on the process side, not the substance side, amongst people who are very supportive of the childcare subsidy program, including me. So I don't want to criticize colleagues who are working in good faith when they were presented with the only path forward. We do have another path out there if something like this were to move forward, but as part of that deal, it was also a deal to protect the program at the current level. It wasn't a deal, to come in later and sunset it and gut it and change it and what have you. And again, this is why we don't set substantive policy in the budget. We don't. The last time the budget failed was when that was attempted. When reproductive rights and family planning policy issues were inserted into the budget, it blew the budget and this institution apart. And to be clear, we recovered quickly from that point. But we didn't go back and touch that hot stove until the Governor put this hot potato on vouchers back in the budget to set policy and it blew apart the budget today. Now we've got a perhaps a broken deal and a policy and procedural dilemma with the critical childcare subsidy program, because people who had

been championing this program that thousands of kids, low-income kids, depended upon, worked in good faith to take a good deal. And now in the cover of night, that is being tossed asunder. You don't set policy in the budget because it risks the budget, and it also only stays in place for two years, or in this instance, a year. The budget has a natural endpoint that other legislation does not, like LB304. That's why it's illogical to set a sunset proposal--

KELLY: That's your time, Senator.

CONRAD: --in the budget due to the time constraint.

KELLY: Thank you, Senator Conrad. Senator Hansen, you're recognized to speak.

HANSEN: Thank you, Mr. President. I'm gonna remind folks that this still continues for two whole years, OK? We're not taking it away now. This continues on. We're taking away child healthcare-- or childcare subsidies. Those are all staying at 185%. This just says, and I would assume it's good governance, especially when we start putting policy into the budget, that hey, let's revisit this in two years, have it go through HHS like it did before. Have the committee go through and deliberate, listen to testimony, have them vote on it, bring it to the floor, like we typically do for all their bills. Nothing's going away now, it just says in two years, let's talk about it again. Let's see if we need to keep it the same, let's see we need decrease it a little bit because we can't afford it, let's if you want to-- yeah, it all depends on what the committee and the introducer all decides in two year. This is not uncommon, we do this for many bills. We sunset a lot of bills, especially those who we used ARPA funding for during COVID. I voted for this in 2021. I agreed to do this. Everybody on that committee agreed to it. We talked about it. I remember that. And this is typically what I've seen happen when you start using federal funds like a giant carrot in front of you, it'll turn into a stick right away. Because once you give it in there, nobody wants to take it away. The government, with all this ARPA money, all this money they gave to us, was a giant carrot. And now it comes to decision time to say, hey, look, we need to-- especially during all the discussion we've been having about our budget, maybe we should peel this back, or at least talk about it again in a couple years. Revisit this. I don't think that's irresponsible. I think that's a responsible way to govern. So

that's what this amendment does. So again, open to listening to discussion. But folks, let's think about this next time the federal government sticks a whole bunch of money in front of us. We have to revisit stuff. Thank you, Mr. President.

KELLY: Thank you, Senator Hansen. Senator Andersen, you're recognized to speak.

ANDERSEN: Thank you, Mr. President. I don't want to belabor what Senator Hansen just said about this isn't doing any harm now. It's not taking anything away. It has no impact now. But I do want to make the commentary that, you know, one of the things, one of challenges we have in this body is that we create programs that go on in perpetuity, and we don't have the insight of saying, hey, maybe we should put some barriers around it and say, look, let's, let's try it for three years. And if it's still good, then we can recertify it for another three or another five years. So I, I want to thank Senator Hansen for putting in the sunset. I think it's exactly the way that we should be operating. Thank you, Mr. President.

KELLY: Thank you, Senator Andersen. Senator Quick, you're recognized to speak.

QUICK: Thank you, Mr. President. You know, I know Senator DeBoer talked a lot about stability. And I can tell you in Grand Island, we've lost childcare facilities over the years. A lot of it has to do with the fact that there's-- it's low pay for, you know, also for the workers who work in the care facilities, but also from the fact that workers are not making enough money. So they're deciding whether they can afford to work or whether they can afford to pay for childcare for their, for their children. And I can tell you that they're with the lack of childcare in our, in our community right now and with what we're seeing with work requirements for both Medicaid and SNAP, I don't know what you want people to do. I know this is a sunset in two years. But have we put sunsets on work requirements for Medicaid or SNAP just to see what happens in two years? No, we haven't put any sunset on those. We went ahead and we're just going to implement all these work requirements from Medicaid and SNAP without knowing what's going to happen in the future to people. And you know, we talk a lot about economic development and what we need in our communities to try to help working families, to try to help businesses. To try to entice businesses to come to our communities. And if we don't have some stability with childcare

in our communities across Nebraska, I guess you really don't want businesses to come here then, because that's what's going to happen. They're going to see the lack of childcare. We've also got a lack of housing. And so I, I don't know what you want people to do. It's, it's really frustrating for me to watch this happen in this Legislature. You know, I came here to fight for working families and try to make things right for people, and try to help create more jobs for people in our communities, good-paying jobs, and then also provide-- find ways that we can provide daycare for people who do want to work. And we're going, going to put, like I say, all these work requirements on to get SNAP benefits, to get Medicaid. And then we're going to say, well, we're gonna take that daycare away from you, that subsidy for daycare. So now we put you in a position that, I guess you're just gonna go without, you know? Or you're gonna leave your children home by themselves. You know, I talked a little bit about, I've visited one of our larger daycares, it runs by the YWCA in Grand Island. And that facility, they have a lot of kids there. And they, they help a lot families. And they struggle, you know, some of these facilities struggle with turnover simply because the subsidies really probably aren't enough to offset their costs, too. So they have some turnover, loss of staff because of that. And that turnover also affects kids in our daycare. You know, when you have that, that turnover, they're seeing somebody maybe new maybe every few months that's, that's, that's working with them. They've built that relationship with that, that person who works in the facility. Maybe it's for the, you know, pre-K kids, you know, whatever it is, but they're working directly with that, with those little kids and they're building that relationship. And the next thing they figure out, I can't afford to work here anymore because I can even provide for myself. So now they, they're moving on to maybe a better-paying job, and that's what we've told people to do. You know, go out and get better-paying jobs if you're not making enough money where you're at. Well, we need people who can work in our, in our childcare centers and receive a pay enough that they can take care of their own families. And so, I don't know, it's like a vicious circle here. We, we want to take away the childcare subsidies, we want them to have work requirements, we want take away to SNAP benefits. But go ahead and get a better job, but we're not going to promote childcare so we can bring in more employers that will pay better. So I don't know. It's really frustrating for me to see this happening. And, and I know it's delayed for two years, but we need some stability to make sure we're going to bring companies into our, our state who are going to promote, who are

going to see that we're willing to put our best foot forward to say we want you to come here because we're going to make sure that if, you know, wherever your pay starts there that there's going to be some childcare for your kids, so they'll have availability to come to work. So with that, thank you, Mr. President.

KELLY: Thank you, Senator Quick. Senator Hallstrom, you're recognized to speak.

HALLSTROM: Thank you, Mr. President. I have real mixed emotions right now. I'm a co-sponsor of the funding bill for Senator DeBoer, and I understand how passionate she is about the issue. And I intend, at the end of the day, to ensure that we've got some form of funding for childcare extension for low-income. But we have a budget to address. And there's a number of things that we need to work on between now and, I presume, next Monday. I pledge to do so to the best of my ability. And hopefully we'll resolve this in a reasonable fashion and can move forward and try to get ourselves out of the morass, I think I've used that twice now today, that surrounds the budget. So thank you.

KELLY: Thank you, Senator Hallstrom. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President, good evening, colleagues. Number one, here's an important point of education in regards to budgetary practice in Nebraska. Of course, we have to have a balanced budget per our Constitution. We also don't set policy in the budget per our practice for a variety of good-governance reasons. We also don't authorize continuing resolutions, like perhaps some of our sister states or in Congress. Our budget is time-limited to a biennium. We have already balanced the budget in accordance with our constitutional requirement when we adjourned last year. It is good policy to get ahead of a fiscal crisis, as has been self-created by the Governor and the majority of this Legislature in rushing forward with unaffordable, inequitable, unsustainable tax cuts for the wealthiest Nebraskans. That's a huge driver in our present and ever-growing structural budget deficit. But we don't set policy in the budget because it goes away after the biennium. We start again. That's why we have standalone bills. We don't have continuing legislation and resolutions like they do in Congress, where this type of proposal like Senator Hansen is bringing forward is part of the budgetary process, more so. It doesn't

make sense in Nebraska because it doesn't align with how our budgetary cycles work. There's no need to have a sunset in the budget because the budget itself goes away at the end of the biennium and we start again. And of course, you cannot bind future legislators. That's another component that we need to put out there. But of course triggers and sunsets are sometimes part of negotiations to make progress on issues. But I want to point out the clear and continuing hypocrisy from members on these topics. We hear passionate speeches about how we've got to tighten our belt and we've got to get tough on things that impact the poor. That's when we have to have sunsets, that's when they have to have triggers, for food stamps, for childcare. As if somehow or another, the thousand kids that stand to lose child care, if LB304 doesn't pass, are the ones who have caused the structural budget deficit. Wake up. Where's the same scrutiny and standard for billionaire tax cuts? When are they subject to triggers? When are they subset-- subject to sunsets? If there's not a consistency there, perhaps reflect. The thousand or so kids whose parents are working are not the reason we have a structural budget deficit, and they shouldn't be caught in the crosshairs of these ridiculous political games. Whether it goes in the budget or whether it goes in LB304, it's going. And here's another thing. To corporate Nebraska who's fleecing us with their corporate welfare and now their income and corporate tax cuts, and they give lip service, we're going to be there for childcare. We're gonna show up to Senator DeBoer's rally and do a rah-rah. Where are they now? Now it's on the chopping block and the Rotunda's empty. Have you gotten any texts? Have you heard any notes from these big corporate leaders who say good things about childcare and aren't here when their cronies in the Legislature punch down on poor kids? Because I've noticed the absence. And I notice the hypocrisy, and I'm going to call it out. Thank you, Madam-- Mr. President.

KELLY: Thank you, Senator Conrad. Senator Hansen, you're recognized to speak.

HANSEN: Thank you, Mr. President. So what I was referring to, I hope Senator Conrad remembered what I said earlier, is when we get federal government money, especially ARPA money, we should be revisiting this kind of stuff. Now, if federal government gives us a whole bunch of money for tax breaks on-- was billionaires, I think she said? Well, then let's review it in two years. Fine. We don't get them. We never will. But when I'm referring to putting a sunset on this bill in particular, I was

here every time we voted on this in HHS for the last eight years. We made that agreement. We all knew we were getting all this money from the federal government to, to increase subsidies for a number of things of which we have revisited. This is that same instance. And this is a good way to govern. And I hope my colleagues here, when I'm gone, do the same thing, which puts sunsets on more bills. Actually, we had a bill that we prioritized in the Executive Board, the Sunset Review Committee. Hope somebody picks that up. So every committee, every board that we create, every entity that the Legislature creates goes in front of the Sunset Review Committee every five years, and they determine whether they're worthwhile to continue using taxpayer money. I was really hoping that bill would get on the floor. But I really hope somebody picks it up because that really needs to happen. Everything we create here in the Legislature, it seems like we never review it, we never come back to it. When I'm gone, when Senator DeBoer is gone, we don't look back. But like, things just continue on. And everybody here knows, and everybody listening, whenever the government gives people stuff, it's 100 times harder to get it back. Especially when we can't afford it. I'm all for helping people. I'm more in favor of our community and our church and our families doing it first and the government last, but to be there for those who are the most vulnerable, especially those in the DD community, which a lot of times we tend to leave behind. And so that's what this amendment does. It doesn't stop it. It's continuing for two years. But I do appreciate the discussion. And so to collaborate with my colleagues, even though I still might be re-- revisiting this this year, I'll ask the president to withdraw my amendment.

KELLY: So ordered. Mr. Clerk.

CLERK: Mr. President, Senator Raybould would move to amend with AM2841. Senator Raybould, you're recognized to open.

RAYBOULD: Thank you, Mr. President. Good evening, colleagues. You know, I'm gonna read you my horoscope. You aren't gonna believe this, but it's true. This is what it says about me. And I'm not making this up. I am not. It says, you might be enthusiastic in your communication with others today, only to find out people disagree with you, especially at work. So, so this is AM2841. And I think, I think this is one that you're gonna agree with me on, and I think even Senator Clements will agree with me on. So this on the Nebraska Environmental Trust Fund. And, you know, we've had many conversations about it, and

I handed out an article from the Nebraska Examiner. Advocates say proposal would protect Environmental Trust fund from death by a thousand cuts. This is senator Brandt's constitutional amendment LA-- LR298CA, and so but the amendment is really really simple. I am not asking for the Environmental Trust Funds to be restored. I hope everybody heard that. I am not asking for the Environmental Trust Fund to be restored. I know nobody believes me on that, but it's, it's true. But what I'm asking is that there be some relevant language changes. And I know it's hard for everybody to follow along, because it's kind of all over the place. But I think the relevance is the language change, and to make sure that going forward, that we are more careful about taking funds from the Environmental Trust Fund. We know that the constitutional amendment is hanging out there to move that forward. But just, just to be clear, so we've, we've taken \$7.5 million from the Nebraska Environmental Trust Fund to the Water Recreation Enhancement Fund. And then we're also taking \$6 million from the Nebraska Environmental Trust Fund to the Water Resource Cash Fund. But this is a language that I think we can all, all get around. It basically says, very simple, beginning July 1st, 2027, money shall not transferred from the Nebraska Environmental Trust Fund. That's it. That is it. So it's plain and simple. And I know Senator Clements is being asked a lot of questions, but would Senator Clements yield to a question?

KELLY: Senator Clements, would you yield to a question?

CLEMENTS: Yes.

RAYBOULD: Senator Clements, thank you so much. I know you are the man of the day, but I wanted to make sure that you heard the comments on AM2841. This is an amendment. I am not taking any of the funds away that have been taken from the Nebraska Environmental Trust Fund. I'm not changing the budget in-- by a penny. But what I'm adding in the language in Section 205 saying beginning July 1st, 2027, money shall not be transferred from the Nebraska Environmental Trust Fund. That's it. That's all I'm doing.

CLEMENTS: I'm not willing to support that today.

RAYBOULD: OK, and then tell us a little bit about your concerns because we're taking all the funds and transferred prior to July 1st of 2027. All those, all those funds will be transferred.

CLEMENTS: We've have been careful to specify on any transfers that have been made that there-- we put a clause in that these funds shall be spent according with the Environmental Trust Act. We were asked to even expand that language, and I did not agree with that. We're sticking with the Environmental Trust Act, the funds that have been transferred in, in the budget, and my intention is that they will continue to be used according to the act that the Legislature specified previously. But I'm not wanting to put that restriction on.

RAYBOULD: And could, could you state again the reason why you don't want that restriction to be put on the Nebraska Environmental Trust Funds?

CLEMENTS: Could be an emergency that comes up that needs it for a qualified purchase.

RAYBOULD: Isn't that, isn't that what our cash reserve funds are for, or looking at all the other cash opportunities available, other than going after Environmental Trust Funds, or veterans funds, or historical cultural arts funds? It seems like we-- go ahead, sir.

CLEMENTS: The Environmental Trust grew to \$73 million as of last June because of the money coming in is not being allocated back out. They had \$22 million in this year, they allocated \$18 million out. And not sure why it's not being used, but transfers that are in the budget are specified to be used the same way as Environmental Trust. And so I think it's appropriate what we're doing, and I'm not wil-- I'm not supporting a change.

RAYBOULD: Thank you. I don't know if the body is aware that the Environmental Trust Fund had already issued awards to many of-- they give out the grants, and they had issued all the awardees the notification that they have been awarded the grant funds. But then again, this is one of those funds where they had to stop and notify the awardees that, I'm sorry, we can't give out funds this year because our, our funds are being swept by the Legislature. So I, I have another question for Senator Clements, if I may.

CLEMENTS: Yes.

RAYBOULD: Thank you, Senator Clements. Were you aware that the Nebraska Environmental Trust Fund had to notify people after they've given out their annual grants?

CLEMENTS: They did notify people. I think that's because the Governor's recommendation was to take a much larger amount from the Environmental Trust than what the Appropriations Committee recommended. And we analyzed the sustainability of the transfers that are in the budget, and they would not prevent the awards to be paid out this year.

RAYBOULD: But-- and you know, I do appreciate the Appropriation's efforts. I know it went from \$40 million down to \$13 million. Is that correct?

CLEMENTS: Yes.

RAYBOULD: Yes. And I know that that is greatly appreciated. So I want to make sure that we acknowledge that the Appropriations Committee and Senator Clements, you did fight for those funds. But going forward, you know, how-- what do we have in our, our tool chest to be able to better guide and direct future Legislatures? Do we have, do we have to do the constitutional amendment? Senator Clements, do you think we need to do a constitutional amendment on the Environmental Trust?

CLEMENTS: No, I don't think we do.

RAYBOULD: OK.

CLEMENTS: I think we're able to manage the Legislature is given the authority to specify how those Environmental Trust Funds are used. Past Legislatures set up criteria, and I was asked to even change the criteria this year, but I did not. And the funds are still according to the criteria previously set.

RAYBOULD: OK, thank you, Senator Clements. Thank you, colleagues. I ask for your vote on AM2841 because it's minor language change that clearly says beginning July 1st, 2027, money shall not be transferred from the Nebraska Environmental Trust Fund. Thank you, Mr. President.

KELLY: Thank you, Senator Raybould. Senator, let's see-- yeah, Senator Raybould waives closing. Senators, the question is the

adoption of AM2841. All those in favor, vote aye. All those opposed, vote nay. Record, Mr. Clerk.

CLERK: 10 ayes, 24 nays, Mr. President, on adoption of the amendment.

KELLY: AM2841 is not adopted. Mr. Clerk, you have a motion on your desk.

CLERK: I do, Mr. President. Speaker Arch would move to invoke cloture pursuant to Rule 7, Section 10.

KELLY: Speaker Arch, for what purpose do you rise?

ARCH: Call of the House, roll call vote.

KELLY: There's been a request to place the house under call. The question is, shall the house go under call? All those in favor, vote aye. All those opposed, vote nay. Record, Mr. Clerk.

CLERK: 40 ayes, 0 nays on the motion to place the house under call, Mr. President.

KELLY: The house is under call. Senators, please record your presence. All unauthorized personnel, please leave the floor. All unexcused senators outside the Chamber, please return to the Chamber and record your presence. The house has under call. Senators Hallstrom, DeBoer, and McKinney, please return to the Chamber and record your presence. The house is under call. Senator DeBoer. All unexcused members are present. Senators, the first vote is the motion to invoke cloture. All those in favor? There was a request for roll call vote. Mr. Clerk.

CLERK: Senator Andersen voting yes. Senator Arch voting yes. Senator Armendariz voting no. Senator Ballard voting yes. Senator Bosn voting yes. Senator Bostar voting yes. Senator Brandt voting yes. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh voting no. Senator Clements voting yes. Senator Clouse voting yes. Senator Conrad voting no. Senator DeBoer voting yes. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan. Senator Fredrickson voting no. Senator Guereca voting no. Senator Hallstrom voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt voting no. Senator Ibach voting yes. Senator

Jacobson voting yes. Senator Juarez voting no. Senator Kauth voting yes. Senator Lippincott voting yes. Senator Lonowski voting yes. Senator McKinney voting no. Senator Fred Meyer voting yes. Senator Glen Meyer voting yes. Senator Moser voting yes. Senator Murman voting yes. Senator Prokop voting yes. Senator Quick voting no. Senator Raybould voting no. Senator Riepe voting yes. Senator Rountree voting no. Senator Sanders voting yes. Senator Sorrentino voting yes. Senator Spivey. Senator Storer voting yes. Senator Storm voting yes. Senator Strommen voting yes. Senator von Gillern voting yes. Senator Wordekemper voting yes. The vote is 35 ayes, 12 nays to invoke cloture, Mr. President.

KELLY: Cloture is invoked. The next vote is on the adoption of AM2649. All those in favor, vote aye. All those opposed, vote nay. Record, Mr. Clerk.

CLERK: 35 ayes, 8 nays on adoption of the amendment, Mr. President.

KELLY: AM2649 is adopted. The next vote is to advance LB1072 to E&R Engrossing. All those in favor, vote aye. All those opposed, vote nay. Record, Mr. Clerk.

CLERK: 35 ayes, 12 nays to advance the bill, Mr. President.

KELLY: LB1072 is advanced to E&R Engrossing. I raise the call.

CLERK: Mr. President, items for the record. Amendments to be printed from Senator Ibach to LB921, Senator Dover to LB1135, and Senator Raybould to LB1072. Next item, Select File, LB1133 from Senator Kauth. First of all, Senator, there are E&R amendments.

KELLY: Senator Guereca, you're recognized for a motion.

GUERECA: Mr. President, I move that the E&R amendments to LB1133 be adopted.

KELLY: Senators, you heard the motion. All those in favor, say aye. Those opposed, say nay. The E&R amendments are adopted. Mr. Clerk.

CLERK: Senator Kauth, I have FA793 with a note you'd withdraw.

KELLY: So ordered.

CLERK: In that case, Senator, I have nothing further on the bill.

KELLY: Senator Guereca for a motion.

GUERECA: Mr. President, I move that LB1133 advance E&R for engrossing.

KELLY: Senators, you heard the motion. All those in favor, say aye. Those opposed, say nay. The bill is advanced to E&R Engrossing. Speaker Arch, you're recognized for an announcement.

ARCH: Thank you, Mr. President. Well, this has been quite a day, and I wanted to reflect just for one minute before we all go home. Just a reminder, Legislature has one constitutional mandate, and that is to pass a balanced budget. While we accomplished that goal last year when we adjourned sine die, we found ourselves in a \$471 million deficit this session with the task of rebalancing the budget so that the state can pay its bills over the next year. I have to tell you, I'm quite disappointed with the outcome of today. Senator Clements has been one of the staunchest supporters of school choice, but his actions today to exclude that provision in his Select File amendment was a display of true statemanship. He put his duties in the budget before his personal beliefs on a single issue. I want to thank him for that. Although this is not the process I would have wanted to undertake to pass a budget this year, I want to-- I want to reassure the residents of Nebraska the Legislature will pass a balanced budget before we adjourn this year. The process can be messy. I asked my staff is we ever-- have we ever died on cloture on a budget bill? Oh yes, we're not the first. 2018, the mainline budget bill failed on cloture on Select File. Two days later, when Speaker Scheer rescheduled the bill for an additional two hours of debate pursuant to our rules, the cloture motion failed again. Finally, when the bill was rescheduled, five days later, the clotures motion was successful and the bill advanced to E&R Final on a 44 to 4 vote. Go figure. This same situation occurred in 2019 when the mainline budget bill failed on a Select File cloture vote. That year, only one additional debate was required. I do not plan to reschedule LB1071 until Monday, which will allow discussion to take place between now and the next debate. And Monday, I expect we will come together and do our jobs. Thank you, Mr. President.

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

CLERK: Mr. President, a series of name-ads. Senator Storm, Ibach, Holdcroft, Fred Meyer, and Kauth, all name-adds to LB1187. A priority motion, Senator Sanders would move to adjourn the body until Friday, March 20th at 9:00 a.m.

KELLY: The question is the motion to adjourn. All those in favor, say aye. Those opposed, nay. The Legislature is adjourned.